

# The social situation in the European Union

# 2004



European Commission



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European Union  
2004**

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## 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 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.



Mr. Stavros Dimas  
Member of the Commission  
Employment and Social Affairs



Mr. Joaquín Almunia  
Member of the Commission  
Economic and Monetary Affairs



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## Introduction

This full version of the fifth annual Report on the Social Situation in the European Union contains two sections:

**Section One** presents 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 thematic annexes on population trends, socio-economic trends, living conditions, human capital development, social protection and social participation.

**Section Two** presents 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. This section also contains a number of annexes providing additional statistical information.



## **Section 1**

### Overview of the social situation in the European Union



### 1.1. 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.

#### 1.1.1 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.

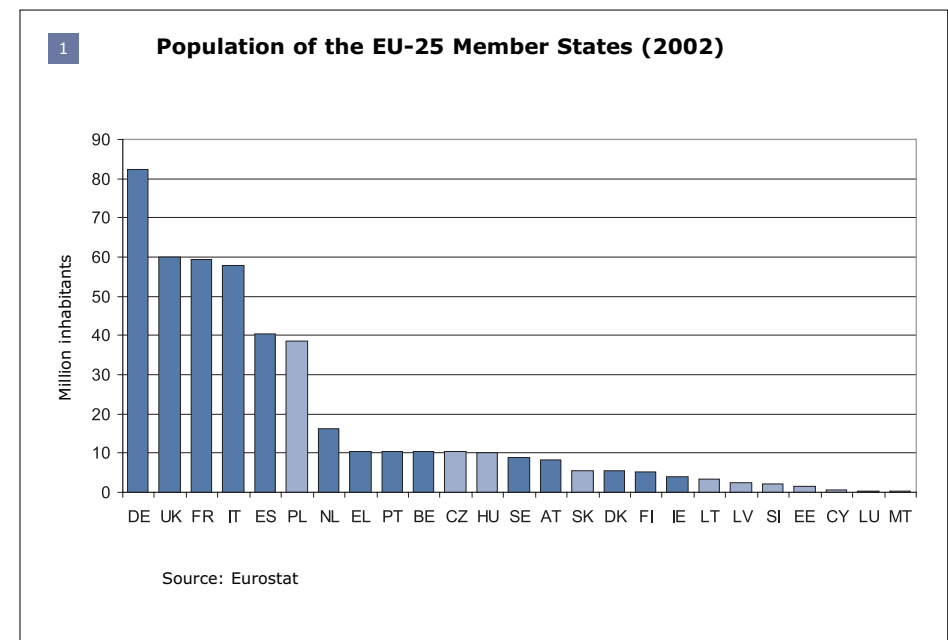
***The enlarged Union will still be marked by accelerated ageing in less than a decade...***

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.

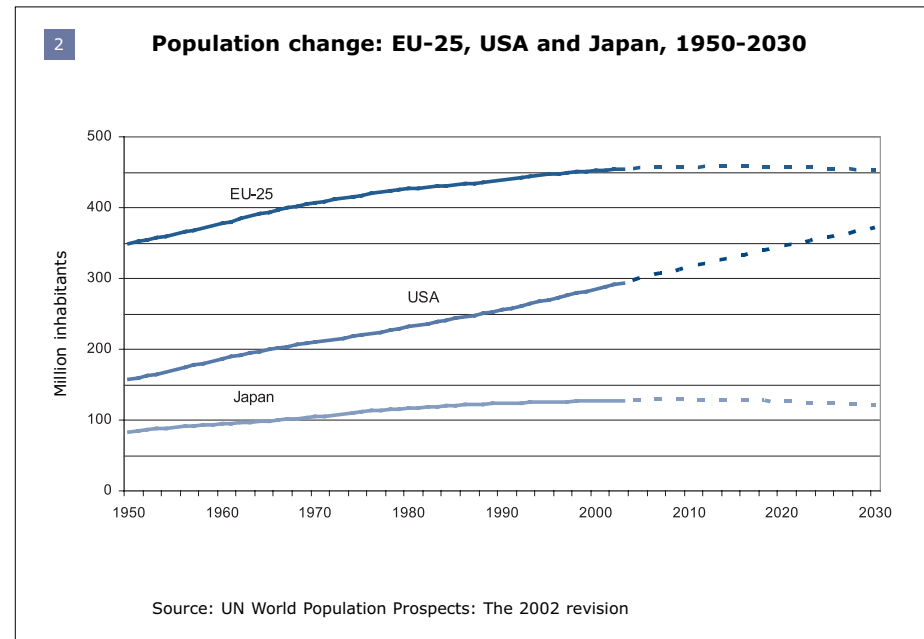
The situation in several of the new Member States was rather different, as westward emigration rose. In some of the Baltic Republics population growth even became negative as a result of outward migration. However, it is important to note that over the last ten years migration patterns have changed significantly 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.



**1.1.2 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 old MS.

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 accommodative 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.

## **1.2. 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.

**...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%),

<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.



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 coming 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 old MS.

**1.3. 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 GDP per capita 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.***

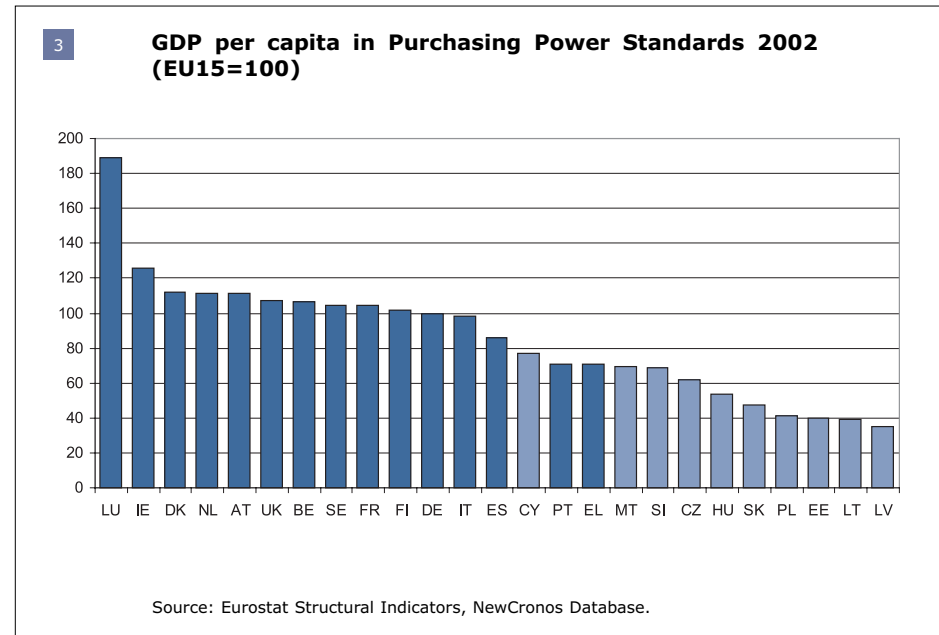
By contrast eight of the ten new Member-States - those of central and eastern Europe - experienced a severe socio-economic crisis as they emerged from a long period of economic stagnation under the old regime and started on the road towards a market economy. During the 1990s, people in these countries 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 GDP 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 GDP 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 GDP 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.

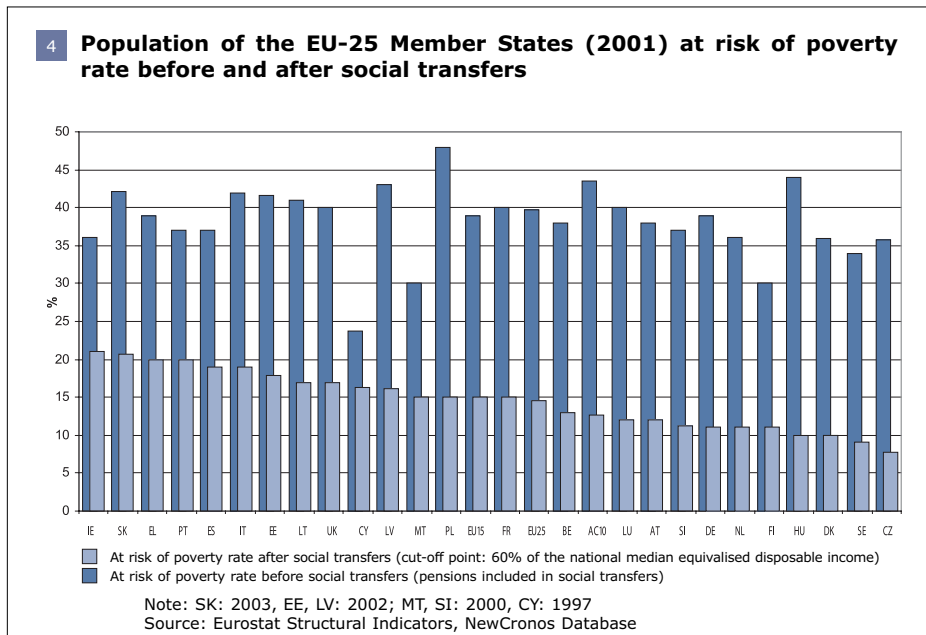
<sup>11</sup> European Commission: Third Cohesion Report 2004, COM/2004/107. Also see Comparative Research Projects funded within the Framework Research Programmes – <http://www.cordis.lu/citizens/home.html>

**...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 nine new Member States for which comparable figures are available (excluding Slovakia). The lowest rate of relative poverty in the new Union is actually found in Czech Republic (8%) 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>.

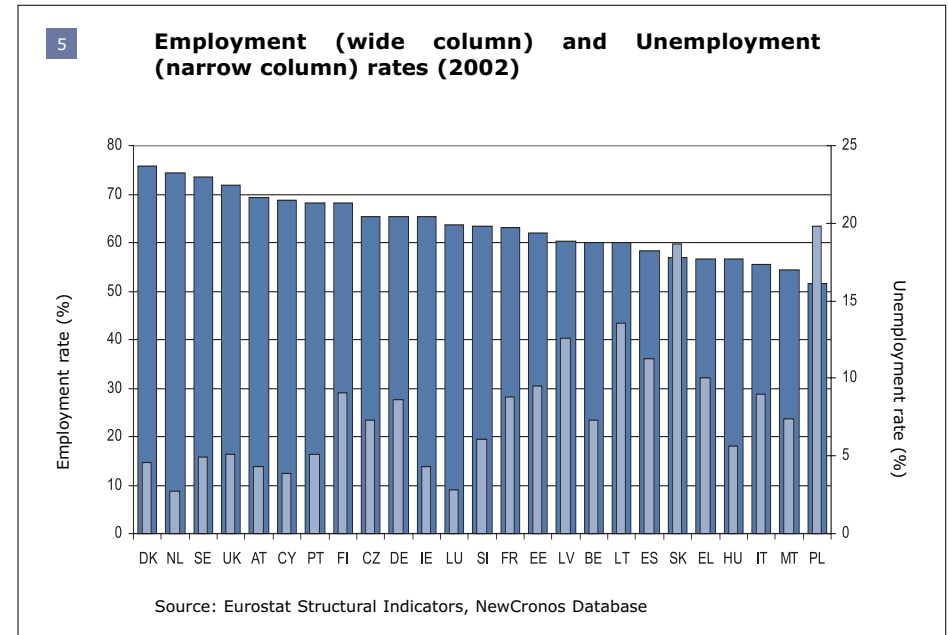
**... the absolute levels reflect GDP disparities across the enlarged Union.**

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 (typically the principal source of household income) 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.**

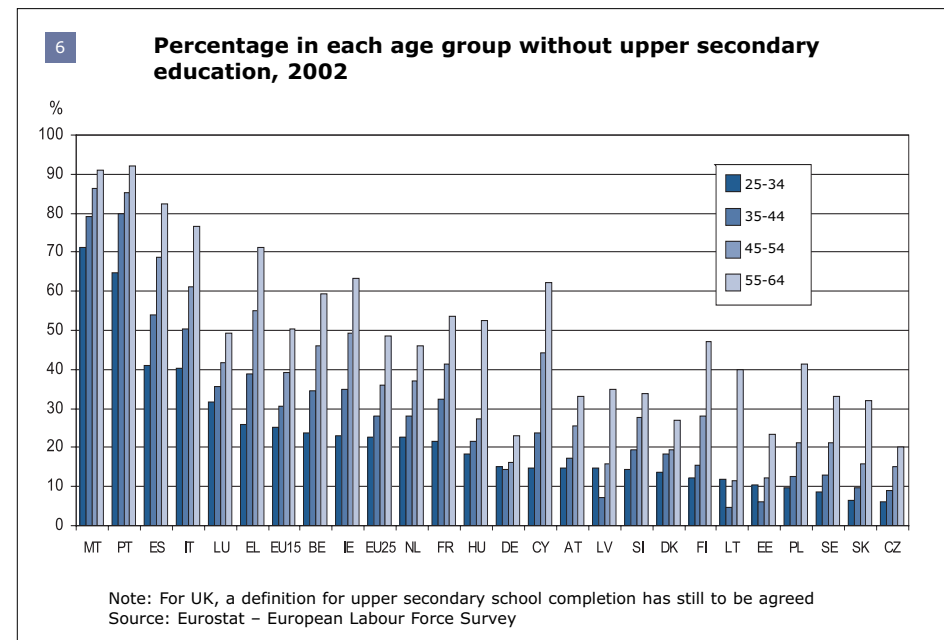
In Europe there is a relatively short supply of "newly-skilled" entrants to the labour market but a relatively large stock of workers with lower skills and employability. These two factors result in shortages at the top-end of the labour market and redundancies at the bottom-end, which underlines the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

Graph 6 shows how low educational performance 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.Ciccone: 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.

#### 1.4. 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.

##### 1.4.1 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.

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

<sup>24</sup> WB book.

<sup>25</sup> European Commission: Acceding 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.

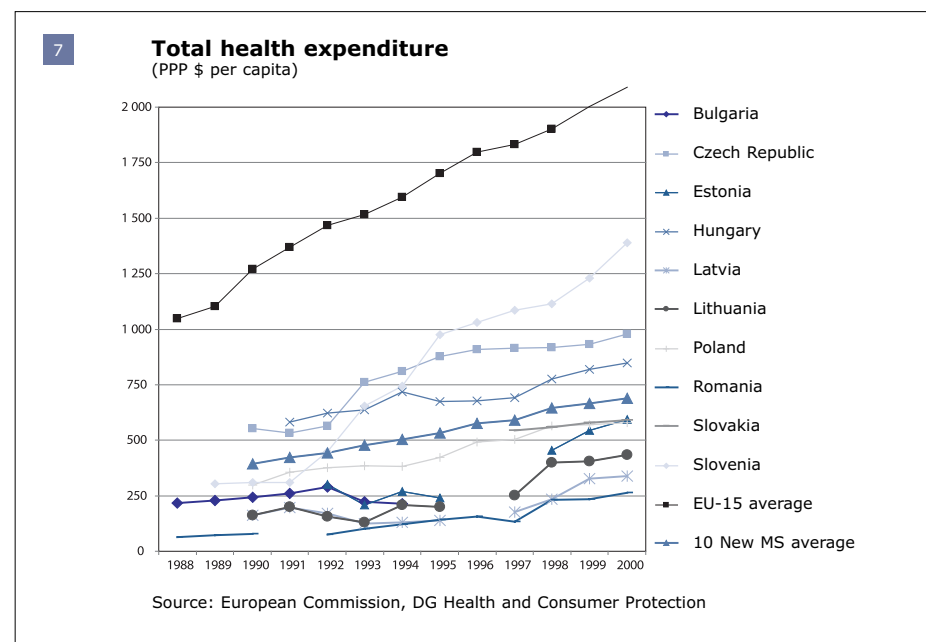
#### 1.4.2 Health insurance and healthcare

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.htm](http://europa.eu.int/comm/employment_social/soc-prot/pensions/index_en.htm)); 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 % of GDP) reflect differences in spending habits and volumes and qualities of services rendered.

31 Since low health care spending also may 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 % 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.

#### **1.4.3 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.

#### **1.4.4 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>.

#### 1.4.5 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.

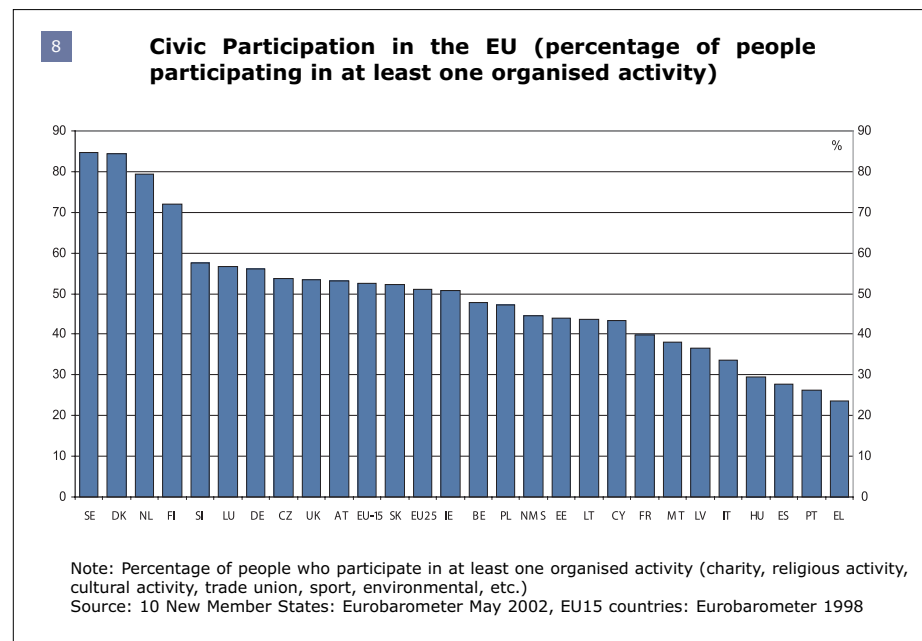
#### 1.4.6 Civil Society and Civic Participation

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.

#### 1.4.7 Industrial Relations & Social Dialogue

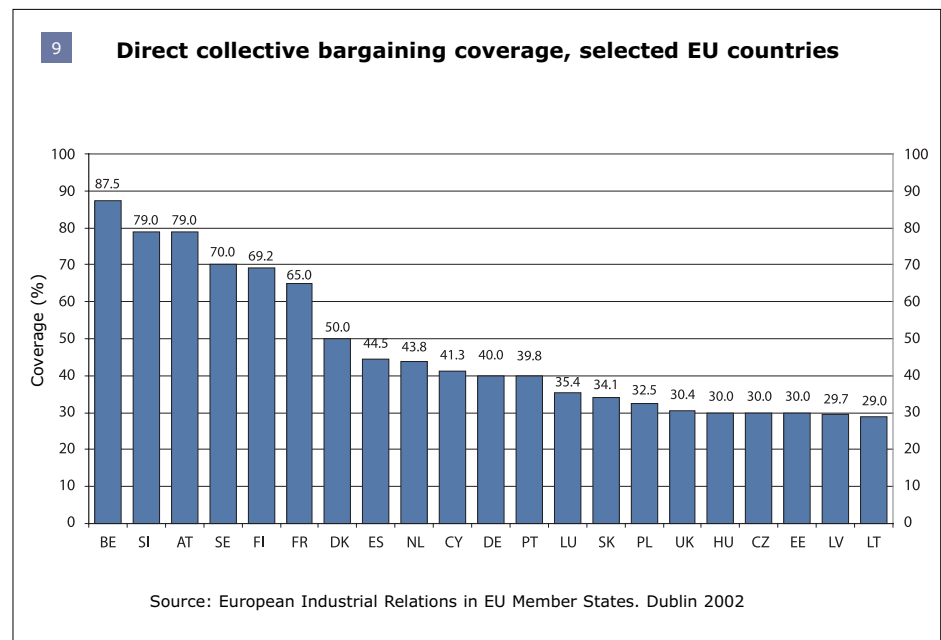
Despite sustained efforts to develop industrial relations and social dialogue in the new CEE Member States, the social partners in most of these countries still face challenges with a view to fully participating in economic and social governance which the European Social Model attributes to them. The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

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

#### 1.5.1 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.

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

42 E.g. 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."

**1.5.2 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 within 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. However in this context it should be remembered that absolute poverty by reference to a common threshold suggests higher levels of risk exposure exist in new Member States than old ones.

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.



## **Section 2**

Areas of social policy concern – statistical portraits

**The structure of the Section Two:** Section Two presents a series of statistical portraits that address a range of 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.

Each statistical portrait is presented in the form of tables, graphs and commentary. Gender issues are covered not only by the two portraits in the domain "Gender equality" but also by other portraits and the statistical annexes where a number of indicators are disaggregated by sex.

**Key indicators:** Each portrait is built around one or two selected key indicators (see table in the next page). The first two portraits provide contextual information, one on the economic situation, the other on demography, households and families. Both of them have a context key indicator whereas the social portraits 3-18 have social key indicators. Together, this set of key indicators provides not only a snapshot of today's social situation and its background, but also an instrument for monitoring and comparing progress in the social field among the twenty-five Member States and the three Candidate Countries.

**Criteria in selecting the key indicators:** The following criteria have been applied as much as possible in selecting the key indicators:

- 1) Each indicator should be:
  - i) available using Eurostat harmonised sources;
  - ii) policy relevant at EU level;
  - iii) comparable across the twenty-five Member States;
  - iv) measurable over time and;
  - v) easily understood.
- 2) The set of indicators should be relatively stable over time to ensure continuity. However, a degree of flexibility is required to take account of changing policy needs and improvements in data availability.

**The Commission Spring Report 2004:** Eleven of the chosen nineteen social key indicators are among the Structural Indicators within the Spring Report 2004 ("Delivering Lisbon – reforms for the enlarged Union", COM(2004) 29 final, 21.1.2004), which the Commission prepared for the Spring European Council (26.3.2004) on the Lisbon strategy of economic, social and environmental renewal.

**Annexes:** A summary of the key indicators with the most recent data for each geopolitical entity can be found in Annex 2.1. Annex 2.2 consists of key indicator tables with time series for each geopolitical entity (mainly latest 10 available years). Detailed other statistical data covering the whole report can be found in Annex 2.3. Symbols, country codes, country groupings, other abbreviations and acronyms are explained in Annex 2.4.

**Data used:** The portraits in Section 2 and annexes 2.1, 2.2, and 2.3 are based mainly on data that were available in December 2003 and January 2004. When important new data or important revisions of old data became available in February, March and April 2004, some parts of the portraits and annexes could be revised. An effort has been made to use the most recent data available and to present coherent data. However, since this publication is a result of contributions of tens of specialists during a year, inconsistencies of data may have remained within it.

**Sources of additional data:** Additional or more recent data can be found in the Eurostat web site (<http://europa.eu.int/comm/eurostat/>), where one also can download free pdf files of Eurostat publications. Printed versions of Eurostat publications are sold by the distribution network of the Publications Office (The Office for Official Publications of the European Communities, which is the publishing house of the institutions and other bodies of the European Union). A list of this distribution network can be found in the inside of the back cover of this publication.



<b>Domain</b>	<b>Statistical Portrait</b>	<b>Selected key indicator(s)</b>
Economy	1 Economic situation	<i>Real GDP growth rate</i>
Population	2 Demography, households and families 3 Ageing of the population 4 Migration and asylum	Total population Old age dependency ratio Crude net migration rate
Education and training	5 Education and its outcomes 6 Lifelong learning	<i>Youth education attainment level</i> <i>Lifelong learning</i>
Labour market (see also the portraits nr. 11 and 16)	7 Employment  8 Unemployment	Employment rate and Employment rate of older workers Unemployment rate and Long-term unemployment rate
Social protection	9 Social protection expenditure and receipts 10 Social benefits 11 Labour Market Policy expenditure	Expenditure on social protection as a percentage of GDP Old age and survivors benefits as a percentage of total social benefits Public expenditure in active LMP measures as a percentage of GDP
Income, poverty and social exclusion	12 Income distribution 13 Low-income households 14 Jobless households and low wages	<i>Inequality of income distribution</i> <i>At-risk-of-poverty rate</i> <i>Population in jobless households</i>
Gender equality	15 Women and men in decision- making  16 Earnings of women and men	The percentage of women in the single/lower houses of the national/ federal Parliaments and in the European Parliament <i>Gender pay gap in unadjusted form</i>
Health and safety	17 Life and health expectancies  18 Accidents and work-related health problems	Life expectancy at birth and Disability-free life expectancy at birth <i>Accidents at work</i>

Notes: Indicators, which are used as *Structural Indicators* within the Spring Report 2004 are written in italics.

# 1

## Economic Situation

Economic growth in 2002 was generally sluggish. GDP growth reached only 1.0%, and was particularly low in Germany, the Netherlands and Italy. Results continued to worsen during the first half of 2003, but very first results for the third quarter and forecasts for the fourth quarter 2003 seem to indicate a modest recovery. In general, the new Member States and Candidate Countries outgrew the old EU-15 Member States. Weak GDP growth was reflected in higher public deficit, public debt however continued to decline, and inflation and interest rates were on low levels, and convergence for the latter evident.

### ***Weak economic growth in 2002 continues to worsen in the first half of 2003***

In 2002, the European Union's (EU-15) gross domestic product rose by 1.0%, which means a significant slowdown compared to the previous years (1.7% in 2001, 3.6% in 2000). Among the four biggest Member States, the United Kingdom again recorded the highest rate of growth (1.7%), followed by France (1.2%). Italy (0.4%) and Germany (0.2%) showed only very weak growth. The German result, together with the identical Dutch value, was lowest among Member States and Candidate Countries alike. While all four of the biggest Member States saw growth slow down, some smaller economies actually managed to accelerate GDP growth, namely Belgium, Ireland, Luxembourg, Austria, Finland and Sweden. In 2002, as in the years before, Ireland recorded growth well above that in the other then Member States: Ireland's GDP expanded by 6.9%, followed by Greece at 3.8%. With growth rates of around 2%, Finland, Spain and Sweden were behind the two countries mentioned before, but still well ahead of the average in 2002. At the other end of the scale, Germany, the Netherlands and Italy were joined by Portugal and Belgium with below average GDP growth.

For the new Member States, growth rates tended to be higher than for the old fifteen Member States, averaging 2.5% for 2002. The Baltic states Lithuania (+6.8%), Latvia (+6.1%) and Estonia (+6.0%) were growing fastest, on a level only attained by Ireland amongst the old EU Member States. Relatively low growth in 2002 was observed for Poland (+1.4%) and Malta (+1.7%), both still above the EU-15 value, though. Regarding the remaining Candidate Countries, GDP grew comparatively fast Bulgaria, Romania and especially so in Turkey, where the strong 7.8% growth in 2002 was following a decline of similar impressive size in 2001.

Concerning the first two quarters of 2003, growth continued to be modest in the first quarter and dropped further in the second quarter, actually becoming negative for the euro-zone. During the second quarter, GDP declined by 0.2% when compared to the same quarter of the previous year for the euro-zone, while for the EU-15, still a positive growth of +0.2% was recorded. The new Member States continued to fare somewhat better, but most of them, too, have to cope with declining growth rates.

### ***GDP per head variations between Member States remain substantial***

In 2002, GDP per capita for each citizen in the EU-15 amounted to 24 100 Euro, somewhat ahead of the 23 000 Euro per capita for the euro-zone. The highest figures occurred in Luxembourg (50 200 Euro), Denmark (34 200 Euro) and Ireland (33 100 Euro), the lowest in Portugal (12 500 Euro) and Greece (12 900 Euro).

To make comparisons among Member States more meaningful, GDP per capita may be expressed in Purchasing Power Standards (PPS), thus eliminating the effect of different price levels. PPS are constructed in a way that renders one PPS equal to one Euro for the EU-15. GDP per head in the EU-15 thus is found to be 24 100 PPS, while for the euro-zone, the figure of 23 800 PPS is somewhat higher than the respective value expressed in Euro, indicating that the purchasing power of one Euro is slightly higher in the euro-zone than in the EU-15. For easier comparison, GDP per head in PPS is given relative to the EU-15 average set to equal 100. This figure for Luxembourg is a remarkable 89% above the EU-15 average. The second highest figure is that of Ireland, still 25% above the average. The biggest differences for figures below the EU-15 average are in Greece and Portugal (29% below average both) and Spain (-14%). Compared to the situation in 1995, it can be seen that the positions at the extremes remain unchanged, but all three have moved somewhat closer to the EU-15 average. The most obvious change was for Ireland, which recorded a figure for per capita GDP that was lower than the EU-15 average in 1995, while in 2002 it was 25% above, placing Ireland second among all EU-15 Member States.

For the new Member States, GDP per capita is less than half of the EU-15 average when expressed in PPS, and the gap is substantially bigger when expressed in Euros. Latvia and Lithuania have a GDP per head of around 4 000 Euro, meaning roughly one sixth of the EU-15 average. Expressed in PPS however, the respective values amount to 35% and 39% of the EU-15, the gap consequently being significantly smaller. Cyprus (76%), Malta and Slovenia (69% each), on the other hand, stood close to the lower values among Member States, Cyprus already surpassing Greece and Portugal. The three remaining Candidate Countries, however, all record figures well below the new Member States, at around 26% of the old EU-15 average when expressed in PPS, and much lower still when expressed in Euro.

### ***Moderate inflation***

In August 2003, annual inflation was 2.0% in the EU-15 and in the euro-zone. A year earlier, roughly the same rates had been observed: 1.9% in the EU-15 and 2.2% in the euro-zone. Among the old Member States, the highest annual rates in August were observed in Ireland (3.9%), Greece (3.3%) and Spain (3.1%); while the lowest rates were those in Austria (1.0%), Germany (1.1%) and Finland (1.2%). Compared with August 2002, annual inflation rose in six of the old Member States, amongst which three of the four largest economies, remained unchanged in Germany, and fell in eight. The increases were, however, quite contained in size, the biggest relative rise compared to August 2002 being observed in Sweden (1.7% to 2.2%, i.e. 0.5 percentage points up), followed by the United Kingdom

(+0.4 percentage points) and Luxembourg (+0.3 percentage points); while the decreases tended to be somewhat larger, the biggest relative falls being those of the Netherlands (3.7% to 2.2%), Austria (2.1% to 1.0%) and Portugal (3.9% to 2.9%). The figures have not shown any significant trend over the first eight months of 2003, but from May to August 2003, the annual rate of change of the euro-zone has not surpassed the 2.0% stability threshold defined by the ECB. The 12-month average rate of change in consumer prices, which is less sensitive to transient effects, stood at 2.0% for the EU-15 and at 2.1% for the euro-zone in August 2003, thus being only marginally above the 2.0% medium-term price stability threshold.

For the new Member States, the range of annual inflation rates was larger than for the old fifteen Member States, actually ranging from deflation in Lithuania (-0.9%) and the Czech republic (-0.2%) to inflation of 5.7% in Slovenia and 9.5% in Slovakia in August 2003. In Bulgaria, the August 2003 annual inflation rate stood at 3.5%, and in Romania at a sizeable 14.2%. Compared to August 2002, the annual rate of price change increased in three countries, remained unchanged in one and decreased in five. The biggest relative increase was observed in Slovakia (+2.7% to +9.5%), the biggest relative declines in Slovenia (minus 1.9 percentage points) and Cyprus (minus 1.7 percentage points). Considering the less volatile 12-month average rate of change in consumer prices, four new Member States (the Czech Republic, Estonia, Lithuania and Poland) recorded values below the 2.0% medium-term price stability threshold, and five recorded values above that threshold, of which Latvia with 2.3% was the only one to be close to it.

#### ***Interest rates at a low level***

The general trend in long-term interest rates in the EU-15 in 2002 was downwards. After reaching lows in June 2003, however, rates tended to rise again. In September 2003 the aggregate interest rate for the euro-zone, as measured by 10-year government bond yields, stood at 4.23% (monthly average), compared with an annual average of 4.92% in 2002, and 5.03% in 2001. The most distinguishing feature still is the high degree of convergence achieved. Up to the start of 1999, when the third phase of monetary union began, the yield differentials on 10-year bonds among euro-zone members narrowed sharply and almost disappeared. Since then, yields have been at broadly similar levels throughout the euro-zone. Before Greece entered the euro-zone in January 2001, the differential between Greece and the rest of the euro-zone also narrowed sharply. In September 2003 the differential between Germany (the euro-zone member which usually has the lowest interest rates) and Greece (which has the highest rates) was a mere 15 basis points. For the three EU-15 Member States not participating in the single currency yields have been at broadly similar levels to those of the euro-zone in 2001 and 2002, but their interest rates tend to be somewhat higher lately. In September 2003 UK yields were 53 basis points above those of the euro-zone, and those of Denmark and Sweden were also higher than the euro-zone's 4.23%. In the new Member States, interest rates still tend to be higher than in the old Member States, and convergence between them much less pronounced.

#### ***Public debt declines despite worsening public deficit***

Public deficit is defined in the Maastricht Treaty as general government net borrowing according to the European system of accounts. In 2002, only six (compared to nine in the previous years) old Member States achieved a budget surplus (net lending) or a balanced budget, while all others – among them the four largest economies of the European Union – recorded a deficit, which in the case of Germany and France happened to be over the reference value of 3% of GDP. Due to the economic slowdown, eleven old Member States saw their budgetary situation worsen in 2002, and of the four old Member States improving or keeping their position in 2002, three (Greece, Italy and Portugal) remained in deficit, while only Spain managed to turn a small deficit into a small surplus. The euro-zone and the EU-15 had managed to reduce their deficit steadily since 1995. In 2000, supported by the sale of UMTS licenses in several countries, this culminated in a budget surplus in both areas. Both however returned to a deficit in 2001 which worsened in 2002, reaching 2.2% of GDP in the euro-zone and 1.9% in the EU-15.

For the ten new Member States, the average general government deficit stood significantly higher at 4.8% of GDP, and six of them, among them the biggest in terms of GDP, had a deficit higher than 3% of GDP. However, six of them managed to improve the budgetary position with respect to 2001, and so did the three remaining Candidate Countries, Bulgaria, Romania and Turkey. Turkey was also the country with the highest overall deficit relative to GDP, with a ratio of 10.0%.

Public debt is defined in the Maastricht Treaty as consolidated general government gross debt at nominal value, outstanding at the end of the year. At the end of 2002, five old Member States had a level of public debt above the 60% threshold. Germany, which had managed to reduce public debt below 60% of GDP in 2001 has seen its debt rise to 60.8% in 2002, and of the other four countries, three – Italy, Belgium and Greece – were still above 100%. However, all three further reduced their debt. Among the old Member States with a debt level below the threshold, France and Portugal have come close to 60%. At the end of 2002, the average debt ratio for the 15 Member States stood at 62.3%, with a figure of 69.0% for the countries in the euro-zone. In both cases, this means a reduction with respect to 2001.

Contrary to that, the average debt has risen in the ten new Member States from 38.6% in 2001 to 39.3% in 2002. However, the levels of public debt for Candidate Countries are generally low and particularly so in the Czech Republic, Estonia, Lithuania, Latvia and Slovenia, where the level of debt remains below 30% of GDP, and the same applies to Romania. Bulgaria, Cyprus, Hungary and Malta have a public debt roughly around the 60% mark. Turkish debt has decreased significantly in 2002, but still reaches 95%.

**Policy Context**

In order to participate in the euro-zone, Member States must fulfil legal convergence and the convergence criteria on price stability, government budgetary position, exchange rate and interest rate. At least once every two years, or at the request of a Member State with a derogation, the Commission and the European Central Bank (ECB) shall report to the Council on the progress made in the fulfilment by the Member States of their obligations regarding the achievement of economic and monetary union.

Among those Member States not participating in the euro area, Denmark and the United Kingdom, negotiated opt-out clauses before the adoption of the Maastricht Treaty, and are not subject to regular convergence reports. For Sweden, the 2002 Convergence Report examined the progress made by Sweden in accordance with Article 122(2) of the Treaty. In the light of this assessment the Commission concluded that there should be no change in the status of Sweden as a Member State with derogation.

The Commission services evaluated the fiscal notifications submitted in April 2003 by the new Member States (then Acceding Countries) and other Candidate Countries. The fiscal notifications consist of reporting to the European Commission government deficit and debt figures calculated in accordance with the EU methodology (ESA 95 system of economic accounts). Main results of this assessment were published in September 2003 as European Economy – Enlargement Paper No. 17.

For the first time, the European Commission adopted on the same day, 8 April 2003, its proposals for the Broad Economic Policy Guidelines (BEPGs) and for the employment guidelines and recommendations, in order to ensure greater cohesion and effectiveness of the EU reform agenda in the medium term.

The BEPGs concentrate on the contribution that economic policies can make to achieve the EU's strategic Lisbon goal. The Lisbon agenda has seen notable successes, however, much more needs to be done to further boost employment, productivity and business dynamism. Interim target dates are about one year away. The BEPGs make both general and country-specific recommendations.

- They focus on the key economic policy priorities.
- They underline the need for growth and stability-oriented macroeconomic policies and for pursuing structural reforms to raise Europe's growth potential.
- Finally, they focus on actions to strengthen economic, social and environmental sustainability.
- With a clear strategy and new streamlined processes for making recommendations and measuring progress, the focus is now firmly on implementation.

The BEPGs consist of two parts. The first part comprises horizontal recommendations, which are general and apply to all individual Member States. The second part consists of country-specific guidelines that take into account the particular circumstances of each Member State and the different degree of urgency of measures. Covering both macroeconomic and structural policies, the BEPGs are at the centre of the EU economic policy co-ordination process, and constitute the reference for the conduct of economic policies in the Member States.

In January 2003, the Commission issued a communication on how well the 2002 and earlier Broad Economic Policy Guidelines have been carried out. This communication is the essence of the "report on the implementation of the 2002 Broad Economic Policy Guidelines" which is part of the monitoring and surveillance process that takes place to ascertain that the recommendation are followed up. It also prepares the next BEPG by comprehensively identifying which recommendations have been implemented and which have not, and by re-evaluating the 15 economies, the process of formulating the new recommendations is enhanced.

**Methodological Notes**

National Accounts figures are compiled according to the European System of National and Regional Accounts in the Community (ESA95). ESA95 is the subject of Council regulation No 2223/96 of June 25, 1996. Full ESA95 compliance cannot yet be assumed for some of the new Member States.

Gross domestic product indicates the size of a country's economy in absolute terms, while GDP in relation to the population (GDP per capita) provides an indication, albeit somewhat simplistic, of a country's wealth. To make international comparisons easier, some data are expressed in purchasing power standards (PPS). The advantage of using PPS is that they eliminate distortions arising from the different price levels in the EU countries: they don't use exchange rates as conversion factors, but rather purchasing power parities calculated as a weighted average of the price ratios of a basket of goods and services that are homogeneous, comparable and representative in each Member State.

Consumer price inflation is best compared at international level by the 'harmonised indices of consumer prices' (HICPs). They are calculated in each Member State of the European Union, Iceland and Norway and also in most new Member States. HICPs are used by the European Central Bank for monitoring inflation in the economic and monetary union and the assessment of inflation convergence. As required by the Treaty, the maintenance of price stability is the primary objective of the European Central Bank (ECB) which defined price stability 'as a year-on-year increase in the harmonised index of consumer prices for the euro-zone of below 2%, to be maintained over the medium term'. A more stable measure of inflation is given by the 12-month average change, that is the average index for the latest 12 months compared with the average index for the previous 12 months. It is less sensitive to transient changes in prices but it requires a longer time series of indices.

Depending on whether or not a country's revenue covers its expenditure, there will be a surplus or a deficit in its budget. If there is a shortfall in revenue, the government is obliged to borrow. Expressed as a percentage of GDP, a country's annual (deficit) and cumulative (debt) financing requirements are significant indicators of the burden that government borrowing places on the national economy. These are in fact two of the criteria used to assess the government finances of the Member States that are referred to in the Maastricht Treaty in connection with qualifying for the single currency. The government deficit and debt statistics are due to be notified to the European Commission by EU Member States under the 'excessive deficit procedure'. The legal basis is the Treaty on European Union, Protocol on the Excessive Deficit Procedure (EDP), and Council Regulations 3605/93 and 475/2000.

Government bond yields are a good indicator of long-term interest rates, since the government securities market normally attracts a large part of available capital. They also provide a fairly good reflection of a country's financial situation and of expectations in terms of economic policy. The significance of government bond yields as a measure of Economic and monetary union is recognised in the Treaty on European Union, where it appears as one of the criteria for moving to stage three of monetary union.

**Links to other parts of the report**

Employment (2.7), Unemployment (2.8), Economy (Annex 2.3).

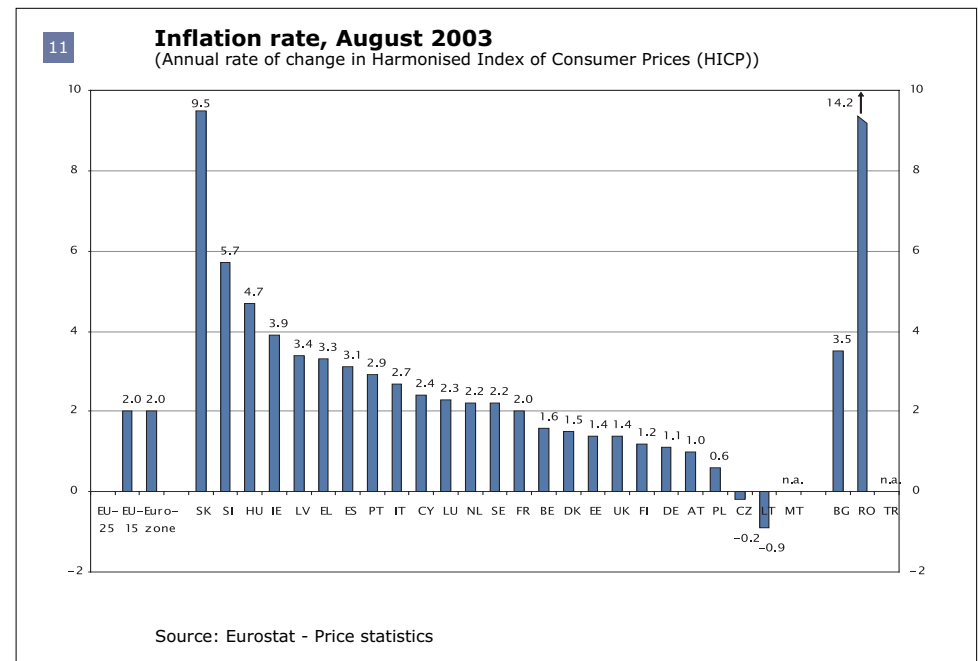
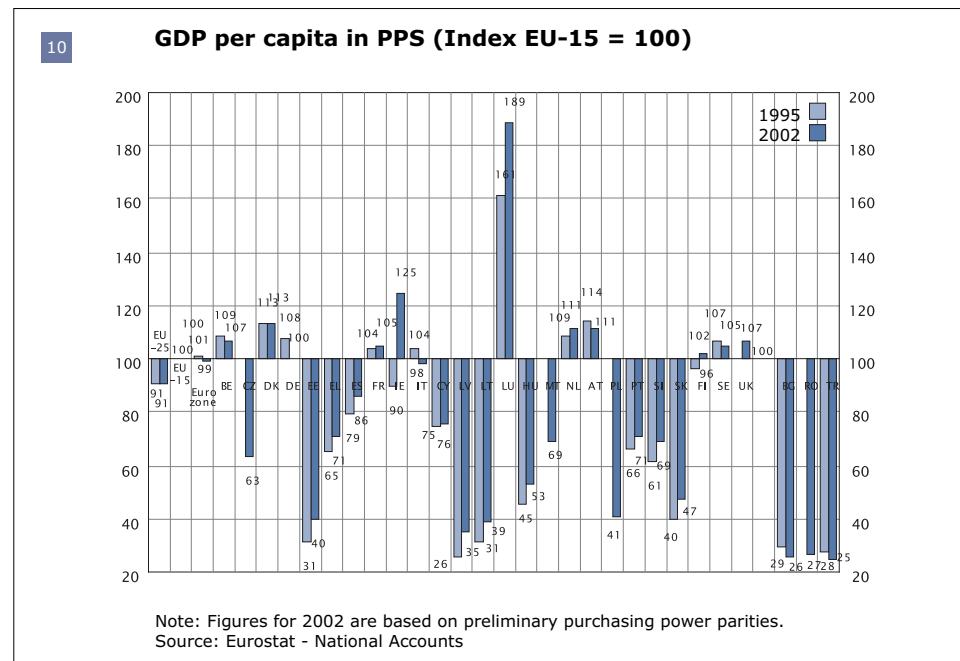
**Further reading**

- The EU Economy: 2002 Review, DG Economic and Financial Affairs
- Publications on national accounts, public debt and deficit, consumer prices and interest rates are available from the free "Statistics in focus" collection and Eurostat's press releases on Eurostat's web-site (europa.eu.int/comm/eurostat).

**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>Real GDP growth rate</b> (Growth rate of GDP at constant prices (base year 1995). Annual and year-on-year quarterly growth rates)	2002	1.1	1.0	0.9	0.7	2.0	1.0	0.2	6.0	3.8	2.0	1.2	6.9	0.4	2.0	6.1	6.8	1.3	3.5	1.7	0.2	1.4	1.4	0.4	2.9	4.4	2.2	1.9	1.7	4.8	4.9	7.8

Source: Eurostat - National Accounts.



# 2

## Demography, households and families

On 1st January 2003 the population of the EU-25 stood at almost 454 million. The trend is towards fewer children and later in life, fewer and later marriages and more marital breakdowns, higher proportion of births outside marriage and smaller households.

### **454 million inhabitants in the EU-25**

On 1st January 2003 the population of the EU-25 stood at almost 454 million. It has the third largest population in the world after China (1,283 million) and India (1,041 million), but ahead of the United States (289 million) and Japan (127 million). Germany has the largest population within the EU-25. Its 83 million inhabitants make up 18% of the Union's population while the United Kingdom, France and Italy each account for 12-13% of the total.

Around 17% of the EU-25 population are less than 15 years of age. Cyprus has the youngest population (22% of the total). Persons of working age (15-64) account for 67% of the EU-25 total. The remaining 16% are aged 65 and over. The number of elderly people has increased rapidly in recent decades. This trend is expected to continue in the coming decades. See Ageing of the population (3.3).

There has been a gradual slowing down of population growth in the Union over the last 35 years. Over the period 1995-2001, the population increased on average by 2.7 per 1000 population per year compared with an annual average of around 9 in the 1960s. Since the mid-1980s, international migration has rapidly gained importance as a major determinant of population growth. See Migration and Asylum (3.4).

According to the Eurostat baseline scenario (1999 revision), total EU-15 population should peak around 2022. Within the Union, future population growth will be far from uniform. Italy's population is expected to decline early in this decade while Ireland's population is not expected to fall until 2048.

### **Fewer children and later in life**

The completed fertility of post war generations has been steadily declining since the mid-1960s, but the total fertility rate remains relatively stable at 1.46. The completed fertility changes far less abruptly over time and is now around 1.7, still well below the reproduction level (2.1 children per woman). See Ageing of the population (3.3).

### **Fewer and later marriages and more marital breakdowns**

In 2002, there were only 5 marriages per 1,000 inhabitants in EU-25 compared with almost 8 in 1970. The average age at which people first get married has also increased: for men, from 26 years in 1980 to over 30 today and for women, from 23 to 27 years. Looking at

marriage cohorts of the EU-15 countries, the proportion of divorces is estimated at 15% for marriages entered into in 1960. For those more recently married couples (1980), the proportion has doubled to 29%. There are however considerable differences between countries with more than 40% of marriages (entered into in 1980) ending in divorce in Denmark, Finland, Sweden and the United Kingdom compared with 15% or less in the southern Member States.

### **A rise in births outside marriage**

The proportion of births outside marriage continues to increase, basically reflecting the growing popularity of cohabitation: from 6% of all births in 1970 to almost 29% in 2002. In Sweden and Estonia, more than half (56%) of the children born in 2002 had unmarried parents. The proportion is around 40% in several other countries (Denmark, France, Latvia, Finland, Slovenia and the United Kingdom). In contrast, low levels, albeit increasing ones, are seen in many southern European countries, including, for example, Greece (1.5% in 1980 to 3.9% in 2002), Italy (4.3% to 10.0% in 2002) and Spain (3.9% to 19.0% in 2002).

### **Trend towards smaller households**

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

While the absolute number of households has increased, the average household size has decreased. In 2002, there were an estimated 433 million people living in 174 million private households within 21 Member States (no data for Denmark, Malta, Finland and Sweden). This represents an average of 2.5 people per household.

### **Methodological notes**

Sources: Eurostat - Demographic Statistics. 1999-based (baseline) Eurostat demographic and household projections and European Union Labour Force Survey (LFS).

### **Links to other parts of the report**

Ageing of the population (2.3), Migration and asylum (2.4), Population (Annex 2.3)

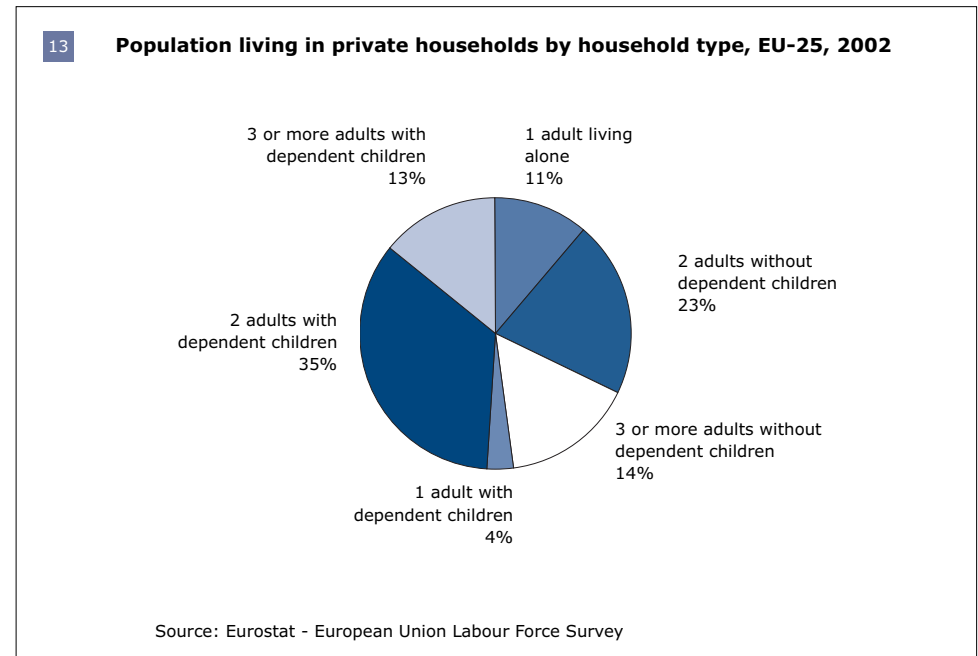
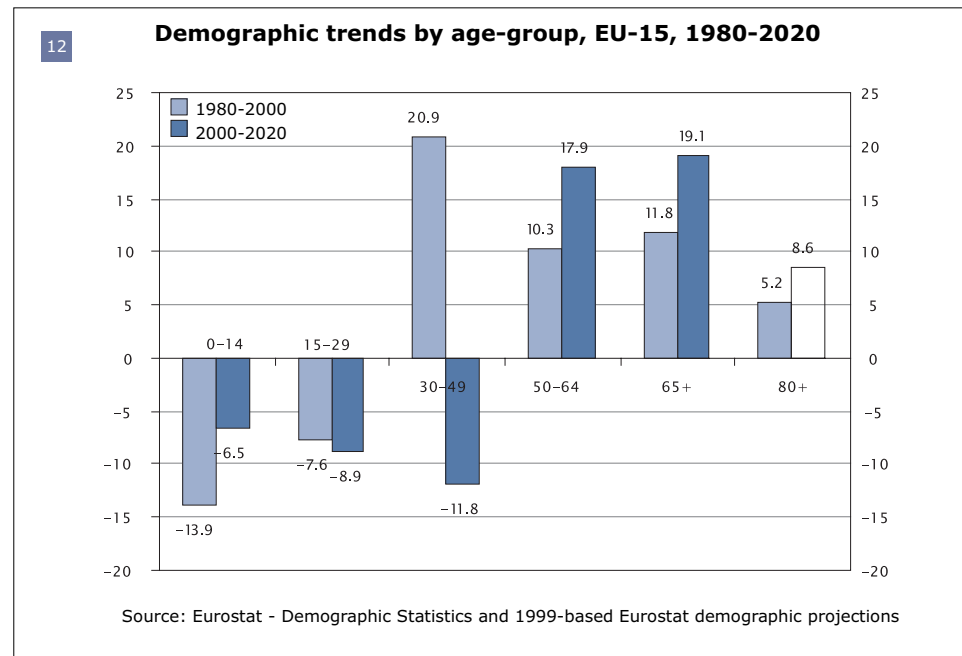
**Further reading**

- "European social statistics - Demography", 2002 edition. Eurostat.
- Statistics in Focus (Population and social conditions): "First demographic estimates for 2003", No.1/2004. Eurostat.

**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>Total population, 1st January</b> (The number of inhabitants of the area on 1st January (or on 31st December of the previous year))																																
<b>2003</b>	453674p	379 484	305 831	10 356	10 203	5 384	82 537	1 356	11018p	40683p	59 630	3 964	57 321	715	2 331	3 463	448	10 142	387	16 193	8 067	38 219	10 407	1 995	5 379	5 206	8 941	59329p	7 846	21 773	70 169	

Note: De jure population, except for DE, IE, HU, SI, FI, BG and TR de facto population.  
Source: Eurostat - Demographic Statistics





# 3

## 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 24% 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, the number of 'very old' people aged 80 and over will rise by almost 50%.

### **Low fertility levels, extended longevity and baby-boomers' ageing mean that the EU-25 population is ageing**

Three driving forces are behind the ageing of the population: fertility below replacement levels, a fall in mortality and the approach of the baby-boomers to the retirement age. The total fertility seems to have reached its lowest point in 1999 (1.45), and the lowest post-war number of births occurred in 2002 with almost 4.7 million. Almost 102,000 more babies were born in the EU-25 in 2000. The total fertility rate for the EU-25 increased from 1.45 children per woman in 1999 to 1.46 in 2002, but this is still low compared to 2.61 in 1960. Countries with the highest fertility at the beginning of the 1980s (Greece, Spain, Ireland, Poland, Portugal and the Slovak Republic) are those where it has subsequently fallen the most (by 33-49%). Today, the total fertility rate is lowest in the Czech Republic (1.17) and the Slovak Republic (1.19). Ireland continues to record the highest rate (1.97), together with France, where the rate increased from 1.79 to 1.89 in the last three years. Meanwhile, life expectancy has increased over the last 50 years by about 10 years in total, due to higher socio-economic and environmental conditions and improved medical treatment and care. See portrait "Life and health expectancies" (3.17).

Between 1960 and the present day, the proportion of older people (65 years and over) in the population has risen from 10% to 16% in the EU-25. All the signs are that this trend will continue well into the new century although in the course of this decade, the rate of change will be somewhat slower due to the drop in fertility during the Second World War. Nevertheless, by 2010, there will be twice as many older people (69 million) than in 1960 (34 million) in the EU-15. Of the 69 million, 40 million will be women.

Over the next fifteen years, the EU-15 population aged 65 and over will increase by 22%. Growth will be over 30% in Ireland, Luxembourg, Netherlands and Finland. It will remain below 20% in Belgium, Spain, Portugal and the United Kingdom.

### **Population growth fastest among the 'very old'**

The growth of the population aged 80 or more will be even more pronounced over the next fifteen years: numbers of 'very old' people will rise by almost 50% to over 20 million people EU-15-wide (of which 13 million will be women). The rise will be as high as 70% in Greece. In sharp contrast, growth will be negligible (below 10%) in Denmark and Sweden.

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

and the Netherlands. Only Germany and Italy will experience an increase of less than 10% although the number of people in this age group is set to rise sharply in subsequent years.

### **Dwindling 'demographic' support for older citizens**

In 1990, the EU-15 population aged 65 and over corresponded to 21.6% of what is considered to be the working age population (15-64 years). In 2003, this old age dependency ratio had risen to 25.0%. All Member States are expected to see an increase in this ratio between now and 2010 (to an EU average of 27.3%) although the extent of the rise will vary considerably between Member States. Greece, Germany and Italy will experience the most significant change: by 2010, all three countries are expected to have a ratio of around 30%. Meanwhile, Ireland will continue to have the lowest ratio of old people to the working age population (around 17%).

### **On average, 45% of the 'very old' EU-15 population will live alone in 2010**

In 2010, around one-third (32%) of the EU-15 elderly population (aged 65 and over) will be living alone. More than half (54%) will live with a partner (in a household that may also include children or adults). The remainder will live with their children (or other relatives/friends) or in a home/institution. It is clear however that the demand for housing and care changes considerably as people grow older. Thus, the elderly should not be regarded as a single age-group. While 63% of those aged 65-79 will live with a partner, only 31% of the 'very old' (aged 80 and over) will do so. The 'very old' will continue to have a greater tendency to live alone (45%), in collective households (10%) or together with their children/other relatives/friends (14%). There are marked differences between countries, particularly regarding the proportion of 'very old' people living without a partner but with their children or other relatives/friends: 30% or more have this form of potential support in Spain and Portugal compared with 5% or less in Denmark, Netherlands and Sweden. In Denmark and Sweden, more than 60% of those aged 80 and over live alone.

### **Policy context**

In its Communication "Towards a Europe for all ages - Promoting Prosperity and Intergenerational Solidarity" (COM 1999 221 final), the Commission concluded that "the very magnitude of the demographic changes at the turn of the 21st century provides the European Union with an opportunity and a need to change outmoded practices in relation to older persons. Both within labour markets and after retirement, there is the potential



to facilitate the making of greater contributions from people in the second half of their lives. The capacities of older people represent a great reservoir of resources, which so far has been insufficiently recognised and mobilised. Appropriate health and care policies and services can prevent, postpone and minimise dependency in old age. Furthermore, the demand for these services will open up new job opportunities." The Commission will explore the possibilities for new, horizontal Community action programmes based on articles 13, 129 and 137 of the EC Treaty for those groups of people affected by discrimination, unemployment or social exclusion such as older people. Furthermore under Article 166 of the Treaty, the European Union's fifth framework programme for Community research will mobilise Europe's research resources in order to improve the quality of life, autonomy and social integration of older people. In order to address the demographic challenge of an ageing population the Stockholm European Council of 2001 agreed that half of the EU population in the 55-64 age-group should be in employment by 2010 and the 2002 Barcelona European Council concluded that "a progressive increase of about 5 years in the effective average age at which people stop working in the European Union should be sought by 2010".

The joint report from the Commission and the Council on "Increasing labour-force participation and promoting active ageing" presented to the Barcelona European Council on economic and social affairs in 2002 represents a first assessment of the European policies on active ageing. The joint report was followed in 2003 by a Commission staff working paper with an analysis of the Stockholm and Barcelona targets<sup>46</sup>.

The new European Employment Guidelines 2003 and the report of the Employment taskforce chaired by Wim Kok urge Member States and social partners to adopt a comprehensive active ageing policy centred on the appropriate financial incentives to longer working lives, lifelong learning strategies and improved quality of work.

Extended lifelong learning opportunities should be created for supporting the ageing part of the population in an independent and healthy lifestyle, as long as possible and for extending their social network, reinforcing their active citizenship rights in all areas of every day life and avoiding social exclusion.

### **Methodological notes**

Sources: Eurostat - Demographic Statistics. 1999-based (baseline) demographic and 1995-based (baseline) household scenarios.

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

### **Links to other parts of the report**

Demography, households and families (2.2), Social benefits (2.10), Life and health expectancies (2.17), Population (Annex 2.3).

### **Further reading**

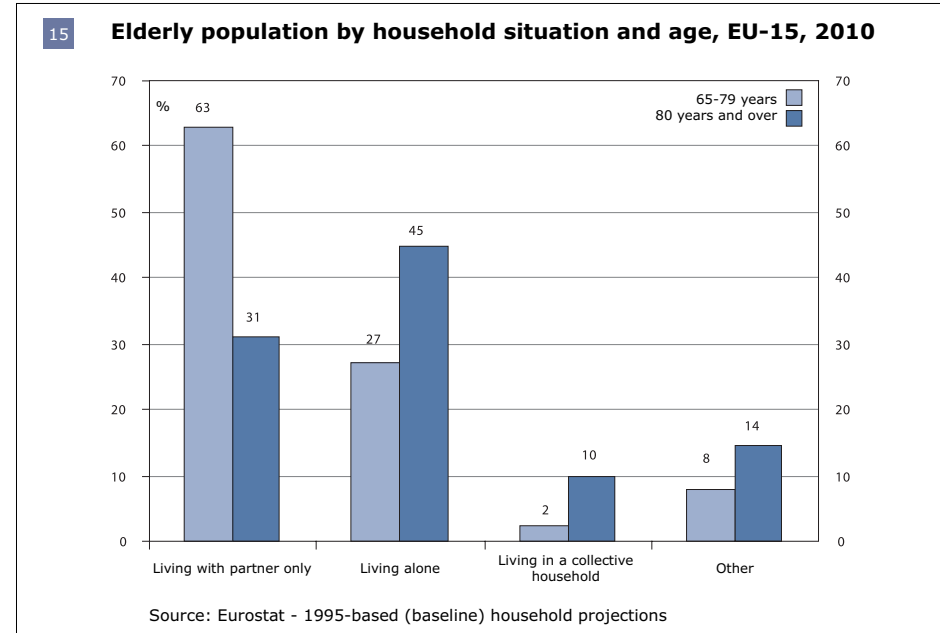
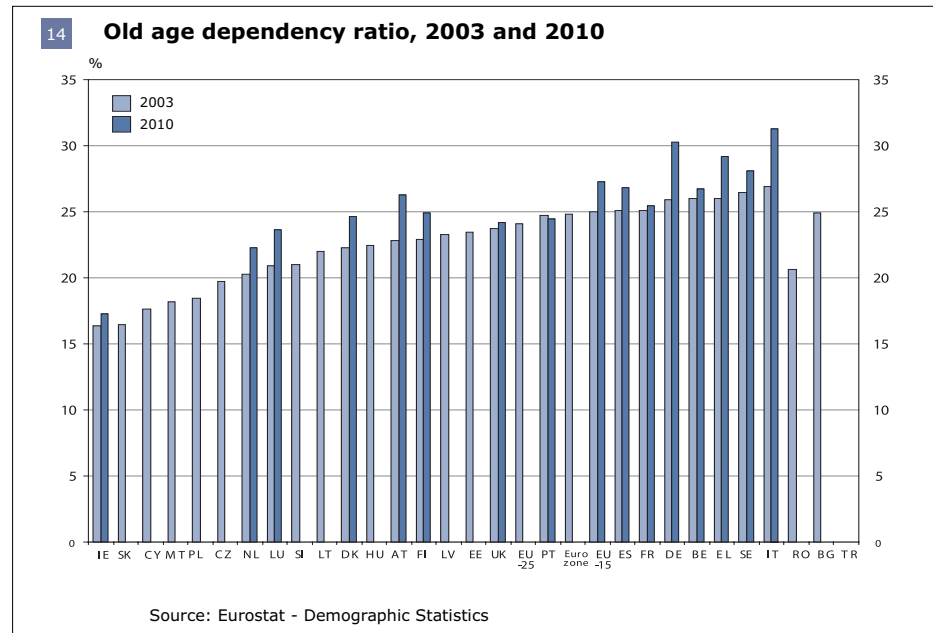
- "European social statistics - Demography", 2002 edition. Eurostat.
- Statistics in Focus (Population and social conditions): "First results of the demographic data collection for 2001 in Europe", No.17/2001. "First demographic estimates for 2001", No.19/2001. Eurostat.
- "Towards a Europe for all ages - promoting prosperity and intergenerational solidarity", COM(99)221 final. 1999.
- "Family Structure, Labour Market Participation and the Dynamics of Social Exclusion", European Commission DG Research report 2000. "Social Strategies in Risk Societies - SOSTRIS", DG Research report 1999.
- Joint report from the Commission and the Council "Increasing labour-force participation and promoting active ageing, adopted on 7 March 2002.
- SEC(2003) 429, "The Stockholm and Barcelona targets: Increasing employment of older workers and delaying the exit from the labour market", Commission staff working paper.
- Employment in Europe 2003 report, chapter 5.
- "Jobs, Jobs, Jobs - Creating more employment in Europe", report of the Employment taskforce chaired by Wim Kok, November 2003.

<sup>46</sup> Further analysis of labour market issues related to older workers is presented in chapter 5 of the Employment in Europe report 2003.

**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.



# 4

## 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.

### **Important role of international migration in population growth**

In most of the EU-25 countries international migration plays an important role in population growth. In 2002 only Latvia, Lithuania and Poland show a negative crude net migration rate. Especially in countries like Germany, Greece, Italy, Slovenia and Slovak Republic, with negative natural growth, migration is of great importance for a positive population increase. Despite a positive migration rate, the Czech Republic, Estonia and Hungary experience a population decline due to a high negative natural increase.

### **384,500 asylum requests in the EU-25 in 2002**

In 2002 nearly 285 thousand requests for asylum were received in the EU-25. With this figure the level of requests comes close to the number of requests from 1999. Compared to 2001, the number of new asylum applications in 2002 is slightly lower (for both years, figures for Italy are not available).

Although the total number of asylum seekers in the European Union has decreased slightly over the last few years, developments in the individual Member States vary considerably. While some countries show a decrease, other countries show an increasing number of asylum applications.

The largest decreases (in absolute terms between 2001 and 2002) took place in the Germany (-17 300), the Netherlands (-13 900), Czech Republic (-9 600), Denmark (-6 400) and Belgium (-5 700). At the same time we observe the largest increases in the United Kingdom (+14 500), Sweden (+9 500), Austria (+9 300), France (+3 800) and Slovak Republic (+1 500).

In 2002, the United Kingdom received the largest number of applications (85 900) followed by Germany (71 100), France (51 100), Austria (39 400) and Sweden (33 000). In terms of overall population, Austria (4.9 applicants per 1 000 inhabitants), Sweden (3.7), Ireland (3.0), Luxembourg (2.2) and Belgium (1.8) had the highest rates of asylum requests.

The short and long term impacts of asylum on population change are complex and cannot be related simply to the number of applicants in a particular year. The consideration of an asylum application may take 12 months or longer, meaning that some applicants who have not yet received a decision become residents of the destination country, even if only temporarily. Member States differ, both in terms of national asylum law and practice, and in terms of how asylum is accounted for in the national migration statistics. In some Member

States, persons waiting for a decision on their application may be authorised to work. Some persons granted asylum will later return to their countries of origin when the situation there changes.

### **Policy context**

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

The Treaty of Amsterdam thus establishes Community competence in the fields of immigration and asylum. The European Council at its meeting in Tampere in October 1999 called for the development of a common EU policy in these areas including the following elements: partnership with countries of origin, a common European asylum system, fair treatment of third country nationals and management of migration flows. A detailed programme of action is set out in the "Scoreboard to review progress on the creation of an area of freedom, security and justice in the European Union" (Biannual update COM (2002) 261). The Commission has already put forward proposals for the establishment of a common asylum procedure and a uniform status (COM(2000)755 final and COM(2001)710 final) and for a Community immigration policy (COM(2000)757 and COM(2001)387) together with a number of Directives which will be followed by others setting out the necessary legal framework.

Furthermore, following the Treaty of Amsterdam, asylum and migration are transferred from the intergovernmental third pillar to the community first pillar, with decisions in these fields being shaped in Community instruments such as directives.

### **Methodological notes**

Source: Eurostat - Migration Statistics.

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

Total immigration flows include immigration of nationals and non-nationals, and the latter category encompasses both nationals from other EU countries and third-country nationals. Different Member States apply different definitions of migration. Often, statistics are based on a person registering as a resident in another country or on a stated intention to stay longer than a certain period in a country.

Some countries include some dependents in their figures for asylum applications, other countries do not. The same applies to repeat applications. The details are given in the table "Asylum applications" in the part "2 POPULATION" in Annex 2.3.

### ***Links to other parts of the report***

Demography, households and families (2.2), Population (Annex 2.3)

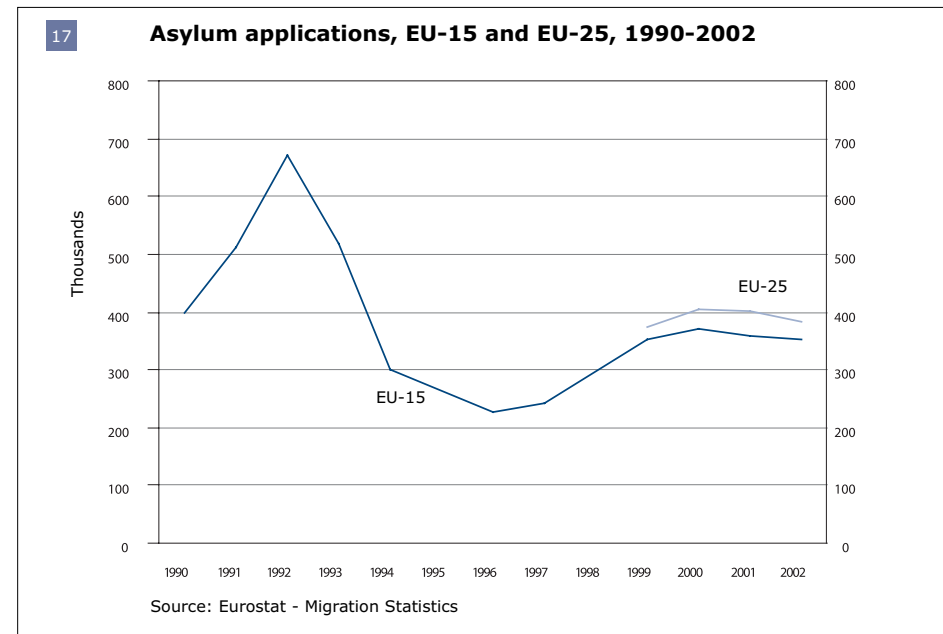
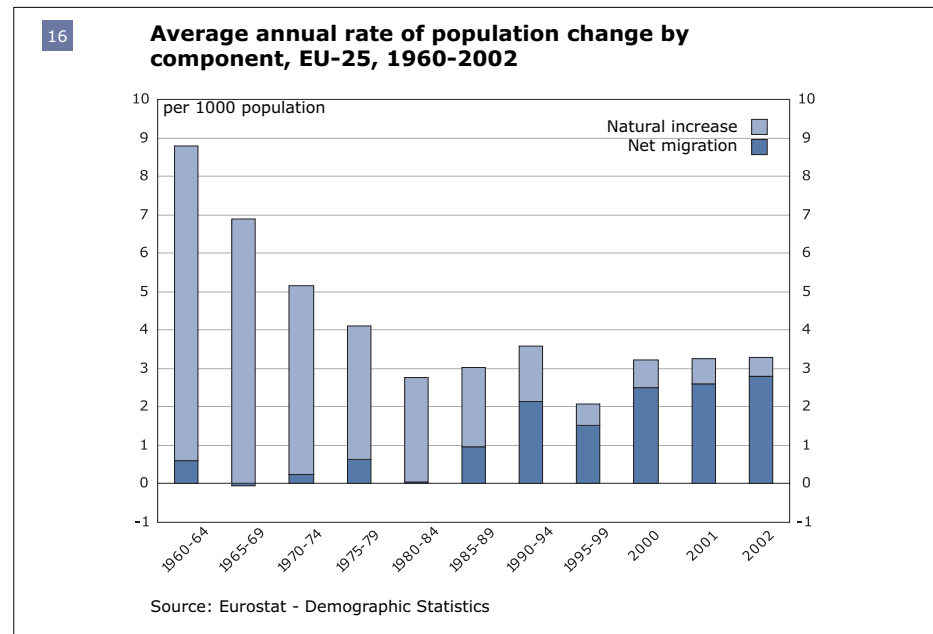
### ***Further reading***

- "European social statistics - Migration", 2002 edition. Eurostat.
- "European social statistics - Demography", 2002 edition. Eurostat.
- Statistics in Focus (Population and social conditions): "First demographic estimates for 2003", No.1/2004 and "Acquisition of citizenship" No. 3/2004. Eurostat.
- "Patterns and trends in international migration in Western Europe", 2000. Eurostat.
- "Migrants' insertion in the informal economy, deviant behaviour and the impact of receiving societies", European Commission DG Research report 2000.
- "The social situation in the European Union 2002", pages 16-51, 2002. European Commission, DG for Employment and Social Affairs and Eurostat.

**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>Net migration rate, 2002</b> (The difference between immigration into and emigration from the area during the year per 1 000 population)																																
2002	2.8p	3.3p	:	3.9	1.2	1.8	2.7	0.1	2.9	5.5	1.2	7.9	6.1p	9.7	-0.8	-0.6	5.8	0.3	4.8p	1.7	3.2	-0.5	6.1	1.1	0.2	1.0	3.5	2.1p	0.1	-1.9	1.4p	

Source: Eurostat - Demographic Statistics



# 5

## Education and its outcomes

Attainment levels of the population have improved significantly over the last thirty years, particularly among women. In 2002 77% of young people aged 20-24 in the current Union (EU-25) had an upper secondary qualification. At the same time, however, 17% of people aged 18-24 left the education system with only lower secondary education at best.

### ***Younger generation is better qualified***

By comparing those currently leaving the education system with older generations, it is possible to monitor the trends in educational attainment over a long time-period of around forty years. In 2002, 77% of the younger generation aged 20-24 had completed at least upper secondary education (Baccalauréat, Abitur, apprenticeship or equivalent) compared with only 55% of people aged 50-64. In general, attainment levels are higher in the new Member States: 88% of 20-24 year olds have an upper secondary qualification. On the contrary, Spain, Italy and Portugal record the lowest levels of educational attainment (below 70%<sup>47</sup>) but have witnessed the most significant increases in the last four decades. In these countries, the proportion of the youngest generation having completed at least upper secondary education is more than twice that of the oldest generation. Greece has also more than twice as many of the young generation as of the oldest with this qualification. As a result, the gap in attainment levels between the Member States is narrowing.

Over the last forty years or so, disparities in attainment levels between the sexes have been reduced throughout the Union for the population as a whole. (In the younger generation they have widened in the more recent past from an equilibrium between women and men to the current situation where women have slightly overtaken men). For example, while 80% of young EU women aged 20-24 have an upper secondary qualification compared with 74% of men, only 50% of women among the population aged 50-64 have such a qualification compared with 61% of men of the same age.

### ***Almost one in five 'school leavers' are low-qualified***

Although educational attainment levels continue to improve, 17% of 18-24 year-olds in the Union are not in education or training even though they have not completed a qualification beyond lower secondary schooling. Italy (24%), Spain (29%) and Portugal (46%) have the highest proportions of low-qualified young people who are not any more in the educational or training system. In virtually all Member States, women (EU-25 average of 14%) are less likely than men (EU-25 average of 19%) to fall into this category.

To put the above figures into context, it is useful to look at the activity status of 18-24 year-olds. EU-wide, a little more than half of this age-group is in education/training (15% combine their studies with a job, 37% are just students), 33% is not in education any more

and has a job, 15% is not in education but does not have a job. The picture across the Union is far from homogeneous due to differences in the education systems, length of study, labour market situation, opportunities for young people without work experience, etc. The highest percentages of 18-24 year-olds still in education are in the Netherlands (62%), Slovenia (64%) and Denmark (63%) the lowest in: Hungary (46%), Czech Republic (46%) and Ireland (41%).

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

In general, higher education qualifications seem to reduce, albeit to differing degrees, the chances of unemployment in all Member States. In EU-25, the unemployment rate of 25-64 years old with a tertiary education qualification stood at 4.2% in 2002 compared with 7.9% for people who had completed at best upper secondary education and 10.5% among those who had not gone beyond lower secondary schooling.

### ***...and increase income...***

The 2001 data for EU-15 show also that a person's income is likely to be considerably higher if he/she is better qualified. On average for the EU-15 overall, the median equivalised income of a person with tertiary education was 120% of the national median. The discrepancy between incomes of the low and best qualified was largest in Portugal and smallest in the Netherlands. The 2001 data also show that the at-risk-of-poverty rate among highly educated persons (i.e. completed tertiary education) was only 7% compared with 20% among those with a low-level education (i.e. completed at most lower-secondary schooling). For individuals with a medium level of education (i.e. completed upper secondary or postsecondary, not tertiary education) the at-risk-of-poverty rate was 11%.

### ***...and lead to more training opportunities***

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

<sup>47</sup> The figure of Luxembourg (69.8%) is affected by two specific factors: 1) Since Luxembourg doesn't have a complete university system, many people of the age group 20-24, who have completed upper secondary education in Luxembourg, study abroad. 2) The attractive labour market of Luxembourg employ many immigrants with lower than upper secondary education also in the age group 20-24.

**Policy context**

EC Treaty (Title XI, Chapter 3, Art.149(1): "The Community shall contribute to the development of quality education by encouraging co-operation between Member States and, if necessary, by supporting and supplementing their action ..." and Art.150(1): "The Community shall implement a vocational training policy which shall support and supplement the action of the Member States ...".

At the Lisbon European Council held in March 2000, the Heads of State and Government set the Union a major strategic goal for 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". In March 2001, the European Council adopted three strategic goals (and 13 associated concrete objectives) to be attained by 2010: education and training systems should be organised around quality, access, and openness to the world. A year later, it approved a detailed work programme ("Education & Training 2010") for the attainment of these goals and supported the ambition of the Ministers for Education to make education and training systems in Europe "a worldwide quality reference by 2010".

In its Communication on the success of the Lisbon strategy (COM (2003)685) the Commission outlined that Education and training policies are central to the creation and transmission of knowledge and are a determining factor in each society's potential for innovation. Nevertheless the Union as a whole is currently under-performing in the knowledge-driven economy in relation to some of its main competitors. Efforts are being made in all the European countries to adapt the education and training systems to the knowledge-driven society and economy, but the reforms undertaken are not up to the challenges and their current pace will not enable the Union to attain the objectives set. The benchmarks adopted by the (Education) Council in May 2003 will for the most part be difficult to achieve by 2010. In particular, the level of take-up by Europeans of lifelong learning is low and the levels of failure at school and of social exclusion, which have a high individual, social and economic cost, remain too high. In addition to this there are no signs of any substantial increase in overall investment (be it public or private) in human resources. A more rapid pace is therefore needed to make the Lisbon strategy a success.

**Methodological notes**

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

The levels of education are defined according to ISCED (International Standard Classification of Education - UNESCO 1997 version). Less than upper secondary corresponds to ISCED 0-2, upper secondary level to ISCED 3-4 (including thus post-secondary non-tertiary education) and tertiary education to ISCED 5-6. The full-time compulsory education in all Member States includes ISCED 2. In Belgium, Germany and the Netherlands there is a compulsory part-time ISCED 3 level education till the age of around 18 years. The key indicator shows the number of persons aged 18-24 who have left the education system with low qualifications as a proportion of the total number of persons aged 18-24.

**Links to other parts of the report**

Lifelong learning (2.6), Employment (2.7), Unemployment (2.8) and Education and training (Annex 2.3).

**Further reading**

- "Education across Europe - Statistics and indicators 1999", 2000, Eurostat.
- "Key data on education in Europe - 2002", 2002, DG Education and Culture, Eurostat and Eurydice (Information network on education in Europe).
- "The transition from education to working life: Key data on vocational training in the European Union", 2001, DG Education and Culture, Eurostat and Cedefop (European Centre for the development of Vocational Training).
- "Young People's Training: Key data on vocational training in the European Union", 1999, DG Education and Culture, Eurostat and Cedefop.
- "Education and training 2010. The success of the Lisbon strategy hinges on urgent reforms". European Commission, Education and Culture DG.
- "An age of learning: vocational training policy at European level", 2000, Cedefop.
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- Statistics in Focus on education (Theme 3 - Population and social conditions), Eurostat:
  - Employment in the EU Regions 2000: Job creation is driven by the service sector - education is essential", No. 13/2001.
  - Education in the regions of the European Union, No. 6/2001.
  - Women and men in tertiary education, No. 18/2001.
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  - General indicators on transition from school to work, No. 4/2003.
  - School leavers in Europe and labour market effects of job mismatches, No. 5/2003.
  - Youth transitions from education to working life in Europe, No. 6/2003.
  - Education in Europe, Key statistics 2000/01, No. 13/2003.





# 6 Lifelong learning

In the Union (EU-25), 8% of the population aged 25-64 participated in education/training (in the last four weeks) in 2002. Such training activities are more prevalent (between 18-22%) in Denmark, Finland, Sweden and the United Kingdom, whereas new Member States boast lowest level of adult population participating in education or training (the peak stands at around 9% for the Slovak Republic and Slovenia). Older people are less likely to receive training than younger people. Higher qualified people are more likely than the low-qualified to participate in such training.

## ***Participation of women varies considerably from country to country***

For the Union as a whole, slightly more women (8.5%) than men (7.4%) receive training. The gap in favour of women is larger among new Member States, namely in Estonia (6.7 v 3.6) and Lithuania (4.2 v 2.3). In contrast, in Austria, Belgium, Czech Republic, Denmark, Germany, Greece, Luxembourg, Malta, and The Netherlands men are more likely to participate than women.

## ***The young and the qualified participate more in education and training***

Throughout the Union, the level of participation in such training activities decreases with age: from 15% among those aged 25-34 to 3% among the 55-64 age group. It is worth noting however that the proportion of people receiving training in the older age-groups remains relatively high in some countries: between 9% and 14% of 55-64 year-olds in Denmark, Finland, Sweden and the United Kingdom.

The level of education attained also influences the chances of participation in "lifelong learning" for people aged 25-64: in 2002, 16% of those with a tertiary qualification received training, compared to 2% of those with the lowest level of education.

## ***Continuing vocational training by enterprises: joint agreements between social partners increase the chance for employees to be trained***

Continuing vocational training provided by enterprises is a crucial part of lifelong learning: it benefits not only the enterprises to improve their competitiveness but also the employees to keep up their employability and to enhance the quality of working life.

The results of the second European survey of continuing vocational training (CVTS2 - 1999) reflect a pronounced gap between the North and the South regarding the participation in continuing vocational training (courses). Whereas in the Scandinavian countries at least half of the employees of all enterprises participate in courses, in Greece and in Portugal it is less than one fifth. But with respect to the training intensity in terms of training hours per participant, southern EU Member States perform at the same level as the northern and central "training countries". This pattern of the southern countries reveals also in most of the new eastern EU Member States.

CVTS2 results indicate the importance of training in the services sectors. In all the EU Member States, the training intensity is highest in this area of economic activity.

Except in countries where continuing vocational training is generally widespread, the provision of training is biased towards larger enterprises. CVTS2 results have shown up that negotiated joint agreements on training between the employers and employees (or their representatives) are important measures to correct for this bias and to increase the participation in continuing vocational training courses in small enterprises considerably. In Portugal, the participation rate in small enterprises with training agreements is 38%, compared with just 4% in small enterprises without such agreements.

At EU-level, participation rate is a spot higher for men (41%) than for women (38%) but this pattern is not observed in all countries. The difference in favour of men is relevant in the Czech Republic and in the Netherlands only.

## ***Age of students in tertiary education varies considerably***

An alternative way of measuring "lifelong learning" is to look at the proportion of students in tertiary education (i.e. education which focuses on university or equivalent post-secondary education) who are aged 30 or over. In 2000/01, around 2.4 million students in tertiary education in the Union (EU-25) were aged 30 or over. About 1.4 millions were studying full-time, the rest part-time. This age group accounted for 11% of all full-time students and for 16% of all students, part-time as well as full-time. In some countries, the proportion of students 30 years old or older was considerably above average. That was the case in Sweden (34%), United Kingdom (33%), Finland (28%), Austria (26 %) and Latvia (25%). In for example France (7%), Czech Republic (7%) and Slovakia (8%) the percentage was below the average.

## ***Public expenditure on education: 4.9 % of EU-25 GDP***

Although investment in education is influenced by various factors (e.g. demographical aspects or levels of participation and length of study), the percentage of national wealth devoted to education tends to reflect the importance which governments attach to it.

In 2000, public resources allocated to the funding of all levels of education - not including private sources - represented on average 4.93 % of EU-25, 4.94% of EU-15 and 4.86% of current new Member States GDP.

In EU-15, primary and higher education each accounted on average for 1.1% of GDP in 2000, while secondary education accounted for 2.3%. The distribution of public funds on education in new Member States was different, as 1.6% of GDP were spent for primary in 2000, 1.8% for secondary and 0.8% for tertiary.

In EU-25, a government's contribution to education varied greatly in 2000 from 3.79% of GDP in Greece, 4.15% in the Slovak Republic and 4.38% in the Czech Republic to 6.66% in Estonia, 7.39% in Sweden and 8.38% in Denmark.

### **Policy context**

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

In its Communication on the Future of the European Employment Strategy the Commission outlines the key link played by lifelong learning in improving quality at work and productivity, and as a factor promoting labour force participation and social inclusion. In particular the growing inequality in access to training, to the disadvantage of less skilled and older workers, is a priority. The current trend whereby firms' investment in training declines with the age of workers should be reversed. The 2001 Employment Guidelines included for the first time a horizontal guideline asking for "comprehensive and coherent national strategies for lifelong learning" in order to promote employability, adaptability and participation in the knowledge-based society. Member States were also invited to set, and monitor progress towards, targets for increasing investment in human resources and participation in further education and training.

A Communication on "Making a European Area of Lifelong Learning a Reality" (COM(2001) 678 final of 21.11.2001) adopted by the Commission sets out proposals for improving the participation of Europeans in lifelong learning activities. In this communication lifelong learning is defined as "all learning activity undertaken throughout life, with the aim of improving knowledge, skills and competences within a personal, civic, social and/or employment-related perspective". A Report from the Education Council to the European Council on "The concrete future objectives of education and training systems" was presented in Stockholm in 2001. In this the Ministers of Education adopted the following concrete strategic objectives: increasing the quality and effectiveness of education and training systems in the European Union; facilitating the access of all to the education and training systems; opening up education and training systems to the wider world. These common objectives provide a basis for Member States to work together at European level over the next ten years, following the "Detailed work programme on the follow-up of the objectives of Education and training systems in Europe" (Official Journal of the European Communities 2002/C 142/1), to contribute to the achievement of the goals set out by Lisbon, especially in the context of the Luxembourg and Cardiff processes. The Education/Youth Council of 30 May 2002 adopted a resolution on education and lifelong learning (Official Journal C 163 of 9 July 2002), reaffirming the need for a convergence of the Commission's Communication entitled Making a European area of lifelong learning a reality with the work programme on the follow-up of the objectives of the education and training systems, in order to achieve a comprehensive and coherent strategy for education and training. On 30 November 2002 the education Ministers of 31 European countries and the European Commission adopted the Copenhagen Declaration on enhanced

cooperation in European vocational education and training ([http://europa.eu.int/comm/education/copenhagen/index\\_en.html](http://europa.eu.int/comm/education/copenhagen/index_en.html)). The Commission Communication "Investing efficiently in education and training: an imperative for Europe" (COM 2002 779 final, 10.01.2003) sets out the Commission's view on the new investment paradigm in education and training in the enlarged EU within the framework of the ambitious strategic goal set by the Lisbon European Council in March 2000. In view of this goal, Ministers in charge of education adopted in February 2002 the "Detailed work programme on the objectives of education and training systems", including its objective 1.5: "Making the most efficient use of resources".

In its Communication on the success of the Lisbon strategy (COM 2003- 685) the Commission reconfirmed that education and training policies are central to the creation and transmission of knowledge and are a determining factor in each society's potential for innovation. Nevertheless the Union as a whole is currently under-performing in the knowledge-driven economy in relation to some of its main competitors. In particular, the level of take-up by Europeans of lifelong learning is low and the levels of failure at school and of social exclusion, which have a high individual, social and economic cost, remain too high. In addition to this there are no signs of any substantial increase in overall investment (be it public or private) in human resources. A more rapid pace is therefore needed to make Europe "a worldwide quality reference by 2010".

### **Methodological notes**

Sources: Eurostat - European Union Labour Force Survey (LFS 2002), Continuing Vocational and Training Survey (CVTS2 1999) and UOE (UNESCO, OECD and Eurostat) questionnaires on education statistics.

Although some statistical information has been presented above on "lifelong learning" (LLL), the notion of LLL is vast and to study it requires a clear identification of the themes that need to be explored as a priority. Moreover, some aspects are simply not measurable. Statistical information must therefore be complemented by contextual information. A Task Force that was set up by Eurostat to look at, among other things, the priorities for LLL and discuss their operationalisation in terms of statistical needs has produced its final report in February 2001<sup>48</sup>. This report underlines the need of going at the level of the individual to improve our knowledge base on lifelong learning and proposes an EU Adult Education Survey (AES) for 2006. The discussions on this survey were held in the framework of the Task Force on the AES, which completed its work in the end of April 2004. In parallel an ad hoc module on lifelong learning has been included in the EU LFS in 2003. Results will enhance information on participation of adult population (15 years or more) in formal as well as in non- formal and informal learning.

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

The second survey of continuing vocational training in enterprises (CVTS2) was carried out in 2000/2001 in all the 15 old EU-25 Member States, Norway, seven new EU-25 Member States and two Candidate Countries.

Data for public expenditure on education for 2001 are preliminary.

48 [http://forum.europa.eu.int/Public/irc/dsis/edtcsl/library?l=/public/measuring\\_lifelong](http://forum.europa.eu.int/Public/irc/dsis/edtcsl/library?l=/public/measuring_lifelong)

**Links to other parts of the report**

Education and its outcomes (2.5), Employment (2.7), Unemployment (2.8), Education and training (Annex 2.3)

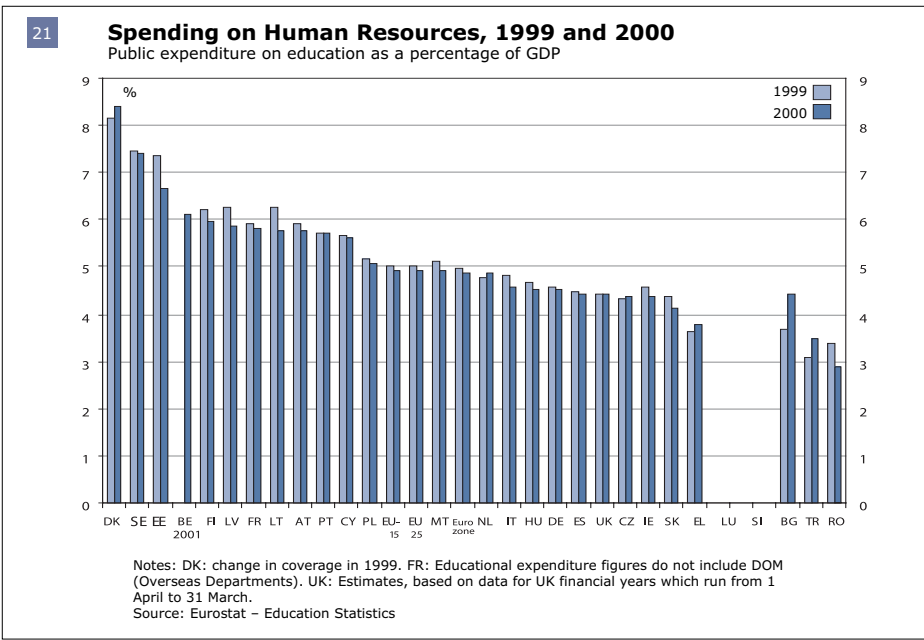
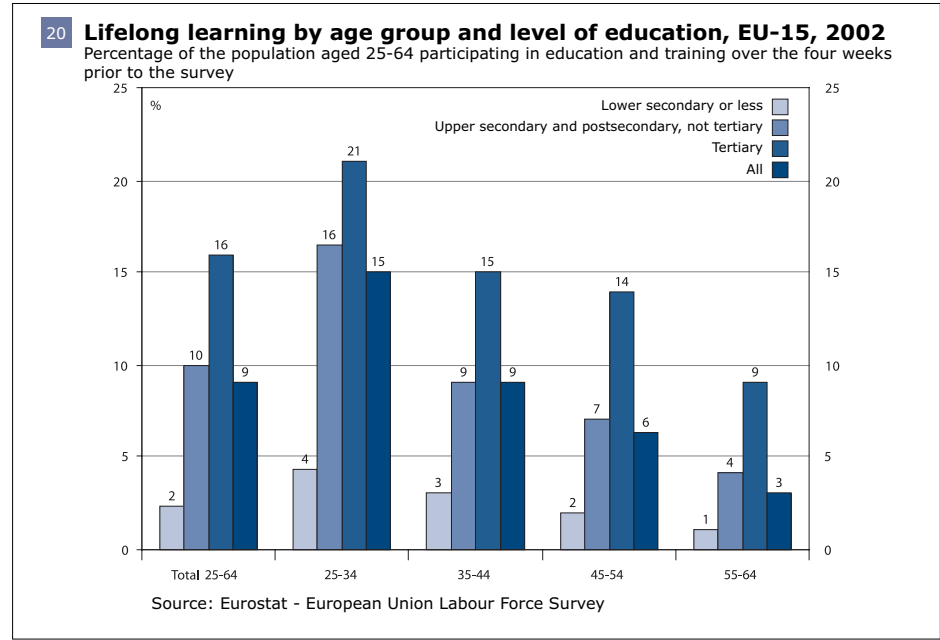
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  - First survey on continuing vocational training in enterprises in candidate countries, No. 2/2002.
  - Continuing vocational training in enterprises in the European Union and Norway, No. 3/2002.
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  - Providers and fields of continuing vocational training in enterprises in Europe, No. 10/2002.
  - Disparities in access to continuing vocational training in enterprises in Europe, No. 22/2002.
  - Working time spent on continuing vocational training in enterprises in Europe, No. 1/2003.
- "Making a European Area of Lifelong Learning a Reality", COM(2001) 678 final of 21.11.2001.
- "Education and training 2010. The success of the Lisbon strategy hinges on urgent reforms". European Commission,

**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-long learning (adult participation in education and training), 2002</b> (Percentage of the population aged 25-64 participating in education and training over the four weeks prior to the survey)																															
Total	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	4.4	16.4	7.5	4.3	2.9	9.1	9.0	18.9	18.4	22.3	1.3	1.1	:
Females	8,5e	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	3.8	15.9	7.4	4.7	3.3	9.4	9.4	21.4	21.2	26.3	1.3	1.0	:
Males	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	4.9	16.9	7.6	3.9	2.4	8.8	8.7	16.5	15.7	18.6	1.4	1.2	:

Note: F - Training must occur at the time of the interview for it to be counted.  
Source: Eurostat - European Union Labour Force Survey



# 7 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.

## **Limited employment growth in the EU-25 in 2002**

In 2002, over 199 million people were in employment in the Union of 25 Member States, a rise of 11.5 million since 1996. This total employment growth is the balance of a fall of employment of 1.4 million in the new Member States and a rise of employment of almost 13 million people in the EU of 15 members. The largest increase in the number of persons in employment in absolute terms was in Spain (+ 2.6 million) and France (+ 2.1 million). Hungary was the only new Member State witnessing significant employment growth (for Cyprus and Malta, time series are missing).

Compared with the year before, employment increased by 0.1% in the Union, the result of a modest growth in the EU of 15 members but a decline by 1.4% in the new Member States. Although employment growth was limited in the entire Union, the trend remained positive in several Member States. In the Czech Republic, Estonia, Spain, Ireland, Italy, Latvia and Luxembourg, employment growth was 1% or more.

## **EU employment rate still lagging behind US and Japan**

In 2002, the employment rate for the population aged 15-64 ranged from 51% in Poland to almost 76% in Denmark. Denmark, Cyprus, the Netherlands, Austria, Portugal, Finland, Sweden and United Kingdom have already reached the EU overall intermediate employment rate target of 67% for 2005. In contrast, Belgium, Greece, Spain and Italy, and all new Member States except the Czech Republic, Cyprus and Slovenia, had employment rates below the EU-25 average.

Although the employment rates in the US and Japan were decreasing and the EU employment rate continued to rise slowly, the gap remained considerable and the EU average of 62.9% stood well below the rates in the US (72%) and Japan (68%).

## **Women still at a disadvantage in the labour market**

Despite progress in recent years, women still have particular problems in gaining access to the employment market and especially with regard to earnings and reconciling professional and family life. In 2002 the female employment rate in the Union stood at 54.7%. It ranged from 33.6% in Malta to more than 70% in Denmark and Sweden. Half the Member States have already reached the intermediate female employment rate target of 57% for 2005; besides the three Nordic Member States, Germany, the Netherlands, Austria, Portugal and the United Kingdom also five new Member States, the Czech Republic, Estonia, Cyprus, Lithuania and Slovenia, had a female employment rate of 57% or more.

## **Gap between the sexes is narrowing but remaining substantial**

In 2002, the gender gap in employment rates in the Union was 16.3 points (71.0 % for men compared with 54.7% for women). The combination of increasing education and changing attitudes means that the gap in employment rates has narrowed almost 3 percentage points in the five years from 1997 to 2002: the female employment rate rose by almost 4 percentage points whereas that of men only increased by less than 1 percentage point. In Denmark, Finland, Sweden, the three Baltic countries and Slovenia, the gender gap was less than 10 percentage points. In Malta, where the employment gender gap was the highest, the female employment rate was less than half of the male employment rate. In addition to the female employment rate being systematically lower than the male rate, many women work part-time.

## **Part-time work continued to rise**

The share of part-time employment has increased from 15.4% in 1997 to 16.7% in 2002. The trend of part-time employment in the new Member States seemed to be decreasing moderately whereas the trend in the EU of the 15 members was clearly rising. In Denmark, Germany, Austria, Sweden and the United Kingdom, more than 20% of employment, and in the Netherlands almost 44%, is part-time. At the other end of the scale, in Greece, the Czech Republic, Hungary and the Slovak Republic, part-time employment was less than 5%.

## **One in three females in employment is working part-time**

In the EU-25, 30% of women in employment were working part-time against only 6.5% of men. Female part-time work is particularly prevalent in the Netherlands, where it accounts for almost three quarters of female employment, and the United Kingdom (43.9%).

## **The share of temporary employment has not changed in the past year**

EU-wide, the share of temporary employment has not changed in the past year (12.7%) and has increased from 1996 until 2001. This is the net effect of two trends: a relative rise of temporary employment since 1999 in several new Member States, particularly in Poland but, a relative fall in the EU of the 15 members since 2000. Exceptions were the Netherlands, in recent years, and Portugal, already for many years, with a relative rise of temporary employment. Unlike part-time work, the share of temporary employment is practically the same for men and women (13.7% for women, 11.9% for men). In the New Member States, except Malta and Slovenia, temporary employment was more prevalent among men than women.

### **19.3 million people in employment in the EU-25 are aged 55-64**

EU-wide, 38.7% of the people around the retirement age (55-64 years) were in employment in 2002. Denmark, Estonia, Portugal, Sweden and the United Kingdom have already reached the employment rate target for older workers of 50% by 2010. At the other end of the scale, less than 30% of older people are working in Belgium, Italy, Luxembourg, Hungary, Poland, Slovenia and the Slovak Republic.

In the EU-25, the employment rate of older workers increased more than 3 percentage points since 1997, considerably more than in the case of people of younger age. The employment rate of women aged 55-64 increased more than the male employment rate for this age group. Despite this trend, the rate for males (48.9%) remained higher than that of females (29.1%).

Looking at more detailed age groups: the employment rate of people aged 55-59 stood at 53.1% while it was 23.6% among those aged 60-64. Beyond the age of 65, the employment rate decreases sharply. In the EU-25, less than 4% of those aged 65 and over were in employment. Portugal stood out with 19% of this age group being in employment.

#### **Exit from the labour force at the age of 60.4**

In the EU-25, the average exit age from the labour force in 2002 was at the age 60.4. This exit age mirrors the trend of labour participation of older workers. The average exit age was nowhere close to 65 years although in Ireland, the Netherlands, Portugal, Sweden, the United Kingdom, Cyprus and Latvia (for the last two countries data refer to 2001) the average exit age was between 62 and 63 years. Men leave the labour force on average at the age of 60.8 while women do so about one year earlier.

#### **Policy context**

The Treaty of Amsterdam took an important step in committing the Union to a high level of employment as an explicit objective: "The objective of a high level of employment shall be taken into consideration in the formulation and implementation of Community policies and activities" (Art.127(2)).

The Treaty states furthermore that "the Community shall support and complement the activities of the Member States in ... equality between men and women with regard to labour market opportunities and treatment at work." (Art. 137).

The Lisbon European Council in March 2000 concluded that "the employment rate is too low and is characterised by insufficient participation in the labour market by women and older workers." The Lisbon European Council defined a strategic goal for the next decade "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. (...) the overall aim should be to raise the employment rate to as close as possible to 70% by 2010 and to increase the number of women in employment to more than 60% by 2010.

The Stockholm European Council in March 2001 agreed intermediate targets for employment rates (67% overall and 57% for women by 2005) and a target for employment participation of older workers by 2010 (50%).

The recent 2003-2006 Employment Guidelines that should be taken into account in national policy making, specify "three overarching and interrelated objectives of full employment, quality and productivity at work and social cohesion and inclusion." Besides these overarching objectives, specific guidelines are agreed: on raising labour supply and the promotion of active ageing: (guideline n° 5). In particular, Member States "will increase labour market participation, (...) promote active ageing, notably by fostering working conditions conducive to job retention and 5...) additional labour supply resulting from immigration."

Another guideline concerns gender equality (n° 6): Member States will "encourage female labour market participation and achieve a substantial reduction in gender gaps in employment rates, unemployment rates and pay by 2010 (...) Particular attention will be given to reconciling work and private life, notably through the provision of care services for children and other dependants, encouraging the sharing of family and professional responsibilities and facilitating return to work after a period of absences. Member States should remove disincentives ... (OJ L197 of 5.8.2003)

In the face of economic slowdown, the Spring Council invited the Commission to establish a European Employment Taskforce. Under the chairmanship of Wim Kok, the Taskforce reported to the Commission on practical reforms that can have the most direct and immediate impact on the Employment Strategy. The Report identified four key conditions for success: increasing adaptability of workers and enterprises; attracting more people to the labour market; investing more and more effectively in human capital; and ensuring effective implementation of reforms through better governance. The Brussels European Council of December 2003 invited the Commission and Council to consider the Taskforce's Report in the preparation of the 2004 Joint Employment Report.

#### **Methodological notes**

Sources: Eurostat quarterly labour force data (QLFD) consist of employment by economic activity and status in employment, further broken down by sex and some job characteristics. They are based on the EU Labour Force Survey (LFS) and on the European System of National Accounts (ESA 95). All other data come from the EU Labour Force Survey (LFS).

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

**Links to other parts of the report**

Education and its outcomes (2.5), Lifelong learning (2.6), Unemployment (2.8), Labour Market Policy expenditure (2.11), Labour market (Annex 2.3).

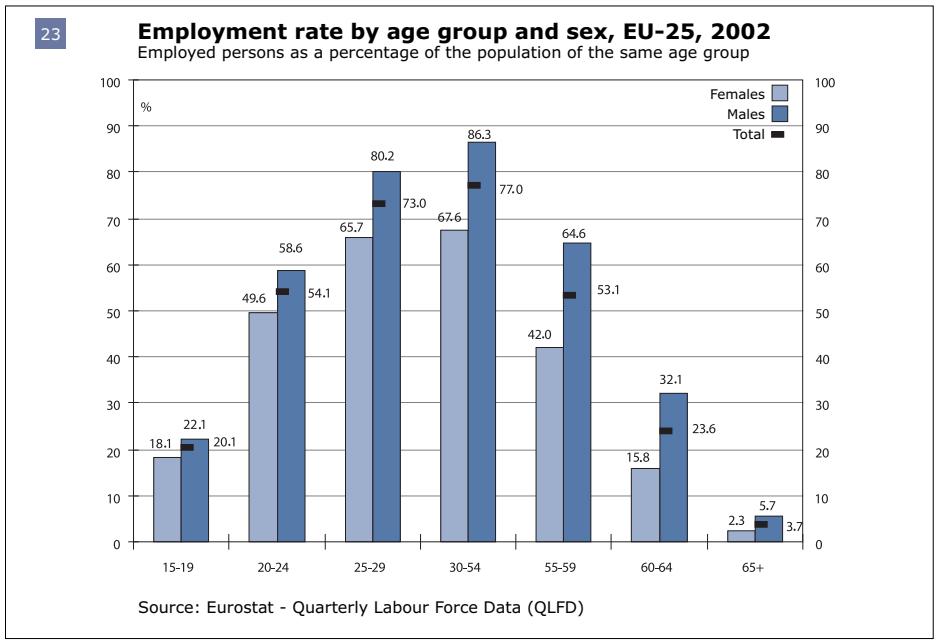
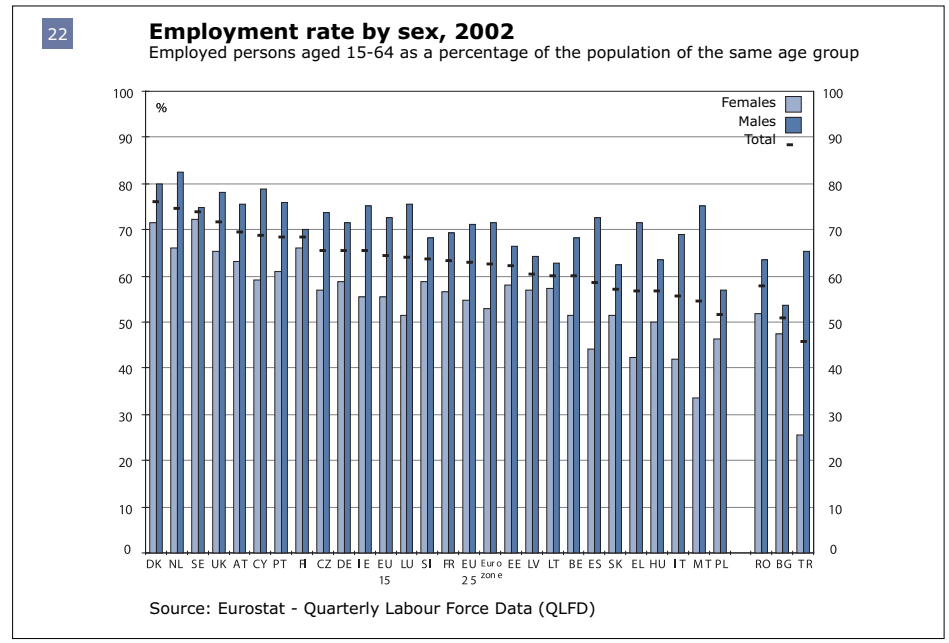
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**Key indicator**

	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)





# 8 Unemployment

In 2002, the unemployment rate increased by 0.3 percentage points for the first time since 1996. The rise occurred in all Member States except in Hungary, Finland and Sweden, where it remained unchanged, and in Greece, Italy, Cyprus, the three Baltic states, the Czech Republic and the Slovak Republic where it continued to decrease.

## ***EU-15 unemployment: a first increase since 1996***

In 2002, the total number of unemployed people in the EU-25 stood at 18.6 million or 8.8% of the labour force, an increase by 0.3 points on the previous year. This was the first increase since 1996 in EU-15 and since statistics are available for EU-25 i.e. since 1998. The rate increased in all Member States except in Hungary, Finland and Sweden, where it remained unchanged, and in Greece, Italy, Cyprus, the three Baltic states, the Czech Republic and the Slovak Republic where it continued to decrease.

In Denmark, Ireland, Cyprus, Luxembourg, Hungary, the Netherlands, Austria, Portugal, Sweden and the United Kingdom, the unemployment rate remained below 6%. These figures were similar to those for Japan (5.4%) and the United States (5.8%). The unemployment rate was highest in the Slovak Republic (18.7%) and Poland (19.8%). Although the high unemployment rate in the Slovak Republic declined from the year before, it continued to increase in Poland by 1.3 points.

## ***Females more likely than males to be unemployed in most Member States***

The female unemployment rate (9.8%) in the EU-25 was almost 2 percentage points higher than the male unemployment rate (8.0%) in 2002, although this gap is on a declining trend. This less favourable situation for women was apparent in all Member States except in Finland, Germany, Hungary, Ireland, the three Baltic countries, Sweden and the United Kingdom, and furthermore in the three Candidate Countries (Bulgaria, Romania and Turkey). In several of the Member States where the overall female employment rate was higher than that for males the relationship was the opposite for young unemployed people (Belgium, Denmark, Malta, the Netherlands and the Slovak Republic) i.e. a higher share of young men were unemployed than young women in these countries.

## ***Almost one in two unemployed people have been jobless for at least twelve months***

In 2002, 3.8% of the labour force in the EU-25 had been unemployed for at least one year. Compared with 2001, the long-term unemployment rate in the enlarged Union has not changed although there was a small decline of the long-term unemployment rate in the EU-15. In Denmark, Cyprus, Luxembourg, the Netherlands, Austria and Sweden, 1% or less of the labour force was affected. In contrast, over 5% of the active population in Greece, Italy, Latvia and Lithuania and over 10% in Poland and the Slovak Republic had been unemployed for at least one year.

## ***Females more affected than males by long-term unemployment***

Although the net additional jobs created over the past decade or so have mainly gone to women unemployment among women remains much higher than for men. While women formed around 44% of the EU-25 labour force, they accounted for practically half of the unemployed. In the EU-25, long-term unemployment was slightly more prevalent among females than males (resp. 4.5% and 3.3%). Women in Greece, Spain, Italy and Poland were much more likely than men to find themselves without work for more than twelve months. In contrast, in Estonia and Latvia, a much larger proportion of unemployed men than unemployed women was jobless for a lengthy period.

## ***Policy context***

The Luxembourg Jobs Summit in November 1997 observed that "the encouraging growth results will not enable to make up for the job losses in the early '90s or to achieve the rate of employment growth needed to get most of the unemployed into work". It concluded that a European Employment Strategy was needed in order to turn back the tide of unemployment.

The Lisbon European Council in March 2000 concluded that "long-term structural unemployment and marked regional unemployment imbalances remain endemic in parts of the Union." (Presidency conclusion No. 4). Four key areas were identified as part of an active employment policy. One of these was "improving employability and reducing skills gaps, in particular by ... promoting special programmes to enable unemployed people to fill skill gaps."

The 2003-2006 Employment Guidelines that should be taken into account in national policy making, specify that effective active and preventive measures for the unemployed and the inactive should be developed and implemented designed to prevent inflow into long-term unemployment and to promote the sustainable integration into employment of unemployed and inactive people (guideline n° 1). Furthermore, Member States should implement lifelong learning in order to equip all individuals with the skills required for a modern workforce and support the integration of people facing particular difficulties on the labour market (guidelines n° 4 and 7).

## ***Methodological notes***

Source: Eurostat – Harmonised unemployment rates and the European Union Labour Force Survey (LFS).

Unemployed people - according to the Commission Regulation n° 1897/2000 and International Labour Organisation (ILO) standards - are those persons aged 15-74 who i) are without work, ii) are available to start work within the next two weeks and iii) have actively sought employment at some time during the previous four weeks or have found a job to start later, i.e. within a period of at most 3 months. Unemployment rates represent unemployed persons as a percentage of the active population of the same age. The active population (or labour force) comprises employed and unemployed persons.

### ***Links to other parts of the report***

Education and its outcomes (2.5), Employment (2.7), Labour Market Policy expenditure (2.11), Labour market (Annex 2.3).

### ***Further reading***

- "Employment in Europe 2003", European Commission, Employment and Social Affairs DG, September 2003.
- "European social statistics - Labour force survey results 2002", Eurostat, June 2003.
- Statistics in Focus (Population and social conditions) Theme 3, n° 15/2003 and n° 16/2003 "Labour Force Survey Principal Results 2002", Eurostat.
- Statistics in Focus (Population and social conditions) Theme 3, n° 15/2002 "More women than men living in workless households", Eurostat

**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>Unemployment rate, 2002</b> (Unemployed persons as a percentage of the active population)																															
Total	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	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
Females	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	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
Males	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	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

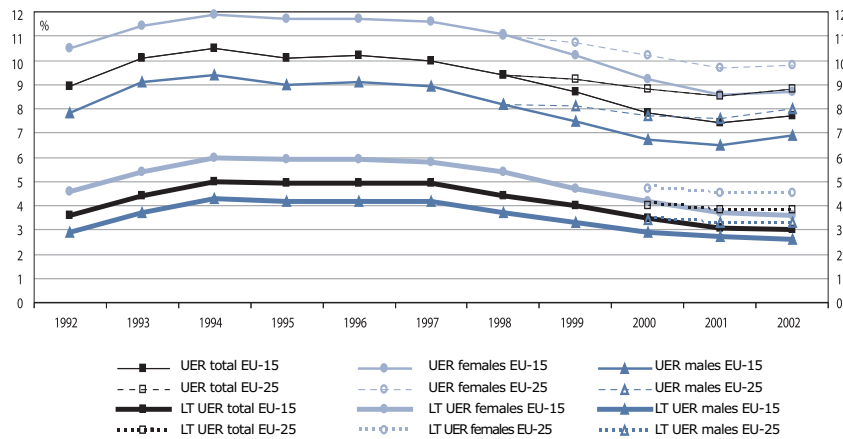
Source: Eurostat - Unemployment rates (ILO definition)

	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>Long-term unemployment rate, 2002</b> (Long-term unemployed persons (12 months and more) as a percentage of the active population)																															
Total	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	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
Females	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	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
Males	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	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

Source: Eurostat - Quarterly Labour Force Data (QLFD)

**24 Unemployment rate (UER) 1992-2002 and long-term unemployment rate (LT UER) 1992-2002 by sex, EU-15 and EU-25**

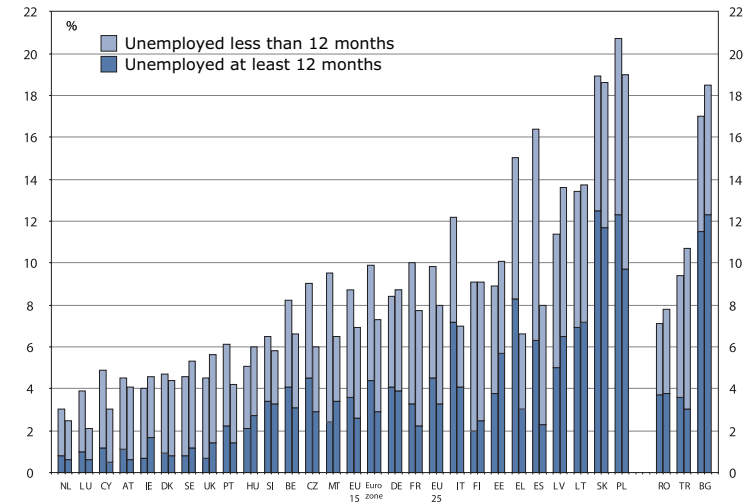
Unemployed and long-term unemployed persons (12 months and more) as a percentage of the active population



Source: Eurostat - Unemployment rates (ILO definition) and Quarterly Labour Force Data (QLFD)

**25 Unemployment rate and long-term unemployment rate by sex, 2002**

(in ascending order by total unemployment rate; Left bar: Females, Right bar: Males)



Source: Eurostat - Quarterly Labour Force Data (QLFD)

## Social protection expenditure and receipts

In 2001, social protection expenditure in the European Union increased in most of countries as percentage of GDP. 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.

### ***Slight decrease from 1994***

The decline in social protection expenditure as a percentage of GDP in EU-15 ended in 2001: 27.5 % against 27.3 % in 2000, but is still lower by 1.2 percentage points compared with the peak year 1993. It is also true for Slovenia, but the ratio dropped again in Hungary and Slovak Republic. Changes in this ratio did not follow a regular pattern over the period 1992-2001. Until 1993 the ratio showed an appreciable increase, rising to a high for EU-15 in 1993 of 28.7 %. This was due both to a slowdown in GDP growth and to an increase in benefits (particularly those related to unemployment). Between 1993 and 1996, social protection expenditure as a proportion of GDP levelled off at slightly below the 1993 level. This was the result partly of renewed growth in GDP, but also of slower growth in social protection expenditure (particularly in connection with the reduction in unemployment benefits). From 1996 onwards, social protection expenditure as a proportion of GDP fell steadily until 2000, with an average drop of 0.3 percentage points per year in EU-15. The decline in expenditure as a percentage of GDP between 1996 and 2000 was most marked in Finland (-6.1 percentage points) and in Luxembourg (-3.8 points). There was also a considerable fall in the Netherlands, Sweden and Ireland. It is worth noting that in Ireland changes in the ratio can to a large extent be explained by the strong growth in GDP in recent years. In 2001, social protection expenditure increased slightly relative to GDP, of which it amounted to 27.5 % in EU-15 (against 27.3 % in 2000). Almost all countries reported such an increase.

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

The figures for social protection expenditure as a percentage of GDP in the European Union show wide disparities from one Member State to another. Sweden (31.3 %), France (30 %) and Germany (29.8 %) had the highest percentages and Ireland the lowest (14.6 %). In terms of per-capita PPSs (purchasing power standards), the differences between countries are more pronounced, and the rank order of countries is somewhat different. Luxembourg<sup>49</sup> had the highest expenditure (10 559 PPS per head of population), followed by Denmark (7 805 PPS per head). Five countries (Slovenia, Greece, Ireland, Spain and Portugal), on the other hand, featured a low level of social redistribution, with about 4 000 PPS per head

of population and two new European Union countries (Hungary and Slovak Republic) had the lowest level (2000 PPS per head of population). The disparities between countries are partly related to differing levels of wealth and also reflect differences in social protection systems, demographic trends, unemployment rates and other social, institutional and economic factors.

### ***Two patterns of funding social protection***

In 2001, the main sources of financing for social protection at EU-15 level were social contributions, representing 60.5 % of all receipts, and general government contributions derived from taxes (36 %). The European average conceals considerable differences between the Member States in the structure of funding. The share of funding derived from social contributions is highest in Belgium, Greece, Spain, France, the Netherlands, Slovenia, Slovak Republic and Germany, where this mode of financing accounts for over 65 % of all receipts. Conversely, Denmark and Ireland finance their social protection systems largely from taxes, whose relative weight in total receipts is over 58 %. The United Kingdom, Luxembourg and Sweden also rely heavily on general government contributions.

### ***General government contributions taking over from social contributions***

The proportion of general government contributions in total funding rose by 3.1 points between 1993 and 2001 for EU-15. While in France and Italy general government contributions increased by more than the European average, in Denmark and the Netherlands their share in total receipts fell substantially as a result of increases in social contributions. The share accounted for by employers' social contributions fell in EU-15 by 0.7 percentage points between 1993 and 2001. It diminished in more than half of the countries, with the exception of the Netherlands, Belgium, Spain, Ireland, Finland and Denmark, though Denmark was still the country with the lowest figure. There were particularly large reductions in Italy, Luxembourg and Germany. The share accounted for by social contributions paid by protected persons also diminished between 1993 and 2001, from 23.5 % to 21.7 % for EU-15.

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

<sup>49</sup> Luxembourg constitutes a special case insofar as a significant part of benefits (particularly family benefits and pensions) are paid to persons living abroad; correcting for this anomaly, the figure fall to approximately 9 500 PPS.

**Policy context**

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

The Lisbon European Council of March 2000 attached great importance to the role of social protection systems in the achievement of the overall strategic objective it established. It set out the objective that the European social model, with its developed systems of social protection, must underpin the transformation to the knowledge economy. It went on to state that these systems need to be adapted as part of an active welfare state to ensure that work pays, to secure their long-term sustainability in the face of an ageing population, to promote social inclusion and gender equality, and to provide quality health services.

Subsequent European Councils, in particular Stockholm, Gothenburg and Laeken, decided to apply the "open method of coordination" in specific sectors of social protection (e.g. in the field of pensions) or to intensify the cooperation (e.g. in the field of health care). In the case of pensions the European Council highlighted the need for a "comprehensive approach" to the challenge of an ageing society and stressed the importance of both social policy and financial objectives. Most recently, the Commission presented its point of view on strengthening the social dimension of the Lisbon strategy by streamlining the open method of coordination in the field of social protection (COM(2003) 261 final). The Brussels European Council of October 2003 stressed that it was necessary to strengthen the existing coordination processes on the policies adopted by Member States in the field of social protection, thus contributing to the necessary modernisation of social protection systems and asked the Council to examine the Commission's Communication and to draw up operational conclusions in time for the 2004 Spring European Council.

**Methodological notes**

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

Social protection encompasses all interventions from public or private bodies intended to relieve households and individuals of the burden of a defined set of risks or needs, provided that there is neither a simultaneous reciprocal nor an individual arrangement involved. The risks or needs that may give rise to social protection are classified by convention under eight "social protection functions". See Social benefits (3.13). Excluded are all insurance policies taken out on the private initiative of individuals or households solely in their own interest. The 2001 data are provisional for BE, DE, ES, FR, IE, IT, LU, HU, NL, PT, SI, SK, SE and UK.

Purchasing Power Parities (PPP) convert every national monetary unit into a common reference unit, the purchasing power standard (PPS), of which every unit can buy the same amount of consumer goods and services across the Member States in a given year.

**Links to other parts of the report**

Social benefits (2.10), Labour Market Policy expenditure (2.11), Income distribution (2.12), Social protection (Annex 2.3).

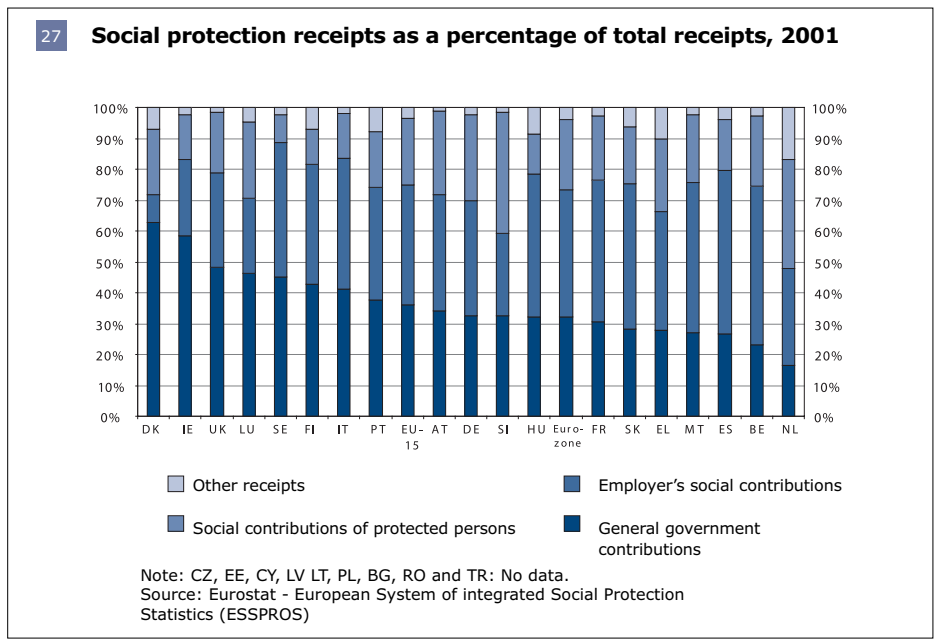
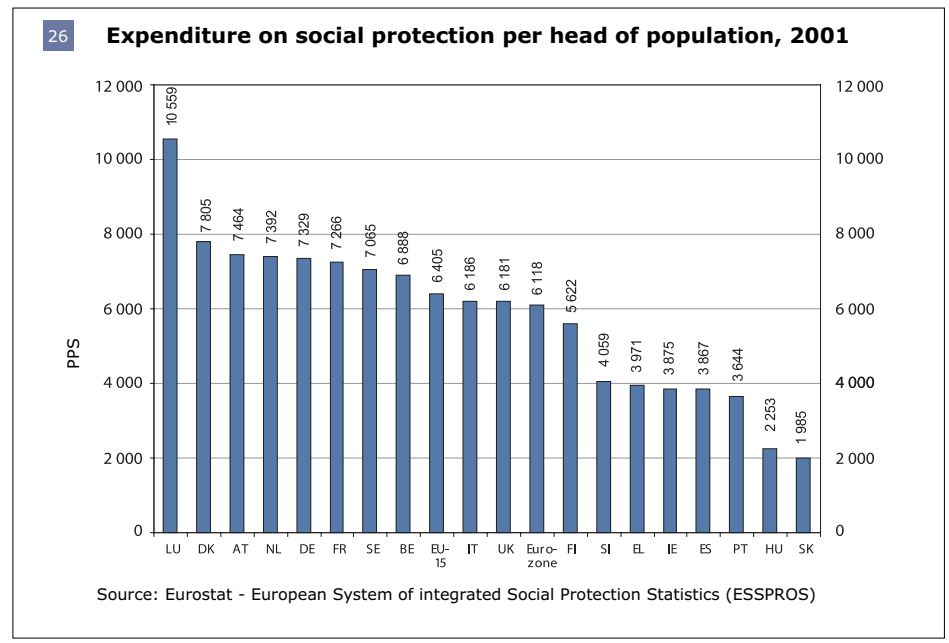
**Further reading**

- "European social statistics - Social protection. Expenditure and receipts 1992-2001", 2004. Methodology: "ESSPROS Manual 1996", Eurostat.
- Statistics in Focus (Population and social conditions): "Social Protection in Europe", No. 6/2004. Eurostat.

**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)



# 10

## 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.

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

In 2001, benefits linked to the old age and survivors functions made up the largest part of social protection expenditure in most Member States, accounting for 46.1 % of total benefits in EU-15. This was particularly true for Italy, where more than 60 % of total benefits were devoted to these functions; A contributory factor here was the high percentage of the population aged 60 or over (24 % against an average of 21.5 % in EU-15). In Greece and Austria these benefits also accounted for more than the European average (almost 50 % of the total). In Ireland, on the other hand, less than 30 % of benefits came under the "old-age" and "survivors" headings. This is partly<sup>50</sup> due to the fact that the population of Ireland is the "youngest" in Europe: 30.1 % of the population was aged under 20 in 2001 (against an EU-15 average of 23.1 %) and only 15 % were over 60.

### ***Differing pattern for the other social benefits***

The sickness/health care function accounted for more than 28 % of all benefits. It outweighed the old age and survivors functions in Ireland. In contrast, Denmark devoted only 20 % of total benefits to this function.

Benefits relating to the disability function accounted for around 14 % of the total in Finland and Luxembourg against an average of 8.0 % in EU-15. The share that this expenditure represents is also high in Denmark and Sweden. In Italy, Ireland and Greece, on the other hand, this portion is less than 6 %.

The family/children function accounts for 8.0 % of all benefits in EU-15. Expenditure amounted to almost 17 % of total benefits in Luxembourg and to about 13 % in Denmark and Hungary. In Spain, Italy and the Netherlands, on the other hand, benefits related to this function amounted to less than 5 % of total social benefits.

Major disparities between Member States are found with regard to the importance of benefits relating to unemployment: while the average for EU-15 was 6.2 % of total benefits, the share in the total amounted to nearly 13 % for Spain. Conversely, Italy, Luxembourg and the United Kingdom devoted less than 3 % of expenditure to this function. It is worth noting that the spending on of unemployment benefits does not always correlate with the

level of unemployment in the various countries, as there are substantial differences in coverage, the duration of benefits and the level of unemployment benefit.

### ***Slight changes in the structure of benefits***

The structure of benefits is relatively stable over time, of though for EU-15 as a whole a number of changes can be identified between 1993 and 2001. Over this period the shares of the "old age/survivor" and "family" functions each grew slightly, while the share accounted for by unemployment-related benefits dropped by more than one third, from 9,6 % of total benefits to 6.2 %. At the same time the share of expenditure on sickness remained steady, but after a decrease until 1997 it grew by nearly 8 %.

### ***Policy context***

In recent years the cooperation on the European level in the field of social protection, in particular pensions and health care, has made considerable progress. This development was characterised by the creation of a "High Level Working Party on Social Protection" bringing together senior officials from Member States and the Commission and its transformation into the "Social Protection Committee" as well as by the introduction of the "open method of coordination" in the field of pensions and an intensified cooperation in the field of health care and care for the elderly.

This evolution was initiated by the European Council of Lisbon in March 2000. In the context of its general remarks underlying the importance of social protection systems and calling for their adaptation, the Lisbon summit mandated the High Level Working Party on Social Protection "as its first priority" to prepare, on the basis of a Commission Communication, a study on the future evolution of social protection systems from a long-term point of view, giving particular attention to the sustainability of pensions systems. As requested, the Commission adopted on 11 October 2000 a Communication (COM (2000) 622 final) on the "Future Evolution of Social Protection from a Long-Term Point of View : Safe and Sustainable Pensions". Section 2.6 states that it is for "Member States to decide what pension system they want and what policy mix is required to maintain adequate incomes for older people without jeopardising the stability of public finances, undermining employment incentives or squeezing out other essential public expenditures. However, (...) Member States face common challenges

<sup>50</sup> For Ireland, no data are available regarding occupational pension schemes for private-sector employees with constituted reserves.

(...)(and) share common objectives with regard to pension systems and are committed to a number of principles, amongst which are equity and social cohesion ...

The Commission therefore invites Member States to co-ordinate their efforts and exchange views and information on practices and reforms in progress or at a planning stage." In a progress report to the Nice Summit of December 2000, the High Level Working Party committed Member States to prepare national contributions on their strategies to ensure the fundamental objectives of their pension systems while ensuring their sustainability in the face of the demographic challenge.

The Gothenburg European Council in June 2001 stressed the need for a comprehensive approach in order to meet the challenges of an ageing society and endorsed the three broad principles for securing the long-term sustainability of pension systems: to safeguard the capacity of pension systems to meet their social aims of providing safe and adequate incomes to retired persons; to ensure the financial sustainability of pension systems; to enhance the ability of pension systems to respond to the changing needs of society and individuals.

The Laeken European Council endorsed the proposition of objectives and working methods in order to apply the open method of co-ordination in the domain of pensions policy. Member submitted the first set of "National Strategy Reports" in which they explain their national strategies for securing adequate and sustainable pension provision in the long run. On the basis of the National Strategy Reports the Commission and the Council drew up a joint report on adequate and sustainable pensions that was welcomed by the Brussels European Council in March 2003. The European Council called for the "continued application of the open method of coordination in the field of pensions and a review of the progress achieved in 2006".

In the area of health care, the Gothenburg European Council of 2001, in its consideration of what is needed to meet the challenges of an ageing society, asked the Council, in conformity with the open method of coordination, to prepare an initial report for the Spring European Council in 2002 on orientations in the field of health care and care for the elderly. This report was based on a Communication from the Commission (COM (2001) 723) which had stressed that health care and long-term care systems in the European Union face the challenge of ensuring at the same time the following three key objectives: accessibility, quality and financial viability of health and care systems. These three broad goals were endorsed by the Council in an initial orientation report on health care and care for the elderly to the Barcelona European Council in March 2002. The report stressed that all health systems in the EU are based on the principles of solidarity, equity and universality. The Barcelona European Council invited the Commission and the Council to examine more thoroughly the questions of access, quality and financial sustainability. For this purpose a questionnaire was sent to the Member States. The Commission and the Council presented their findings of the evaluation of Member States' responses in a joint report in March 2003 to the Brussels European Council. Furthermore, the Commission was invited to present proposals for the intensification of the cooperative exchange on this topic. The Commission intends to present a Communication in early 2004.

See also Social protection expenditure and receipts (3.9).

### **Methodological notes**

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

See Social Protection expenditure and receipts (3.12). Social benefits are recorded without any deduction of taxes or other compulsory levies payable on them by beneficiaries. "Tax benefits" (tax reductions granted to households for social protection purposes) are generally excluded. Social benefits are divided up into the following eight functions: Sickness/healthcare, Disability, Old age, Survivors, Family/children, Unemployment, Housing, Social exclusion not elsewhere classified (n.e.c.). The Old age function covers the provision of social protection against the risks linked to old age: loss of income, inadequate income, lack of independence in carrying out daily tasks, reduced participation in social life, and so on. Medical care of the elderly is not taken into account (reported under Sickness/healthcare function). Placing a given social benefit under its correct function is not always easy. In most Member States, a strong interdependence exists between the three functions Old age, Survivors and Disability. For the purposes of better EU-wide comparability, the Old age and Survivors functions have been grouped together. F, IRL and P record disability pensions paid to persons of retirement age as benefits under the disability function as opposed to the old age function.

### **Links to other parts of the report**

Ageing of the population (2.3), Social protection expenditure and receipts (2.9), Social protection (Annex 2.3).

### **Further reading**

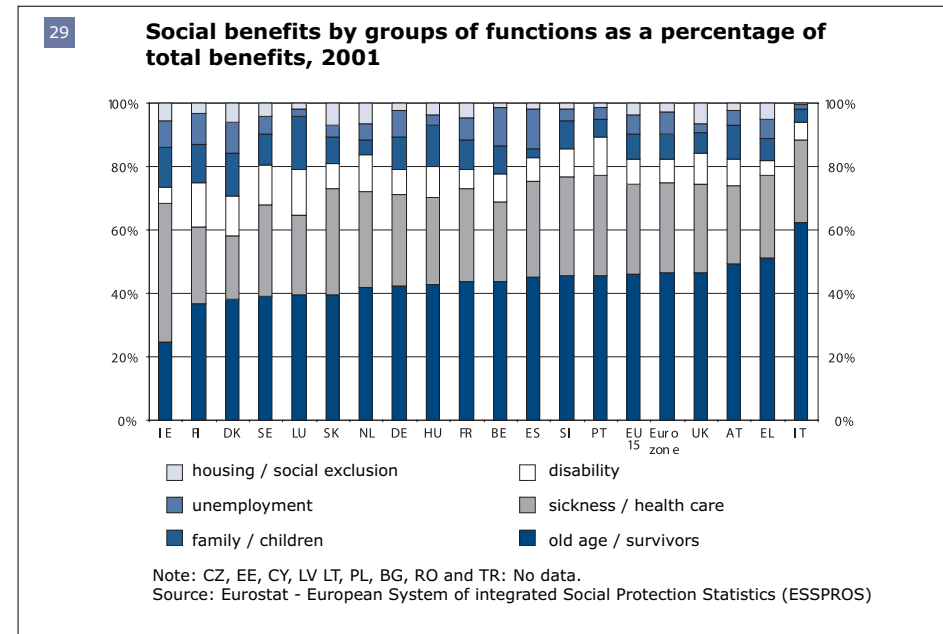
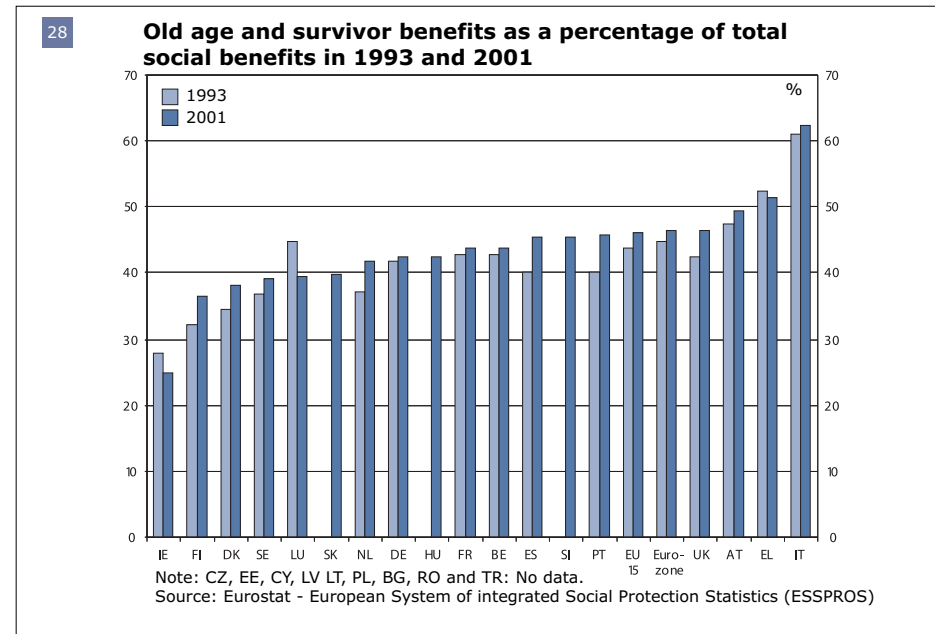
- "European social statistics - Social protection. Expenditure and receipts 1992-2001", 2004. Methodology: "ESSPROS Manual 1996", 1996. Eurostat.
- Statistics in Focus (Population and social conditions): "Social Protection in Europe", No. 6/2004. "Social protection in Europe: expenditure on pensions", No.11/2003.



**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)



# 11

## 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 (see Annex 2.3, Social protection). 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, is not included in the coverage of the LMP data collection.

### **Targeted policies**

Labour market policies are by definition restricted in scope, covering only those political interventions targeted at the unemployed and other groups of people with particular difficulties in entering or retaining their position in the labour market. Primary target groups in all countries (with the exception of Italy) are the unemployed who are registered with the public employment services. However, public expenditure on LMP should not be interpreted exclusively as demonstrating the strength of the political will to combat unemployment. Other factors such as the demographic situation and the GDP per capita of each country contribute to the differences.

### **Active and passive expenditure**

Expenditure on targeted programmes including training, job rotation/job-sharing, employment incentives, integration of the disabled, direct job creation and start-up incentives (categories 2-7 of the LMP database) are usually considered as active expenditure, whereas expenditure on out-of-work income maintenance (mostly unemployment benefits) and on early retirement (categories 8-9) is considered as passive expenditure. However, it should be taken into account that in the past few years the conditions for maintaining eligibility to receive unemployment benefits have been increasingly tied to individualised job-search activities and may also involve active intervention by the public employment service.

### **Distribution of active labour market expenditure by type of action**

When comparing with the distribution in 2000, two observations can be made. Firstly the "ranking" of the categories is the same in 2001: Expenditure is highest on training programmes, accounting for 32.5% of expenditure on active measures. Direct job creation is the second most important category, accounting for 25%. Expenditure on employment incentives (which includes not only subsidies but also reduction in taxes and social contributions to employers), amounts to 21.3% of expenditure in active categories. Expenditure in the integration of the disabled represents 16.5% of active expenditure (although it should be kept in mind that apart from targeted measures only aimed at disabled people, most countries implement general employment measures which also benefit disabled people). Start-up incentives represent 3.8% of active expenditure and job rotation/job sharing is the smallest category in terms of expenditure with only 0.98% of active expenditure. The second observation is that expenditure on training and "direct

job creation" decreased by two percentage points, whereas expenditure in employment incentives, in the integration of the disabled, start up incentives and job rotation, increased.

### **Policy context**

The LMP data collection was developed as an instrument for the follow-up of the targeted employment policies implemented by EU countries as a result of the "Jobs Summit" held in Luxembourg in November 1997, which launched the European Employment Strategy with a medium term objective of reducing unemployment. The LMP database has been developed over the past years by Eurostat in close co-operation with DG Employment and Social Affairs, all EU Member States and Norway, as well as the OECD.

### **Methodological notes**

The scope of the LMP database refers to Public interventions in the labour market aimed at reaching its efficient functioning and to correct disequilibria and which can be distinguished from other general employment policy measures in that they act selectively to favour particular groups in the labour market.

The classification categories by type of action referred to in the graphs presented in this article include:

Categories 2-7:

- 2 - **Training:** Programmes which aim to improve the employability of the unemployed and other target groups through training, and which are financed by public bodies. Measures included here should include some evidence of classroom teaching, or if in the workplace, supervision specifically for the purpose of instruction.
- 3 - **Job rotation and job sharing:** Programmes that facilitate the insertion of an unemployed person or a person from another target group into a work placement by substituting hours worked by an existing employee.
- 4 - **Employment incentives:** Programmes which facilitate the recruitment of unemployed persons and other target groups, or help to ensure the continued employment of persons at risk of involuntary job loss. The majority of the labour cost is normally covered by the employer.

- 5 - **Integration of the disabled:** Programmes that aim to promote integration of disabled persons into the labour market.
- 6 - **Direct job creation:** Programmes that create additional jobs, usually of community benefit or socially useful, in order to find employment for the long-term unemployed or persons otherwise difficult to place. The majority of the labour cost is normally covered by the public finance.
- 7 - **Start-up incentives:** Programmes that promote entrepreneurship by encouraging the unemployed and target groups to start their own business or to become self-employed.

Categories 8-9:

- 8 - **Out-of-work income maintenance:** Programmes which aim to compensate individuals for loss of wage or salary through the provision of cash benefits when:
- A person is capable of working and available for work but is unable to find suitable employment.
  - A person is on lay-off or enforced short-time work or is otherwise temporarily idle for economic or other reasons (including seasonal effects).
  - A person has lost his/her job due to restructuring or similar (redundancy compensation).
- 9 - **Early retirement:** Programmes which facilitate the full or partial early retirement of older workers who are assumed to have little chance of finding a job or whose retirement facilitates the placement of an unemployed person or a person from another target group.

Note that data on category 1 "Intensive counselling and job-search assistance" are not included here because the data are too incomplete. Similarly, data on sub-category 2.4 "Special support to apprenticeship" are presented separately, since data are not fully comparable.

### **Links to other parts of the report**

Unemployment (2.8), Social benefits (2.10), Social protection (Annex 2.3)

### **Further reading**

- Labour Market Policy Database - Methodology, April 2000 - Eurostat Working Papers
- Labour Market Policy Database - Glossary, DE/EN-ES/EN-FR/EN-IT/EN - Eurostat Working Papers
- European Social Statistics - Labour Market Policy - Expenditure and Participants - Data 1998 - Detailed Tables. Eurostat.
- European Social Statistics - Labour Market Policy - Expenditure and Participants - Data 1999 - Detailed Tables. Eurostat.
- European Social Statistics - Labour Market Policy - Expenditure and Participants - Data 2000 - Detailed Tables. Eurostat.
- European Social Statistics - Labour Market Policy - Expenditure and Participants - Data 2001 - Detailed Tables. Eurostat.
- Statistics in Focus (Population and social conditions): "Public expenditure on Labour Market Policies in 1999 varied greatly among Member States", No. 12/2002. Eurostat
- Statistics in Focus (Population and social conditions): "Women participating in labour market policies", No. 17/2003. Eurostat

**Key indicator**

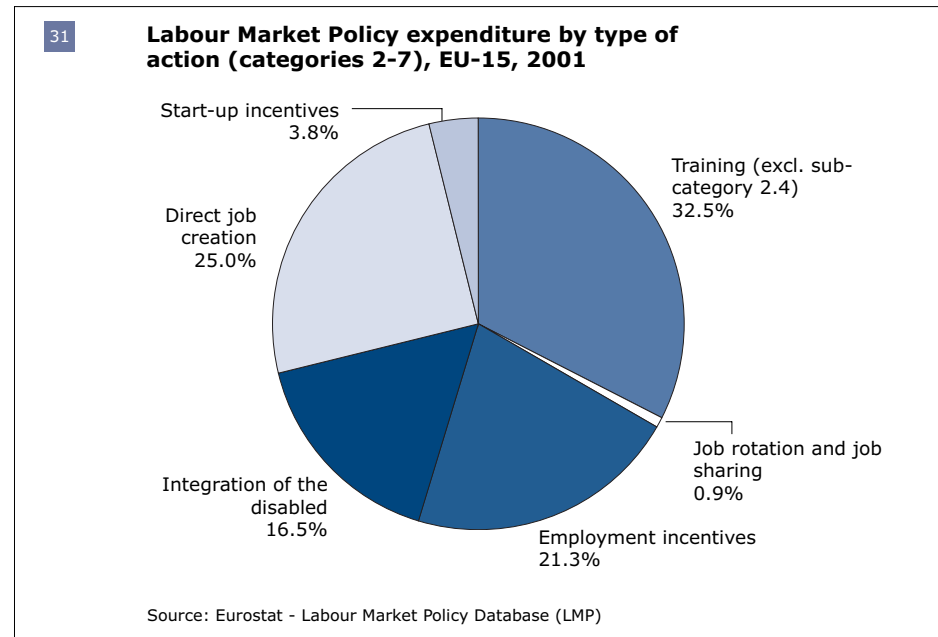
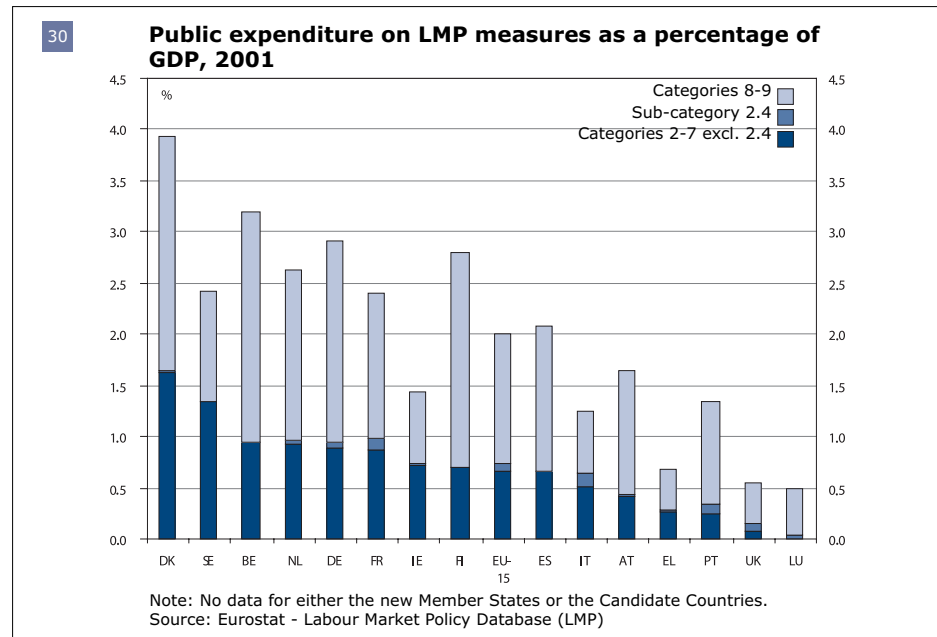
EU-25 EU-15 Euro-zone BE CZ DK DE EE EL ES FR IE IT CY LV LT LU HU MT NL AT PL PT SI SK FI SE UK BG RO TR

**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)



# 12

## 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 and Slovak Republic, the range in the new Member States is generally close to or smaller than the EU average.

### **Member States with lower levels of average income tend to have higher levels of inequality**

In 2001<sup>51</sup>, the median<sup>52</sup> equivalised net annual income for the EU-15 countries was around 13,755 PPS (population weighted arithmetic average of individual national values). In eight of these countries, including Germany, France and UK, the level was over 14,000 PPS. Luxembourg is an outlier with 23,960 PPS, followed by Denmark with 16,245 PPS. A north/south divide remains apparent, with income levels in Greece, Spain, Italy and Portugal ranging between 8,278 and 11,740 PPS. Ireland and Finland were also below the average, albeit with incomes above 12,000 PPS. An east/west, old/new divide is also apparent, with the average for the 10 "new" Member States<sup>53</sup> being 5,402 PPS, although Cyprus (11,097 PPS) and Slovenia (10,492 PPS) have median incomes similar to those of EU-15 countries. Median incomes are lowest in the Baltic states.

Income distribution can be measured by looking at how total income is shared among different strata of the population according to the level of income. As a population-weighted average amongst the EU-15 countries in 2001 the top (highest income) 20% of the population received 4.4 times as much of the total income as the bottom (lowest income) 20% of the population. This indicator, the inequality of income distribution income quintile share ratio, is generally higher in the southern and non-continental Member States (Portugal being the highest with 6.5 - although Greece, Spain, Ireland, Italy and UK also find themselves above the average). At the other extreme are Denmark (3.0), followed by Sweden (3.4), Finland and Austria (3.5) and Germany (3.6). The distribution is slightly narrower amongst the 'new' Member States, ranging from a low of 3.2 in Slovenia and a high of 6.1 in Estonia, with most countries lying between 3 and 4 (Slovenia, Czech Republic, Hungary) or between 4 and 5 (Cyprus, Lithuania, Malta, Poland) or 5 and 6 (Latvia, Slovak Republic).

Another way of looking at income inequality is to compare the Lorenz curve of actual income distribution to the line of perfectly equal income distribution<sup>54</sup>. Amongst the 'old' EU members, the country closest to equality was Denmark (coefficient 0.22) and the furthest away was Portugal (0.37) with an EU-15 average coefficient of 0.28. The situation is similar amongst the 10 "new" Member States, with an average coefficient of 0.28 and a high in Estonia (0.35) and a low in Slovenia (0.22).

In general, Member States with higher levels of inequality tend to have a lower level of average income (although the United Kingdom has both above average income and above average inequality).

### **Policy context**

The EC Treaty (Article 2) states that "The Community shall have as its task ... the raising of the standard of living and quality of life...". Article 3 continues "the activities of the Community shall include ... the strengthening of economic and social cohesion;"

The Lisbon European Council in March 2000 set itself "a new strategic goal for the next decade: to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion." See also Communication adopted by the Commission in March 2000 entitled "Building an Inclusive Europe".

A list of statistical "structural indicators" was agreed at the Nice summit in December 2000, including 7 indicators in the field of social cohesion. This list has been updated for the Synthesis Report from the Commission to the Barcelona Council in March 2002. This approach has been further developed by the Indicators Sub-Group of the Social Protection Committee, who proposed a list of "cohesion indicators" which was adopted by the Laeken summit in December 2001.

The Social Policy Agenda (COM(2000) 379 final) states that "social transfers covering pensions and social security do not only contribute to balance and re-distribute incomes throughout lifetimes and across social groups, but also support better quality in employment, with consequent economic benefits."

The Structural Funds are part of the Community's structural policy which is intended to reduce the gap in terms of development between different regions and between Member States and thereby promote economic and social cohesion. Between 1994 and 1999, the Community allocated around 35% of the EU's total budget to structural measures (EUR 208 billion).

51 The latest (December 2003) release of the European Community Household Panel user database (wave 8: years 1994-2001) covers all 15 'old' Member States of the EU. Data for certain countries (e.g. Germany, UK) continues to be derived from national panels reformatted for ECHP purposes.

52 The median value is generally preferred as the measure of central tendency of incomes since it is less affected by values at the extremes of the distribution (rich and poor). For comparison, the mean value for 1999 was 13,770 PPS.

53 Data for "new" Member States is obtained from national data sources (predominantly household budget surveys) under a pilot project coordinated by Eurostat. Whilst every effort is made to ensure consistency, results for these countries cannot be considered to be fully comparable with that for the EU-15 countries due to the differences in underlying data sources.

54 This can be expressed mathematically as the Gini coefficient (a mathematical expression of the ratio of the amount of graph between the line of perfectly-equal distribution and the curve of actual distribution to the total amount of graph below the line of perfectly-equal distribution).

On 20 June 2001 the Commission published the communication entitled: "Employment and social policies: a framework for investing in quality".

### **Methodological notes**

Sources: Eurostat - European Community Household Panel (ECHP), wave 8, version December 2003 and Eurostat - Pilot project data collection 2nd round, 2003 (data from national sources).

In the ECHP, total household income is taken to be all net monetary income received by the household and its members at the time of the interview (2001) during the survey reference year (2000). This includes income from work, private income (e.g., from investments or property), as well as pensions and other social transfers directly received. As in previous years, no account has been taken of indirect social transfers, receipts in kind and imputed rent for owner-occupier accommodation. As the weight of these income components varies between countries, there is some limitation on the full comparability of income statistics.

For the new Member States, a maximum effort was made to ensure consistency with the ECHP, using data from national sources (primarily household budget surveys). As the periodicity and methodology of these sources varies, the results cannot be considered to be fully comparable with those derived from the ECHP. Data for Slovak Republic should be treated as provisional.

In order to take account of differences in household size and composition in the comparison of income levels, the household's total income is divided by its 'equivalent size', computed using the modified OECD equivalence scale. This scale gives a weight of 1.0 to the first person aged 14 and over, 0.5 to the second and each subsequent person aged 14 and over, and 0.3 to each child aged under 14 in the household. To calculate the share ratio, persons are first ranked according to their equivalised income and then divided into 5 groups of equal size known as quintiles. S80/S20 represents the sum of the income of the 20% of households with the highest incomes to that of the bottom 20%.

### **Links to other parts of the report**

Social protection expenditure and receipts (2.9), Low-income households (2.13), Jobless households and low wages (2.14), Income, poverty and social exclusion (Annex 2.3).

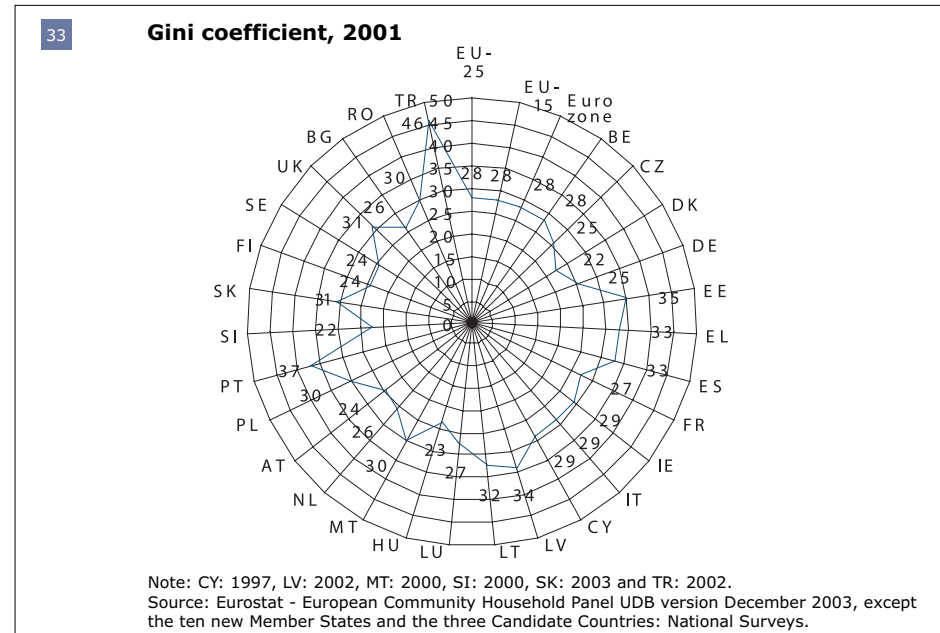
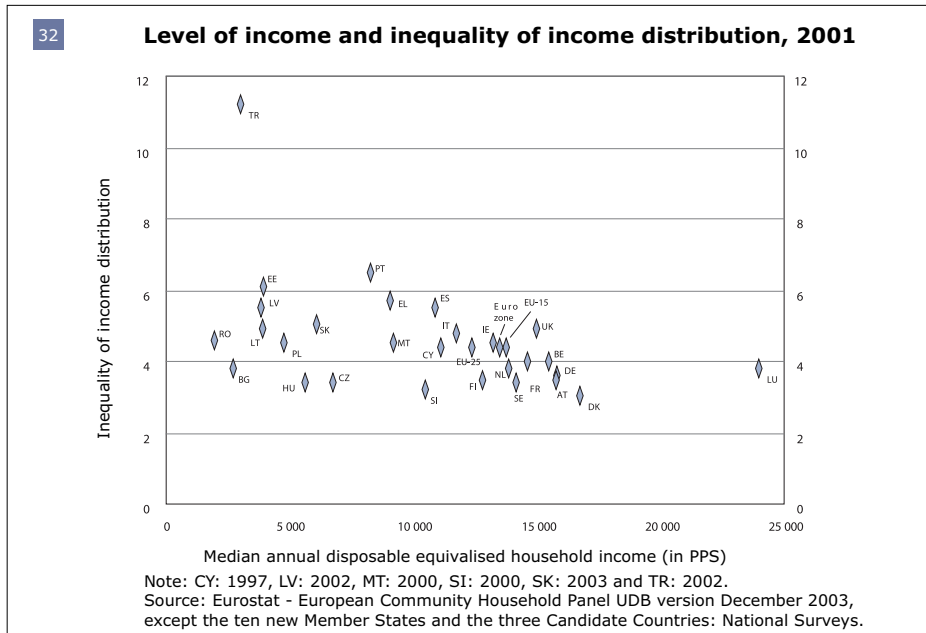
### **Further reading**

- "European social statistics: Income, Poverty and Social Exclusion in the Member States of the European Union", 2000 edition.
- "European social statistics: Income, Poverty and Social Exclusion 2nd report", 2003 edition.
- "European Community Household Panel: selected indicators from the 1995 wave", 1999. Eurostat.
- Statistics in Focus (Population and social conditions): "Monetary poverty in EU Acceding and Candidate Countries", No.21/2003. Eurostat.
- Statistics in Focus (Population and social conditions): "Poverty and social exclusion in the EU after Laeken-part 1", No.8/2003. Eurostat.
- Statistics in Focus (Population and social conditions): "Poverty and social exclusion in the EU after Laeken-part 2", No.9/2003. Eurostat.
- Statistics in Focus (Population and social conditions): "Social protection: cash family benefits in Europe", No.19/2003. Eurostat.
- Statistics in Focus (Population and social conditions): "The social protection in Europe", No.3/2003. Eurostat.
- "Joint Inclusion Report 2001", European Commission, Employment and Social Affairs DG.
- "Joint Inclusion Report 2003", European Commission, Employment and Social Affairs DG.
- "Unity, solidarity, diversity for Europe, its people and territory - Second report on Economic and Social Cohesion", 2001. European Commission.
- Evaluation of income support policies at the local urban level", European Commission DG Research reports 1999.

**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	3.0	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	5.4p	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 DK, SE and the ten new Member States and the three Candidate Countries: National Surveys.



# 13

## 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, Slovak Republic 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 (9%) and was even lower in 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 and Hungary.

### ***More than one-third of lone parents have a 'low income'***

In 2001, certain household types in the EU-15 countries again display higher than average levels of being at risk of poverty: single-parents with dependent children (35%), young people living alone (32%), old people living alone (29%), women living alone (28%) and 2-adult households with three or more dependent children (27%).

Amongst the 'new' Member States similar categories are at risk, but the rates are lower and ordering is different: 2-adult households with three or more dependent children (28%); single parents with dependent children (23%). Interestingly, single male households appear more at risk than single female households (19% against 13%) and young people living alone (11%) and old people living alone (13%) have lower risks than single persons aged 30-64 (18%).

In 2001 around 50% of single-parents in United Kingdom and 55% in Malta can be classified as having a 'low income'. Levels were also high (above 40%) in Spain, Ireland, Netherlands and Cyprus. In 2001 over 30% of households with more than 3 children in Spain, Ireland, Italy, Portugal (49%), United Kingdom, Poland and Slovak Republic had a 'low income'. In 2001 over 45% of young people living alone (age under 30) had a 'low income' in Netherlands and Finland. More than 70% of old people living alone (aged over 65) had a 'low income' in Ireland and over 80% in Cyprus, and rates were also high (over 40%) in Spain, Portugal, Finland and Slovenia.

### ***Women (compared with men) and children (compared with adults) are more likely to be poor***

Throughout Europe in 2001, being at risk of income poverty is slightly more prevalent among women than among men (EU-25 average of 16% versus 14%). The gender gap is noticeably larger among the elderly (persons aged over 65) - 19%:14% in the 'old' Member States and 11%:5% amongst the 'new' ones. The difference is particularly marked in Germany, Ireland (where along with Cyprus, the elderly are significantly more at risk than they are in other countries), Austria, Finland, United Kingdom, Estonia, Latvia, Lithuania, Hungary and Slovenia. However, some caution is necessary in interpreting these figures due to the assumptions made about how income is allocated within families. It should also be noted that the elderly are generally less at risk in the 'new' Member States.

In 2001, the proportion of children (under the age of 16) with low income (19%) is more than 1/4 higher than for the population as a whole (15%). Children in Spain, Italy, Luxembourg, Portugal, United Kingdom, Malta and Poland seem to be particularly worse off. By contrast, children in Denmark, Finland and to a lesser extent Cyprus and Slovenia are less likely to live in 'poor' households than are adults.

### ***Unemployed people most at risk***

On average, just under 40% of unemployed people have a low income in 2001. The proportion is highest in Ireland and Italy (over 50%) and there are higher than average rates in Malta, United Kingdom, Greece, Luxembourg and the Baltic states. The level is lowest in Sweden (19%), followed by Finland, Netherlands, Austria, Denmark and Cyprus (19%-23%).

In Belgium, Ireland and the United Kingdom, the unemployed are more than nine times as likely than those people with a job to have a low income. In Sweden on the other hand, the ratio is closer to five.

For the enlarged Union, 6% of those with a job (not self-employed) fall into the low income category. See also Jobless households and low wages (3.14).

### ***The impact of benefits on the proportion of poor people is significant***

A comparison of the number of people on low incomes before social benefits other than pensions and those on low incomes after social benefits (i.e. pensions are included in income both 'before' and 'after'), illustrates one of the main purposes of such benefits: their redistributive effect and, in particular, their ability to reduce the percentage of the population on low incomes.

Before social benefits other than pensions are taken into account, in 2001 Denmark, Sweden, Ireland, the United Kingdom and Poland show a high percentage (around 30%) of people on low incomes. By contrast the rates in Finland, Czech Republic, Cyprus, Hungary and Slovenia are less than 20%. The figures for the other Member States cluster around the EU average of 24%.



Social benefits other than pensions reduce the percentage of people at risk of poverty in all the countries, but to very disparate degrees. The reduction is smallest in Cyprus, Greece, Italy, Portugal and Spain (less than 20%) and is highest in Denmark, Czech Republic, Hungary and Poland (50% or more).

It is notable that Germany, Austria, Benelux countries, Czech Republic, Hungary and Slovenia have some of the lowest at-risk-of-poverty rates after payment of pensions and other benefits but with hypothetical rates before such transfers similar to or exceeding the EU average. In Poland and the Baltic states the risk-of-poverty rate before all transfers is higher than average, but the welfare system achieves near-average risk-of-poverty rate after transfers. Similarly, the United Kingdom has one of the highest risk-of-poverty rates before benefit payments, and inequalities remain higher than average after payments although some redistributive effect is evident. Scandinavian countries enjoy lower than average risk-of-poverty rates before transfers, but their pensions and other benefits ensure low risks after transfer payments.

By contrast, Ireland moves from being a country with a below-average risk-of-poverty rate before transfers to having the highest risk-of-poverty rate after transfers. Similarly, Cyprus and Malta have particularly low levels of risk before transfers but a risk-of-poverty rate after payment of pensions and other benefits which is near the EU average. Greece, Italy, Spain and Portugal have near-average at-risk-of-poverty rates before social transfers, but higher than average rates after transfer payments.

### ***EU poverty gap approaching a quarter***

Looking at income below the poverty line identifies those people at-risk-of income poverty, but does not show how severe this poverty is. Measuring the gap between the level of income of the poor and the at-risk-of-poverty threshold provides an insight into the depth of income poverty: the poverty gap. In 2001, half of the people living in a low-income household in the EU had an equivalised household income that was more than 22% below the EU average poverty line. With an average at-risk-of-poverty line of 7,426 PPS<sup>55</sup> in the EU-25 (8,253 PPS for the 15 'old' countries and 3,240 PPS for the 10 'new' members), this amounts to a relative poverty gap of roughly 1,600 PPS in equivalised income (1,800 PPS for the 'old' members, 700 PPS for the 'new' members).

### ***More than 35 million people living in persistent risk of poverty***<sup>56</sup>

In 2001, 9% of the European Union population were living in a low-income household and had been in this situation for at least two of the three preceding years. This figure suggests that more than half of all people in low income households in 2001 are living at-persistent-risk-of-poverty. The at-persistent-risk-of-income-poverty rate ranges from around 6% in Denmark and the Netherlands up to 13% in Ireland and Italy, 14% in Greece and 15% in Portugal. No data is currently available for Sweden or New Member States for this indicator.

Low income does not necessarily by itself imply low living standards. Typically it is the cumulative negative impact of persistent and/or multiple disadvantage, which may lead to poverty and social exclusion. The high levels of risk reported for certain countries are consequently a source of particular concern.

### ***Policy context***

Art.136 of the EC Treaty lists "the combating of exclusion" as one of the six objectives of European social policy. Art.137.1 cites the integration of people excluded from the labour market as one of the fields in which Community action should support and complement the activities of Member States. Art.137.2 creates scope for action at Community level by encouraging "co-operation between Member States through initiatives aimed at improving knowledge, developing exchanges of information and best practices, promoting innovative approaches and evaluating experiences in order to combat social exclusion."

The Lisbon European Council in March 2000 concluded that "the number of people living below the poverty line and in social exclusion in the Union is unacceptable" and that "the new knowledge-based society offers tremendous potential for reducing social exclusion" (Presidency conclusion No.32). This conclusion was reinforced at the Nice and Stockholm summits in December 2000 and Spring 2001.

The Social Policy Agenda (COM(2000) 379 final) also addresses the issues of poverty and social exclusion. The main objective is "to prevent and eradicate poverty and exclusion and promote the integration and participation of all into economic and social life." (Section 4.2.2.1).

The Lisbon Council agreed that Member States' policies for combating social exclusion should be based on an open method of co-ordination combining common objectives, National Action Plans and a programme presented by the Commission to encourage co-operation in this field. The Nice European Council in December 2000 adopted the common objectives in the fight against social exclusion and poverty: "to facilitate participation in employment and access by all to the resources, rights, goods and services; to prevent the risks of exclusion; to help the most vulnerable; to mobilise all relevant bodies."

The first two-yearly plans were adopted by the Member States in June 2001 and the first Joint Inclusion Report which synthesises and analyses these was adopted by the Employment and Social Affairs Council on 3 December 2001. A second round of plans and synthesis report were drafted during 2003.

Commonly agreed indicators with a hierarchical priority structure have been developed by the Indicators Sub-Group of the Social Protection Committee (a first set were adopted at the Laeken European Council in December 2001; work is ongoing to refine and extend this list). These indicators will serve the purpose of monitoring progress towards the common objectives agreed in Nice.

<sup>55</sup> For more details on Purchasing power standards, see "Purchasing power parities and related economic indicators: Results for 1998" (Eurostat, 2000).

<sup>56</sup> Statistics not currently available for the 'new' Member States, in the absence of a comparable source of longitudinal panel data.

### **Methodological notes**

Source: Eurostat - European Community Household Panel (ECHP) UDB, wave 8, version December 2003.

The risk or extent of low income poverty (relative monetary poverty) is measured in terms of the proportion of the population with equivalised income below 60% of the median equivalised income in each country. The median income is preferred to the mean income as it is less affected by extreme values of the income distribution.

The relative poverty gap is defined as the extra income necessary to bring the equivalised household income of a person who is under the at-risk-of-poverty line, level with the income at the at-risk-of-poverty line. See Income distribution (3.14) for definition of income concepts and notes on data.

### **Links to other parts of the report**

Employment (2.7), Social protection expenditure and receipts (2.9), Income distribution (2.12), Jobless households and low wages (2.14), Income, poverty and social exclusion and Consumption (Annex 2.3).

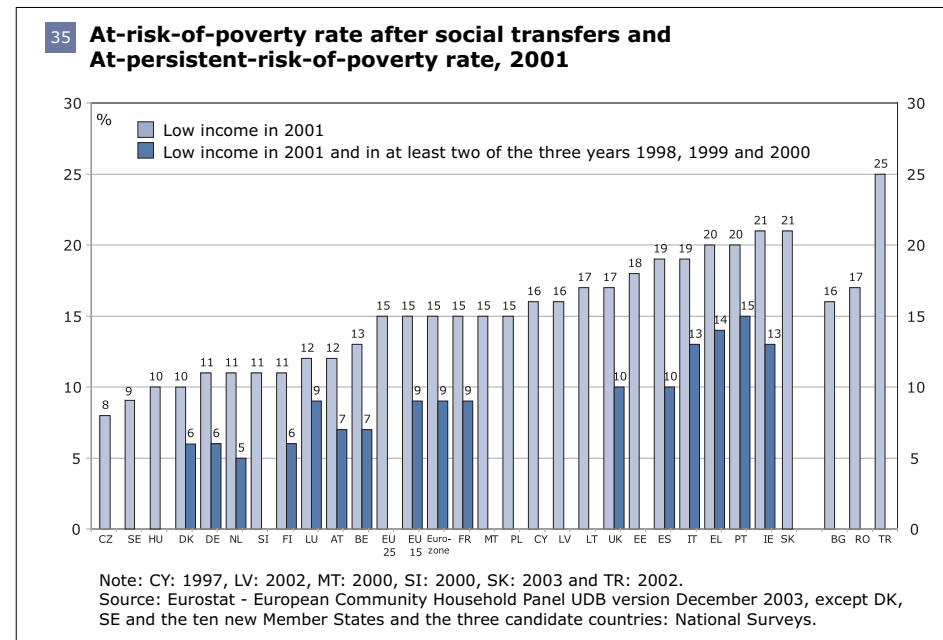
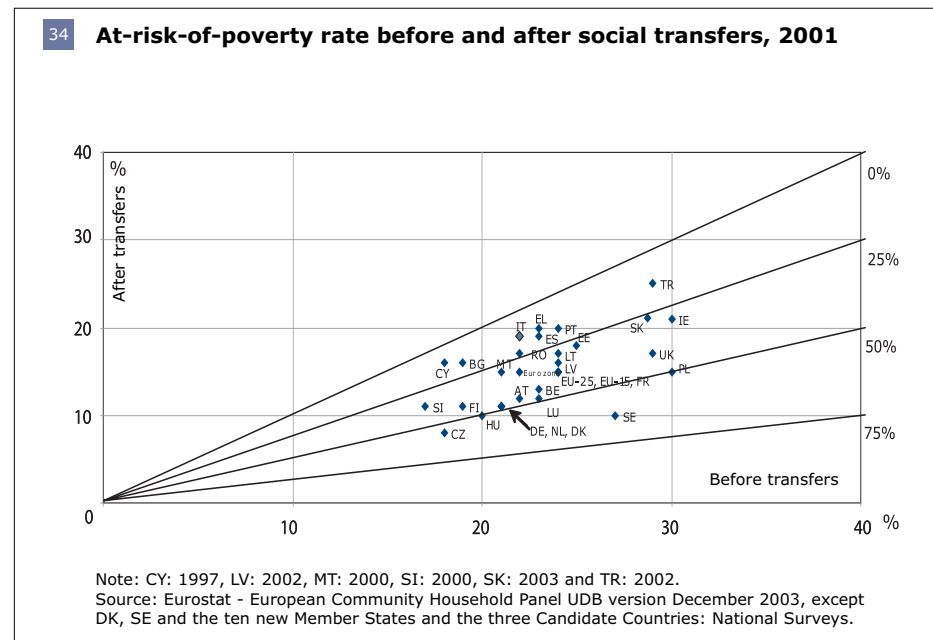
### **Further reading**

- "European social statistics: Income, Poverty and Social Exclusion in the Member States of the European Union", 2000 edition. Eurostat.
- "European social statistics: Income, Poverty and Social Exclusion 2nd Report", 2003 edition. Eurostat.
- "European Community Household Panel: Selected indicators from the 1995 wave", 1999 edition. Eurostat.
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- "Joint Report on Social Inclusion", COM(2001) 565, European Commission, Employment and Social Affairs DG
- "Joint Inclusion Report", COM(2003) 773, European Commission, Employment and Social Affairs DG
- "Unity, solidarity, diversity for Europe, it's people and territory - Second report on Economic and Social Cohesion", 2001, European Commission
- "Evaluation of income support policies at the local urban level", European Commission DG Research reports 1999.

**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	36	21	25	23	23	24	30	22	18	24	24	23	20	21	21	22	30	24	17	28p	19	34	29	19	22	29	
Females	25s	25s	23s	25	19	:	23	26	24	25	24	32	23	20	25	24	23	21	21	21	25	30	24	18	27p	20	:	32	20	23	31	
Males	23s	22s	21s	21	18	:	20	25	21	22	23	29	21	17	24	24	24	20	21	21	19	31	25	17	28p	17	:	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	10	11	18	20	19	15	21	19	16	16	17	12	10	15	11	12	15	20	11	21p	11	9	17	16	17	25	
Females	17s	17s	16s	15	8	:	12	19	22	20	16	23	20	18	16	17	13	10	15	11	14	15	20	12	21p	14	:	19	17	17	26	
Males	14s	14s	14s	12	7	:	10	17	19	17	15	20	19	15	16	17	12	10	15	12	9	16	20	10	21p	9	:	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 DK, SE and the ten new Member States and the three Candidate Countries: National Surveys.



# 14

## Jobless households and low wages

An important cause of poverty and social exclusion is the lack of a job or low wages from employment. In 2003 10.1% of people aged 18-59 were living in jobless households in EU-25 (9.6% in EU-15). For children aged 0-17 these figures were 9.7% in EU-25 and 9.8% in EU-15.

### ***Persons living in households where no people of working age are in employment are 3 times more likely to be poor than people living in households where at least one person is working***

In 2003 at EU level<sup>57</sup> around 10% of children aged 0-17 and around 10% of adults aged 18-59 (excluding students aged 18-24 living with other students) were living in jobless households, i.e. households where no member was in employment. Amongst adults, the proportion was lowest in Cyprus and Portugal followed by Luxembourg (5 to 7%). In contrast, Belgium and Poland record much higher rates (approaching 15%). Rates amongst children are generally similar to those for adults, but in Greece, Luxembourg and Slovenia only half as many children live in jobless households – whilst in the United Kingdom and Ireland the proportions of children living in jobless households are notably higher than for adults.

Amongst the EU-15 countries in 2001, the average at-risk-of-poverty rate for people living in households where no people of working age are in employment was over 60% for households with dependent children and around 30% for households without children, compared with 20% and 10% respectively among households in which at least one person is in employment and 5% where all working age people are in employment. Put another way, people in jobless households are around 3 times more likely than those in working households to be living below the poverty line. No data currently available for the New Member States or Candidate Countries.

The difference between persons living in jobless/working households varies significantly between Member States and between households with/without dependent children. In Germany, Spain, Ireland and Portugal jobless households without children are more than 4 times as likely to be at risk of poverty, whereas in Greece, Luxembourg, Austria and United Kingdom they are less than 3 times as likely. By contrast, the risk of poverty in jobless households with dependent children is more than 4 times that of working households in Belgium, Ireland, Finland and United Kingdom, but less than 2 times in Denmark and Greece. In 2001, Denmark and Greece had higher than average risks of poverty amongst households without children but lower than average risks amongst households with children – whereas the opposite was the case for Belgium, France and the United Kingdom.

### ***Working poor: a complex picture***

Although people in employment are less likely to live in a low-income household, i.e. to be “working poor”, the risk of poverty is not removed. An employee’s standard of living (as measured by income) is only partly determined by his/her wage. Indeed, in many cases, low wages received by one member of a household are “compensated for” by higher wages received by one or more other members of the household. Similarly, a household may receive income other than wages (income from self-employed work or other types of income such as social benefits, income from property, etc.). Lastly, the standard of living depends not only on the resources available but also on the size of the household as well as its economic (number of people in employment, etc.) and demographic (number of children and other dependants, etc.) characteristics. All low-wage employees do not, therefore, live in low-income households. Inversely, employees whose wages are above the low-wage threshold may - e.g. if they have a number of dependants - be living in poor households.

### ***EU-wide, 7% of employees are poor***

In 2001, for the enlarged EU<sup>58</sup>, the at-risk-of-poverty rate for employees is about 6%. It is higher in Spain, Italy, Luxembourg and Portugal, Poland, Slovak Republic and the Baltic states (7% or more), and is lower in Belgium, Denmark, Germany, Austria and Finland, Czech Republic and Slovenia (3% to 4%). In all the countries analysed, the at-risk-of-poverty rate among employees is – as might be expected – lower than the at-risk-of-poverty rate among the population as a whole. At EU level and for most countries in 2001, the at-risk-of-poverty rate of employees is less than half that of the total population.

It is not necessarily the countries with the highest at-risk-of-poverty rates that have the highest proportions of employees living at-risk-of-poverty, but there does seem to be a correlation. Denmark has some of the lowest at-risk-of-poverty rates both for the population as a whole and for employees, while Portugal has some of the highest at-risk-of-poverty rates both for the population as a whole and for employees.

<sup>57</sup> Source: LFS. No data for Denmark, Finland or Sweden.  
<sup>58</sup> No data currently available for Netherlands or Sweden.

**Policy context**

The system of financial incentives is one of the main determinants of participation in the labour market and has been an important consideration both for the Employment Guidelines and the Broad Economic Policy Guidelines, and the future EES will place more emphasis on this issue. The objective of "Making work pay" should be pursued both from the point of view of the jobseeker and from that of the employer. In line with the recommendations of the Joint Report on increasing labour force participation, there is a need for a systematic review of tax/benefit systems with a particular focus on eliminating unemployment and poverty traps, encouraging women to enter, remain in or reintegrate into the labour market after an interruption, and on retaining older workers longer in employment. In addition taxation on labour particularly for the low-skilled workers should be such as to reduce the attractiveness of undeclared work and to encourage job creation.

See also Low-income households (2.13)

**Methodological notes**

Sources: Eurostat – European Union Labour Force Survey (data on population living in jobless households). European Community Household Panel (ECHP) UDB, version December 2003, 2001 data, wave 8.

See Income distribution (2.12) for income concept and definition of equivalised income. For definition of low-income (or poor) households, see Low-income households (2.13).

**Links to other parts of the report**

Employment (2.7), Social protection expenditure and receipts (2.9), Income distribution (2.12), Low-income households (2.13), Income, poverty and social exclusion (Annex 2.3).

**Further reading**

- "European social statistics: Income, Poverty and Social Exclusion in the Member States of the European Union", 2000 edition. Eurostat.
- "European social statistics: Income, Poverty and Social Exclusion 2nd Report", 2003 edition. Eurostat.
- "European Community Household Panel: Selected indicators from the 1995 wave", 1999 edition. Eurostat.
- "Joint Report on Social Inclusion", COM(2001) 565, European Commission, Employment and Social Affairs DG
- "Joint Inclusion Report", COM(2003) 773, European Commission, Employment and Social Affairs DG
- "Unity, solidarity, diversity for Europe, it's people and territory – Second report on Economic and Social Cohesion", 2001, European Commission
- "Evaluation of income support policies at the local urban level", European Commission DG Research reports 1999.
- Statistics in Focus (Population and social conditions): "Monetary poverty in EU Acceding and Candidate Countries", No.21/2003. "Poverty and social exclusion in the EU after Laeken-part1", No.8/2003. "Social protection: cash family benefits in Europe", No.19/2003. "Persistent income poverty and social exclusion in the European Union", No.13/2000. "The social protection in Europe", No.3/2003.



# 15

## 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 2003 (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.

Balanced participation of women and men in decision making is a key element in achieving gender equality and a fundamental requirement for well functioning democracies, which take into account the interests and needs of the whole population. There is however a persisting imbalance in the European Union concerning the participation of women and men at the level of decision making in politics, management, trade unions, universities, civil society and in the judiciary. Women are still far from taking an equal part in the decision making process. To tackle their under-representation is a structural and multifaceted challenge.

There is still a way to go in fully implementing the Council Recommendation (2-12/1996) on the balanced participation of women and men in the decision making process (96/694/EC). Ten Member States have now legal provisions in their Constitution or in Gender Equality Acts addressing the issue of gender-balanced decision making to varying degrees.

### **Political decision making**

As an average in EU-25 (EU-15) Member States in November 2003, only 21.4% (25.8%) of the seats of the single/lower houses of the national/federal Parliaments were occupied by women. The discrepancies between countries were huge, from a minimum share of 7.7% in Malta to a maximum of 45.3% in Sweden. The corresponding percentages of (senior) minister posts of the national governments in 2003 were 21.1% for EU-25 and 27.3% for EU-15. The extremes were the Slovak Republic (no women in the government) and Sweden 47.6%.

The European Parliament has presented a slow progression in terms of gender balance during the last years: currently there are 31% of women, while there were only 19% in 1991. Women's representation in the European Commission is 25 %.

It is harder to compare the regional assemblies as some Member States do not have any such bodies. Out of the 9,842 people elected in regional parliaments, 2,896 are women, giving a participation rate of 29% (data reported in 2000).

For the local councils in the countries of the European Union, data are incomplete and not always comparable, due to the huge differences in local level political decision-making. Data available for 1997 pointed to a female participation rate near to 20% in these local councils.

### **Balanced participation in decision-making will be helped by better reconciliation between work and family life**

Reconciliation between work and family life is a key factor in women's accession to decision making posts. A recent study carried out by the Women's Institute<sup>59</sup> in Spain shows that women who have acceded to managerial posts are more likely to be single than men, and have fewer children than their male counterparts. It further shows that the family may still constitute an important obstacle to the promotion of women to executive posts.

A project co-financed by the Gender Equality programme<sup>60</sup> discussed the status of elected representatives in local councils in Europe and the difficulties met by women in taking up local mandates. It showed that problems with time management are a significant limiting factor. Fulfilling local mandates often implies time schedules not compatible with raising children, if fathers do not share family responsibilities or adequate and affordable childcare services are not available.

### **Policy context**

The Declaration and the Platform for Action of the Fourth World Conference on Women (Beijing, 4-15/9/95) stressed the "need to ensure the responsibilities, powers and rights are shared equally".

Council Recommendation (2-12/1996) on the balanced participation of women and men in the decision making process (96/694/EC): The Member States were recommended to "adopt a comprehensive integrated strategy designed to promote balanced participation of women and men in the decision making process and develop or introduce appropriate measures to achieve this; ... improve the collection and publication of statistics to provide a clearer picture of how men and women are represented at all levels of the decision making process in the political, economic, social and cultural spheres; ...promote a balanced participation of women and men at all levels in governmental bodies and committees; (see the Report from the Commission of COM(2000)120 final from 7.3.2000).

<sup>59</sup> Instituto de la Mujer (An autonomous public body), "El acceso de las mujeres a los puestos de dirección. The study "Access of women to Executive Post" by Ester Barbera, Professor of Basic Psychology at the Universidad de Valencia, at the request of the Instituto de la Mujer. Such study has not been published yet.

<sup>60</sup> Pourquoi pas conseillères municipales ? Internet: [www.ellesaussi.asso.fr](http://www.ellesaussi.asso.fr)

Commission Decision relating to Gender Balance within the Committees and Expert Groups established by it (2000/407/EC of 19.6.2000).

The Framework Strategy on Gender Equality (2001-2005) encourages the development of networking of elected women, promotes awareness-raising activities, assess the influence of electoral systems and monitors improvements in the gender composition of committees and expert groups set up by the Commission.

The priority theme for the implementation of the Programme on Gender Equality in 2003 is "Women in decision making". Two calls for proposals were launched in October 2002. The first was a call to governments to organise trans-national initiatives such as conferences, campaigns and other activities on women in decision-making. The second call goes out to NGOs or social partners at European level, and networks of regional or local authorities and organisations that aim to promote gender equality.

### **Methodological notes**

The sub-national level (regional and local levels) data comes from the source "European database - Women in decision-making" - (<http://www.db-decision.de>).

Not all countries have conclusive statistics on the participation of women in other decision making bodies. See the Report of the Finnish Presidency on the nine indicators for measuring progress in the field of decision making (SI(1999)873).

In 2002, the Commission contracted out the establishment of a European database on women and men in decision-making positions in politics, the economy and the social life in the Member States, EEA countries and the applicant countries to the EU. The data from the database is foreseen to become available during the year 2004.

### **Links to other parts of the report**

Education and its outcomes (2.5), Earnings of women and men (2.16) and Gender equality (Annex 2.3).

### **Further reading**

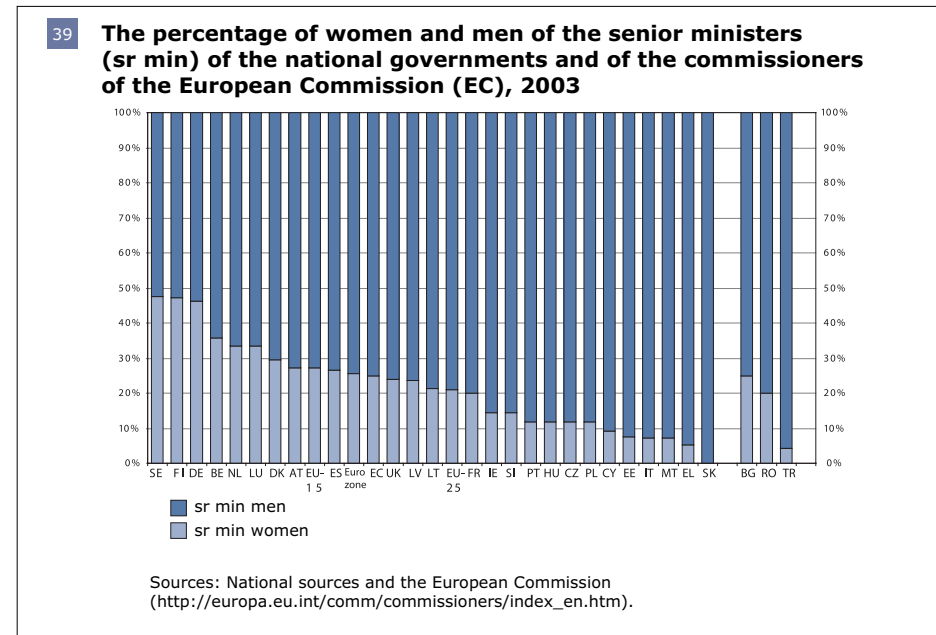
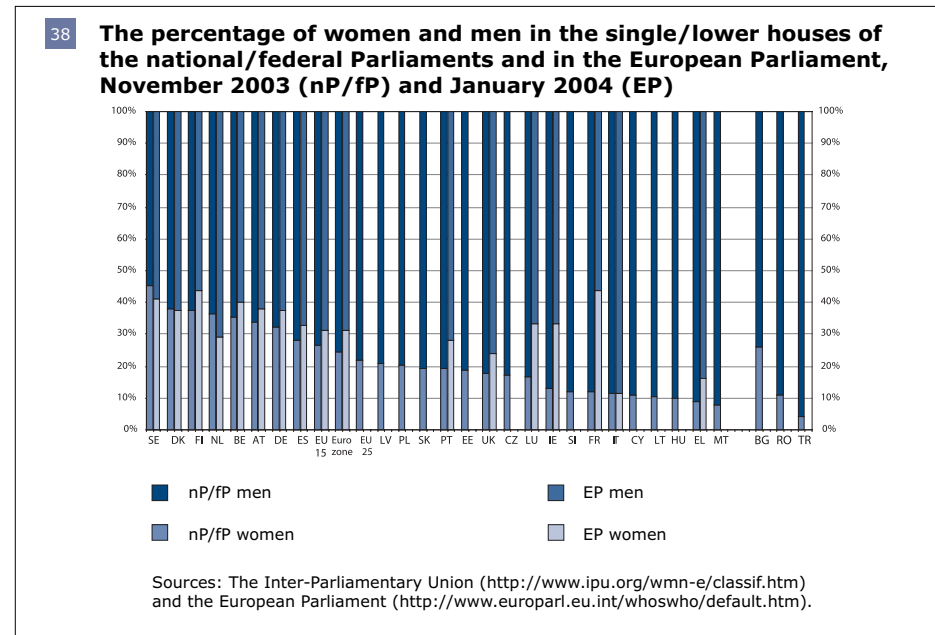
- Report from the Commission on the Implementation of Council Recommendation 96/694 of 2 December 1996 on the balanced participation of women and men in the decision making process - COM(2000)120 final.
- Annual Report on Equal Opportunities for Women and Men in the European Union - 2001 - COM(2002)258 final
- ETAN report on Women and sciences: Promoting excellence through mainstreaming gender equality, 2000.



**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	12.2	13.3	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 EU-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>).



# 16

## Earnings of women and men

In the EU-15 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 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.

### ***Important pay differences between men and women persist in Europe, with the difference between men's and women's average gross hourly earnings around 16%***

According to the European Community Household Panel (ECHP) and national Structure of Earnings Surveys (SES) and other national earnings surveys, the gender pay gap – difference in average gross hourly earnings as a percentage of men's average gross hourly earnings – varied between 6 and 26% in 2001. Women's earnings remain on average below those of men in all EU countries. The statistics show that development over time varies at country level. Differences decreased in Estonia, Ireland, Lithuania, Netherlands and United Kingdom and increased in Czech Republic, Greece, Spain, Cyprus and Portugal. In the remaining countries pay differences were fairly stable over time.

### ***The pay differences are related both to differences in the personal and job characteristics of men and women in employment and to differences in the remuneration of these characteristics***

Women and men in employment show important differences with respect to their personal and job characteristics, including labour market participation, employment, earnings, the sector and occupational employment structures as well as job status, job type and career progression. The differences in pay are particularly high among older workers, the high-skilled and those employed with supervisory job status. They also vary between different sectors of activity and different occupations. The harmonised statistics on earnings from 2001 show gender pay gaps in two sectors of activity, Industry and Wholesale and retail trade; Repair of motor vehicles and personal & household goods, for which data are available for most countries. Gender pay gaps vary between 11% in Sweden and 39% in Cyprus for Industry which is a strongly male dominated sector. They vary between 17% in the UK and 36% in the Czech Republic for Wholesale and retail trade etc. which is a sector slightly dominated by women. In most countries the gender pay gaps are bigger in Wholesale and retail trade etc. than in Industry.

Women have supervisory responsibilities much less frequently than men in the old Member States for which data are available from the ECHP: 16% of men in paid employment in had supervisory responsibilities and an additional 18% intermediate responsibilities in 2001 compared to about 9% and 14%, respectively, of women. Men were overall twice as likely to occupy such supervisory functions. This is a general feature in all Member States, with women least likely to be in supervisory functions relative to men in Belgium, the Netherlands and Spain.

Women are furthermore often in non-standard employment such as fixed-term and part-time work. Compared to 7% of all employed men in EU-15 + ACC in 2002, for example, 30% of all women work in part-time. Men are thus not only more concentrated in higher paid sectors and occupations, but within these sectors and occupations they are also more likely than women to hold supervisory responsibilities and if they do so the earnings are relatively higher.

Furthermore, while both men and women have lower earnings in female-dominated sectors and occupations, this wage penalty is more pronounced for women. Finally, independently of the initial pay differential the gender pay differential widens considerably throughout working life.

Both the above differences in the composition of the male and female workforce and differences in the remuneration of the personal and job characteristics between men and women contribute to the overall gender differences in pay. As shown in Employment in Europe 2002, in particular differences in the male and female workforce composition related to the sector of employment and the occupational category contribute significantly to the gender differences in pay. Since such compositional differences can be due to various forms of indirect discrimination such as traditions and social norms and constraints on choices related to education, labour market participation, occupation and career progression both types of gender differences and both forms of potential discrimination - direct pay-related one and indirect one related to the above choices – have to be addressed to reduce the differences in pay.

### ***Policy context***

The important gender differences which persist in the European labour markets need to be tackled to promote economic growth, employment and social cohesion.

The EC Treaty (Article 141) states that "Each Member State shall ensure that the principle of equal pay for male and female workers for equal work or work of equal value is applied. For the purpose of this Article, 'pay' means the ordinary basic or minimum wage or salary and any other consideration, whether in cash or in kind, which the worker receives directly or indirectly, in respect of his employment, from his employer. Equal pay without discrimination based on sex means:

(a) that pay for the same work at piece rates shall be calculated on the basis of the same unit of measurement;

(b) that pay for work at time rates shall be the same for the same job.

Council Directive 75/117/EEC of 10 February 1975 on the approximation of the laws of the Member States relating to the application of the principle of equal pay for men and women.

The 2000 Employment Guidelines (No.19): "They (Member States) will initiate positive steps to promote equal pay for equal work or work of equal value and to diminish differentials in incomes between women and men." The 2001 Employment Guidelines further specified that actions are needed to address gender differences in pay in both the private and public sectors and that the impact of policies on gender differences in pay should be identified and addressed. The 2002 Employment Guidelines also asked to set targets to tackle the differences in pay and to include in the strategy, inter alia, a review of job classification and pay systems to eliminate gender bias, improving statistical and monitoring systems, and awareness-raising and transparency as regards differences in pay. The 2003 Employment Guidelines says that policies will aim to achieve by 2010 a substantial reduction in the gender pay gap in each Member State, through a multi-faceted approach addressing the underlying factors of the gender pay gap, including sectoral and occupational segregation, education and training.

Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on "Employment and social policies: a framework for investing in quality"

The Employment Committee Report on Indicators of Quality in Work contains indicators on earnings under the form of transition tables.

#### **Methodological notes**

Sources: Eurostat – European Community Household Panel (ECHP) Users' Data Base version of December 2003 (except France, the Netherlands and Sweden; France: National Labour Force Survey, the Netherlands and Sweden: Earnings Surveys.)

The EU-15 figure is a weighted average of national values estimated without missing countries.

The gender pay gap is not adjusted for age, occupation and sector. In May 2002, the ECHP Working Group concluded that an adjusted gender pay gap cannot be calculated on the basis of the ECHP. It further agreed that econometric studies of the factors related to the gender pay gap on the basis of the ECHP should be continued.

Annual harmonised earnings data relate to enterprises with 10 or more employees, except for :

HU – enterprises employing more than 4 employees  
 ES – enterprises employing more than 5 employees  
 BE, LU, UK, CZ, CY and SK – enterprises from all size groups

All data relate to full-time employees except for CZ, EE, LV and SI for which data relate to full-time equivalents.

#### **Links to other parts of the report**

Employment (2.7), Labour market and Gender equality (Annex 2.3).

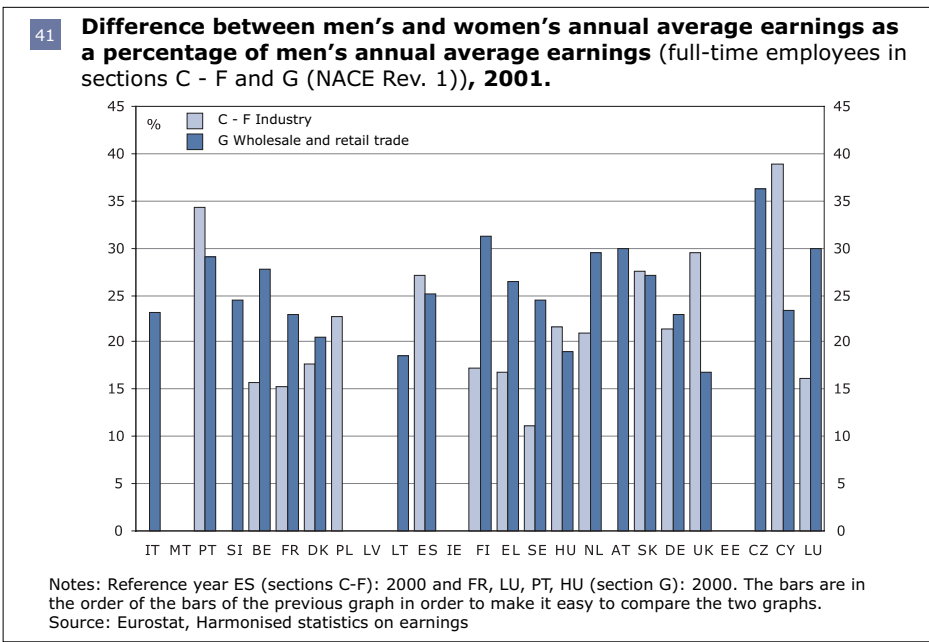
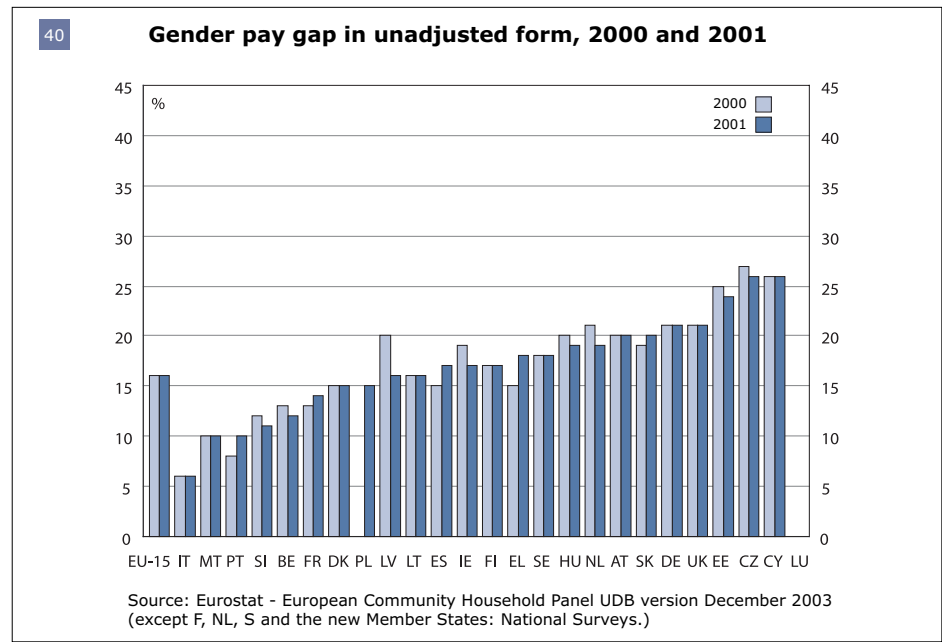
#### **Further reading**

- "Employment in Europe 2003", European Commission, Employment and Social Affairs DG, September 2003.
- Working paper of the Commission services on gender pay gaps in European labour markets (SEC(2003)937)
- "Employment in Europe 2002", section "Assessing gender pay gaps in the EU", September 2002. European Commission, Employment and Social Affairs DG.
- Panorama of the European Union (Population and social conditions): "The life of women and men in Europe. A statistical portrait". Eurostat 2002.
- OECD Employment Outlook 2002 - Chapter 2 "Women at Work: Who are They and How are They Faring?"
- Statistics in Focus (Population and social conditions): "Earnings of men and women in the EU: the gap narrowing but only slowly", No. 5/2001 and "Women's earnings in the E.U: 28% less than men's", No. 6/1999. Eurostat.
- European Parliament: - Resolution and report on equal pay for work of equal value
- "Industrial Relations in Europe", 2000. European Commission, Employment and Social Affairs DG.
- Indicators on gender pay equality: The Belgian presidency's report, 2001.
- "The adjusted gender pay gap: a critical appraisal of the standard decomposition techniques". Network of experts on employment and equality between women and men, DG Employment and Social Affairs.
- The gender pay gap and the gender mainstreaming pay policy: synthesis report of the gender pay equality in EU Member States. Network of experts on employment and equality between women and men, DG Employment and Social Affairs.
- Annual Report on Equal Opportunities for Women and men in the European Union – 2001- COM(2002)258.

**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>Gender pay gap in unadjusted form, 2001</b> (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 EU-15 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.)



# 17

## 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.

### ***Average life span continues to increase***

From 1960 to 2001, life expectancy of women and men has risen steadily: by 8.7 years for women and 8.1 years for men. Throughout the Union, women live longer than men. In 2001, the life expectancy of women in EU-15 was 81.6 years while that for men was 75.5 years. Eurostat estimates that the life expectancy of women and men in EU-15 may reach 84 and 78 years respectively by the year 2020.

### ***Women can expect to live to 66 years and men to 63 years without any disability***

Health expectancies are a group of health indicators combining data on mortality and disability/morbidity. This report uses life expectancy without (severe) disability. In EU-15 in 1996, women could expect to live to 66 years of age without any disability and men to 63. People suffering from a severe disability have low life expectancies, e.g. women at 16 years of age with severe disability can expect to live 5 years. The corresponding figure for men is 4 years.

### ***Large reduction in infant mortality***

Progress in medical research and care has also led to a dramatic improvement in the infant mortality rate which has fallen for EU-15 from 23.4 deaths of children under one year of age per 1000 live births in 1970 to 4.5 deaths per 1000 live births in 2002. In 2002 it varied in EU-25 from 2.8 in Sweden and 3.0 in Finland to 7.9 in Lithuania and 9.8 in Latvia.

### ***Almost one in four elderly people describe their health as 'bad'***

In EU-15, around 11% of adults (aged 15 and over) perceive their health to be 'bad' or 'very bad' in 2000. 60% feel that their health is 'good' or 'very good' while the remaining 28% describe it as 'fair'. Women were slightly more likely than men to describe their health as fair, bad or very bad – 43.1% compared to 36.2%. Generally speaking, the likelihood of self-perceived health is very good or good decreases as age increases. After a plateau of 84.7% for those aged 16 to 24, a drop to 79.4% was found in the 25 to 34 age group. With each successive age group after that, very good or good self-rated health declined, reaching a low of 22.6% for the EU-15 population aged 85 or older. This pattern can be observed in every EU-15 country with one or two minor exceptions.

People with a high level of education report better health than those with a low level of education. On average, only 6% of people with tertiary education described their health as '(very) bad' compared with 16% of those with compulsory education at best in EU-15.

52% of the EU-15 population aged 65 and over report being hampered in their daily activities by a chronic, physical or mental health problem, illness or disability (22% are "severely" hampered, 30% "to some extent").

### ***Around six million Europeans are affected by dementia***

Dementia is one of the most important causes of disability in the elderly. With the increasing proportion of the elderly in many populations, the number of dementia patients will rise also. The most common causes of dementia in EU-15 are Alzheimer's disease (about 50-70% of cases) and the successive strokes which lead to multi-infarct dementia (about 30%). An estimated number of 5.65 million Europeans between 30 and 99 years of age suffered from different types of dementias in 2000 (12.3 per 1000 inhabitants). Within this group, more women (3.5 million) than men (2.1 million) are affected. Sweden (14.9) and Italy (13.9) show the highest estimated prevalence, and Portugal (10.4) and Ireland (8.4) the lowest. This leads to a increasing pressure on the long-term systems of healthcare.

### ***Circulatory diseases and cancer remain the major causes of death***

Mortality patterns differ significantly according to age and sex. As a general rule, mortality is higher among men than women in all age groups. For both men and women, circulatory diseases are the major cause of death throughout the Union (the one exception is in France where men are most likely to die of cancer): 675,000 and 850,000 men in EU-15 and EU-25 respectively and 850,000 and 1,050,000 women died of such diseases in 2000. For men, this represents 326 and 386 deaths per 100,000 population, and for women 208 and 207. External causes of injury and poisoning prevail among the young (aged 15-39) but account for only a small proportion of those aged 55 and over. Cancer represents the major cause of death among those aged 40-69. For those aged 70 and over, circulatory diseases are the major cause of death.

**18 300 persons per 100,000 population discharged from hospitals in EU-25 in 2001 (18,700 in EU-15 in 1999)**

In 2001 (for some countries 1998, 1999 or 2000 data) in EU-25 (in 1999 in EU-15), there were 18,294 (18,692) persons per 100,000 population discharged from hospitals in EU-25 (EU-15). The frequency ranges from around 7,000 in Cyprus and Malta to around 28,000 in France and Austria. These differences may partly reflect the differences in organisation of healthcare services. Following the ICD (International Classification of Diseases), diseases of the circulatory system 2,460 (2,406) per 100,000 in EU-25 (EU-15) comprise the highest frequency of admission followed by admissions for cancer 1,325 (1,354), traumas and poisoning 1,406 (1,276) and respiratory diseases 1286 (1,252). The incidence is not so high for mental disorders 573 (583) and infectious diseases 351 (340).

**The number of hospital beds decreases sharply**

The total number of hospital beds has decreased substantially in the EU since 1990. For EU-15, it decreased 19% between 1990 and 2001. A considerable share of this reduction is likely to have been caused by the drop in the length of hospital stay. It decreased in EU-15 from 17.4 days in 1980 to less than 12.4 days in 2001. Sweden, Portugal and Spain have the lowest number of beds per 100,000 in EU-25 — respectively 359, 376 and 399 in 2001 — and Czech Republic has the highest with 1,096. All these numbers refer to both public and private hospitals, but they differ with respect to the inclusion of nursing homes and day care beds. A further reason is the financial constraints which arose during the 1990s and which have led to a rationalisation of healthcare services everywhere. The increased demand for healthcare for elderly people, many of whom are suffering from chronic disability and diseases, has in most cases been met by transferring beds for acute or psychiatric care to longterm care, while total numbers are still declining.

The supply of hospital services at national and regional levels is, however, very closely linked to total healthcare expenditure.

**Health expenditure accounts for 8% of EU-15 GDP**

In 2000, total EU-15 expenditure on health represented 8.0% of EU-15 GDP. Germany (10.3%) and France (9.5%) spend the most although they are still well behind the US (13.0%). Over the last decade or so, health expenditure as a percentage of GDP rose in the majority of countries. The most significant increases were observed in Belgium, Germany and Portugal. The only countries showing a decrease are Sweden and Luxembourg.

**Policy context**

The EC Treaty (Title XIII Public Health, Article 152) states that "Community action, which shall complement national policies, shall be directed towards improving public health, preventing human illness and diseases, and obviating sources of danger to human health. Such action shall cover the fight against the major health scourges, by promoting research into their causes, their transmission and their prevention, as well as health information and education."

Article 1 of the Community Action on health monitoring (Decision No 1400/97/EC of the European Parliament and of the Council of 30 June 1997) states: "The objective of the programme shall be to contribute to the establishment of a Community health monitoring system which makes it possible to a) measure health status, trends and determinants throughout the Community ..."

The Laeken European Council (2001) called for the development an approach in the field of healthcare and care for the elderly similar to the one being developed for the pensions. The long-term objectives presented in the Communication of the Commission (COM (2001) 723) are: accessibility, quality and financial viability of health and care systems. Particular attention will have to be given to the impact of European integration on Member States' healthcare systems.

The new Programme of Community action in the field of public health (2003-2008), adopted by Decision of the European Parliament and of the Council stresses the importance of development and dissemination to competent authorities in Member States, to health and other professionals and, where appropriate, to other stakeholders and the general public of health information and knowledge, including statistics, reports, reviews, analysis, and advice on issues of common interest to the Community and to Member States.

**Methodological notes**

The infant mortality rate is defined as the number of infants who die within the first year of life divided by the number of live births (per 1000 live births). Life expectancy at birth is the average number of years a person would live if age-specific mortality rates observed for a certain calendar year or period were to continue. Life expectancy without disability is calculated by the Sullivan method and uses the mortality data and disability prevalence figures from the ECHP. To be able to present calculations at birth, Eurostat has, for all countries and for both genders, applied a constant disability rate (of 1%) between the ages 0 and 16. Data on perceived health are based on a subjective question addressed to private households in the ECHP. For the total population (particularly aged 65 and over), the percentages on (very) bad health may be somewhat higher due to the fact that a significant number of people live in homes or institutions for long-term nursing care. The study on dementia cases by Alzheimer Europe was based solely on diagnosed cases. This poses a problem in accurately estimating the number of people with dementia, as many people with dementia never receive a diagnosis and it excludes those in the early stages of dementia who have not yet been diagnosed. Data on the number of beds reported to Eurostat are normally given as an annual average of beds in use during the year of reporting or according to concepts of registration or budgetary or planned approval. The data must be treated with caution due to the different concepts of 'hospital' and 'hospital bed' in the EU countries

**Links to other parts of the report**

Ageing in the population (2.3), Health and safety (Annex 2.3).

**Further reading**

- "Health statistics: Key data on Health 2002", 2002 edition. Eurostat.
- "Health statistics: Atlas of Mortality", 2002 edition. Eurostat.
- Eurostat - Demographic Statistics and European Community Household Panel (ECHP) UDB version December 2003.
- OECD Health data 2002.
- "European social statistics - Demography", 2002 edition. Eurostat.
- The future of healthcare and care for the elderly: guaranteeing accessibility, quality and financial viability - COM (2001) 723
- Adapting to change in work and society: a new Community strategy on health and safety at work 2002-2006 - COM(2002) 118

**Key indicator**

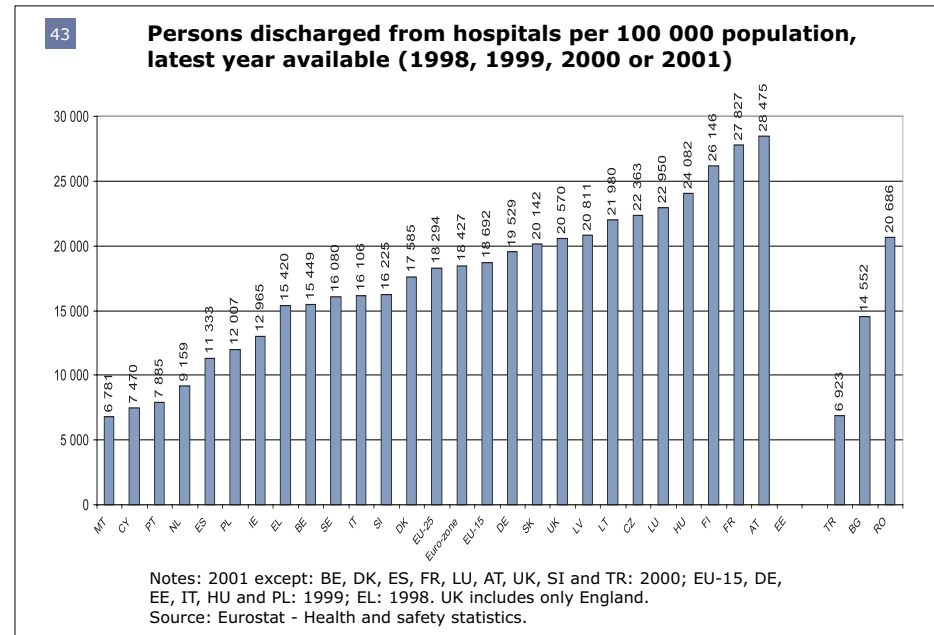
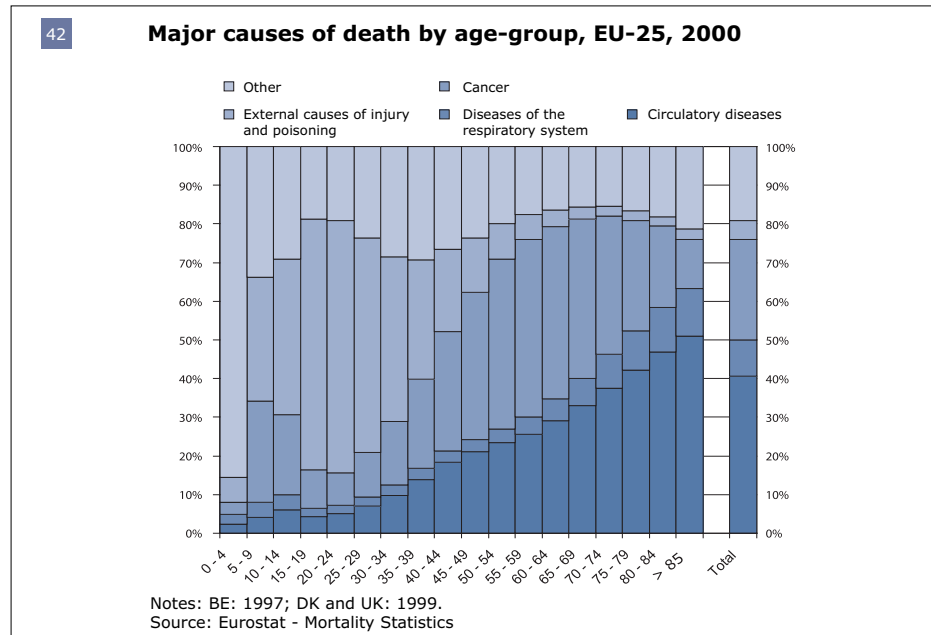
	EU-25	EU-15	Euro-zone	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
<b>Life expectancy at birth, 2001</b> (The mean number of years that a newborn child can expect to live if subjected throughout her/his life to the current mortality conditions (age specific probabilities of dying))																															
Females	: 81.6	81.8	80.1	78.6	79.3	81	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	82	75.3	74.8	71.0	
Males	: 75.5	75.4	74.5	72.1	74.7	75	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





# 18

## 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 roads recorded in 2001.

### ***Working accidents more frequent among younger and low seniority workers***

In 2001, around 4.7 million accidents at work - that resulted in more than three days' absence - were recorded in the Union. Including the accidents with no absence from work or an absence of up to three days, the estimated total number of accidents at work in the EU is 7.4 million in 2001. This represents respectively estimated rates of 3,830 and 6060 accidents at work per 100,000 employed people, or put another way, 6.1% of all workers were the victims of an accident at work during the year (3.8% for accidents with an absence of more than 3 days). There was a substantial drop in this rate (accidents resulting in more than three days absence) of 15% between 1994 and 2001 (index = 94 in 2000 and 111 in 1994). In addition, 5,237 fatal accidents in the course of work were recorded in 2000 in EU-15, of which 40% were road traffic or transport accidents during work. For 2001, the provisional total number is 4,930 and the provisional incidence rate is 4.2 fatalities per 100,000 employed people against 6.1 in 1994 and 4.6 in 2000 (-31% and -9% respectively). The acceding and candidate countries are gradually implementing the European Statistics of Accidents at Work (ESAW) data collection methodology. In the 10 acceding countries, between 1998-2001, the incidence rate of fatal accidents at work has decreased by 10% and the incidence rate of non-fatal accidents at work by 13%.

These proportions differ of course on the economic activity and the size of the enterprise, as well as the age, sex and working conditions of the workers. The construction industry has the highest incidence of accidents resulting in more than three days absence, though decreasing since 1994: 7,200 per 100,000 workers in 2001 against 9,000 in 1994. Agriculture has the second highest incidence: 6,200 in 2001 (6,500 in 1994). For fatal accidents, agriculture has the highest incidence and construction the second highest one: respectively around 12 and 10 per 100,000 workers in 2001. When including accidents up to three days absence (1998-1999 data from the ad hoc module in the European Union Labour Force Survey), the accident rate is particularly high in the fishing industry (where the risk of an accident is 2.4 times greater than the average for all branches in the EU) and in agriculture, construction and health and social work (1.3 to 1.4 times). In the local units of manufacturing, construction, wholesale and retail repairs, hotels and restaurants and transport employing between 10 and 49 people, the risk is 1.2 to 1.5 times greater than the average for these branches in 1999 (more than three days absence). For all branches together, the mean risk in 10 to 49 people local units is close to 1.3 times the average. The risk is also high in local units that employ 1 to 9 people in the manufacturing and construction industries (respectively 1.7 and 1.2 times the average for each branch in 1999), and in local units employing 50 to 249 people in wholesale and retail repairs, hotels and restaurants and transport (1.3 to 1.4 times in 1999). For non-fatal accidents at work the incidence rates

are the highest among the young workers. Among those aged 18-24 years the incidence rate is more than 50% higher than in any other age category. In contrast, the incidence of fatal accidents tends to increase considerably with age. Men are around three times more likely than women to have an accident - resulting in more than three days absence - and about eleven times more likely to have a fatal accident. This result is a function of men's jobs and sectors of activity which tend to be more high-risk than those of women. There are also relatively more women who work part-time which may reduce their exposure to risk. Finally, people who have been working for less than 2 years in a business, shift workers, night workers or people working fewer than 20 hours per week are also 20% to 50% more likely than average to have an accident.

### ***Accidents at work: 153 million working days lost to the economy***

In addition to the major impact of these accidents in human terms, they also have a high socio-economic cost: in 2000, though for 37% of accidents there was no absence from work or the resulting absence was only up to three days, for 30% the absence was more than three days but less than two weeks and for 30% the absence was between two weeks and three months. For the remaining 3% of accidents, the consequence was an absence of three months or more, or permanent partial or total disability. It is estimated that 153 million work days were lost in 2000 in the EU owing to accidents at work, i.e. a mean of 20 days per accident (31 days per accident with more than three days absence) and the equivalent of one day of work lost per year for every person in employment. Additionally, 5% of the victims had to change to a different type of work or another job, or to reduce working hours. Finally, about 14% of the victims of accidents at work suffer more than one accident per year.

### ***350 million working days lost due to work-related health problems***

On the basis of the results available for 11 Member States from the European Union Labour Force Survey (self-assessment by survey respondents of their work-related state of health), it is estimated that during the period 1998 to 1999 each year almost eight million people in work or having been in work in the EU were suffering from health disorders, other than accidental injuries, caused or aggravated by their current or past employment. The prevalence rate for employees is 5,372 cases per 100,000 people per year (7,150 for 55-64 year-olds) linked to their current employment. Up to 53% of cases involve musculoskeletal disorders, which are more frequent in the construction, transport and health and social work sectors (prevalence in these sectors is 1.2 to 1.6 times higher than average). Stress, depression and anxiety represent 18% of the problems, and 26% of those involving two or

more weeks absence from work (this rate doubles in education and health and social work). Finally, pulmonary disorders affect yearly 0.6 million people (the risk doubles in the mining industries). From 1998 to 1999, an estimated 350 million working days were lost each year in the EU owing to work-related health problems.

The first results of the Third European Survey on Working Conditions, carried out by the European Foundation for the Improvement of Living and Working Conditions in 2000 reveal that problems related to health, the pace of work and working time continue to rise in European workplaces. The percentage of workers exposed to intense noise, painful/tiring positions and handling of heavy loads continues to increase and the pace of work has accelerated. Large numbers of workers complain of stress and burnout. The results of a survey in 2001 indicate that the situation is in many respects comparable in the acceding and candidate countries as well.

### **About 650,000 commuting accidents in the Union**

The number of commuting accidents (accidents on the way to and from work) in the Union resulting in more than three days' absence was estimated at approximately 650 000 in 2001 (in addition to accidents at work). The incidence rate was 410 per 100 000. The number of fatal commuting accidents, which were chiefly road traffic and transport accidents, was around 3 400 for the entire EU.

### **EU-25 transport claimed around 58 000 lives in 1999 – 75% of the victims were men**

For EU-15 road transport fatalities have been in constant decline, showing an approximate 46% decrease from 1970 to 2001 despite the fact that road transport more than doubled over the same period. The most pronounced improvements (reductions of 60% or more) were recorded in Germany, Netherlands and Finland. This general downward trend since the early 1970s has not been apparent in Greece, Portugal and to a lesser extent Spain, where car ownership has grown rapidly and road fatalities remain at a very high level. From 1991 to 2001 the fatalities have decreased in all EU-15 Member States totalling to a 30% decrease for EU-15. The magnitude of the decrease varies from 38% in Austria and Germany, to 8% in Ireland and 11% in Greece.

In spite of the general improvement in road safety, the estimated number of deaths caused by road traffic accidents in 2001 was around 40,000 for EU-15. Whatever the indicator used (number of deaths related to the population or to the total number of cars), Greece and Portugal record the worst levels of road safety. While for the EU-15 around 104 people per million population died on the roads, the corresponding rates for Portugal and Greece were 184 and 178 respectively. The United Kingdom and Sweden have the lowest death rate (60 and 63 respectively) followed by the Netherlands (66) and Denmark (77). Rail transport resulted in relatively few fatalities, with a clear advantage, in safety, over road transport.

### **Home and leisure accidents**

There were an estimated 430,000 home and leisure accidents in the EU in 1995 (men had 240,000, women 190,000). Accidents are most likely to occur at home (32% of the total

number of accidents among men, 46% among women) followed by sporting accidents (18% among men, 10% among women).

### **Policy context**

The EC Treaty (Article 137) states that "the Community shall support and complement the activities of the Member States in ... (the) improvement in particular of the working environment to protect workers' health and safety." Art.140 adds that "the Commission shall encourage cooperation between the Member States and facilitate the coordination of their action in all social policy fields under this chapter, particularly in matters relating to ... (the) prevention of occupational accidents and diseases".

On 29 April 1999, the European Economic and Social Committee of the EU gave an opinion on "Health and Safety in the workplace - Application of Community measures and new risks" (O.J. C 51 of 23.02.2000, p33). It looks at changes occurring in work organisation systems and the associated occupational risks such as the increase in psychosocial complaints and burnout.

The Commission adopted on 17 March 2000 a Communication (COM(2000)125 final) on "Priorities in EU road safety: Progress report and ranking of actions." It encourages Member States, regional and local authorities to "establish a practice of calculating the costs and effects of road safety measures and where appropriate comparing these with the costs of avoided accidents" and invites them "to increase investment in road safety projects ..."

On 20.6.2001 the Commission gave the Communication on "Employment and social policies: a framework for investing in quality". It takes forward the Social Policy Agenda commitment and the Lisbon strategy reinforced by Nice and Stockholm, to promote quality in employment. In particular it defines the approach of improving quality of work and ensures its integration in employment and social policies. For this purpose it establishes a set of indicators on quality in work to be used within the framework of the European Employment Strategy.

The lists of indicators of both the Synthesis Report and the Employment Committee Report on Indicators of Quality in Work include the evolution of the incidence rate of accidents at work, as defined by the number of accidents at work per 100,000 people in employment. In the future a composite indicator covering accidents and occupational diseases including as a result of stress will be developed by the Commission.

More recently, on 11.03.2002, the Commission adopted a Communication (COM(2002) 118 final) on "Adapting to change in work and society: a new Community strategy on health and safety at work 2002–2006" and on 03.06.2002 the Council adopted a Resolution on "a new Community strategy on health and safety at work (2002–2006)". The Resolution stated as ones of the main objectives: "reducing the number of occupational accidents and illnesses. For this purpose, quantified objectives should be set, which presupposes stepping up the work in progress on harmonising statistics on accidents at work and occupational illnesses", "placing more emphasis on the prevention of occupational illnesses", "taking into account social risks such as stress and harassment at work, as well as the risks associated with dependence on alcohol, drugs and medicines", "promote a prevention culture right from

the earliest stages of education and provide continuing vocational training” and “integrate health and safety at work into business management”.

### **Methodological notes**

Sources: Eurostat - European Statistics on Accidents at Work (ESAW), ad hoc module on accidents at work and occupational diseases in the 1999 Labour Force Survey, Mortality Statistics and Transport Statistics. European Commission Transport DG - Community Road Accident database (CARE). European Home and Leisure Accident Surveillance System (EHLASS).

For road accidents, people killed are all those killed within 30 days of the accident. For Member States not using this definition, corrective factors were applied.

The data on working accidents relate to almost 90% of people in employment in the Union. Only those working accidents that lead to more than three days absence are included in the annual data source (ESAW) but accidents with no absence from work or resulting in an absence from work from one to three days were also covered in the ad hoc module on accidents at work and occupational diseases in the 1999 Labour Force Survey. The ESAW incidence rates have been calculated for only nine major branches of economic activity (NACE Rev. 1 sections).

The third European Survey on Working Conditions was carried out in 2000 by the European Foundation for the Improvement of Living and Working Conditions. The previous surveys were carried out in 1990 and 1996. The first survey in the acceding and candidate countries was conducted in 2001.

The EHLASS (European Home and Leisure Accident Surveillance System) was introduced by the Council Decision 93/683/EEC of 29 October 1993 introducing a Community system of information on home and leisure. Since 1999 the EHLASS system has been integrated into the Community Programme of Prevention of Injuries.

### **Links to other parts of the report**

Health and safety (Annex 2.3).

### **Further reading**

- Work and Health in the EU – A statistical portrait. Panorama series - 2003 edition - Eurostat.
- “European social statistics – Accidents at work and work-related health problems – Data 1994-2000” – Detailed tables series - 2002 edition - Eurostat.
- Statistics in Focus (Transport): “Transport Safety”, No 3/2000; Eurostat. Statistics in Focus (General statistics): “Road-traffic deaths in the regions of Europe”, No 5/2001; Eurostat.
- “European Statistics on Accidents at Work - Methodology”, 2001 Edition. Eurostat and DG Employment and social affairs, “Health and safety at work” series.
- “Key data on Health”, 2000 edition. Eurostat.
- “Panorama of transport” (2001 edition), 2002. Eurostat.
- “Third European Survey on Working Conditions 2000” and “Working conditions in the acceding and candidate countries” European Foundation for the Improvement of Living and Working Conditions (<http://www.eurofound.ie>).
- “Guidance on work-related stress - Spice of life or kiss of death?”, European Commission, 16 December 2002.

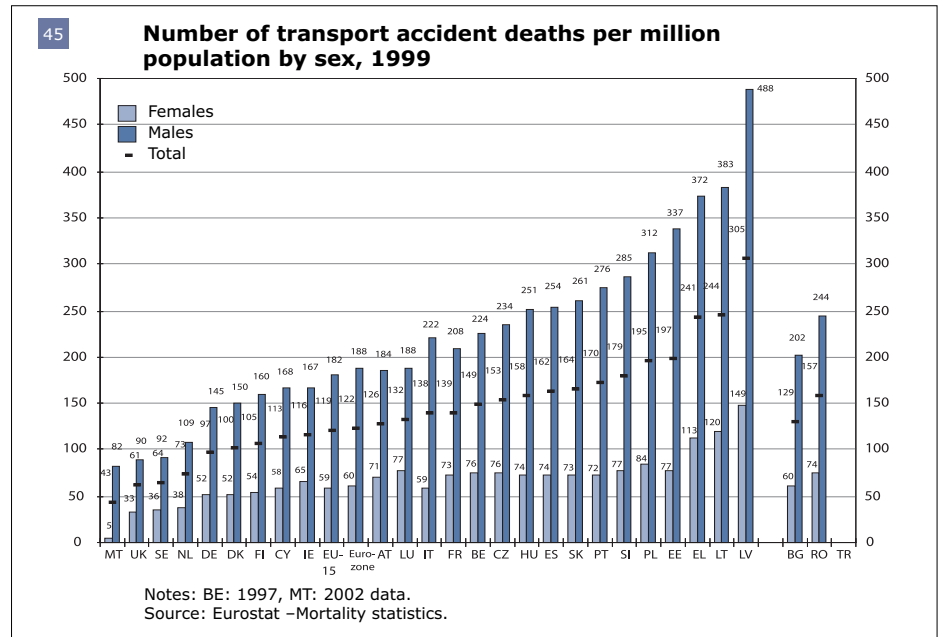
**Key indicator**

	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>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)

	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
<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))																															

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)



## Annexes to Section 1

- Annex 1.1 Population trends in the enlarged European Union
- Annex 1.2 Socioeconomic trends, living conditions and human capital development in the enlarged Union
- Annex 1.3 Social protection and social participation

## Annex 1.1. Population trends in the enlarged European Union

On May 1st 2004 ten new countries joined the EU, increasing its population by 20%. What are the main demographic characteristics of the newcomers? How will they influence the demographic trends observed at EU-15 level? This annex looks at these questions highlighting their policy implications for the enlarged European Union.

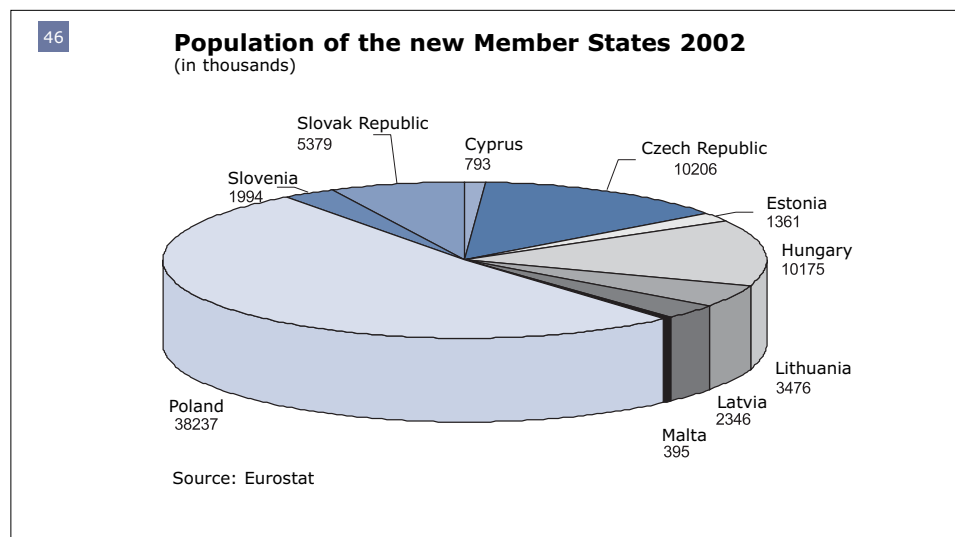
### Key points

- Enlargement raises the EU's population by 20% but it will not have any significant effect on the EU ageing process. Population ageing remains a key issue. A reducing active population and a quickly expanding population in retirement challenge future economic and social growth perspectives.
- In the new Member States of Central and Eastern Europe (CEE) population growth stagnated in the 1990s under the socio-economic turbulence of the collapse of former regimes and the entry into a painful transition period. In many of the new Member States, population growth has even been negative throughout the 90s. Today the population of the new Member States is still relatively younger than in the EU-15, however the speed of ageing is faster.
- In the last ten years, positive net migration has been the main driver of population growth in the EU-15 countries. Since the early 1990s, positive net migration became the largest component of population change in most of the EU-15 Member States. The trend expanded towards the Mediterranean Member States while today most of the new Member States – who experienced massive outflows over the early 90s – also become receiving countries. Immigration flows could attenuate but they could not compensate for the long term effects of demographic ageing. The need to develop policies promoting the integration of immigrants increases in importance across the enlarged Union.
- All Member States, with varying intensities, are concerned by the implications of population ageing. Social policies and their financing need to be designed in ways that take account of both incentives for current participation in the labour force and the incentives to invest in the future labour force. Longer lives in combination with a faster pace of technological change heighten the need for investment in lifelong learning. The efficient utilisation of human resources in the economy also requires well advised labour market policies and general macroeconomic stabilisation policies, providing the opportunities for full capacity production and avoiding the waste of human resources. In addition, EU countries with family-friendly policies and significant levels of State support have achieved significantly higher birth rates and female participation in the labour market. Public provision for services like childcare facilities are strategically important means to solve this problem, as well as public involvement in education and maintenance of knowledge and human capital.
- The next five years represents the last part of the so-called demographic window of opportunity, before a particularly rapid process of ageing begins. To that end, and in order to allow Europe to take full benefit of the anticipated favourable change in the economic cycle, it will be a necessary part of the Commission's task to continue the efforts in the context of the Lisbon strategy and bring the important preparatory adjustments and changes to employment policy and social protection systems into place. The social and economic implications of the ageing of the European population, while serious, may become manageable if the right policy measures are taken in time. Economic growth will depend more and more on productivity growth and hence on the quality of human resources.

### 1.1. 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 in the EU-15 countries<sup>61</sup>. The enlargement of the European Union therefore raises the EU's population by nearly 20% to a total of more than 453 million citizens. (See Graph 1 of Section 1, Population of the EU-25 Member States (2002)).

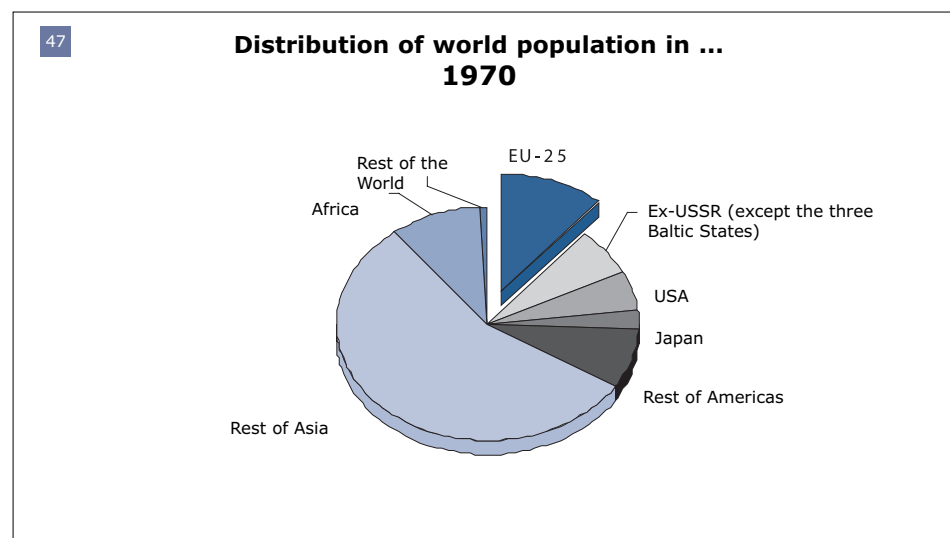
In terms of population size, the contribution of the current EU enlargement is the largest in the Union's history, embracing Poland, a relatively large new Member State with more than 38 million inhabitants, the Czech Republic and Hungary - two medium size States of approximately 10 million each - and seven less populated Member States, with populations ranging from 400,000 (Malta) to five million (Slovak Republic). In the enlarged Union, nearly three-quarters of the population will live in six of the 25 Member States, namely Germany, UK, France, Italy, Poland and Spain.



### 1.2 Global population dynamics and Europe's position

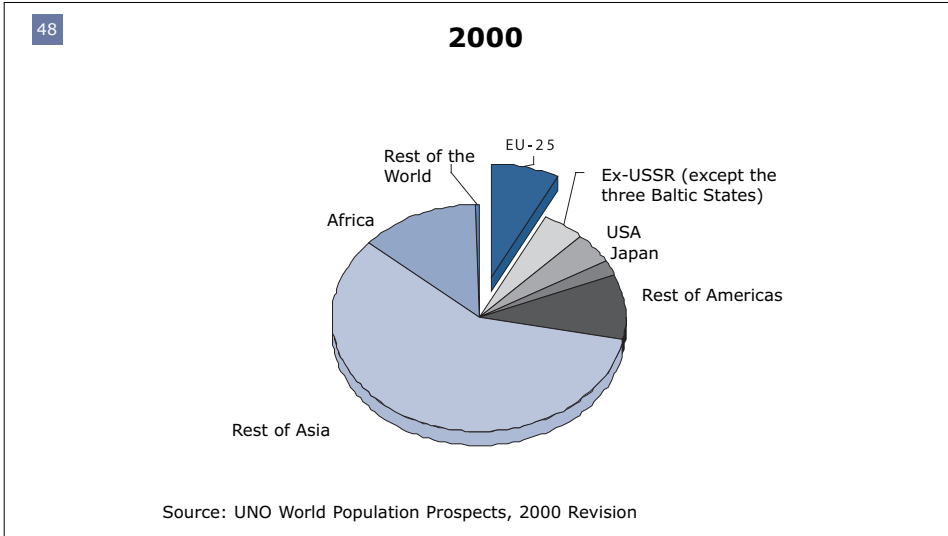
#### **How does the enlarged Union compare to the rest of the world in terms of population size?**

Enlargement increases the percentage of the world's 6.3 billion inhabitants<sup>62</sup> living in the EU from 6.1% to 7.2%. In fact, with a population of 453 million inhabitants, the European Union becomes the third most populated area, after China (almost 1.3 billion in mid-2003) and India (1.07 billion). Its population is 55% higher than the USA (292 million) and 3.5 times larger than Japan (128 million inhabitants).



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

62 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.

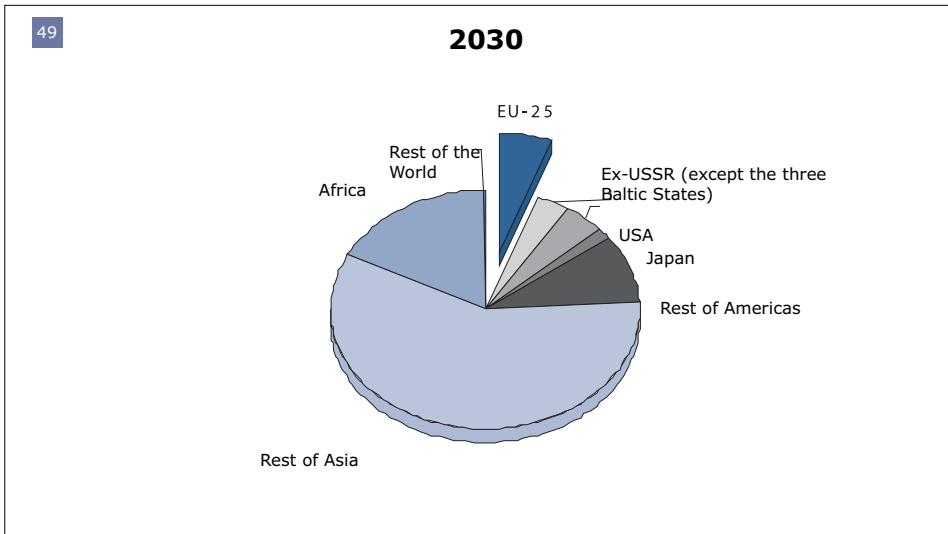


As the graphs indicate, the proportion of the world's population living in the EU, including the new Member States, has decreased throughout the 20th century and will continue to do so in the coming decades, while the population of developing countries will increase. For this reason, the EU-25, which represented 11% of the world's population in 1970, is likely to represent less than 6% of the world's population by 2030.

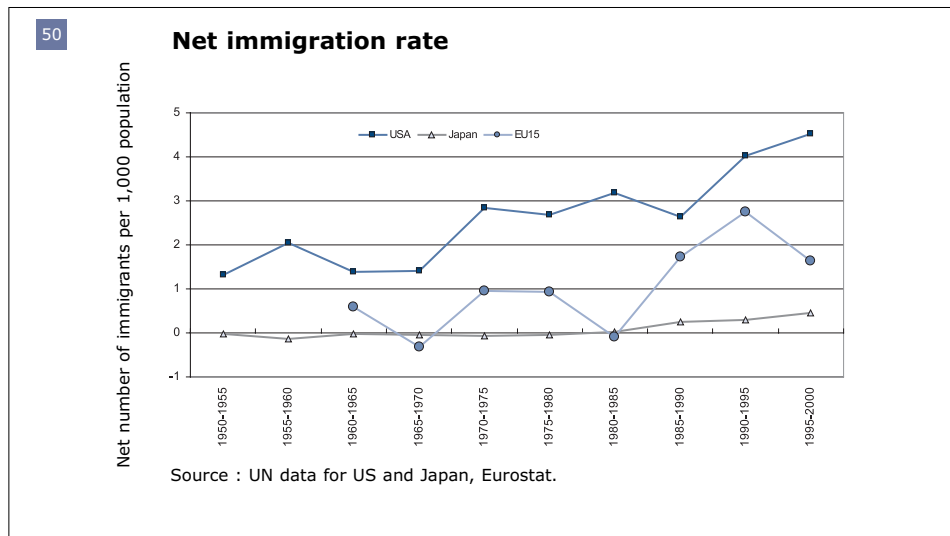
***The process of ageing accelerates in the developed world***

The demographic characteristics of the EU's population are typical of countries from the so-called "developed world", with low fertility and mortality rates and slow, or even declining, demographic growth. Yet, despite these broadly similar trends, significant differences regarding the relative levels of their key demographic indicators (such as total fertility rates, life expectancy and migratory balance) exist. The population trends in the EU show slow and declining growth patterns compared to the more dynamic patterns observed in the USA. Nevertheless, the EU clearly remains at a higher position when compared to Japan. These noticeable differences are mainly due to the existing divergence in terms of both fertility trends and in terms of migration trends. (See Graph 2 of Section 1, "Population change: EU-25, USA and Japan, 1950-2030").

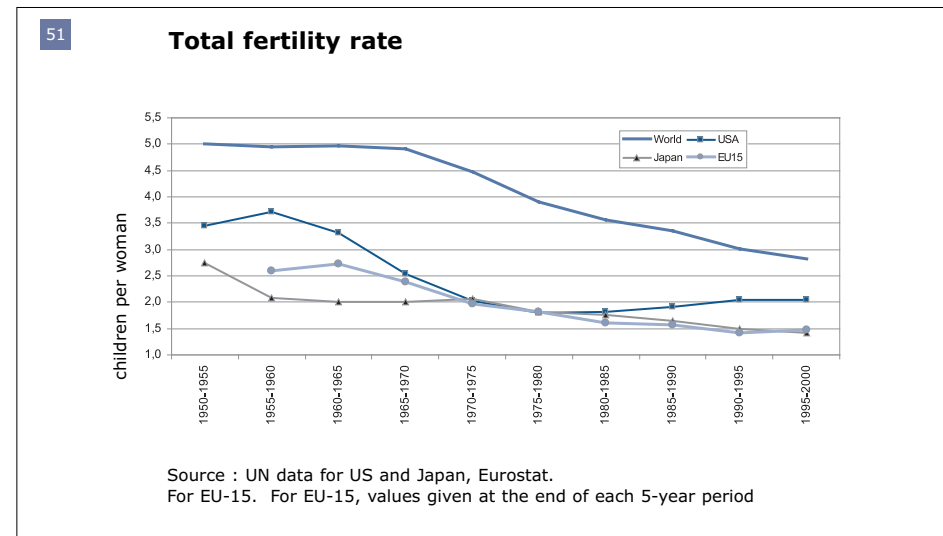
Indeed, population growth in the United States is characterised mainly by a recovery of the birth rate – following the low levels of the late 1970s – and an upward swing in immigration rates. In contrast, Japan's prospects are the least favourable, with a fertility rate well below that required to maintain the population, along with an extremely low, though somewhat rising, immigration rate.







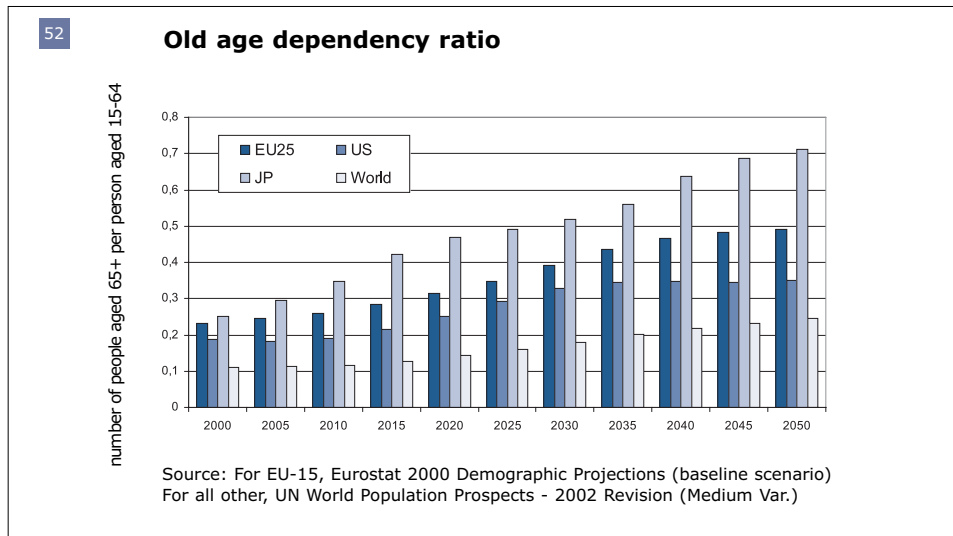
Finally, the European Union has combined a persistently low fertility rate with an upward trend in immigration. This immigration trend was particularly strong in the early 1990s due to the dismantling of the Soviet block and the war in the former Yugoslavia. More recently, (2001-2002), the annual immigration figures suggest that the EU-15 countries now receive a net inflow of around one million migrants per year.



As a consequence of the trends detailed above, strong population growth in the US is expected to continue. This is in contrast with the EU and Japan, where a demographic squeeze is looming.

In addition to the impact on population size, trends in fertility and immigration also affect the population age structure. This is particularly important in terms of policy implications, especially in relation to employment and social protection. In the next decade Japan will be first to feel the effects in this respect, followed closely by the EU. Japan's over-65s are projected to represent 25% of the country's total population by 2013. The EU is not expected to reach this threshold until the early 2030s. For the USA, even by 2050, the population of over-65s should remain below 21%. Using the indicator called the "old age dependency ratio" (The number of over-65s for each person between 15 and 64), the EU-25 is, once again, placed between Japan and the USA, as shown in Graph 52<sup>63</sup>.

<sup>63</sup> Japan has already passed its maximum in terms of the size of its working age population. By 2020 this age group would have declined by 25% compared to 2000. In EU-25 the working age population will also suffer a decrease, estimated at 16%, compared to an increase of 11% in the USA. Nevertheless, in terms of potential employment growth, the EU-25 has the possibility to activate working age people well above its present employment rate of 62.9% (2002), while in Japan, where the employment rate is close to 75%, the decrease in the working age population may result in increasing structural difficulties of labour supply. Finally in the USA, the current employment rate is over 70% but, as there are no apparent demographic labour supply constraints, the working age population can continue to grow, for at least the next two decades.



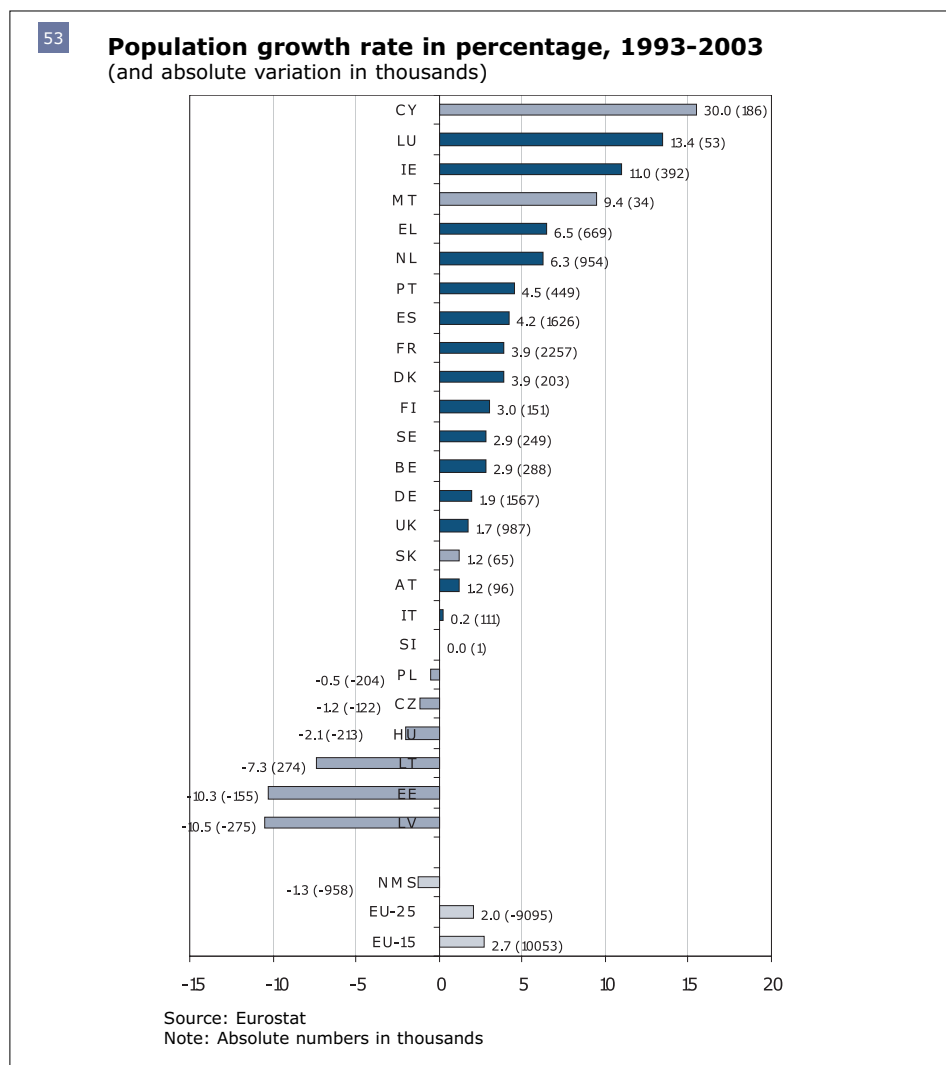
## 2.1 Population ageing remains the dominant challenge

The greying of our population is one of the EU's greatest challenges, and will remain so after enlargement. Although most of the new Member States have 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 accelerate the EU ageing trend as most of the new countries already experience very low birth rates.

The dramatic swings from baby-boom to baby-bust in the post war period will cause ageing to become particularly acute after 2010. The speed and magnitude of the shift towards an older population during the second and third decade of this century - when the bulk of the baby-boomers pass from active life to retirement and old age, will alter the premise of many of our current policies. All Member States will feel this pressure, with a time lag of 0-15 years depending on their particular fertility, mortality and migration patterns<sup>64</sup>.

<sup>64</sup> EUROSTAT population scenarios, which at present only cover the EU-15 countries, show three possible evolutions for the demographic trends in the EU-15: the most probable according to present trends is described as the "baseline" scenario, while "high" and "low" scenarios present the extreme positive (with higher fertility and immigration and lower mortality) and negative (with lower fertility and immigration and higher mortality) population trends within which the EU population should evolve. According to the "baseline scenario", the natural increase (difference between births and deaths) may become negative before 2010. Nevertheless, the EU-15 population will continue increasing beyond this date, until 2022, due to an important level of immigration flows (a positive net migration of more than 620,000 immigrants per year at EU-15 level between now and 2050). However, by 2050, the EU-15 population would have decreased by 3% compared to today's level.

**The EU-25 population continues to rise slowly, while most of the new Member States show a negative growth**



In the EU-15 countries, positive net migration has been the main driver of population growth over the last decade, in a period of decreasing, but still positive natural growth. In the new Member States of Central and Eastern Europe – that had a sustained population growth during the post war period until the mid-1980s – changing lifestyles in a context of sharp social, political and economic transition have resulted in plummeting birth rates since the late 1980s, a sharp rise in mortality rates in the early 1990s, and a steady growth of emigration<sup>65</sup>.

Throughout the 1990s, population growth was stagnant, and in some cases it even became negative, with the total population of the ten countries falling below the threshold of 75 million inhabitants in 2001. The majority of these countries reported population losses during the 1990s, with Estonia and Latvia experiencing the sharpest population decline (more than 10% fall in both countries when comparing 1993 and 2003 populations), followed by Lithuania (-7.3%), while Hungary experienced a more moderate decline (-2.1%), which started in the 1980s. Slovenia, which has a very stable population, and the Czech Republic and Poland, which have experienced a modest drop, currently show population levels very close to those that existed at the beginning of the 1990s. Only Slovakia shows a small population increase (+1.2%) in the last ten years.

Unlike the CEE new Member States, Cyprus and Malta have shown a significant population growth (30% and 9.4% respectively) between 1993 and 2003. This is not only a result of their more favourable fertility and mortality figures, but also due to a sustained migratory inflow.

<sup>65</sup> Although this began to change at the beginning of the 21st century, as will be discussed later in this annex.

## 2.2 What are the drivers of demographic change ?

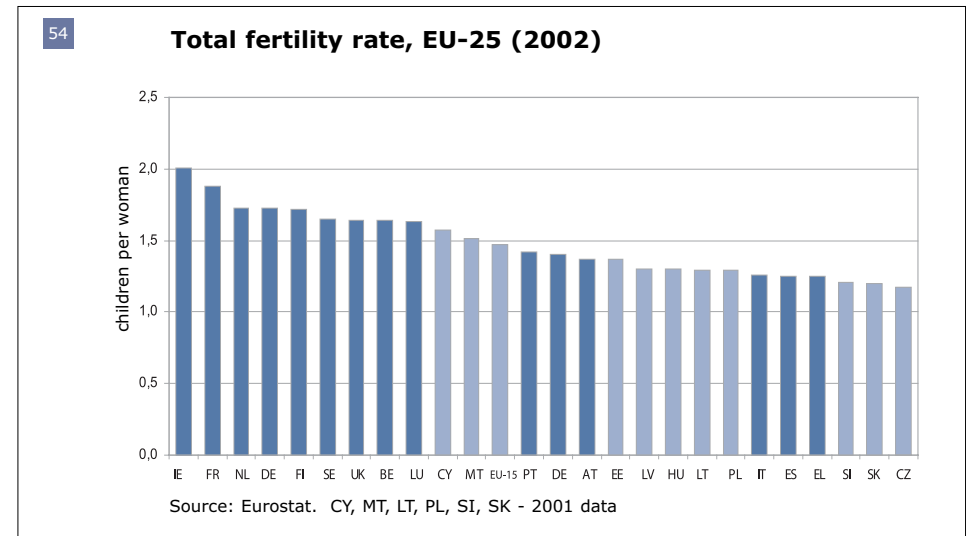
As already discussed in this annex, population growth depends on three key factors: fertility, mortality and migratory flows. The following discussion examines the dynamics of these three drivers of demographic change in more detail.

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

Demographic trends show that, for several decades, fertility rates in Europe have remained well below replacement level. Although there are significant national differences in the timing and intensity of the decrease, the fall in fertility levels started in the 1960s - signalling the end of the baby boom - and lasted until 1995. Since then the EU-25 birth rate has remained at a level slightly below 1.5 children per woman, which is one third lower than the 2.1 level required for the replacement of generations.

Decades of sub-replacement levels have produced an age pyramid whose lower segment is narrowing steadily. A recent study published in *Science* (Lutz et al., 2003)<sup>66</sup> shows that this has created a new force in population ageing and shrinking that demographers call the "negative momentum" of population growth. As the age pyramid becomes more and more narrow at the bottom - as is currently the case - then fewer and fewer women will enter the reproductive age, meaning fewer and fewer births. Even in the highly unlikely event that the birth rate immediately recovered to replacement level (assuming no migration and no change in mortality), the population will shrink.

Trends towards some recovery in individual Member States, such as France, have had a very moderate impact on the overall EU total fertility rate (TFR), which from 1999 to 2002 only rose from 1.45 to 1.47 children per woman. The completed fertility<sup>67</sup> of post war generations in EU-15 has also been in steady decline since the mid-1960s. Although this indicator changes far less abruptly than the simple total fertility rate, it is now hovering around 1.7, which is well below the necessary reproduction level of 2.1 children per woman.



Behind the EU-average, a variety of situations regarding fertility levels can be observed at national level (see Graph 54), which can be grouped into four geographical patterns, or clusters, of fertility, although some Member States must be placed in a category of their own:

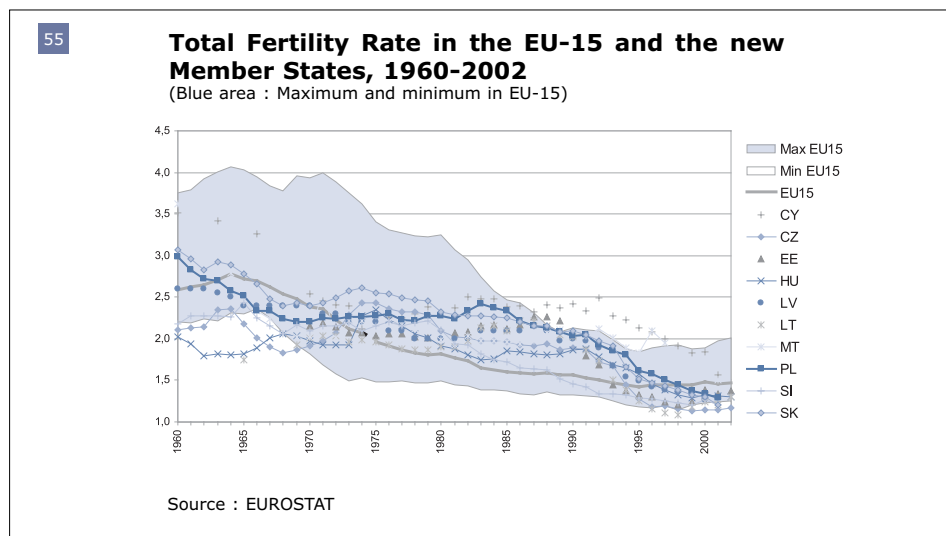
- Denmark, Sweden<sup>68</sup> and Finland are characterised by higher childbearing and female participation in the labour market, combined with strong State support for families. Progressively, France, followed by the Netherlands, Belgium and Luxembourg, has shown a similar trend with TFRs clearly moving towards the upper end of the Union. This appears to be, at least in part, due to a wide-ranging set of fertility incentives and family-friendly policy measures.
- In Germany and Austria TFRs have reached a plateau at around of 1.3-1.4 children per woman, although female labour force participation is lower and family support policies are more developed than in other Member States with high fertility rates.
- Italy, Spain and Greece have a pattern characterised by very low total fertility rates. In these countries, birth rates fell sharply in the 1980s, bringing the TFR to around 1.2 to 1.3 in the mid-1990s. Limited state support for family formation, child bearing and child rearing, suggests that female labour market participation and childbearing have become substitutive, rather than complementary.

<sup>66</sup> Wolfgang Lutz, Brian O'Neill and Sergei Scherbov (2003): "Europe's Population at a Turning Point". *Science*, Vol.299, pp. 1991-1992.

<sup>67</sup> The Completed fertility rate of a generation is the actual average number of children born during the reproductive period of the female population of the generation in question.

<sup>68</sup> Nevertheless, it would appear that Sweden, after its budgetary crisis in the early 1990s, has dropped out of the model with a TFR coming close to the EU-average by the late 1990s. Fertility appears here to be highly sensitive to State support.

- The new Member States of Central and Eastern Europe that experienced higher fertility levels than the EU-15 average in the 1970s and 1980s, appear to have been highly sensitive to the difficulties during the economic transition, the influence of the Western lifestyles and the end of state support for families in the early 1990s. In most cases, the TFRs dropped sharply, and since the late 1990s they have been in the range of 1.1 to 1.3, with very few signs of recovery.



- The rest of the Member States do not fit into one of these clusters and they form a heterogeneous group.
  - Ireland, where the decline in TFR happened later, and began from a very high level, still had a TFR close to the replacement level at the turn of the century.
  - Portugal combines high female labour force participation and limited State support to families with a mid-range TFR (1.42 in 2002).
  - The UK TFR has moved towards the EU average, although it still stood at 1.64 in 2002.
  - A decade ago, Cyprus and Malta had TFRs around replacement level. Today, they show clear signs of a downward swing towards the EU average.

### Low fertility and the “tempo effect”

Recent demographic research collected by the European Observatory on the Social Situation, Demography and Family<sup>69</sup> has drawn particular attention to the so-called “tempo effect” referring to the ongoing postponement of births which in turn increases the average childbearing age and lowers the empirically observed annual birth rates.

The tempo effect lowers the total fertility rate (TFR) during times of increasing mean age at births and inflates the TFR during times of decreasing mean age at birth, as happened during the time of the baby boom in the 1960s. In Europe today, the tempo effect results in a loss of total births per year and contributes to a decline in, and a more rapid ageing of, the population. It is estimated that without this tempo effect the TFR in the EU would be around 1.8 instead of the observed figure of 1.5 (Bongaarts, 2002)<sup>70</sup>.

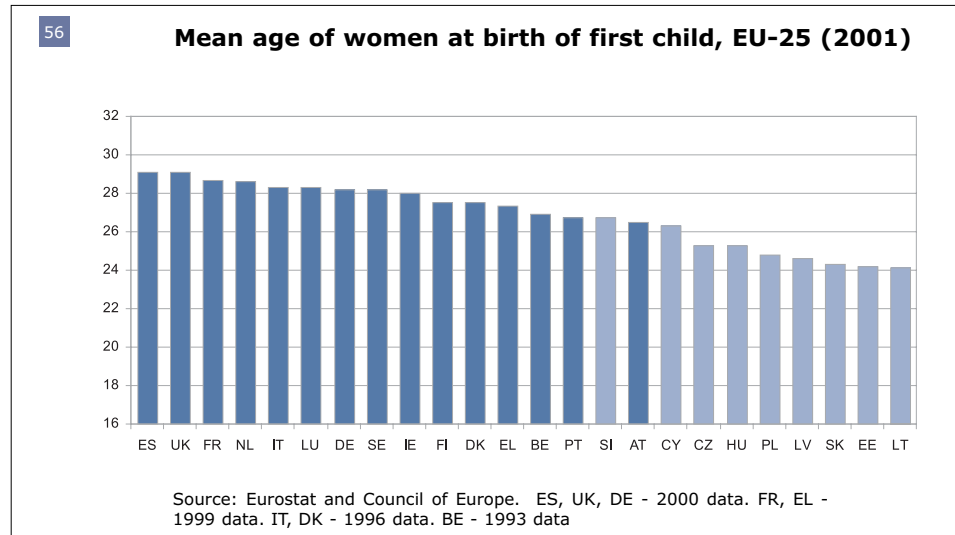
The demographic trend described above also indicates that not only does the total number of children over the life course matter, but also the timing of these births. There is also an important health dimension to this issue. A continued delay in childbearing has not only led to soaring numbers of infertility treatments, but also to growing medical concerns about the health risks associated with late pregnancies, for both mother and child. In addition, involuntary childlessness – also known as infecundity or sterility, which increases with age – is clearly on the rise in Europe and, in many cases, initially postponed births cannot be realised later.

69 [http://europa.eu.int/comm/employment\\_social/eoss/index\\_en.html](http://europa.eu.int/comm/employment_social/eoss/index_en.html)

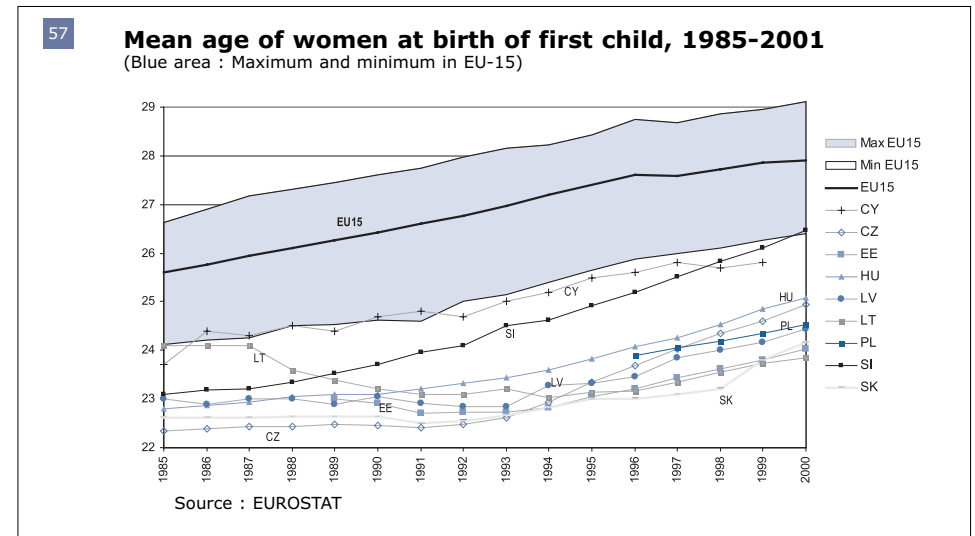
70 John Bongaarts (2002) “The end of the fertility transition in the developed world,” Population and Development Review 28(3), pp. 419–443.

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

Differences across the Member States are not limited to the level of fertility, but also to the timing of births. Two clear patterns exist between western and eastern Member States, as can be seen in the graph below.



For centuries, the eastern part of Europe maintained a trend of early marriage and early childbearing, while the western part of Europe experienced a shift to later marriage, which also means later in the natural fertility age-span<sup>71</sup>. Even in 1960, the difference for the mean female age at the birth of their first child showed a two year gap: close to 25 years for the EU-15 countries whereas it was close to 23 for the eastern countries. Although the average age of women at the birth of their first child has increased in the eastern countries since 1993, significant differences still persist, as can be seen in the Graph 57.



The reasons for these variations in fertility behaviour between EU-25 Member States are still to fully emerge. However, most researchers conclude that they are linked to a combination of national socio-economic differences, culture and, in particular, policies. Most of the Member States at the higher end of the fertility range also have a much more developed set of policies and provisions that support and facilitate family formation, child bearing and child rearing. In other words, differences in policies clearly matter<sup>72</sup>.

Studies of decision-making at the family level highlight factors that can lead to lower fertility, even though it may not always be in line with the actual desires of the couples concerned<sup>73</sup>. Many consider, on average, a family of 2.2 children to be ideal, compared to the actual outcome of 1.5. This ideal family size is therefore very close to the replacement level of 2.1 children per woman, and it also shows that, across Europe, the two-child model is still thought to be desirable.

Decisions in relation to motherhood must also consider how work is shared between women and men. In countries where women work, but where there is neither adequate support from public policies, nor male contributions to family duties, fertility levels are likely to be low. In contrast, where policies permit women to better reconcile work and family life and men take on a greater share of the household tasks, couples wanting to have children are more likely to realise their wishes.

<sup>71</sup> This behaviour has been interpreted as a way of birth control. Some historians see it as one of the factors that contributed to lower dependency rates and early economic take-off in Western Europe.

<sup>72</sup> See also work undertaken by the European Observatory on the Social Situation, Demography and Family: [http://europa.eu.int/comm/employment\\_social/eoss/index\\_en.html](http://europa.eu.int/comm/employment_social/eoss/index_en.html)

<sup>73</sup> See Eurobarometer EB 56.2 of 2001 and Candidate Countries Eurobarometer of 2002.1.

In several European countries, particularly the transition economies of Central and Eastern Europe, there is strong evidence that low fertility levels are also related to poor economic conditions, the inadequacy of the systems of social provisions and the rapid changes in lifestyles over the last two decades<sup>74</sup>.

### Trends in Households in the EU

Across Europe there is evidence that the family unit is changing and evolving:

- In 2001 there were 5 marriages per 1,000 inhabitants in EU-25, compared with almost 8 in 1975.
- The average age at which people first get married has increased, from 26 years for men in 1980 within the EU-15 countries to over 30 today. For women, the corresponding increase has been from 23 to 28 years. In the last ten years, an upward trend in the age of marriage has also been observed in the new Member States, although current levels are generally lower than in the EU-15 countries.
- There is also a rise in the rate of marital breakdown in both the EU-15 countries and in the new Member States, although a significant gap exists between the very high levels of some Baltic and Scandinavian countries and the relatively low divorce levels in the southern Member States.
- The number of births outside marriage in the EU-15 continues to rise from 6% of all births in 1970 to over 28% in 2001, which is largely a reflection of the growing popularity of cohabitation. However, large variations exist within this average, and also across the new Member States. More than one out of every two births is outside marriage in Sweden and Estonia, compared to less than 5% in Cyprus and Greece.

- Furthermore, there is a sharp increase in the number of children living with one adult, and a fall in the number of couples with children. In 2000, 10% of children aged 0-14 years were living with just one adult in the EU-15 countries compared with 6% in 1990. The overwhelming majority of these single parents are women.
- The rise of the single-person household. In 1961 there were 14 million one-person households in EU-15 countries. By 1995 this number had tripled to 42 million, and the Eurostat baseline scenarios suggest a further increase, to 62 million people by 2025. The new Member States are following similar patterns.

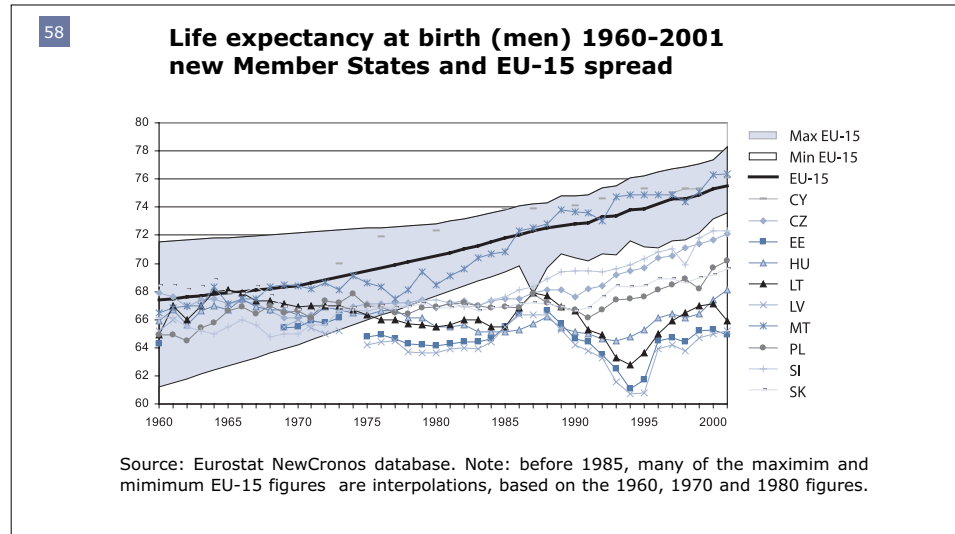
The result of these – and other – trends is that households are becoming smaller, with more people living alone at all ages. Alternative family structures and non-family households are becoming more widespread. In other words, while the absolute number of households has increased, the average household size has decreased. In 2001, there were an estimated 156 million private households within the EU-15 countries, which equated to an average of 2.4 people per household, compared with the corresponding figures from 1981 of 92 million households with an average size of 2.8 people per household. According to the Eurostat baseline scenarios, within the EU-15 countries the absolute number of households will increase by a further 20 million by 2025, to 176 million, with an average size of 2.2 people per household<sup>75</sup>. Although comparable prospective figures are not available for the new MS, the trends are similar.

<sup>74</sup> The study "Low Fertility and Population Ageing: Causes, Consequences, and Policy Options" written by RAND Europe for the European Commission (2003), mentions, based on the work of different authors, three non-exclusive, potential explanations for the rapid decrease in fertility during the 1990s in Poland (and for extension in the other new MS of Central and Eastern Europe): 1) The social and economic difficulties associated with the shift to the free market economy, resulting in poor material conditions, worse health, more unemployment, less work stability and higher cost of having children; 2) major policy changes in terms of benefits for mothers and families since the transitions, resulting in a reduction of these allowances combined with a privatisation of the social services which were previously provided; and 3) diffusion of Western European culture and lifestyle, including ideas on family modernisation and fertility patterns of fewer children.

<sup>75</sup> See "Trends in households in the European Union: 1995-2025". Eurostat, Statistics in Focus, Theme 3 - 24/2003.

### The extension of life expectancy<sup>76</sup>

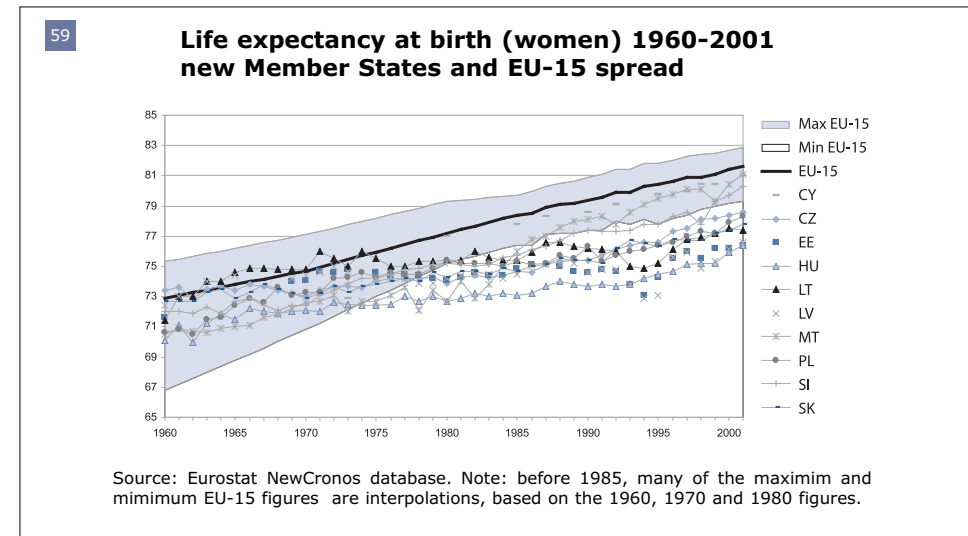
Between 1960 and 2001 the average life expectancy at birth for the EU-15 countries rose from 70.1 to 78.5 years or, more specifically, from 67.4 to 75.5 for men and from 72.9 to 81.6 for women. Over the last forty years, longevity has increased by more than eight years, which is very impressive, given that it happened after mortality had already shifted considerably in the first half of the century.



This increase in longevity can also be seen by examining the life expectancy at age 65, which is currently around 20 years for women and almost 16 for men (estimated average for the countries of EU-15). This is a positive reflection of the technological and medical advances in the last century combined with healthier lifestyles and improved living conditions in a context of economic and social progress.

If we look at the mortality trends in the new Member States, Malta and Cyprus are broadly similar to the EU-15 countries. However, this is not the case for the CEE new Member States. In 1960 these countries had similar levels of life expectancy at birth to the current

EU-15<sup>17</sup>, but, since then, the situations have evolved very differently. The EU-15 have significantly reduced deaths from cardiovascular diseases and have made progress in the fight against other "societal" diseases. This was not the case in the new Member States of Central and Eastern Europe.



The period of political and economic transition has had a negative impact on living conditions, on healthcare resources and other social protection schemes. This has led to an increased mortality rate (especially as a result of external/violent deaths, including suicides, digestive deaths affected by alcoholic abuse, and an increase in cancer and cardiovascular problems) and a decreasing life expectancy<sup>78</sup>. Although life expectancy at birth recovered in the second half of the 1990s<sup>79</sup>, at present it remains markedly lower in the new Member States than in the EU-15 countries. National figures for EU-15 countries range between 73 and 78 years for men and between 79 and 83 years for women. By contrast, values in the new Member States of Central and Eastern Europe range from 65 to 72 years for men and from 76 to 80 years for women.

<sup>76</sup> A more complete explanation of the recent trends in mortality and morbidity in the European Union can be found in the previous issue of this report: European Commission (2003): The social situation in the European Union 2003, as well as in the recent publication: European Commission (2003): The health status of the European Union. Narrowing the health gap, and in the publication of Eurostat (2001): Key data on Health 2000.

<sup>77</sup> In 1960, life expectancy at birth varied between 64 and 67 for men, and 70-73 for women in the new Member States of Central and Eastern Europe, compared with similar, albeit slightly higher, values in the EU-15 countries (66-71 for men, and 72-75 for women). Portugal was the only EU-15 country with lower values than those existing in the CEE new Member States.

<sup>78</sup> C. Gammé in "Santé et mortalité dans les Pays Balts", Chaire Quetelet 2003, explains that the mortality crisis in the 1990s in the three Baltic States and in other ex-communist countries is not easy to explain and that the diverse theories which have been formulated (including ecological disaster, collapse of the health system, crash of the political institutions) do not fully explain the crisis. The author favours the so-called social argument combined with the impact of stress: the rapid increase of social inequalities and diminishing social capital led to an increase of people's stress which implied a growth of risky behaviour (violence, alcohol consumption) and also affected to the normal evolution of cardiovascular and other diseases.

<sup>79</sup> However, the intensity and the timing of this recovery vary by country, with an earlier start (in the first half of the 1990s) and better mortality figures in the new MS of Central Europe compared with the Baltic countries or some Candidate Countries (Bulgaria and Romania).



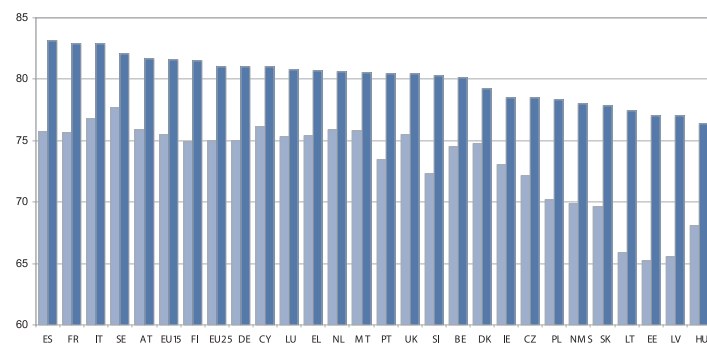
### Gender gap in mortality in the new Member States

Graph 60 shows that, although the difference is more pronounced in some countries than in others, on average women have a higher life expectancy at birth than men in every Member State. For the EU-15, the average difference is six years, and it is over eight years in the new Member States, where the gap has increased in the last four decades (see Graph 61).

Since 1960, longevity in the EU-15 has continued to rise in a more gender-equal way. In the new Member States, life expectancy for females has evolved with a much more positive trend than for males. This is especially true in the Baltic States (and in Slovakia) as the male life expectancy at birth is nearly the same (or one year higher at the best) in 2002 as it was in 1960, whereas the female indicator has increase by around 5 years. For this reason, the difference between male and female life expectancy is as high as 11 years in the Baltic Member States.

60

### Life expectancy at birth for men (left column) and women (right column), EU-25 (2002\*)

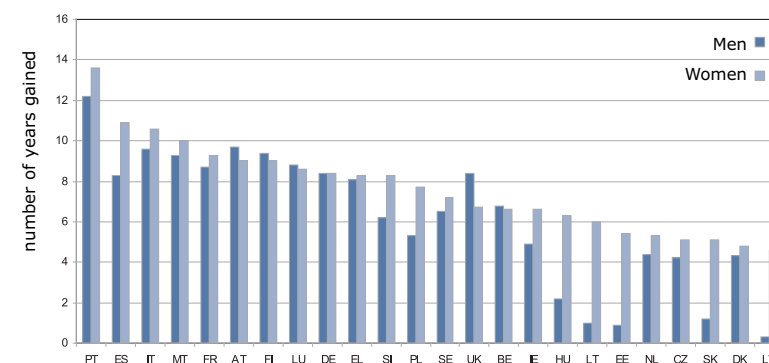


Source: Eurostat data .  
\*BE, LU, AT, CY, HU, LT, PL, SI, SK - 2001 data. DE - 2000 data

How can these differences by gender be explained and why are they so significant in the new Member States? This gender gap is caused by higher mortality rates for men than women at all ages. When analysing the main causes of death in the ages where male over-mortality

61

### Increase in life expectancy between 1960 and 2002, EU-25



Source: Eurostat NewCronos. 1960 data for Cyprus not available, and for Germany excluding ex-GDR.

is particularly high – traffic accidents among young men and cardiovascular diseases and cancer among the 50-70 years old – it appears that they are associated with aspects of gender roles or gender related lifestyles. As the behaviour of men and women is becoming more similar, male and female life expectancies, which diverged in the last century, are now beginning to converge in the majority of the EU-15 countries, although the gap is still significant. Compared to women, men are more affected by unhealthy diet and lifestyles, they consume more tobacco (although this is changing), alcohol and other drugs, they suffer more fatal work accidents and road accidents, and they are affected more by sexually-transmitted diseases and by violent deaths, resulting in a larger exposure to risk factors for men than for women. Therefore, mortality inequalities by gender, although conditioned by biological factors, are mainly attributable to social causes, which, in the case of former communist countries, existed before but were accentuated during the transition period.

Indeed, already under the former regimes, middle-aged working class men were most affected by the rise in mortality, as they were particularly affected by cardiovascular disease. This could be traced to lifestyles, where men were more likely to drink and smoke. However, in many countries, the mortality rate of middle aged men worsened during the transition period. Research shows that men appear to be more vulnerable to transition stress than women, which could be at least partly explained by gender-related lifestyles<sup>80</sup> and the fact that women, by their behaviour, may be less exposed to health risks.

<sup>80</sup> The rate of smoking for example is very high and especially high amongst men. Although the amount of smoking seems to have fallen slightly, smoking western cigarettes was seen as a sign of status in many CEE countries. Drinking is also an important factor leading to ill health which affects mainly men.

Within the EU-15, there are differences in longevity among countries which cannot always be accounted for. However, it is generally assumed that lifestyle factors - such as the Mediterranean diet - could go a long way towards explaining why life expectancy is, at present, higher in the southern Member States.

#### **Uncertainty about future gains in life expectancy.**

To project the future speed of population ageing in Europe, assumptions about the future trends in old-age mortality are of crucial importance. Evidence provided by the European Observatory on the Social Situation, Demography and Family shows that, until recently, most forecasting agencies assumed that life expectancy would level off fairly soon and then remain constant.

As time went on and mortality improved beyond the previously assumed limits, those limits were shifted further and further upwards, but the idea of an ultimate limit to the length of human life was not abandoned. At present, the question of the existence of a fixed biological limit to the human life span is still highly controversial.

- The more traditional view is that ageing is seen as an intrinsic process within all cells of the human body. Under this view recent and possible future mortality improvements are interpreted as a rectangularisation of the survival curve through the elimination of premature deaths, resulting in a concentration of deaths shortly before the assumed maximum age. Based on this idea, a limit life table can be calculated e.g. with a maximum life span of 115 years and an average age of natural death of around 90 (Duchêne and Wunsch, 1991)<sup>81</sup>. This view clearly implies that the rates of improvement in mortality will be lower in the future than today. Olshansky et al. (1990)<sup>82</sup> also assume that an increase in life expectancy beyond 85 is unlikely because it would require a decline of more than 55 percent in mortality rates from all causes at all ages which is considered unlikely.
- The alternative view sees ageing as a multidimensional process of interaction in which partial loss of function in one organ can be synergistically compensated by others, and only total loss of a necessary organ system would result in death (Manton 1991)<sup>83</sup>. If conditions are favourable – through improved living conditions or possible direct intervention into the process of cell replication and ageing – this could result in much higher average life expectancies in the future. There are not enough data yet to resolve this controversy, but Oeppen and Vaupel (2002)<sup>84</sup> recently showed that the world's highest national-level life expectancies have increased almost linearly from year to year and show no sign of levelling off.

When it comes to population projections this great scientific uncertainty about the future of life expectancy also needs to be translated into an appropriate range of mortality uncertainty. On the one extreme there is the chance of complete stagnation, i.e. almost no further increase in life expectancy; on the other extreme, there is the chance of very

significant gains of four years on average per decade. The median path of two years improvement per decade, as supported by Mesle (1993)<sup>85</sup>, still seems a plausible medium assumption as it has been observed in the EU-15 average in the last four decades.

#### **Migratory flows and the implications of enlargement.**

Europe has a long history and tradition of immigration. This is reflected in the number of non-national people living in the European Union, which was estimated at 21.6 million in 2002<sup>86</sup>. This figure represents around 4.8% of the total EU-25 population. Of this, non-EU nationals represent around 3.3% of the people living in the EU in 2002 or 14.7 million people, whereas 6.9 million or 1.5% were EU-25 citizens living in other Member States<sup>87</sup>.

During the 1990s, positive net migration became the largest factor in population change in most Member States, reaching a total for the EU-15 of approximately 850,000 net migrants (including returning EU nationals) per annum by the end of the decade. In more recent years, 2001 and 2002, this figure is estimated to be around one million.

The Member State with the highest absolute number of non-nationals is Germany, with more than 7.3 million (close to 9% of the total population). This breaks down into five million third country nationals and 2.3 million nationals of other Member States (including almost half a million of citizens of the ten new Member States).

However, the Member States with the highest proportion of non-nationals are Luxembourg (37%, mainly citizens of other MS), Latvia (24%) and Estonia (20%). In the last two countries, the figures are made up almost exclusively of citizens from the former Soviet Union, mainly Russians but also from other Eastern Slavic countries.

The 1990s also witnessed a broadening and diversification in the typology of migrants, of the patterns of flows and of the mix of sending and receiving countries. Changes affecting asylum seekers resulted in peak numbers of applications in 1992 and 1997, largely as a result of the wars in the former Yugoslavia and armed conflicts around the world. In addition, former countries of emigration such as Greece, Italy, Spain Portugal and Ireland also became countries of immigration, with the net inflows composed both of returning nationals and of non-nationals, most of who were from outside the EU. The large differences in demographic trajectories and economic development between the EU and many third countries creates a powerful combination of push and pull factors which - unless checked by countervailing policies - is likely to result in persistently strong migratory pressures on the borders of the Union.

81 Duchêne, J. and G. Wunsch (1991) "Population aging and the limits to human life". Pages 27-40 in W. Lutz (ed.), Future Demographic Trends in Europe and North America. What Can We Assume Today? New York: Academic Press.

82 Olshansky, S.J., B.A. Carnes, and C. Cassel (1990) "In search of Methuselah: Estimating the upper limits of human longevity". Science 2:634-640.

83 Manton, K.G. (1991) "Upper-age longevity in low-mortality countries: A dissenting view". Pages 117-128 in W. Lutz (ed.), Future Demographic Trends in Europe and North America. What Can We Assume Today? New York: Academic Press.

84 Oeppen, J. and J.W. Vaupel (2002) "Broken limits to life expectancy". Science 296:1029-1031.

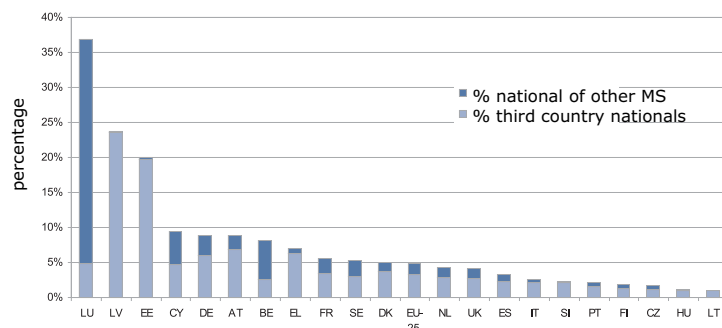
85 Meslé, F. (1993) "The future of mortality". In R. Cliquet (ed.), The Future of Europe's Population: A Scenario Approach. The Council of Europe, European Population Committee.

86 Eurostat 2002 data, or the most recent available data (no data available for Poland and Slovakia).

87 For more detailed information, see, in particular, Eurostat, Women and men migrating to and from the EU, Statistics in focus, Theme 3 - 2/2003; Eurostat, First demographic estimates for 2002, Statistics in focus, Theme 3 - 25/2002; and First results of the demographic data collection for 2002 on Europe, Statistics in focus, Theme 3 - 20/2003.

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### Share of non-national citizens living in the EU-25 Member States, 2002 or more recent available data



Source: Eurostat NewCronos database. No data available for Poland and Slovakia. No data available for citizens of the New MS living in Ireland and Malta.

An additional dimension relates to the future of mobility between EU-15 countries and new Member States. As ten new Member States join the EU in 2004, some movements that were traditionally immigration flows will become internal mobility. Previous experience and recent estimates suggest that labour mobility from the new Member States may be moderate to limited, with specific situations in border regions.

Nevertheless, it is important to note that traditional migration statistics do not always reflect the growing variety of flexible or atypical forms of migration. In fact, over the last two decades there is evidence of various forms of legal and illegal short-term labour migration – including circular or seasonal migration. In these cases, the cycle of circulation is often determined by tourist visas or other more complex strategies of survival. For instance, immigrants aim to save as much of their income as possible in the country of destination, while their spending mainly takes place in the country of origin. In addition, the developing patterns of movements among highly skilled people and the non-negligible potential of cross-border commuting should also be taken into account when analysing the flows between EU-15 countries and the new Member States. The significance of these forms of migration strongly depends on the economic cycle and the socio-economic disparities between the countries of origin and destination. In Europe, estimates based on the responses to regularisation programmes and other assessment efforts have produced ratios between legal and illegal immigration in the range 1:0.3 to 1:1. Furthermore, short term temporary flows of clandestine immigrants may be even higher.<sup>93</sup>

<sup>88</sup> Macro-analytical models assume an interdependence between the magnitude of migration flows and the level of wage differentials or other economic indicators (unemployment levels, for instance). According to this assumption, any wage difference between two regions will cause migration movements from the region with lower wage levels to the one with higher wage levels (Fassmann & Münz, 2002).

<sup>89</sup> More information on these and other methods of forecasting migration flows can be obtained in: Kupiszewski, M. (2002): "How trustworthy are forecasts of international migration between Poland and the European Union?". In: Journal of Ethnic and Migration Studies, Vol. 28, No. 4: 627 – 645.

<sup>90</sup> DIW Berlin (2003) Potential migration from Central and Eastern Europe into the EU-15 – An Update.

<sup>91</sup> European Foundation for the Improvement of Living and Working Conditions (2004), on-line publication: The New Migration Puzzle: East-West migration in an Enlarging European Union.

<sup>92</sup> Fassmann, H. & Münz, R. (2002): "EU Enlargement and Future East-West Migration in Europe". In: Laczko, F., Stacher, I. & Klekowski von Koppenfels, A. (eds.): New Challenges for Migration Policy in Central and Eastern Europe. Geneva: T. M. C Asser Press

<sup>93</sup> Based on the paper "Economic aspects of immigration", produced by the European Commission DG Economic and Financial Affairs.

<sup>94</sup> Korys, I. (2003): "Poland: Dilemmas of sending-receiving country", Metropolis Conference, Vienna, 2003.

### EU enlargement and migration flows from the new Member States to EU-15 countries.

Within the European Union, the accession of some Central and Eastern European countries has led to much speculation about possible consequences on migration from new Member States to EU-15 countries. It has also stimulated academic research to estimate the potential migration of people from East to West. Methodologically, these studies can be divided into two main groups: One group uses macro-analytical models<sup>88</sup> based on economic calculations; the other examines conditions on the micro level, by means of surveys<sup>89</sup>.

The macro-analytic research of DIW Berlin (2003)<sup>90</sup> for the European Commission (DG Employment and Social Affairs) foresees an initial increase in the EU-15 countries of inflows coming from the eight new Member States of Central and Eastern Europe and also Romania and Bulgaria of 318,000 people in 2004, within a scenario of free movement of people. The yearly net inflow would reach its peak at around 400,000 people one year later, and then it would decrease progressively over time so that by 2030, the total population of citizens from the new Member States in the EU-15 countries is expected to stabilise at a level of approximately 3.7 million people. The introduction of transitional periods would distribute inflows over a longer period of time.

The use of surveys to estimate the intention to migrate in the near future gives even more modest results. The study of the European Foundation for the Improvement of Living and Working Conditions, based on the Eurobarometer survey,<sup>91</sup> estimates that the volume of people of the new Member States with a firm intention to migrate towards the EU-15 countries in the next five years is likely to only be in the region of 1% of the total population stock aged 15 years and over.

Finally, Fassmann & Münz (2002),<sup>92</sup> based on demographic projections for the applicant countries, come to the conclusion that Central and Eastern European countries will not be areas of mass emigration to the EU-15 countries in the coming decades. Irrespective of regional economic developments, the emigration potential in Central and Eastern Europe is likely to decrease for simple demographic reasons, as there has been a drastic decline in the number of births throughout the region since the late 1980s. From 2010 onwards, this dwindling birth rate will have lasting effects on the labour supply in Central and Eastern Europe. It will lead to a decline in the working-age population and thus will also reduce migration pressure.

According to some researchers, much will depend on the evolution of the cost of living in both the origin and host countries (I. Korys, 2003)<sup>94</sup>. If the cost of living grows faster in the countries of origin, as some economists in these countries seem to suggest, then the pattern of circular migration may no longer be attractive and a transition toward permanent migration or return to the country of origin may become more appealing, depending on the economic or personal situation.

***The shift of the new Member States from sending to receiving countries.***

It is particularly important to note that over the last ten years migration patterns have changed significantly in the CEE new Member States. Most of these countries have shifted progressively from emigration countries to sending-receiving countries or - in some cases - mainly receiving countries. Therefore, net migration is relatively small, but progressively positive in the majority of the new Member States.

In 2002<sup>95</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%). These 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. It is also observed that the number of refugees and asylum seekers is progressively growing in these countries.

Last but not least, enlargement means that two thirds of the EU's external land borders belong to the new Member States. Historical and, in some cases, cultural links exist between the new Member States and their neighbours. This will facilitate population movements throughout the enlarged EU borders. In some cases, the new Member States may act as transition countries for emigrants moving from countries of the former Soviet Union towards some of the EU-15 countries.

All these migratory inflows may develop further, as long as large differences in socio-economic development exist and as long as the sending countries remain much poorer than both the EU-15 countries and new Member States.

**In conclusion**

Enlargement has increased the EU population by 20%. It has also introduced a new typology of population related issues in relation to health, gender and ethnic minorities. Paying due attention to these issues will be necessary for responding to the renewed challenge of economic cohesion within the enlarged Union.

Nevertheless, enlargement will not substantially change the key EU population trends and challenges; population ageing remains the main population issue. A reducing active population and a quickly expanding population in retirement challenge future economic and social growth perspectives, constrained by the limited size of the endogenous working age population.

Since the early 1990s, positive net migration became the largest component of population change in most of the EU-15 Member States. During the 90s, the trend expanded towards the Mediterranean Member States while today most of the new Member States – who experienced massive outflows over the early 90s – also become receiving countries.

All Member States, with varying intensities, are concerned by the implications of population ageing. The next five years represent the last part of the so-called demographic window of opportunity, before a particularly rapid process of ageing begins. To that end, and in order to allow Europe to take full benefit of the anticipated favourable change in the economic cycle, it will be a necessary part of the Commission's task to continue the efforts in the context of the Lisbon strategy and bring the important preparatory adjustments and changes to employment policy and social protection systems into place.

The social and economic implications of the ageing of the European population, while serious, may become manageable if the right policy measures are taken in time. Economic growth will depend more and more on productivity growth and hence on the quality of human resources.

There are two fundamentally different ways to save for the ageing needs of the future. The way we ordinarily think of is the accumulation of capital assets by setting off part of the disposable income against financial claims on future production. The other way to save is to invest in and develop the human capital of the future working generations. Although the latter is generally recognised as very important it is often given less attention. Still, the income generated by human capital provides the main tax base, is the base of pensions systems and provides the fiscal base for financing health care systems. All labour derives from human beings that have to be born, raised and educated over a quite considerable time period, that nowadays may be a quarter of a century long. Seen in that way, it is clear that most of the human capital

<sup>95</sup> Provisional data coming 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 old MS.

investment consists of parental (time and financial) costs and public expenditure on childcare, education, training, updating and other forms of lifelong development of competencies as well as of policies aimed at integrating women, the immigrants and the other less favoured groups of population in the economic and social life.

Social policies and their financing therefore need to be designed in ways that take account of both incentives for current participation in the labour force and the incentives to invest in the future labour force. Public provision for services like childcare facilities are strategically important means to solve this problem, as well as public involvement in education and maintenance of knowledge and human capital. Longer lives in combination with a faster pace of technological change heighten the need of investing in lifelong learning. The efficient utilisation of human resources in the economy also require well advised labour market policies and general macroeconomic stabilisation policies providing the opportunities for full capacity production and avoiding the waste of human resources.

Policies in this area will be of growing importance in the future. The particular challenge for that period - requiring political leadership at EU-level - will be to promote a sustainable, forward looking perspective in public opinion at a moment when an increasing share of voters may, quite legitimately, tend to focus upon their pensions and the "acquis" of the past.

## Annex 1.2: Socioeconomic trends, living conditions and human capital development in the enlarged Union

The socio-economic situation, and in particular the quality of living conditions, not only reflects prosperity levels across Europe, but also determines the potential for human capital development. This chapter briefly presents the broad socio-economic picture of the enlarged Union, as well as the key elements of living conditions, including quality of life and human capital development.

### Key points

- With enlargement, the EU's population rose by 20%, but its GDP only increased by 4.5%. Socio-economic differences between the EU-15 and most of the new Member States are particularly pronounced. Enlargement will therefore affect the issue of social cohesion in the Union. During the period 1995-2002, whereas income gaps between countries and regions in the EU-15 narrowed significantly, they widened among the new Member States. In an enlarged Europe, the challenge of promoting social cohesion will grow in importance.
- It is also noteworthy that some of the new Member States face important inter-regional inequalities. In the enlarged Union, the GDP in 82 regions will be below 75% of the EU-25 average, accounting for 31% of the population. Two thirds of these people live in the new Member States and represent some 95% of their population. Only Cyprus, Malta and the metropolitan areas in the Czech Republic, Slovakia and Hungary show levels of GDP per capita (in Purchasing Power Standards) comparable to EU-15 standards. This new reality adds an additional challenge in a policy area where, over the last decade, significant progress was observed at EU-15 level.
- Relative levels of poverty in the new Member States tend to be moderate in comparison to the EU-15, although they have increased over the last decade. The observed lower living standards in most of the new Member States are mainly a question of insufficient income in absolute terms. People's opinions on quality of life vary greatly between EU-15 countries and the new Members, which further reinforces this view: 88% of citizens in the EU-15 are satisfied with their quality of life against 65% of citizens in the new Member States. Using an absolute poverty level defined as an income of less than two US Dollars per day, it can be seen that in five of the eight CEE new Member States more than 2% of the population are living in absolute poverty. The issues of poverty and the quality of living conditions will grow in importance in the enlarged Union.
- In 2002 real GDP in the Central Eastern European (CEE) Member States exceeded 1989 figures by 13% on average, but this average hides large disparities across countries – in the three Baltic States the 2002 figures were still below those from 1989. Despite a relatively high GDP growth, most of the Central and Eastern European countries continued to experience the socio-economic challenges of a long transition period which has been characterised by some gains in productivity and a relatively poor performance in employment. In the short and medium term restructuring and employment shifts – from agriculture and other declining industrial sectors towards services – are expected to remain the dominant driver for further socio-economic transformations. However, experience with previous enlargements shows that these policy challenges, which today appear to be different both in nature and scale from those at the EU-15-level, will increasingly be replaced by more common concerns.
- The prospect of Europe's shrinking working age population implies that future economic growth will increasingly depend on productivity gains through a deepening of human capital development. Despite the present low levels of employment observed in most of the new Member States, the foreseen rapid ageing of the working age population may generate shortages in highly skilled people, even within the next decade. The quality of human capital will become a critical parameter for sustaining a high rate of GDP growth. In terms of education, the new Member States - and the CEEs in particular – show lower overall records particularly in tertiary education. More specifically, in the EU-15 some 22% of the population aged 25-64 years had completed tertiary education against 15% in the new Member States. However, when it comes to upper-secondary education, the new Member States outperform most of the EU-15 countries. This strong foundation of intermediate education constitutes a basis for the development and modernisation of the education system in the future.
- Gender equality in the new CEE Member States is particularly marked by both the policies of the former regimes as well as the socio-economic implications of the transition period. The socio-economic situation of women in these countries witnessed severe degradation during the transition period, in terms of employment participation and income. The collapse of social policies in support of working women and families have increased the burden on women, and contributed to the depression of fertility rates. In the recent period 1997-2002, female participation rates in most of the new Member States were still stagnant despite the overall trend towards economic recovery. In contrast, during the same period female activity rates in the EU-15 countries increased by an average of 3.5 percentage points.
- Enlargement also brings in a substantial gap in relation to morbidity and mortality patterns. Cross-country analysis shows a strong link between health status and socio-economic factors such as income, education and employment. Improvements in the socio-economic situation in the new Member States could help to narrow the observed gap in morbidity and mortality patterns between the EU-15 countries and the new CEE Member States.

- Consumption patterns across the enlarged Union reflect income differences and also the availability of goods and services. During the 1990s there was a general trend in the EU-15 countries towards an increased proportion of the household budget taken up by housing, and a corresponding drop in the proportion attributed to food. This is not the case in the CEE new Member States, where food remains the largest expenditure category, largely due to lower income levels. Considering digital technology, a larger percentage of the population possess a mobile phone for personal use in the EU-15 countries (70%), compared to the new Member States (44%), with similar trends also observable for internet usage. In addition to reflecting income and relative cost differences, these latter points also reflect differences in infrastructure across the enlarged Union. This implies that the gaps in access to new technology could be reduced by the combination of an improved income situation and investments in infrastructure.

### 1. Experiences and prospects of socio-economic change in an enlarged Union

In terms of scope and nature of socio-economic change, the EU-25 Member States approached enlargement with different experiences and backgrounds, as outlined below.

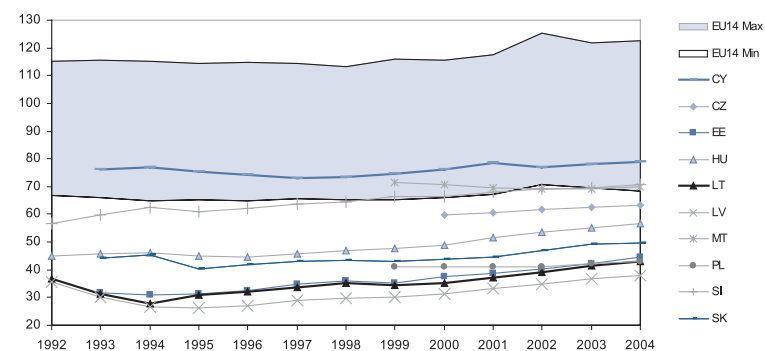
**Over the last decade most of the EU-15 Member States have seen steady gains in employment, income and cohesion.**

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

Economic gains and closer cooperation on employment has meant that the European labour market has shown resilience in the face of the recent economic slowdown. During the period 1992-2002 the Member States with lower GDPs per capita continued to catch up within the Union. Ireland has been the most remarkable case, with GDP per capita around 125% of the EU average in 2002, compared to only 80% at the beginning of the decade.

A similar, but less spectacular, development occurred in the southern Member States. The combined average income per head for Greece, Portugal and Spain represented 74% of the EU average in 1992, and by 2002 it had reached 79%. Analysis over a shorter period

63 GDP per capita in Purchasing Power Standards (PPS) new Member States and EU14\* spread (EU-15=100)



Source: Eurostat Structural Indicators (NewCronos database), (forecast figures shown for 2002-2004) \* EU14 = EU-15 countries, excluding Luxembourg



(1995–2001) suggests that more than two out of three of the economically weaker regions<sup>96</sup> have grown at a rate above the Community average and more than one out of three have grown at a rate 50% above the Community average. In other words, improvements at the national level were not accompanied by increasing regional disparities, which represents a real step towards greater economic cohesion within the Union.

### **Enlargement will renew the challenge with different patterns of recovery...**

In contrast, eight of the ten new Member-States - the CEE Member States - experienced a severe socio-economic crisis during the transition period, which followed the regime change in the late 80s. As a result, economic output dropped in these countries, with most reaching a minimum in the early 90s. However, in 2002 real GDP across the region exceeded 1989 figures by 13%, on average, but this average hides large disparities among countries - in the three Baltic new Member States and Romania and Bulgaria, the 2002 figures were still below those from 1989 whereas in Poland they were considerably above (30%). Nevertheless, the growth performance in all the CEE Member States is improving and current forecasts indicate that progress towards real convergence is achievable.

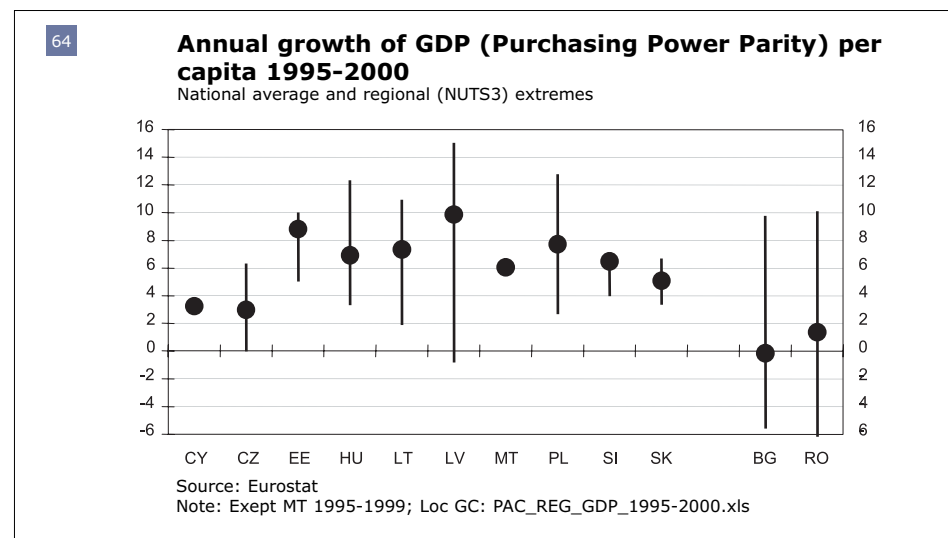
However, while small parts of the population in this region have seen their socio-economic conditions radically improved, many have experienced what amounts to moderate but somewhat uneven improvements. The shift and fall in employment, coupled with the economic turbulence were accompanied by a significant cut in retirement and other social benefits. These varying performance figures are not only seen when comparing countries, but also when comparing the situation within each country. In every country regional income inequality, measured by the GINI coefficient<sup>97</sup>, is rising.

It is possible that this increase in income inequality is a result of the nature of the recent recovery in these countries, which has been productivity driven, and economic growth has coincided with a decrease in overall employment. Productivity has risen rapidly, but the average productivity level - measured as average GDP per employed person or per hour worked, in Purchasing Power Parities (PPP) - still only stands at about half the level achieved in the EU-15 countries. In turn, these differences in the average labour productivity are the main reasons for the large gap in incomes between the new Member States and the EU-15 countries.

Enlargement will now widen income disparities across the Union. Of the new Member States, only Cyprus and Slovenia have a level above 75% of the EU-25 average GDP per head. This will have underlying consequences for regional disparities across the EU as the narrowing gap between northern and southern Member States will be overshadowed by the new divide between western and eastern Members of the Union. EU cohesion policy - and other EU policies - will need to adapt to this new reality<sup>98</sup>.

### **...and will bring a higher diversity in terms of economic wellbeing...**

The impact of differences in recent socio-economic change between the EU-15 countries and the new Member States is particularly pronounced in the area of social cohesion<sup>99</sup>. Whereas from 1995 to 2002 income gaps between countries and regions in the EU-15 narrowed significantly, they widened among the new Member States. Enlargement will therefore affect the issue of social cohesion in the Union. In an enlarged Europe, the challenge to promote social cohesion will be much larger and more complex.



GDP per capita (in PPP) is a useful indicator for cross-country differences in living standards and poverty. However, other variables, such as education, health, social networks and lifestyle - all related to socio-economic status - also help to determine living standards and the self-perceived quality of life. In fact, such variables both reflect and give rise to a distribution and control of social and material resources at the individual level. Since the late 1990s, there has been a trend of growing personal income disparities, mainly due to a divide between high and low skilled workers<sup>100</sup>. The future ageing of the European populations will, ceteris paribus, tend to accentuate this trend. Poverty and social deprivation are consequently expressions of a lack of social status and access to resources.

<sup>96</sup> Eligible for support from the Structural Funds Objective 1.

<sup>97</sup> The GINI Coefficient is a measurement of the equality within any given society. A figure of 0 would represent perfect equity, with inequality rising as the figures moves closer to 1.

<sup>98</sup> European Commission: Third Cohesion Report 2004, COM(2004)107.

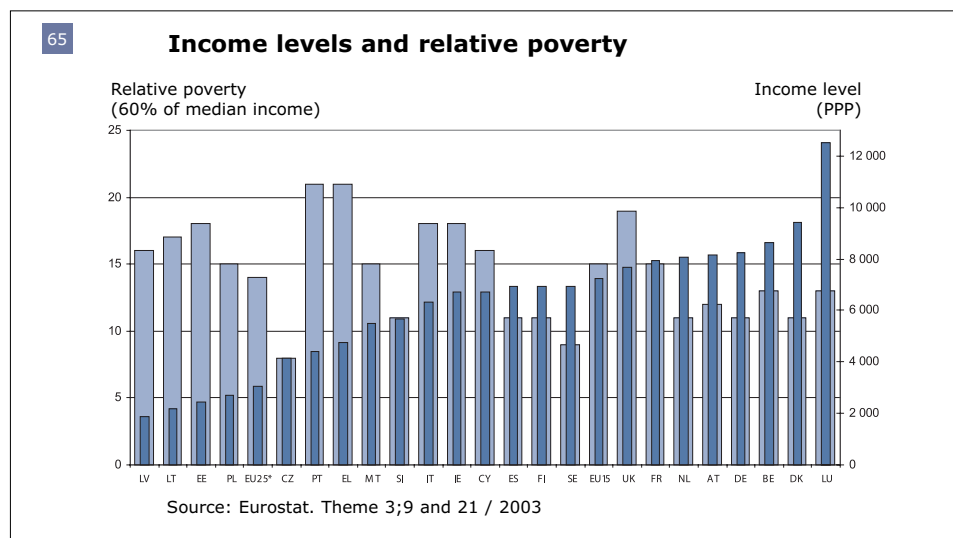
<sup>99</sup> European Commission: Third Cohesion Report 2004, COM(2004)107.

<sup>100</sup> This question is examined later in this annex.



There is a wide range of welfare levels within Europe when comparing the GDP per capita across the new Member States and EU-15 countries. The Baltic countries and Poland are at the bottom end of the scale with per capita GDP at less than one fifth of that in Luxembourg, which is the best performing country.

Generally, the relative poverty threshold is fixed at 60% of the national median equivalised income. This takes into account the size of the household. The concept is defined in relation to the general level of prosperity in each country, and refers to a central value of the income distribution. The relative extension of poverty, after social transfers, concerns 15% of the population in the EU-15, or close to 60 million people. The situation appears to be quite similar in the eight new Member States for which comparable figures are available (excluding Hungary and Slovakia). The lowest rate of relative poverty (broad bars in Graph 65) is in the Czech Republic (8%) whereas relative poverty is far more extensive in Greece and Portugal with 21% of the population living below a 60% threshold. However, one may take a step further, and ask "how poor are the poor?" In the new Member States, half of the people living at, or below, the poverty threshold earned less than 49% of the median income, against 47% in the EU-15 countries.



Comparing the national poverty thresholds in absolute terms illustrates the different wellbeing across the enlarged Union. The monetary value of the 60% poverty threshold for a single person, which lies at 7,263 PPP units<sup>101</sup> annually at the EU-15 level, is 3,032 PPP units in eight new Member States (excluding Hungary and Slovakia). In Luxembourg, a one-person household living at the poverty threshold would dispose of some 12,532 PPP units annually (narrow bars in Graph 65), whereas the same household would only have 1,879 PPP at its disposal in Latvia, or 15% of the resources available in Luxembourg. That is, the degree of social and economic deprivation is far more serious in many of the new Member States than the relative poverty thresholds suggest. However, this is also the case in Greece and Portugal.

Because of the close relationship between income inequality and relative poverty, the extent of social deprivation - even after taking into account all transfers - varies considerably across the enlarged Union. It is necessary, therefore, to address different dimensions of the phenomenon<sup>102</sup> - monetary or non-monetary - in order to describe the extent of social exclusion.

### ... revealing the multifaceted character of quality of life...

Whereas the question of lower living standards in most of the new Member States is mainly a question of insufficient income in absolute terms, the overall quality of life depends on a variety of factors. The UNDP human development indicator<sup>103</sup> aims to provide a more comprehensive picture of the quality of living standards, further to just income measures. The index reflects the strong relationship between the main predictors of life quality: income, education, and employment. The following graph shows that, even when a broader measure is considered (HDI, narrow bars of Graph 66), a similar pattern to the ranking based upon the levels of GDP per capita (broad bars) appears, with most of the new Member States appearing in the left-hand-side of the graph. This highlights the strong relationship between income and other, broader measures of the quality of life.

### ...reflecting the importance of employment conditions across the Union.

Regional employment rates continue to demonstrate the North-South divide. However, with enlargement, the lower employment rates prevailing in many regions of southern Europe, will also be experienced in the east. Employment rates exceed 70% in 54 regions at EU-15, but only in two regions of the new Member-States. Although there is a clear link between income and employment, it is noteworthy that employment rates in several relatively prosperous regions of the Union - including the regions of Brussels and Brabant-Wallon in Belgium, Lazio, Liguria and Umbria in Italy, as well as Provence-Alpes-Cotes d'Azur in France - are below the average, and even below 60% in some cases. At the same time, several regions with below average income have very high employment rates, such as the South-West region in Romania, Cornwall and the Scilly Isles in the UK, and the Algarve in Portugal. This phenomenon is explained, at least in part, by existing industrial specialisation and productivity differences.

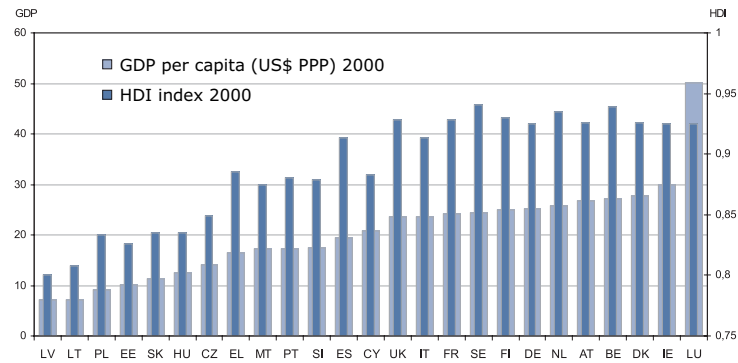
101 One unit would buy a comparable basket of goods and services in each country

102 ESTAT, theme 3: Statistics in focus 8-9/2003: Poverty and social exclusion in the EU after Laeken - part 1 and part 2, and Statistics in focus 21/2003. Also see Comparative Research Projects funded within the Framework Research Programmes - <http://www.cordis.lu/citizens/home.html>

103 The Human Development Index (HDI) is a composite index, combining data on life expectancy (health dimension), education levels and per-capita GDP (wealth dimension), and calculated by the UN for all industrial countries.

66

### GDP Per Capita and UNDP Human development Index



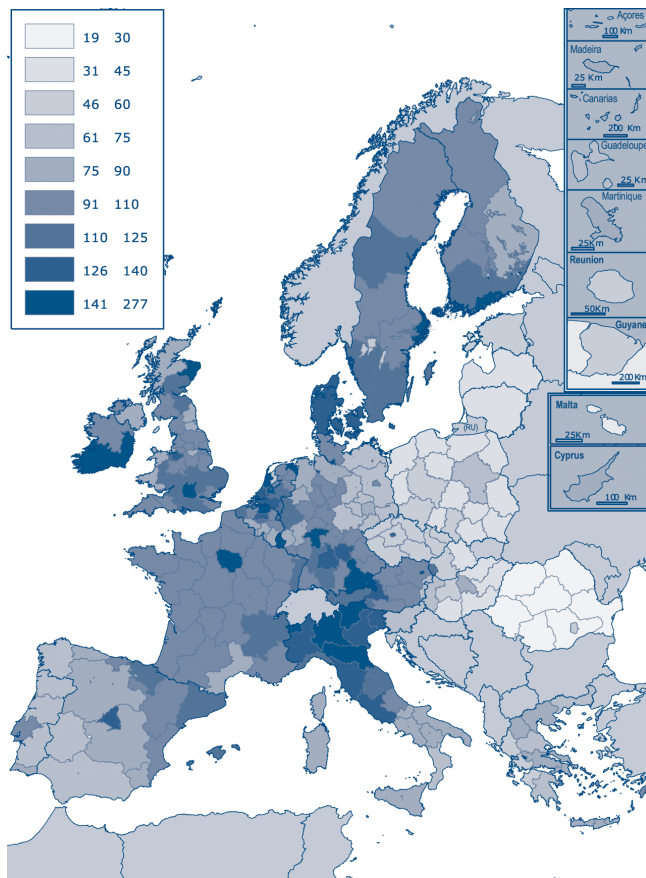
Source: UNDP Human Development Report 2002

### Towards a new socio-economic portrait of the European Union

As seen in the previous annex, the new Member States raise the EU's population by 20%, but only increase the GDP by 4.5%. Consequently, the average income at EU-25 level in 2002 will be 10% lower than at the EU-15 level. The traditional EU North-South divide in terms of economic prosperity will persist, but following enlargement, it will be outweighed by an East-West divide. The maps below clearly illustrate this diversity. They show the existing regional disparities in terms of GDP per capita (Purchasing Power Standards at NUTS3 level) before and after public transfers. More specifically:

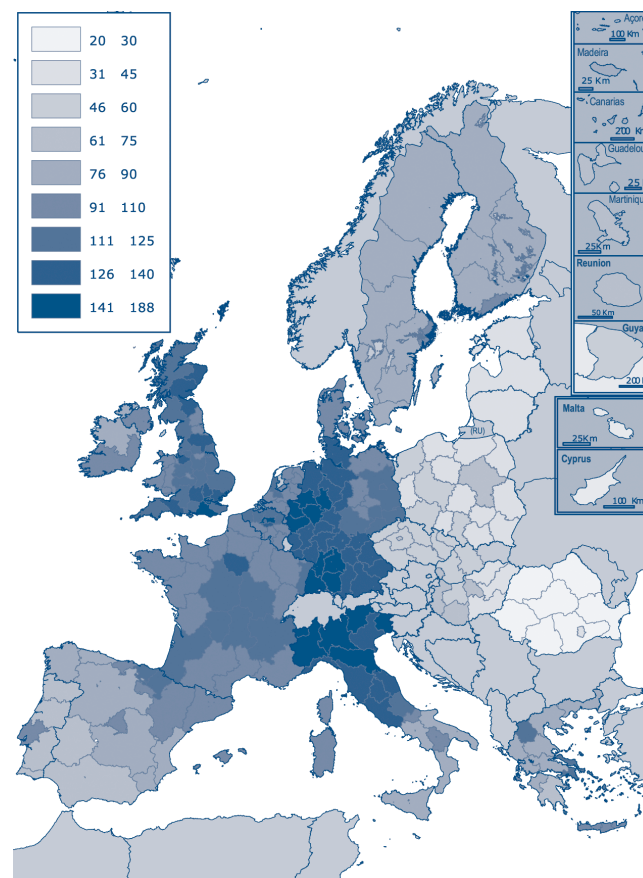
- The GDP per capita in 82 regions will be below 75% of the EU-25-average, accounting for 31% of the population. Two thirds of these people live in the new Member States and represent some 95% of their population. Bratislava and Prague are the only regions in the new Member States where incomes exceed 90% of the EU average.
- In 39 regions, GDP per head will be below 50% of the EU-25-average, corresponding to more than 15% of the total population. The least prosperous regions are concentrated in the far east of the EU, e.g. Latvia, parts of Poland and some of Greece.
- Before enlargement, the GDP per head for the 10% of the population living in the most prosperous regions was 2.5 times higher than the GDP per head for the 10% living in the least prosperous regions. After enlargement this gap is now 4.5 times higher. The most prosperous regions will still be located in an intermittent arc from London over Paris and Hamburg to Milan.
- Metropolitan areas and/or their periphery rank among the regions with the highest GDP per capita growth rates. In the Czech Republic, in Slovakia and in Hungary, only the metropolitan areas show levels of GDP (PPS) per capita comparable to EU-15 standards.

**MAP 1 - GDP (PPS) per capita 2000**



Source : Eurostat, Statistics in Focus, Th 3 - 7/2003  
 Note: Index 100 = Average EU-15; NUTS 2 level; MT: no data available

**MAP 2 - Disposable Income per capita 2000**

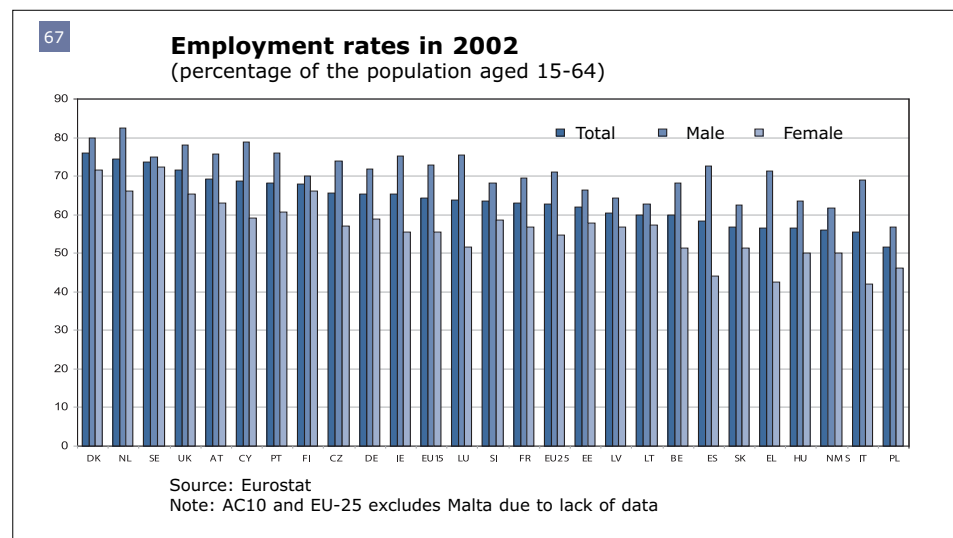


Source : Eurostat, Statistics in Focus, Th 3 - 7/2003  
 Note: Index 100 = Average all regions; NUTS 2 level except DE at NUTS 1 level; L, A, CY, SI : no data available

## 2. The challenge of employment growth

### **Major changes in agriculture & industry in the Central European Countries have not yet been offset by growth in services...**

Labour market problems are an integral part of the cohesion challenge posed by enlargement. While employment in the EU-15 countries has risen since the mid-1990s, it has fallen in the CEE new Member States as a result of major restructuring and job losses in agriculture and industry. The employment structure has moved towards that found in the EU-15 countries, but the rate of change has been slow. Major changes in agriculture and core industries have not yet been offset by a growth in services. In fact, between 1998 and 2002 employment in the service sector in the new Member States actually declined<sup>104</sup>.



Large areas in the new Member States are predominantly agricultural, previously dominated by cooperatives, and often represent high levels of underemployment (hidden unemployment). Their access to markets is often difficult (lacking infrastructure) due to their peripheral situation. Finally, many areas present a mixture of industry and services (public administration).

However, when looking at the development of occupations in recent years, it can be observed that in most Member States the share of high occupational positions (ISCO 1-3<sup>105</sup>) has been increased whereas there was a decrease of low occupational positions (ISCO 7-9). Within the new Member States, this type of structural change was most evident in Slovenia.

In spite of the general trend of declining employment in agriculture, which has been witnessed across Europe over the last 30 years, it is remarkable that in countries where agriculture and fishing is the most dominant sector, e.g. Poland (17%), there was no substantial decrease of employment in this sector during the 5 years considered.

The lower employment rates in the new Member States are reflected in the high rates of unemployment. In August 2003, unemployment stood at 20% in Poland and 16% in Slovakia. In both Latvia and Lithuania, the rate was also well over 10%. Growth in these countries during the transition period has predominantly been associated with increases in output per person employed, rather than with higher employment. Moreover, given the large number of people still employed in agriculture and non-competitive industries, enlargement is likely to lead to further restructuring and redundancies.

### **... leading in some cases to low or jobless growth.**

In 2002, employment rates<sup>106</sup> in the enlarged Union varied from almost 52% in Poland to some 76% in Denmark. In the EU-15, overall employment held up despite stagnation, and since the mid-nineties, growth has primarily been employment driven.

While overall employment rates have continued to improve, growth in labour productivity has slowed, falling from 1.9% in the first half of the 1990s to some 1.3% in the second half. It is currently at around 1% per year.

### **Gender gaps in participation: Another area of contrasting patterns.**

Gender gaps in activity rates are, for various reasons, found to be relatively smaller in the new Member States (13%) compared to the EU-15 countries (18%). This is more a statistical phenomenon, due to lower male activity rates, than the expression of an egalitarian heritage. Recent developments in the two groups of countries have been quite different. In a climate of comfortable growth, the female activity rate in the EU-15 increased by an average of 3.5 percentage points from 1997 to 2002 whereas it retreated towards the initial level in the ten new Member States.

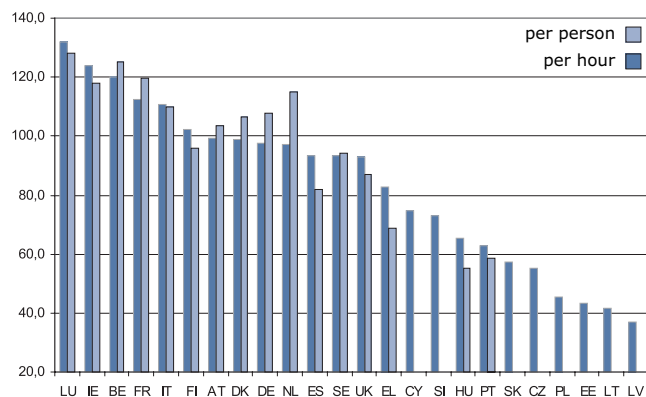
The stagnant female activity rates in several of the new Member States may reflect a combination of factors. The ongoing economic restructuring had a stronger impact on female employment opportunities, both in terms of fewer openings, and in terms of the growing gender gap in conditions of work and pay. This was reinforced further by the absence of a former obligation to work, which may have motivated a growing proportion of women to choose - temporarily or more permanently - to retreat from the labour market.

<sup>104</sup> European Commission: Employment in Europe 2002, and 2003.

<sup>105</sup> ISCO 0 Armed forces; ISCO 1 Legislators, senior officials and managers; ISCO 2 Professionals; ISCO 3 Technicians and associate professionals; ISCO 4 Clerks; ISCO 5 Service workers and shop and market sales workers; ISCO 6 Skilled agricultural and fishery workers; ISCO 7 Craft and related trades workers; ISCO 8 Plant and machine operators and assemblers; ISCO 9 Elementary occupations.

<sup>106</sup> For a further discussion of employment and productivity issues see: European Commission: Employment in Europe 2003.

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**Labour productivity 2002 (EU-15=100)**

Source: Structural indicators, ESTAT - GDP at PPS per employed person / hour worked EU-15=100

**Human capital development is key to economic and social performance...**

The prospect of Europe's shrinking working age population implies that future economic growth will increasingly depend on productivity gains through a deepening of human capital development<sup>107</sup>.

At both the individual and aggregate level, human capital is also closely related to social capital<sup>108</sup>. This constitutes a major element in the environment for human cooperation 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<sup>109</sup>. It has, furthermore, a positive impact upon social cohesion by enhancing common understanding and mutual support among the relevant stakeholders and social groups. Evidence from recent studies<sup>110</sup> demonstrates that higher education is related to higher wages, higher labour force participation and lower probability of unemployment.

107 Human capital may be defined as: knowledge, skills and competencies embodied in individuals and acquired through training and experience that facilitate their personal, social and economic involvement.

108 Social capital may thus be characterised as: networks and participation in public life on basis of shared norms, values, practices and understanding that facilitate co-operation within or among social groups to pursue shared objectives.

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

110 Ibidem: Fuente and Ciccone.

111 ESTAT Statistics in focus 6/2003: Youth transitions from education to working life in Europe.

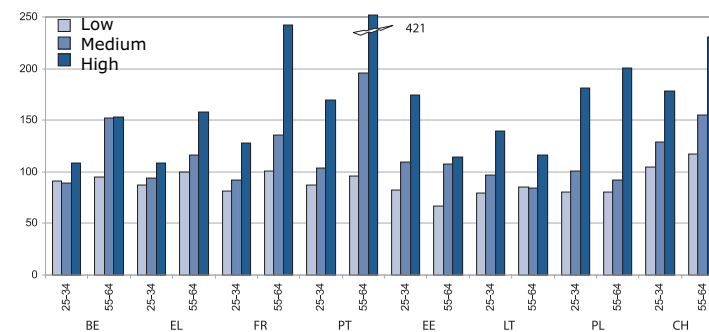
**...not only in cognitive terms, but also in terms of social performance.**

Studies also reveal that there are non-market returns to higher schooling (externalities) which enhance the overall social outcome. Higher training creates a social context with positive spill-over effects in other areas. The educational attainment of parents is positively related to the educational performance of their children (i.e. higher educational efficiency, lower drop out rates)<sup>111</sup>. Higher education leads to better health and hence implies lower absenteeism. Research has furthermore demonstrated that the general stock of human capital has an important positive effect on productivity at company level and on institutional efficiency. Hence, educational attainment has a positive multi-collinear impact at the individual level as well as at the enterprise and the institutional level, which improves economic performance and enhances social cohesion.

69

**Relative "take-home pay" per age and educational level for males - 2002**

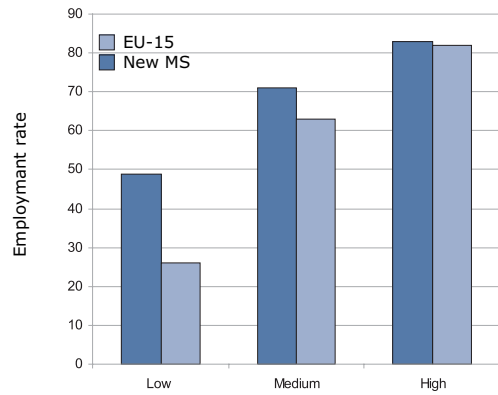
(All values given against index 100 = national "average monthly take home pay" (male and female))



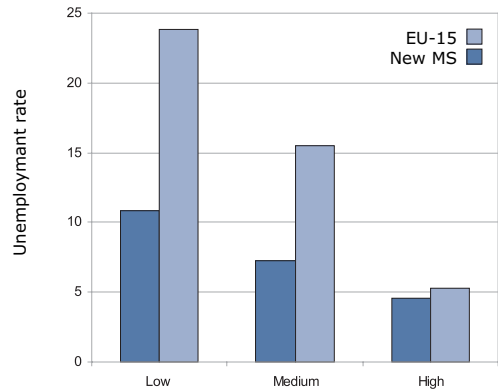
Source: Eurostat Labour Force Survey

70

**Employment and unemployment rates of the population aged 25-64, by educational level, 2002**



**Labour productivity 2002 (EU-15=100)**



Low = Less than upper secondary level (ISCED 0-2); Medium = Upper Secondary level (ISCED 3-4); High = Tertiary Level (ISCED 5-6)  
 Source: Eurostat European Labour Force Survey, spring

### 3 Education level and the challenge of human resources development

Across the enlarged Union technological progress calls for a continuous supply of new and appropriately upgraded skills. In European labour markets there is a relatively short supply of "newly skilled" entrants to the labour market but a relatively large stock of lower-skilled workers, with steadily decreasing skills. These two factors have resulted in skills shortages at the top-end of the labour market and redundancies at the bottom-end, underlining the need for lifelong learning systems to deal with insufficiently adapted vocational qualifications.

Educational attainment - the core constituent of "human capital" - 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.

Education, employment and income are closely related as predictors of life chances (i.e. work, leisure, partnerships, etc) for everybody. It has also been shown<sup>112</sup> that education is important when considering exposure to accidents, health and access to health care (see also below). Moreover, survey data from the Eurobarometer shows that, at the individual level, educational attainment is closely associated to quality of life.

***In terms upper secondary educational attainment, most of the new Member States are well prepared...***

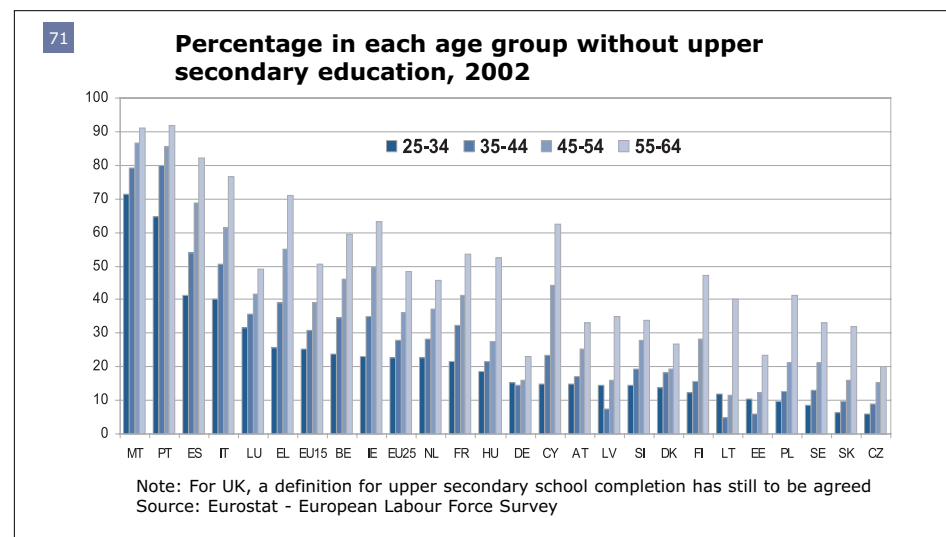
The graph hereafter shows how the problem of low educational attainment levels is diminishing with succeeding age cohorts. Considered from the opposite side, however, it also illustrates the need for training and skills-upgrading among middle-aged and older workers. It also reveals that there are a number of countries which, so far, have only been moderately successful in lowering the percentage of failure to achieve an upper-secondary education.

Importantly, it also highlights that the divide between good and poor performers runs along a North-South axis. In fact, when it comes to upper-secondary education, the new Member States - and the CEE Member States in particular - outperform most of the EU-15 countries considerably. Thus, in the ten New Member States<sup>113</sup> some 81% of the population<sup>114</sup> aged 25-64 years had completed upper-secondary education<sup>115</sup> against 65% in the EU-15 countries. On the other hand, when it comes to tertiary education, the EU-15 perform relatively better with a rate of 22% against 15% for the new Member States.

However, attainment should not be confused with actual knowledge. Differences in the education systems - relating to the curricula, the upgrading of teaching skills and the sufficiency of technical resources - must also be considered.

***...yet when it comes to measures of actual levels of proficiency the situation of the new Member States, and several of the EU-15 countries, is less reassuring.***

On measures of mathematical and scientific literacy<sup>116</sup>, new Member States fall into the lower half of the performance scale. The length of time in education interacts in many ways with the quality of the education to determine the final outcome in terms of proficiency. The average length of the school career has increased with higher attainment levels across



the Union, particularly in the new Member States and the "technical streams" of the upper-secondary education have been adapted so as to offer a more flexible transition to tertiary education contrary to previous, more "traditional" apprenticeship systems.

The average age of school-leavers is generally higher in the Nordic countries (21-24 years), compared to Portugal, Italy, Hungary and Slovakia (around 18 years) with other Member States in a median position depending also on the educational structure in the country<sup>117</sup>.

These differences are largely explained by different average attainment levels.

112 European Commission: The Social Situation in the European Union 2003, p57f.

113 See also: Preparation by candidate countries for involvement in the EU lifelong learning policy, Synthesis report by European Training Foundation, 2003.

114 ESTAT Statistics in focus 15-16/2003: Labour Force survey - Main results 2002.

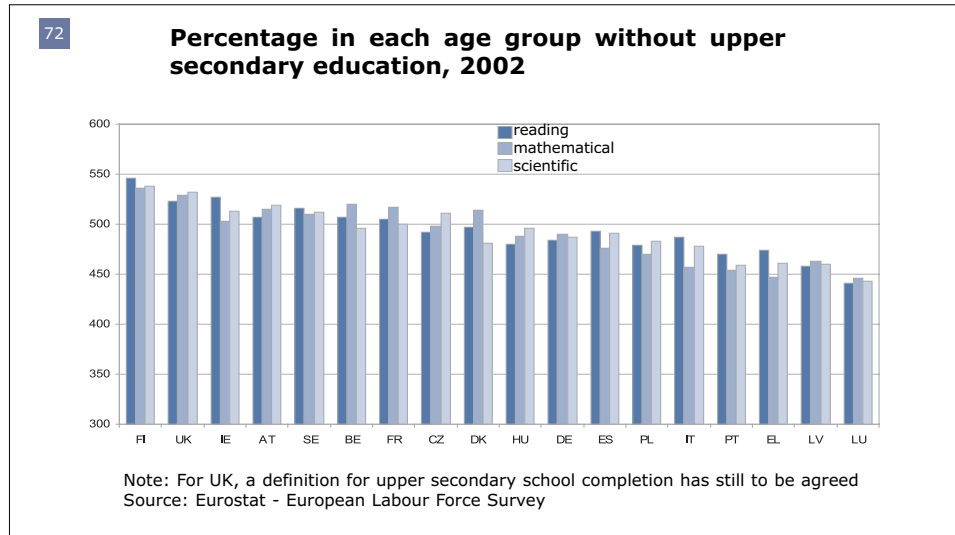
115 International standard classification of education (ISCED): level 3, the levels 5-6 correspond to tertiary education.

116 OECD: Programme for international Student Assessment (PISA). The PISA assesses 15-year old students' knowledge and their capacity to apply it on real issues, i.e. "the ability to understand, use and reflect on written texts in order to attain objectives, to develop knowledge and to participate effectively in society".

117 ESTAT Statistics in focus 6/2003: Youth transitions from education to working life in Europe.

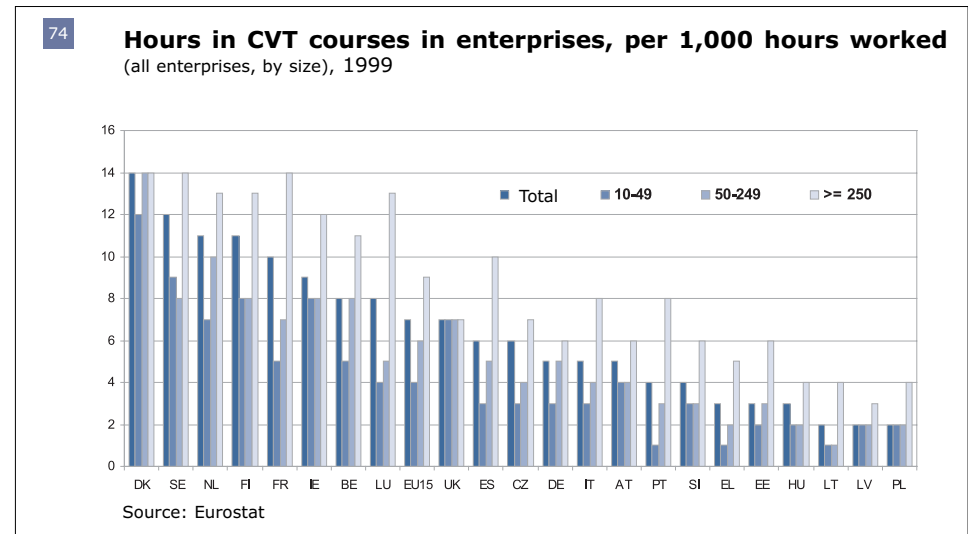
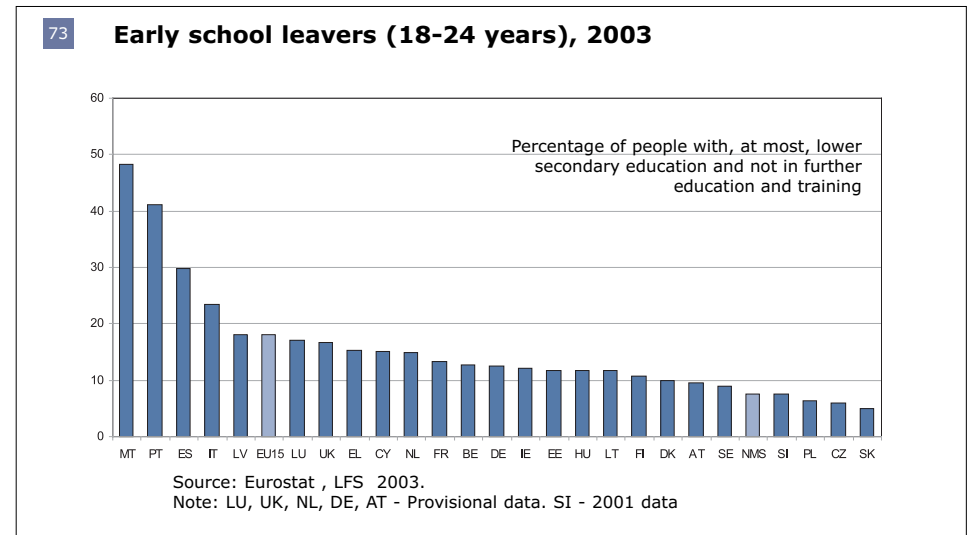
**The lower attainment levels of older cohorts and early school leavers underline the importance of continued training and lifelong learning ...**

The number of early school leavers in the age group 18-24 is a significant problem in many countries of the enlarged Union. For the EU-15 countries, some 18% of that age group had stopped their education, compared to 7.5% in the new Member States<sup>118</sup>, but again the variation across the enlarged Union is considerable from 5% in Slovakia to 48% in Malta.



**... and participation in continued training and upgrading is less common in the new Member States...**

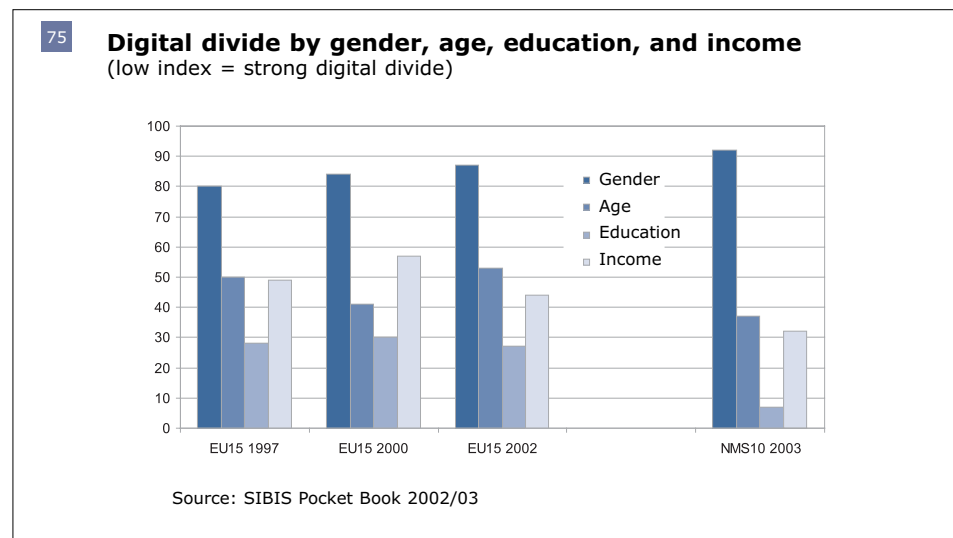
Some of this is compensated for through later training. Participation in continuing training in the context of industrial reorganisations - upgrading of existing skill levels and introduction of innovatory technology - appears to be more common in the EU-15 countries than in the new Member States.



118 ESTAT Statistics in focus 15-16/2003: Labour force survey – Principal results 2002.



Continuing training is partly organised for employees within the companies, notably the larger ones, although less extensively in the new Member States than in the EU-15 countries. Thus, the number of training hours in CVT (continued vocational training) courses per 1,000 hours<sup>119</sup> worked varied between 14 hours in Denmark and 2 hours in Latvia, Lithuania and Poland in 1999.



In line with other research, The Employment Precarity, Unemployment and Social Exclusion (EPUSE) network's analyses showed that those with low qualifications were at a relatively greater risk of becoming unemployed in the majority of EU countries, highlighting the potential need for skills development<sup>120</sup>.

**...and this is unfortunate since upgrading and lifelong learning is particularly important in the light of technological development...**

An important aspect of training is related to the knowledge based society and ICT-use.

The knowledge based society is a complex notion, covering technological innovation, access to information and intelligent application of acquired knowledge. It reflects numerous aspects necessary to boost productivity and to improve the work environment.

<sup>119</sup> ESTAT Statistics in focus 1/2003: Working time spent on continuing vocational training in enterprises in Europe.

<sup>120</sup> see <http://www.cordis.lu/citizens/publications.htm>

<sup>121</sup> See also T. Hüsing, Zunehmendes Nord-Süd Gefälle der digitalen Spaltung in der EU, in: ISI30 (Informationsdienst Soziale Indikatoren), Ausgabe 30, Mannheim, July 2003, pp. 1-5.

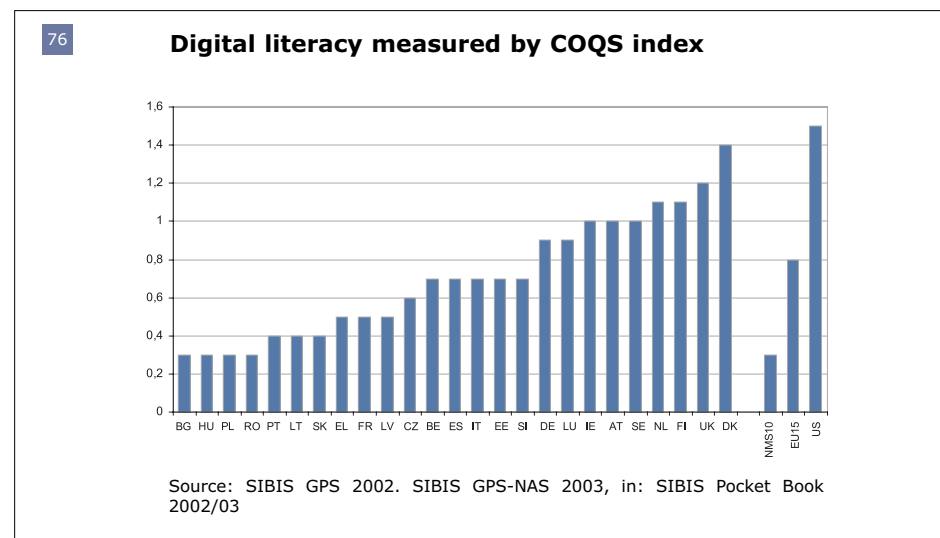
<sup>122</sup> The SIBIS project (Statistical Indicators Benchmarking the Information Society) ran from January 2001 to June 2003 in the "Information Society Programme" of the European Commission. The purpose was to take up the challenge of developing innovative information society indicators in order to take account of the rapidly changing nature of modern societies and to enable the benchmarking of progress in EU Member States. See SIBIS Pocket Book 2002/03, Empirica GmbH, Bonn.

These complex processes require rapid organisational changes (restructuring) and continued updating of vocational skills (lifelong learning).

Expenditure on ICT tools is increasing and internet access steadily expanding, with the Nordic countries in the lead. Access is more common among younger people, and among those with more education. In 2002 only 13% of the age group 55+ used the internet 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 highlight digital divides and accentuate existing risks of social exclusion. Aggregated indices (gender, age, education, income) show that the divide is smallest in north-west and largest in some of the Mediterranean countries. In the new Member States the gender divide is slightly lower, while the divide in terms of age, education and income is higher than in the EU-15 countries.

**.... and in order to avoid new divides which erode social cohesion.**

The graph shows the Digital Divide Index (DIDIX) which combines the divides by gender, age, education and income in relation to computer use, internet use and internet access at home. It measures the extent to which potentially deprived social groups (women, older people, early school leavers, people with low incomes<sup>121</sup>) have adopted ICT-tools compared to the population as a whole. The lower the DIDIX-value, the greater the gap between these "risk" groups and the population average<sup>122</sup>.



The digital divide is particularly a problem of education, i.e., low formal education appears to be the most significant reason behind low participation in the Information Society. In many countries increasing use of ICT coincides with a decreasing participation of "risk" groups<sup>123</sup>.

When it comes to digital literacy measurements<sup>124</sup> new Member States appear to lag behind the EU-15 countries. Again the northern Member States appear at the upper end of the scale and there are large variations across the rest of the Union. The graph also reveals the ICT-literacy gap between Europe and the USA. This gap raises concerns, as ICT-literacy is a competitive tool related to technological innovation and therefore crucial for improving the economic performance in a Europe with a smaller and older workforce in the future.

Together, educational attainment and employment status largely determine access to and command over income just as they are related to other aspects of life, such as health and housing.

123 See T. Hüsing, Zunehmendes Nord-Süd Gefälle der digitalen Spaltung in der EU, in: ISI30 (Informationsdienst Soziale Indikatoren), Ausgabe 30, Mannheim, July 2003, p. 4.

124 The COQS index (see SIBIS Pocket Book 2002/03, p. 126ff) is a measure combining four types of skills which refer to Internet use into an overall "digital literacy score" (based on self assessment):

- Communication (using Email etc.)
- Obtaining and installing software on a computer (download etc.)
- Questioning the source of information on the Internet
- Searching on the net using search engines

#### 4. Health status

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

As discussed earlier in this annex, income, education and employment status largely define the socio-economic determinants of living conditions. Extensive epidemiological literature highlights the positive link between gains in life expectancy and advances in living conditions and, to a lesser extent, healthcare provision<sup>125</sup>.

##### **Health and wealth**

At a time of strong upward pressure on health expenditure, steered by technological progress and demographic ageing, it becomes important to consider the cost-effectiveness of healthcare spending. Would it be more efficient to spend more on improving living conditions? Could the spending devoted to health be better spent on other goods and services, such as education, housing, and social protection? Would the introduction of cost-sharing take the pressure off growing health budgets, or would this be another obstacle to equitable access to healthcare services? Such considerations touch upon crucial questions of cost-containment, efficiency and equity which form the core part of healthcare policy in any country.

The increased number of Member States and their diversity in terms of social and economic development and in terms of key health indicators (life expectancy and infant mortality), provides new possibilities to establish the link between health status and socio-economic indicators. While it appears obvious that there is a strong tie between wealth and health, the key question continues to be: which economic factors determine citizens' health. Is it a country's income level (measured as GDP per capita) or the level of funding spent on health (measured as health expenditure per capita), or a combination of both, which influence health status<sup>126</sup>?

- The positive link between life expectancy and GDP per capita and between life expectancy and health expenditure is well established<sup>127</sup>.
- Comparing the effects of the two indicators, there is evidence that income, in relative terms, is more influential than health expenditure; e.g. a 10% increase in GDP is estimated to improve male life expectancy by 1%, while an additional 10% spending on health expenditure would only improve male life expectancy by 0.7%. Similar results are obtained when looking at female life expectancy and infant mortality, confirming that income has a greater positive impact than spending on the health sector has.

Furthermore, it should be borne in mind that no country can indefinitely sustain a growing health budget, nor will an unlimited health budget lead to a 'perfect' health status among citizens. After a certain point, diminishing returns to scale set in, as the cost of pumping more money into the healthcare system outweighs the ensuing gains in terms of improved

health. Yet, in no way does this put into question the importance of healthcare services. Healthcare forms a key element of citizens' quality of life and is fundamental to prosperous societies, even more so as the age group of citizens aged 80 and over, who have the highest dependency ratio in terms of healthcare, is estimated to double between 2000 and 2030<sup>128</sup>.

##### ***...but also the existing disparities within the enlarged Union.***

The mortality rate improvements witnessed in the EU-15 countries have not occurred 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 these new CEE 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.

##### ***EU citizens are particularly concerned about the quality of health care provision.***

EU citizens are particularly concerned with the quality of healthcare provision. According to a recent Eurobarometer<sup>129</sup> the healthcare system figures high among the important public issues within Europe. Indeed, EU citizens think that healthcare should, in fact, receive more government spending, but without being financed by higher taxes or social contributions. Most Europeans (59.9%) in the EU-15 prefer a universal, publicly provided health care system against a minority (23.0%) who believe that minimal cover and private insurance is preferable.

The percentage of people in the EU-15 countries that are satisfied with the running of the healthcare system has fallen by ten percentage points since 1996, to a figure of (43.9%) in 2002, which is still considerably more than satisfaction levels in the new Member States (26.0%), where healthcare generally appears to be a less important consideration in the public opinion.

##### ***Converging living conditions impact upon health and mortality patterns...***

As the analysis on mortality trends in annex 1.1 has shown, the total age-adjusted mortality rates have declined steadily across the EU-15 countries, and gaps among Member States have diminished, particularly since the early 1970s<sup>130</sup>. In fact, it is the long-term trend in economic growth and increasingly similar growth patterns that are fundamental to these converging and declining mortality rates in Europe. On the other hand, transitional or cyclical discrepancies from the long-term trend have a short-term damaging impact upon population health. It has been shown<sup>131</sup> that unemployment and employment patterns have a lagged impact on mortality in the Union<sup>132</sup>. However, these relationships are complex and vary according to the case, but the cumulative - and therefore lagged - impact of stressful situations whether at work or in personal life remains important.

125 Looking in terms of outcome measures, health status and disability free longevity in particular represents one of the most representative indicators of the quality of living conditions. With an increasing longevity the issue of "disability free years of life" came to the agenda not only as an element of life quality but also as an effective way to reduce spending. Another way to consider the actual progress is to count the number of years lost due to premature death. see Y. Yfantopoulos: An analysis of health status and health expenditure in EU Member States, an interim report 2003. Also see the European Commission report "The Social Situation in the European Union 2003", part II.2.

126 For the complete analysis see Yfantopoulos 2003, cited in the European Commission report: The social situation in the European Union, 2003.

127 See also the contributions of Brenner, Yfantopoulos and Mossialos to the European Commission report: The social situation in the European Union, 2003.

128 Eurostat 2000 Demographic Projections, Baseline Scenario.

129 Eurobarometer 57.2 Spring 2002, see also: Public opinion and health care in the European Union, report prepared by LSE 2003.

130 Prof. M.H.Brenner: Social-determinants of health, TUB, an interim report 2003.

131 Prof. M.H.Brenner: Unemployment, employment and public health, TUB, final report to EU Commission 2002.

132 See also: The European Commission: The Social Situation in the European Union 2003, p52ff.

**...exposing the population across the Union to some common challenges.**

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.

This tendency may be explained by the increasing similarity in lifestyles and care patterns across the European Union. The demographic trends will, furthermore, increase the prevalence of age related diseases, which will bring further convergence to patterns of morbidity and health care needs across the EU-15 countries.

Although the health status of older people has improved in the past, and although the share of older dependent people needing care may not increase in the future, their absolute number will certainly grow. This may become one of the strongest cost drivers behind long-term care expenditure in the future, with almost 15 million more people above the age of 85 in 2030.

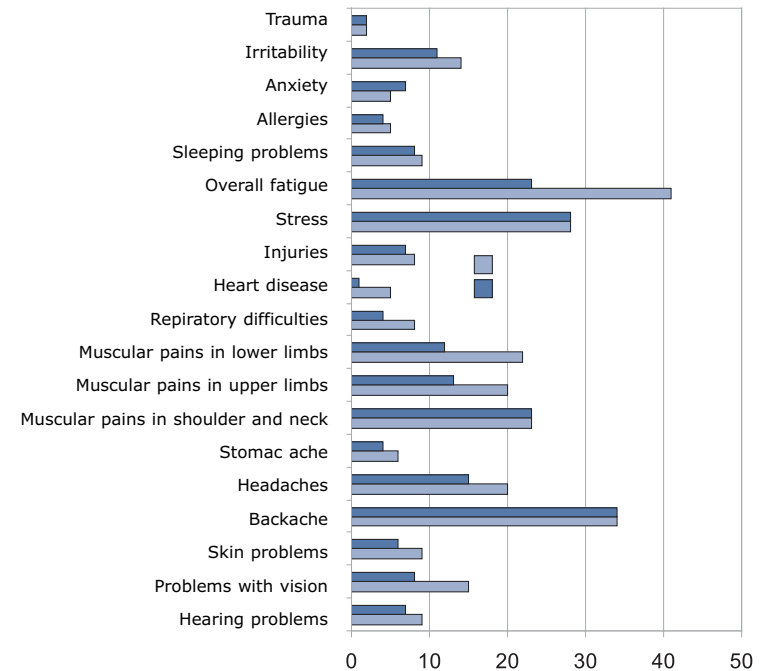
**Working conditions are an important predictor for health outcomes.**

A recent survey regarding working conditions in the new Member States and the Candidate Countries<sup>133</sup> showed a generally more preoccupying situation in these countries than in the EU-15 countries (see Graph 77). Some 40% of the respondents 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. The proportion of those reporting that their health or safety was at risk because of their work increased with age, from 32% between the ages 15 and 24 years to 44% for those above 55 years. It was higher among men (43%) than among women (37%).

These problems were more strongly felt in Latvia and Lithuania, whereas in Estonia, the Czech Republic, Slovakia, Hungary, Slovenia and Malta the problems were less acute. The application of the Community acquis with regard to health and safety at work should help in this respect.

77

**Workers reporting exposure to work-related health problems**



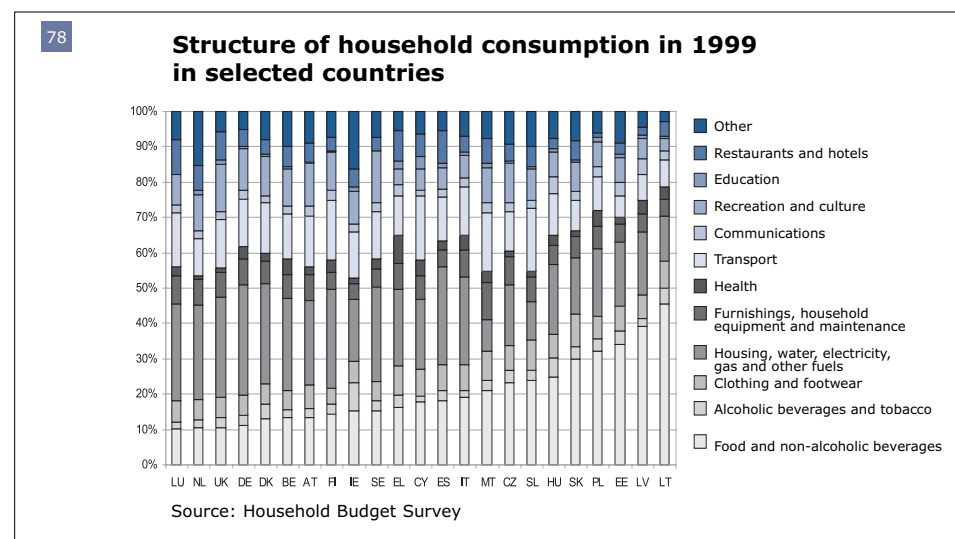
Source: European Foundation for Improvement of Living and Working Conditions

133 European Foundation for the Improvement of Living and Working Conditions: Working conditions in the acceding and candidate countries; Dublin, 2003. (The survey covers the 13 candidate countries in 2001-2002).

## 5. EU-level variations in income and consumption

### **Different levels of income and living standards result in a variety of consumption patterns...**

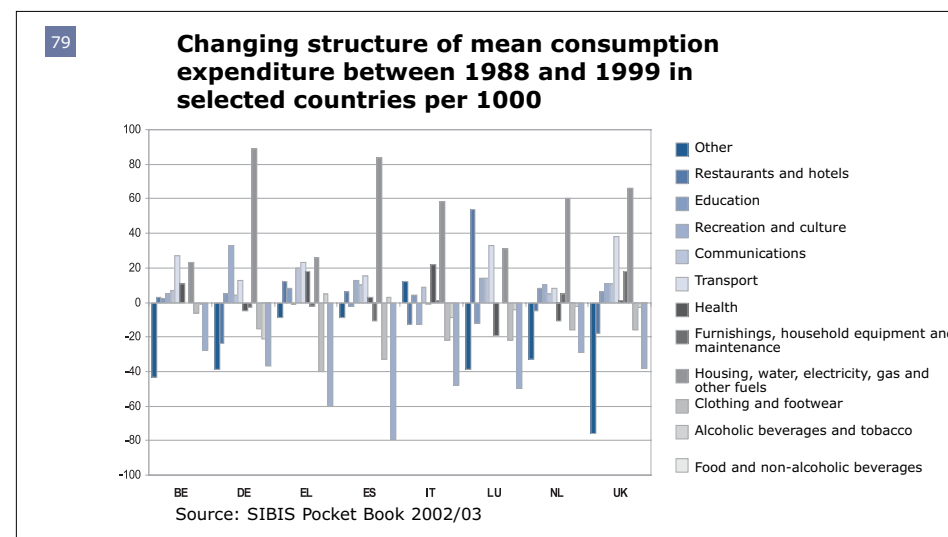
In Europe, different levels of income and living standards result in different consumer patterns from country to country. This is particularly true when comparing the structure of consumption expenditure of households in the EU-15 countries with those in the new Member States, taking into account the underlying income elasticity.



This phenomenon can be seen in Graph 78, which shows that the share of the budget spent on food is considerably higher in the new Member States. People in Lithuania (45%), Latvia (39%) and Estonia (34%) spend the largest part of their 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 the case particularly in Luxembourg, the Netherlands, the United Kingdom and Germany. There are also some similarities in household expenditure among the Nordic countries, Austria and Belgium.

### **...however, as living conditions converge so do the patterns of consumption.**

It is also interesting to see how the structure of consumption expenditure has developed over time. Historic data is only available for a very limited number of Member States, but the following chart shows the changes in the structure of consumption expenditure per 1,000 for some EU-15 countries over 11 years.



This graph shows that 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. Also, transport became a more prominent type of expenditure over that period in the Union. This compares well with the fact that the size of households in the new Member States appears to be larger than in the EU-15 countries, which are increasingly dominated by one-person households (as discussed in annex 1.1). However consumer patterns may well begin to converge, as income levels in the new Member States catch-up, and lifestyles become more similar.

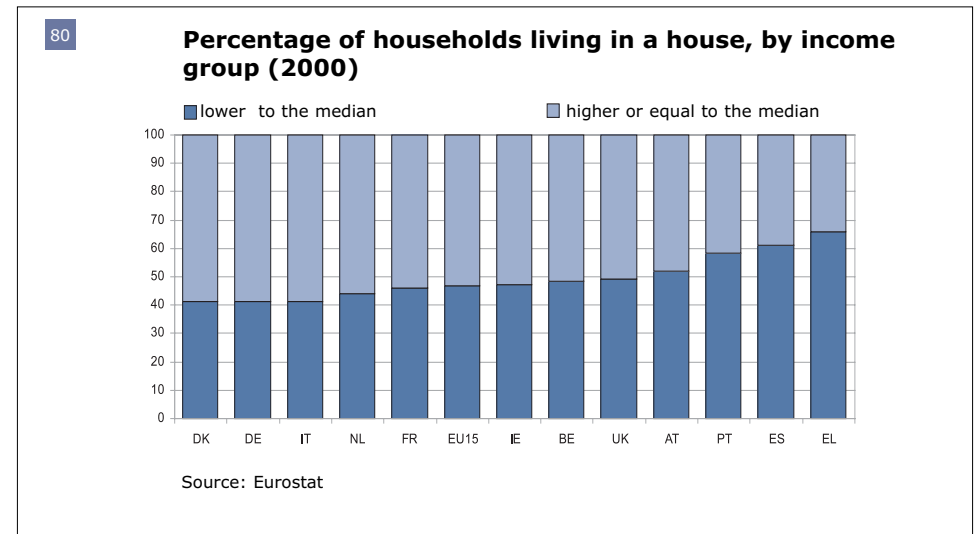
The chart also shows that expenditure on communications has increased in every Member State considered. One of the most important recent developments in consumption patterns is the progressively rapid diffusion of computer technology and mobile communication media. The use of mobile phones has become very widespread throughout European society and has induced revolutionary changes in the worlds of work and leisure. According to a recent survey<sup>134</sup>, almost 70% of people in the EU-15 countries, against 44% in the new Member States, possess a mobile phone for personal use. In both areas, the most active mobile users are, on average, below 25 years old.

## 6. Housing remains a key element of the quality of living conditions

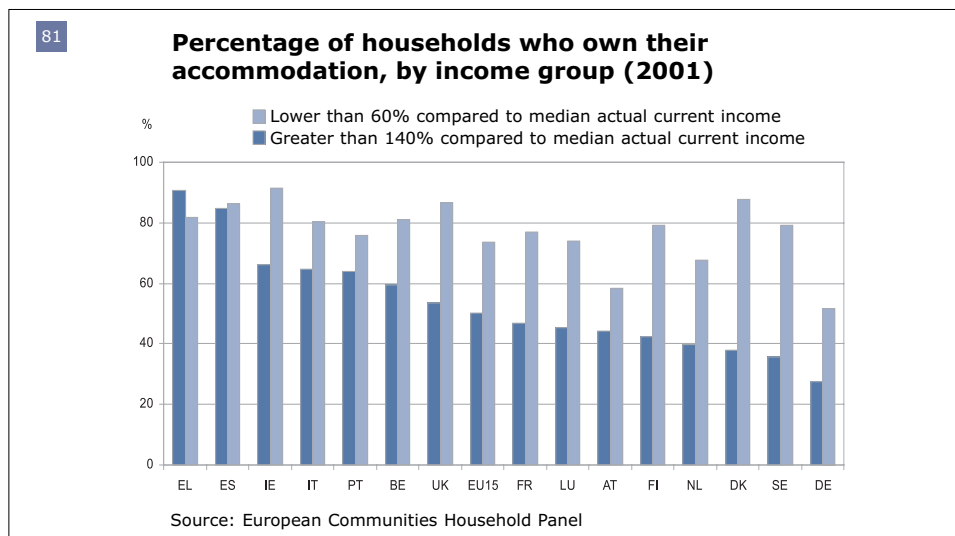
Housing is related to socio-economic status and inherent to any concept of social welfare. It is both a material resource (economic stability) and a social determinant (integration and participation). A considerable part of budgets are spent on housing (see the preceding discussion on "Consumption patterns").

Two different trends concerning the type of housing within Europe are revealed. In most southern countries, low-income households tend to live in houses, compared to higher income households living in flats, with the opposite trend apparent in northern countries, as shown in the following graph. Although it is very difficult to pinpoint the reason for such differences, this distribution of households in houses or apartments may be related to the degree of urbanisation in each country and also to the quality of accommodation.

More generally, ownership of accommodation is higher in southern than in northern countries, where income level determines the tenure status of the households. However, although the accommodation may be self-owned, many southern low-income households still live in precarious housing conditions. According to survey data, in Greece, Spain and, particularly, Portugal more than 60% of these households lack one of the basic amenities (bath or shower in dwelling, toilet in dwelling or heating).



134 SIBIS survey 2002/2003 (SIBIS Pocket Book 2002/03, p. 20).

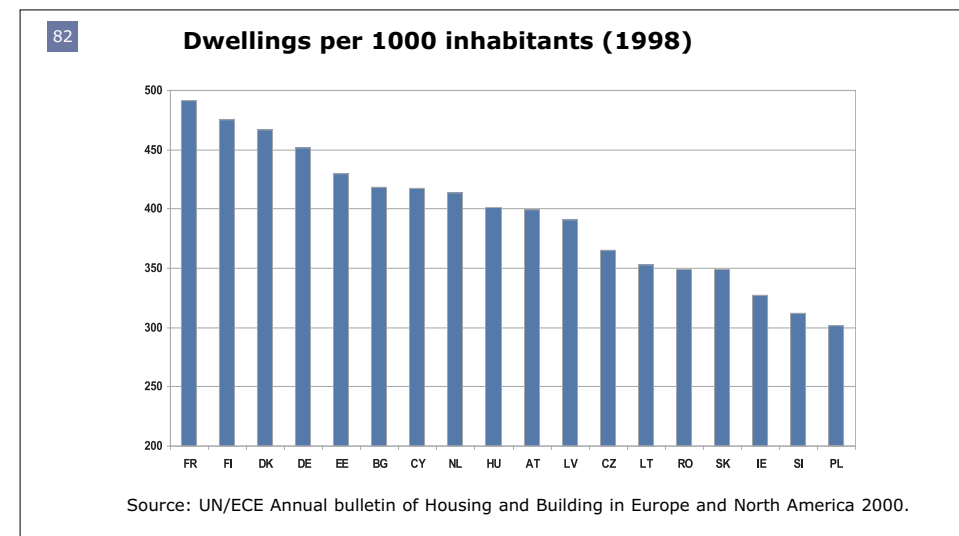


The quality of housing, or more precisely the existence of bad housing, characterises the relative level of deprivation and coincides with poverty, ill-health, social exclusion and safety concerns. Those affected by poor housing standards are often in the lowest income bracket and are faced with material hardship<sup>135</sup>. Poor sanitary conditions, temperature, humidity, insufficient ventilation, noise, lack of space, degraded neighbourhood are proficient to communicable diseases, allergic sensitivity and physical and psychological discomfort. However, less than 20% of people in the EU-15 countries were dissatisfied with their housing conditions in 1997 - most dissatisfied were people in Italy (29%), Portugal (31%) and Greece (38%).

Broadly speaking, in the CEE new Member States the housing market started during the transition period. Following the end of the previous political regimes, when most housing was public housing, extensive privatisation of the public housing stock took place in all these countries<sup>136</sup>. In most of them, the privatisation process happened in two steps: the rental housing owned by the State was firstly transferred to the municipalities, which then sold most of the rental stock – often at large discounts and sometimes even for free – to the tenants, which explains the relatively high levels of owner occupation in those countries.

Yet, despite a fairly high overall stock of housing in the new Member States, there is a shortage of new housing, particularly in the metropolitan growth oriented areas, which

has put a strain on labour mobility. The relative lack of new dwellings in these countries, and also the more extensive floor space in the existing housing stock, may be another contributing factor to the larger households.



Housing is a basic social right and, in this context, the concept of social (or State provided) housing is particularly important. Apart from the countries in the south and many new Member States, all other EU states have social housing stocks, run by municipalities or non-profit organisations, which play a significant role in the rental sector for those on moderate incomes<sup>137</sup>. In recent times, some of these stocks have shrunk. In others, shares have been maintained as some new building has continued and rundown properties have been acquired from the private rental sector and renovated. The Netherlands stands out with the highest share (35% of its stock) and five others have around a fifth: Austria, Denmark, Finland, Sweden and the UK. In recent years, those countries with large socially rented stocks have seen a transformation in the role of this tenure.

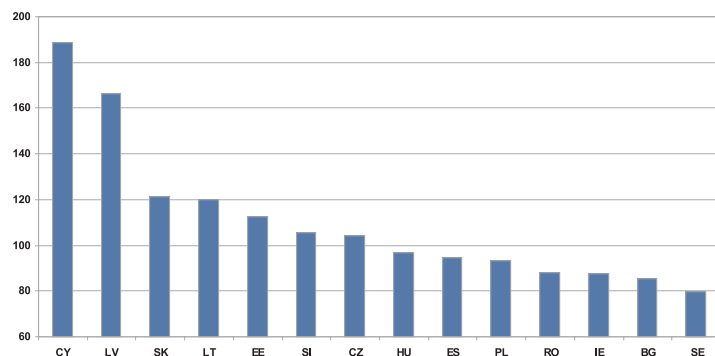
Access to housing is particularly important for third-country immigrants. The level of rents or discriminatory practices within the housing market very often result in social segregation and concentration of those immigrants in deprived parts of the area or city. This has important consequences for the future of social cohesion and integration in society.

135 "The State of the Art Research of Homelessness and Provision of Services in Europe" Avramov. EUROHOME Project. Financed by European Commission DG Research.

136 FEANTSA Working Group Housing. 11-12 April 2003.

137 RICS European Housing Review 2003.

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**Average useful floor space (1998)**

Source: UN/ECE Annual bulletin of Housing and Building in Europe and North America 2000.

***Housing is also closely related to geographical mobility.***

Citizens in the enlarged EU spend a considerable amount of their time on transport. For almost 90% of the population, this amounts to one hour a day on average. The highest figures are in Belgium and lowest in France<sup>138</sup>. However, these figures are averages, which do not take into account the duration and frequency of individual journeys, and they may not be easily comparable.

The figures were found to be slightly higher for men than for women, which concurs with the findings of a recent study on "Households, Work and Flexibility", undertaken for the Fifth Framework Programme (2001)<sup>139</sup>. This latter study also concluded that the rate of commuting is affected by other factors, such as age group (younger people commuting more than older age groups), income (people in upper income brackets commuting more than those in lower income groups) and education (people with tertiary education are the most likely to commute in most of the countries examined, with the exception of Hungary, Romania and Slovenia).

Another interesting dimension was the effect of the type of area in which a person lived (urban, semi-urban or rural) on the rate of commuting. It could be expected that the

highest proportion of people commuting would be found in rural areas, with the lowest in urban areas. This was indeed the case in the new Member States and Candidate Countries analysed, whereas it was not the case in Sweden, the Netherlands and the UK. In Sweden the highest proportion of people commuting was found in urban areas, and the least in rural areas, and in the UK and the Netherlands the proportions were similar across the three groups, which may be related to the labour market conditions on the national and regional level and to the various settlement patterns in different countries.

As the majority of the EU population live in urban areas, urban transport accounts for a significant part of total mobility. Furthermore, between 1995 and 2030 the total kilometres travelled in EU urban areas is expected to increase by 40%.<sup>140</sup> Within these areas, the car contributes approximately 75% of the total kilometres travelled. Cars cause so much congestion that, in some European cities, average traffic speeds at peak times are lower than in the days of the horse-drawn carriage.

A further area of interest is the extent to which the public transport systems within the EU meet the needs of society, in particular those at risk of social exclusion – for example, elderly people who live in areas with neither shopping facilities nor bus transport. Many destinations are quite simply inaccessible, either because they are not on public transport routes or because they are on such routes but offer no access (for financial or physical reasons) to some groups of the population. In some cases, going to see a doctor or visiting shopping areas is a real problem<sup>141</sup>.

Insufficient rural coverage is at least partly responsible for the relatively low ratio of access to public transportation in some countries. Within the Candidate Countries and new Member States, only 85% of those who live in rural areas have easy access to public transportation, which has a negative impact upon the availability of alternative economic opportunities. At the same time, 96% of the residents of large cities have public transportation near to their homes. There is a high ratio of elderly who cannot access public transportation and, furthermore, not all elderly people are able to walk more than 20 minutes to get on a bus. In addition, the unemployed are among those most likely to have insufficient access to public transportation.

This discussion of transport and commuting raises the possibility of a situation where there is high congestion in urban areas while, paradoxically, the outermost regions remain poorly connected to the central markets. Analysis suggests that, if no action is taken, the cost of congestion alone will account for 1% of the EU's GDP by 2010<sup>142</sup>. The challenge for future urban transport systems, therefore, will be to safeguard the quality of life for people and meet the demand for accessibility – including those with reduced mobility – and goods, while at the same time minimising the impacts on the environment.

138 Taken from the Eurostat Statistics in Focus publication (12/2003) "How Women and Men Spend their Time", which analysed 13 countries (BE, DK, FR, NL, NO, PT, FI, SV, UK, EE, HU, RO, SI).

139 Analysis of eight European countries (UK, SV, NL, HU, CZ, SI, RO, BU), under the direction of Prof. Claire Wallace of the Institute for Advanced Studies, Vienna.

140 Taken from the Directorate General for Energy and Transport website on Clean Urban Transport ([http://www.europa.eu.int/comm/energy\\_transport/en/cut\\_en.html](http://www.europa.eu.int/comm/energy_transport/en/cut_en.html)).

141 Please see the European Partners for the Environment workbook "Private and Public Transport, Mobility, Communication and Urban Issues" for a more detailed discussion.

142 DG Transport and Environment White Paper – European Transport Policy for 2010: time to decide.



## 7. What the EU citizens think about their living conditions

Since 1973, Eurobarometres have regularly surveyed Europeans on their satisfaction with life. To increase this understanding of citizens' views across the enlarged Union, a number of Eurobarometres surveys have recently targeted living conditions and satisfaction levels in both the EU-15 countries and the new Member States. The outcome shows that:

- There are big differences between EU-15 countries and the new Member States, with respect to perceived quality of life and life satisfaction;
- Satisfaction levels are more heterogeneous among citizens in the new Member States than in the EU-15.

### What are the determinants of subjective quality of life and life satisfaction?

The abstract idea of what constitutes quality of life does not differ that much across Europe; and if there are differences, there is no clear divide between EU-15 countries and new Member States. The reason for this basic similarity is that the dominant concerns in all countries are income, family life, and health, and it is these concerns that ordinarily determine how satisfied people are<sup>143</sup>.

However, whereas abstract ideas of a good life are rather similar, actual determinants of life satisfaction are not.

In many new Member States, income satisfaction is of paramount importance for overall life satisfaction. Hence, improving income satisfaction is the best way to improve life satisfaction. This highlights the desire within these countries to 'catch-up', in terms of their economies, with the EU-15 countries. In general, following income, satisfaction with health and with family life also have a strong impact on how people evaluate their lives.

In the EU-15 countries, income satisfaction matters less for life satisfaction. On the whole, satisfaction with family life and social life are the strongest determinants of subjective quality of life in these countries. Hence, a top priority here is to create the basic conditions for a good family and social life, for example by making it easier to reconcile the demands of work and family life, or by fighting unemployment, which is a major cause of stress for human relations, especially within families.

The paramount importance of income in the East and its low importance in the West once again are linked with differences in economic development. Citizens in the new Member States, at present, put greater emphasis on material demands, which are currently under-fulfilled in these countries to a large degree.

<sup>143</sup> The notable exception is having children, which is much more often seen as a necessity of life in the new MS than the EU-15 countries. Hence, the Western population is more individualised and less inclined to put a strong emphasis on having children.

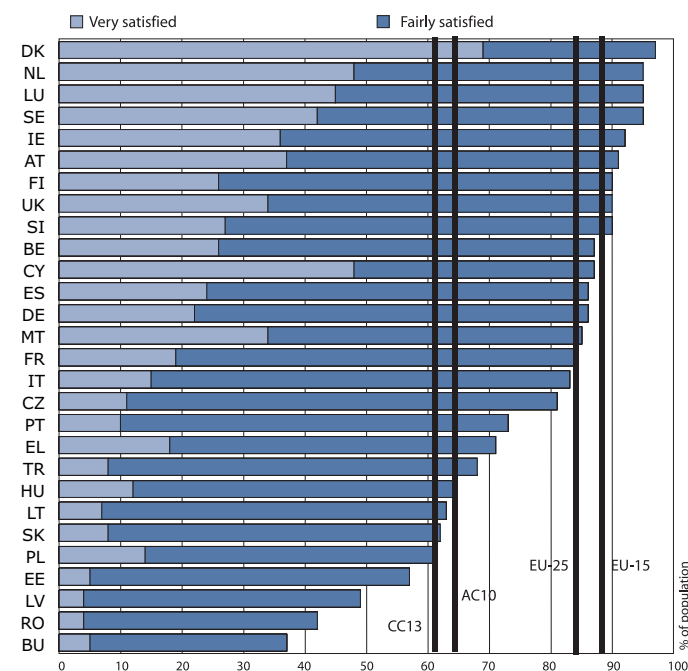
## The enlarged EU is characterised by a new East-West satisfaction gap...

Approximately 88% of the citizens in EU-15 countries are satisfied with their lives against only 65% of citizens in the new Member States.

Although the figures do not show whether these differences are due to different aspirations, they clearly prove that self-perceived living conditions are worse in the new Member States. The figures also show that the East-West gap in an enlarged Union, with respect to perceived

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### Life satisfaction by country



The population averages (vertical lines) refer to the share of citizens satisfied combined) Question: Please tell me whether you are very satisfied, fairly satisfied with each of the following? Your life in general.

quality of life and life satisfaction, will be much wider than the gap between the Nordic and the southern Member States in the EU-15 countries, which has been the dominant pattern up to now. However, 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 the Greeks and Portuguese did at the time of their accession<sup>144</sup>.

The East-West gap with regard to life satisfaction is also apparent when more specific terms are considered.

- Citizens from the new Member States are far less satisfied with their financial and employment situations than citizens of the EU-15 countries, whereas a majority of citizens even in the poorer countries of the Western part of the Union claim to be satisfied. Hence, material aspects make a difference.
- Furthermore, people are less satisfied with their personal safety and social life in the new Member States, pointing to the fact that not only the material but also other dimensions of life are important.

### ... although large differences exist among new Member States...

Another striking result in the Eurobarometer is the great heterogeneity among the ten new Member States, as far as subjective quality of life is concerned. In short, cross country differences within this group are larger than within the group of EU-15 countries.

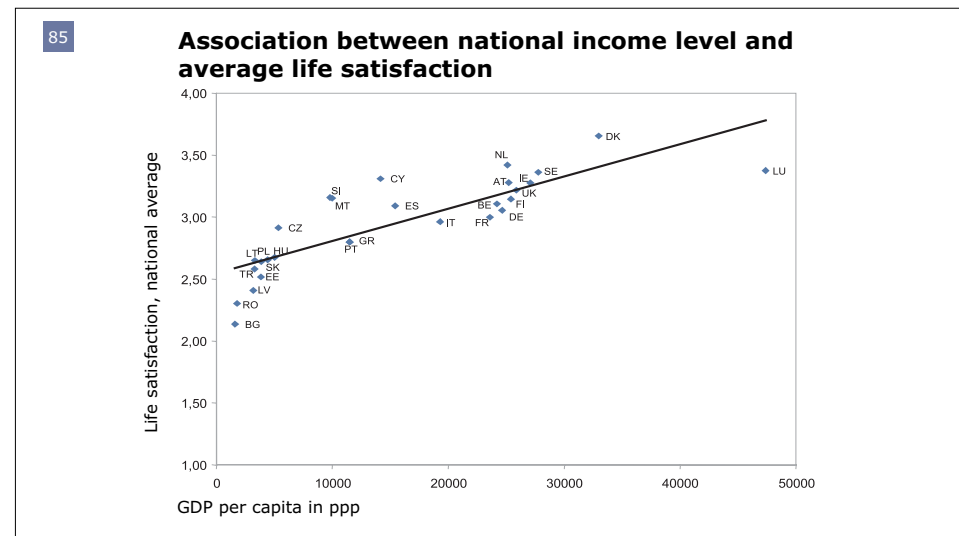
However, due to the vast heterogeneity in the East and the lower but still not negligible heterogeneity in the West, there is no absolute divide in subjective quality of life between the EU-15 countries on one side and the new Member States on the other. The two groups seem to overlap, which largely reflects their economic development. For example, the citizens of the small, but more affluent countries Slovenia, Malta and Cyprus enjoy life as much as the average citizen of the EU-15 countries does<sup>145</sup>. The Czechs have an average life satisfaction slightly below the EU-15 country average, but still above the Portuguese and Greek figures.

It is not a coincidence that the new Member States mentioned in the preceding paragraph belong to the richest and most developed countries from this group. Conversely, the countries where subjective life quality differs most from the EU-15 countries are the poorest and least modernised countries – Latvia and Lithuania. This suggests that the general level of social development is an underlying factor shaping citizens' subjective quality of life.

### ... combined with a growth in within-country inequalities in life satisfaction, which is greater in the new Member States.

The variation in reported life satisfaction within a country is also higher in the new Member States than in the countries of the EU-15, especially with regard to age, income,

occupational class and education. These more explicit internal differences in satisfaction levels between social groups can be found in many of the new Member States. It is reported that satisfaction with living conditions in the former communist countries varies more strongly across different population and social groups.



One explanation for this disparity could be that in the Central and Eastern countries the individual's position in the social structure shapes subjective quality of life much more strongly than in almost all of the EU-15 countries, which are more egalitarian in this respect.

- This is especially true with regard to age: within most of the EU-15 countries the way different generations perceive life quality varies little, whereas in many post-socialist countries the socio-economic transitions put younger and older groups on very different opportunity tracks, with the result that younger people in those countries are much more satisfied with their life than older citizens.
- This is also true with regard to income, educational attainment and occupational status: all these elements are strongly associated with perceived life quality and satisfaction levels in the eastern part of the enlarged EU. In the new CEE Member States, a low income position is synonymous with dissatisfaction. That is not the case in most of the EU-15 countries even for the low-income groups. The reason is that in

<sup>144</sup> The situation is very different in Bulgaria and Romania, where dissatisfaction with life is the dominant experience, and only a minority experience a satisfactory life. Similar levels of dissatisfaction are unknown among the MS of the EU-15, and have occurred only once since the launch of the Eurobarometer surveys in 1973, in Greece in 1993.

<sup>145</sup> Slovenia, Cyprus and Malta (and to some degree also the Czech Republic) are similar to most member countries in having comparably low satisfaction differences between rich and poor, upper occupational class and lower occupational class, employed and unemployed, and young and old. The Czech Republic and Slovenia are comparable to most member countries in that income satisfaction only has a weak influence on overall life satisfaction.

the CEE new Member States having a low income means severe problems in making ends meet and a consequent lack of life satisfaction.

- Eurobarometer data show that gender differences in subjective quality of life are small everywhere.

In short: enlargement not only puts differences in quality of life between member countries at the top of the European policy agenda, but also differences within individual societies and across social groups.

### ***The vast majority of people across the enlarged Union feel socially integrated...***

The vast majority of citizens in the new Member States as well as the present EU countries perceive themselves as socially integrated<sup>146</sup>. However, integration deficits, measured as a lack of recognition and feelings of uselessness, inferiority and being left out of society are, on average, more prevalent in the new Member States than in the current EU countries. At the same time a considerable part of the population of the enlarged EU perceive themselves to be affected by precarious living conditions. About 27% have to cope with circumstances marked by economic strain or unemployment and these problems strongly influence the degree of social integration.

**Table 1. Index on perceived social exclusion, agreement with 0-4 integration deficits, percentage of population**

	0 perceived social integration	1	2	3 perceived social exclusion	4
Slovenia	81	14	4	1	0
Denmark	79	15	4	2	1
Spain	77	15	6	2	1
Austria	76	14	7	2	1
Cyprus	75	14	9	2	1
Malta	73	15	9	4	0
Ireland	73	16	5	3	2
Hungary	72	15	7	5	1
Germany	71	17	7	3	1
Netherlands	71	22	5	2	0
Great Britain	69	17	8	4	2
Finland	69	18	7	3	4
Sweden	69	23	7	2	1
<b>EU-15</b>	<b>69</b>	<b>19</b>	<b>8</b>	<b>3</b>	<b>1</b>
Poland	68	21	8	2	1
Greece	68	21	8	3	1
Luxemburg	68	22	7	2	0
<b>EU-25</b>	<b>68</b>	<b>19</b>	<b>8</b>	<b>3</b>	<b>1</b>
Belgium	67	21	7	4	2
France	67	19	10	3	2
Portugal	65	20	9	5	1
<b>AC10</b>	<b>64</b>	<b>22</b>	<b>9</b>	<b>3</b>	<b>1</b>
Italy	62	24	10	3	1
Estonia	59	24	12	4	2
Romania	59	22	10	6	3
Czech Republic	56	25	12	5	2
Lithuania	56	28	12	4	1
<b>CC13</b>	<b>54</b>	<b>24</b>	<b>14</b>	<b>6</b>	<b>3</b>
Latvia	53	28	15	4	1
Slovakia	45	29	18	7	2
Bulgaria	44	26	19	8	3
Turkey	39	27	20	10	5

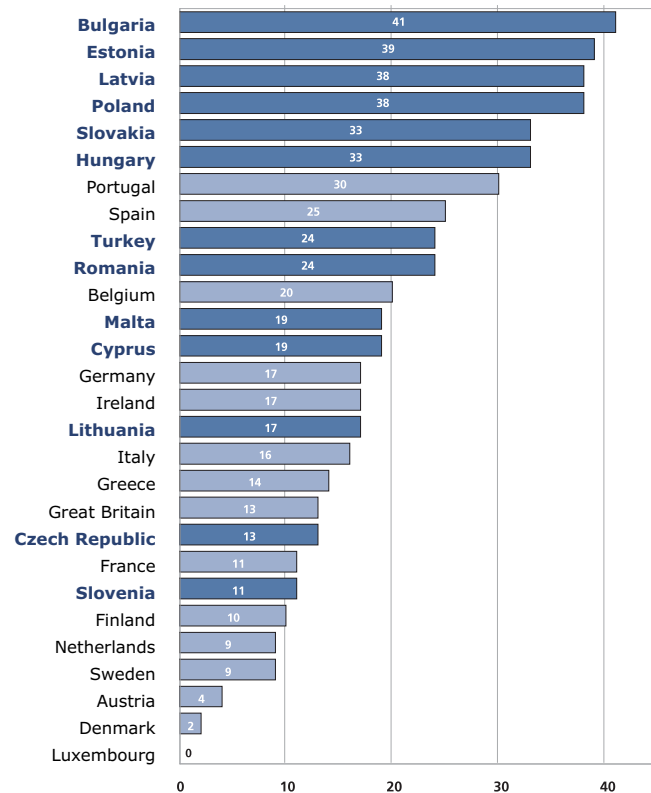
Source: CC Eurobarometer 2001, EB 56.1, 2001  
 Annotations: Social Exclusion Index, summing up agreement with four statements indicating the perception of social exclusion, the respective items are "I don't feel that the value of what I do is recognized by the people I meet", "I feel left out of society", "I don't feel that I have the chance to play a useful part in society" and "Some people look down on me because of my income or job situation" (agree or strongly agree).

<sup>146</sup> Böhnke, P (2003): Social Integration and Social Exclusion in the Perception of European Citizens, Accession Countries, Candidate Countries and EU Member States compared, draft manuscript, European Foundation for the Improvement of Living and Working Conditions...based upon Eurobarometre survey data from 2001 and 2002.

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### Life satisfaction difference between highest and lowest income group

percentage point difference in favour of highest income quartile



Source CCEB, EB52.1

### *...but in new Member States there are more people who feel excluded.*

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 report a smaller proportion than the EU average of 12% experiencing social exclusion. Among EU-15 countries, perceived social exclusion ranges from 7% in Denmark and the Netherlands to 15% in Portugal and France. Overall the variance in perceptions matches fairly well with the variance in objective indicators: the lower the GDP per capita and the higher the unemployment rate and the prevalence of severe poverty, the higher the level of perceived social exclusion.

### *Injustice in society is seen as the main cause of poverty in all 25 countries...*

Throughout the enlarged EU the main reason why people live in need is perceived to be 'injustice in society'. However, in the new Member States every second citizen shares this view, against only one third of citizens in the EU-15 countries. For these "fate and individual failure" are also to be counted among the major reasons.

### *...but people in the West also see personal failure as a cause ...*

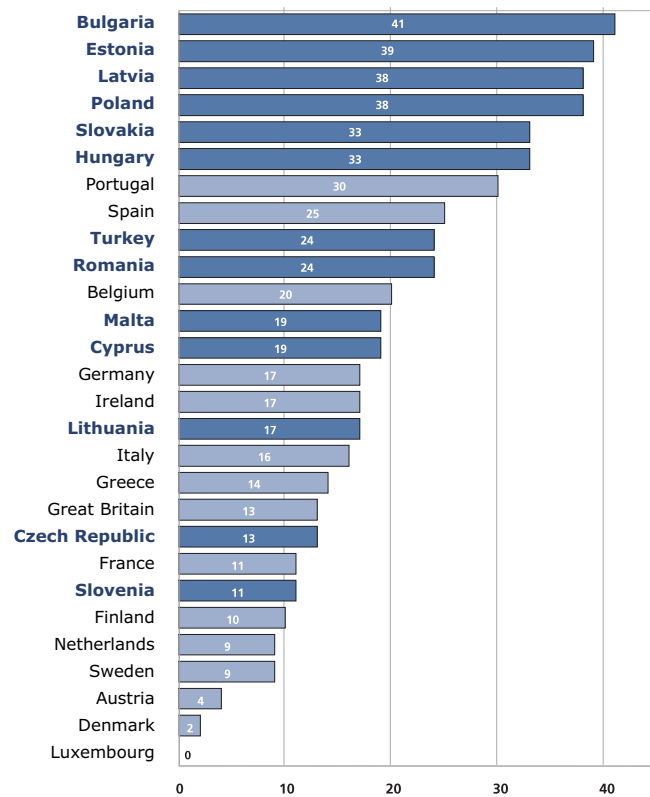
For the poor respondents "injustice in society" becomes a dominant reason. Living in poverty increases the perception that social injustice is the main determinant of social exclusion and diminishes the view that individuals themselves are responsible for their poor living conditions. The respective pattern is observable in all country groups, although differences between the total population and the poor are more distinctive in the new Member States.

### *...and for them job and network supports appear more crucial for life chances than for people in the East.*

For citizens of the EU-15 countries, access to the labour market is perceived as far more fundamental to integrating into working life and exploiting opportunities in life than it is in the new Member States. This may reflect the fact that having a job in a new Member State does not necessarily allow one to provide for the basic essentials due to very low pay.

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### Reasons why people live in need in the perceptions of European citizens, country analysis



Source: CC Eurobarometer 2002, EB56.1

Question: Why in your opinion are there people who live in need? Here are four opinions - which is closest to yours? Q41, weight by weight3

## Annex 1.3: Social Protection and Social Participation

Important indications of the possibilities for addressing disparities in living conditions in the EU of 25 can be gauged from a comparative analysis of the extent and character of social protection measures and social and civil dialogue in the New Member States and EU-15.

### Key Points

- When examining the main features of the social protection provisions and the capacities for social and civil dialogue, which the new Member States will bring to the enlarged Union, a whole range of differences between the EU-15 countries and the new Member States in Central and Eastern Europe stand out. But closer scrutiny reveals that there are also many similarities in programmes and policy approaches. Differences within the EU-15 are already wide and in most areas arrangements in the new Member States in Central and Eastern Europe and in the Mediterranean fit well into the clustering of variations in the pre-2004 Union.
- In the new Member States in Central and Eastern Europe developments in these areas were crucially marked by the legacy of the pre-1990 period and the long difficult period of transition. Many of the differences to existing Member States - and some of the difficulties faced by these new Member States - must be understood in the light of those peculiar conditions. These problems cannot be escaped overnight. Yet, there are encouraging parallels with the past accession of some EU-15 countries, which also went through a difficult period of transition towards democracy and a full market economy.
- Reforms in the social policy instruments, which over time can help deliver better protection and higher standards of living, are already underway (e.g. pensions, health) but the challenges should not be underestimated (e.g. health, social inclusion) and in some areas where modern approaches still need to be implemented difficulties are substantial (e.g. disability and ethnic minorities).
- Across the board the ability to introduce necessary changes and deliver on reforms is markedly constrained by the state of administrative capacities and social governance potential. Measures of the capacity of the supporting structures of civil society and social partnership, which tend to correlate with the capacity to promote economic growth and reduce income inequalities, continue to show a substantial gap with the EU-15 countries, despite recent progress.
- All across Europe pension reform has been a major issue on the political agenda. It is often suggested that the transition economy countries have had a greater will to adopt necessary pension reforms than their peers in Western Europe and that a general move towards funding and privatisation has taken place. But the picture that emerges at closer scrutiny is different. Major reforms were inspired by innovations in EU countries and current provisions in the new Member States tend to fit into the existing clustering of pension arrangements in the EU-15.
- The success of the far-reaching pension reforms that have been adopted in some of the new Member States will depend on the ability to raise employment levels and those of older workers in particular and thus create the conditions for lower contribution rates and higher benefits. The Laeken pension objectives also apply in the new Member States. Given present vulnerabilities of pension systems in the new Member States in Central and Eastern Europe, enlargement is likely to increase the emphasis on securing adequate benefits, higher employment, later retirement and effective regulation and sound management of pension funds.
- In general, the new Member States in Central and Eastern Europe have fewer resources to devote to the health sector. On average the EU-15 spends about 8,5% of GDP while the new Member States in Central and Eastern Europe use about 6% . But the real gap in health care capacities is indicated by the difference in PPS where the EU-15 on average spends roughly four times as much. While health expenditure is not the sole determinant of health outcomes, improving the health situation in the new Member States in Central and Eastern Europe hinges to a large extent on raising the scale of health care investments. Particularly since the road to higher cost effectiveness and better financing has been opened by major reforms involving decentralisation, the establishment of social health insurance and the restructuring of hospital services.
- With enlargement ethnic diversity will increase as a result of higher internal migration and because of the minorities in the new Member States (The Roma and the Russian minorities). EU-15 Member States have identified the danger that discrimination hampers the socio-economic integration and inclusion of ethnic minorities and thereby lowers economic growth and social cohesion. In the new Member States where the tradition and resources for addressing discrimination issues have been substantially weaker there is a growing public awareness of the need to act, which in combination with the new policies established through the adoption of the acquis can become a driver for improvements.
- Disability policies in the new Member States tend to be oriented towards segregation rather than mainstream 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 based on medical models of disability and marked by the prevalence of institutionalisation and sheltered employment.

- Core civil society capacities influence the overall economic, social and political performance of a country. Studies from the early 1990s find the extent of civic mindedness of members of a society, the prevalence of social norms promoting collective action and the degree of trust in public institutions less developed in transition economies and have, furthermore, confirmed the existence of correlations between these phenomena and economic growth. Recent studies document that the gap to current Member States in social participation has narrowed. Yet, civil dialogue as part of social policy governance also depends on the extent to which general participation transforms itself into relevant NGOs and on the capacities of government. In that perspective there is little doubt that civil society forces and the potential for civil dialogue in most of the new Member States need to be further developed
- Industrial relations and social dialogue is an area where enlargement presents a particular challenge. The new Member States are still in the process of establishing a fully-fledged system of industrial relations. Social dialogue is much less developed than in the EU-15 countries. Presently, the social partners have difficulties filling the role in economic and social governance, which the European Social Model attributes to them. Yet, amidst all differences in size and character there are also important similarities between these new Member States and the EU-15, particularly when one considers the large variation in the latter. Such similarities can for example be found in trade union density and direct collective agreement coverage.

## 1. Introduction

In the European Social Model, social protection measures providing cash benefits, delivering services, promoting equal rights and shielding against discrimination constitute important tools for addressing disparities in living conditions. Capacities in this field also depend on governance aspects such as the strength and nature of social and civil dialogue.

To what extent do the social policy instruments and institutions, which the new Member States will bring to the Union, differ from those developed by the current Member States? Moreover, how will this affect capacities for making a success of enlargement in the social field?

Answers to these questions will be sought by comparing the shape and scope of social protection and social governance in the current and the New Member States. This annex will cover the areas of pensions, health care, social inclusion, disability, gender equality and measures to support the integration of minorities as well as the basis for social policy governance in the vitality of civil society and in civil and social dialogue.

When comparing the capacity of the existing and new Member States to deal with inequalities in living conditions, it is obvious that history and the turbulent process of transition towards democracy and the market economy have left their mark. Enormous strides have been made by the new Member States in adapting their legislation to the requirements of European law. But the efforts of some, in particular the eight countries from central and Eastern Europe, to develop the formal and informal institutional framework, which is a fundamental part of the European Social Model, have been hampered.

Development in governance structures has clearly been affected by the heritage from the past. The former regimes left little room for the development of an independent and thriving civil society. The absence of freedom of association in the economic sphere prevented the development of genuine social dialogue between autonomous social partners. The magnitude of socio-economic change in the last decade also made it difficult for the Central and Eastern European Countries to establish well-functioning structures of modern social policy governance.

The legacy of the past has also left its imprint on the character and extent of social protection measures. But the difficulties of the transition period - including problems of tax-collection - have also influenced the direction of social security reform.

Thus, major parts of the differences in social policy and social governance between EU-15 and the new Member States of Central and Eastern Europe (CEE) can be attributed to the heritage from the former regimes and the impact of the transition.

## 2. Social Protection

This section briefly reviews developments in social protection provisions in the new Member States and looks at differences and similarities between these countries and those of the EU-15 in six areas of social policy: pensions, health care, social inclusion, gender equality, disability and anti-discrimination.

### 2.1. Pensions

All across Europe pension reform has been a major issue on the political agenda over the last decade. Several major reforms and dozens of minor ones have taken place across the countries of the enlarged Union<sup>148</sup>.

#### *Pension reforms in EU-15 over the last decade.*

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 changes to prior systems. For example, the tendency to move from a benefit calculation based on best years/final salary to career average and to introduce smaller funded elements in overall pension provisions. Moreover, at least three EU-15 countries – Denmark, Italy and Sweden – have implemented major paradigmatic reforms in the 1990s<sup>149</sup>.

In the new Member States in Central and Eastern Europe reform would seem to have been of a more 'paradigmatic' nature than in most of the current Member States<sup>150</sup>. The way developments are often presented gives the impression that the transition economy countries have had a greater will to tackle reform than their peers in Western Europe. It is also often suggested that a general move towards funding and privatisation has taken place.

But the picture that emerges from a review of the wider background to pension reform and the actual changes in provisions is different. It suggests that the reforms are inspired by innovations in EU-15 countries and that current provisions in the new Member States tend to fit into the existing clustering of pension arrangements in the EU-15<sup>151</sup>.

#### ***Background to pension reform in the new Member States of Central and Eastern Europe.***

The huge financial pressures that accompanied the economic transition to market economies have had a major impact on pension reforms in the new Member States in Central and Eastern Europe.

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. Thus there were no effective links between rights and contributions at the individual level. Falling employment, a large shadow economy and major difficulties in collecting social insurance contributions contributed to the large deficits and still represent a major challenge in many of the new Member States in Central and Eastern Europe. As a result of all these factors many Central and Eastern European Countries experienced major deficits in their pension and social protection funds. This phenomenon did not just affect the livelihood and wellbeing of pensioners. It also threatened to crowd out crucial public expenditure needs in education and physical infrastructure.

Individual accounts systems with stringent and transparent links between individual contributions and the building up of benefit rights seemed to offer an attractive solution to the problems. Since, furthermore, capital formation in the economy was insufficient and the need for investments in all areas of the economy massive, the idea of pre-funding of a part of future pension provision similarly became interesting from a macro-economic perspective.

148 OECD (2003): Reforming Public Pensions – Sharing the experiences of transition and OECD countries, Paris, Rein, M.;Schaehl, W. (eds.), (2004): Rethinking the Welfare State – The Political Economy of Pension Reform, Cheltenham, UK.

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

150 Holzmann, R., M. Orenstein and M. Rutkowski (2003, eds.): Pension Reform in Europe: Progress and Process, Washington, D.C. (The World Bank).

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



**Actual changes in pension provisions in the CEE new Member States.**

The basic characteristics of the reformed pensions systems in the New Member States are summarised in the table below.

<b>Table 2. Basic Characteristics of (Reformed) Pension Systems in the new Member States</b>				
	Main reforms	Statutory schemes		Private pillars
		PAYG	Funded	
Czech Republic	1993, 1995	Defined benefit PAYG financed from social security contributions	None	Voluntary, tax expenditure subsidised of moderate importance
Estonia	1997	PAYG earnings-related similar to German system	Mandatory fully funded DC (2002) To be administered by private funds	Voluntary, tax expenditure subsidised of minor importance
Hungary	(1994) 1998	Defined benefit PAYG financed from social security contributions	Mandatory Fully * funded DC (1999) administered by private funds	Voluntary (94) Mutual Benefit Funds, tax expenditure subsidised moderate importance
Latvia	1995, 1998, 2000	NDC based	Mandatory Fully * funded DC (2001) administered by private funds	Voluntary (1998), tax expenditure subsidised of minor importance
Lithuania	2003/2004	Classical PAYG DB w. flat-rate & earnings-related part financed from gen. Taxation & social security contributions	None	"Hybrid" voluntary pillar financed with public pension revenues. No fund established yet.
Poland	1998	NDC based	Mandatory Fully * funded DC (1999) Administered by private funds	Voluntary, tax expenditure subsidised of moderate importance
Slovenia	3 pillar reform rejected 1999, existing pillar strengthened thereafter	Classical PAYG DB financed from social security contributions & general taxation	None	Voluntary, tax expenditure subsidised of minor importance
Slovakia	Major reform planned for 2003/2004	Defined benefit PAYG financed from social security contributions & general taxation	Mandatory fully funded DC (2004) To be administered by private funds	Voluntary, tax expenditure subsidised of minor importance (1996)
Cyprus	1995 (introduction of social pension)	Classical PAYG DB financed from social security contributions & general taxation	Mandatory pension schemes/provident funds for the broader public sector.	Voluntary, of minor importance
Malta	No major reforms recently	Classical PAYG DB financed from social security contributions & general taxation	None	Voluntary, of minor importance

DC= Defined Contribution. DB=Defined Benefit. PAYG=Pay as you go i.e. financing current benefits out of current revenues. NDC= Notional Defined Contribution, i.e. a system with individual contribution accounts where benefits for individuals are calculated as sum of individual contributions times a factor of real growth in the economy in the contribution period.

\* Whether these elements in overall provision should be categorised as the 2nd part of 1st pillar provisions or actual 2nd pillar depends on the jargon applied. In the Swedish system the NDC and the fully funded DC element are integral parts of the first pillar.

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

1. Latvia, Poland and Estonia have adopted fundamental reforms of their public 1<sup>st</sup> pillar pensions as well as introduced a 2<sup>nd</sup> pillar of mandatory, fully funded schemes managed by competing private pension institutes.
2. Hungary and Slovakia have introduced a 2<sup>nd</sup> pillar of mandatory, fully funded schemes managed by competing, private pension institutes and reduced their 1<sup>st</sup> 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, defined benefit systems financed from social security contributions and general taxation and abstained from reforming their pension systems in a fundamental way.

Latvia and Poland have introduced far-reaching and innovative changes to their pension systems by introducing a combination of NDC and a mandatory, fully funded scheme. Latvia was the first to set up a pillar informed by the NDC principles developed in Sweden. But it took a while before it added the fully funded second pillar element and a voluntary third pillar supplement. In Poland first pillar reform and the introduction of a funded 2<sup>nd</sup> pillar happened simultaneously.

At the other extreme of the reform spectrum, Lithuania and Slovenia have so far retained their PAYG defined benefit systems financed from social security contributions and general taxation. Lithuania has implemented some parametric reforms and most recently introduced a voluntary pillar of fully funded private pensions. In Slovenia the government had to withdraw its proposal for a 3 pillar system in the face of massive popular protest. Instead it sought to consolidate the existing system through various parametric reforms.

With the reform in 1993 and the follow-up in 1995 the Czech Republic was the first post-communist country to implement a major reform of its public pension system. Yet, policymakers here were more concerned about removing incentives to early retirement and establishing a universal and equitable, defined benefit system financed on a PAYG basis, than about introducing elements of funding and privatisation. There is no mandatory funded pillar and the voluntary third pillar is of negligible importance.

Estonia did not follow the precedence established by Latvia. The major reform of 1997 changed the first pillar to a PAYG financed, earnings-related scheme similar to the German points based system. Only 5 years later and as a separate reform step, did Estonia implement a mandatory, fully funded 2<sup>nd</sup> pillar scheme where savings will be managed by private pension funds.

Hungary shifted part of pension provision to a mandatory pillar of private schemes with the 1998 reform and at the end of 2003 Slovakia followed in its footsteps by introducing a similar reform.

### ***Challenges for Central and Eastern European pension systems.***

The statutory contribution rates for pensions (old age, survivors and invalidity) tend to be high in the Central and Eastern Europe Countries compared to the EU-15 Member States: typically 25% or more of gross earnings. The replacement rates, however, tend to be low.

This is due to low employment rates and the former weak links between contributions and benefits. The present generations of pensioners with claims under the old pension systems still have to be provided for. At the same time it will take decades before benefits in the NDC and the fully funded schemes reach the intended level. Thus, adequacy is certainly an issue in pensions for these new Member States.

In addition most CEE New Member States are characterised by low employment rates for older workers (particularly SI, PL, SK and HU) and a low average exit age from the Labour Market (SI, PL, SK, HU, CZ and LT), which constrain revenues and raise costs.

These are pressing short to medium term issues. In the longer term, these eight new Member States also face the challenge of population ageing. This will imply additional spending pressures for pension schemes. By 2050, on present trends, these new Member States can expect to have old age dependency ratios (people age 65+ as a percentage of people aged 15-64) at around 50%, roughly the same level as EU-15.

### ***Pensions reform in Malta and Cyprus.***

Malta and Cyprus have not had to face a transition challenge like the other eight new Member States. Still there is a growing awareness of the necessity to reform pension systems in particular in the face of demographic ageing.

In the case of Malta, a serious overhaul of the pension system is currently under discussion with the possibility of the introduction of funded elements.

In Cyprus, the measures considered would entail some adjustments to the existing system (largely based on a public PAYG system) such as the raising of the statutory retirement age and amendments to the investment policy of the Social Insurance Fund.

### **Pension design clustering in the new EU-25**

In the table below the reformed national pension systems of the new Member States and the EU-15 countries are sorted according to their core features.

Flat-rate, public, first pillar arrangements are rarer in the new Member States where pension systems tend to fit either the so-called 'Bismarck' or the 'NDC' design models.

However, the main difference from present 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 will be administered by competing private pension funds or insurance companies.

Among the EU-15 Member States, only Sweden has a system with a mandatory fully funded element and this has a significantly smaller importance within the overall provision (a contribution rate of 2.5% vs. rates of 6%-9%).

Since several of the EU-15 Member States (notably Ireland, the UK, the Netherlands, Denmark and Sweden) have a significant 2<sup>nd</sup> pillar of fully funded occupational pensions based on collective agreements, the difference in reliance on funded, privately administered elements in pension provision is, however, more one of degree and approach than of principle.

Moreover, the difference in the relative weighting of designs does not overshadow the fundamental fact that the New Member States fit into the main clusters in the pension variation across the existing Union.

<b>Table 3. Reformed pension systems in EU-25 according to main features</b>					
	PAYG Flat-rate Public 1st pillar	PAYG Earningsrelated, Public Single or 1st pillar			Pre-funded "Mandatory" or "Major" 2nd pillar
	"Beveridge"	"Bismarck"	"NDC"		
Austria					
Belgium					
Denmark					
Finland					
France					
Germany					
Greece					
Ireland					
Italy					
Luxembourg					
Netherlands					
Portugal					
Spain					
Sweden					
UK					
Cyprus					
Czech Republic					
Estonia					
Hungary					
Latvia					
Lithuania					
Malta					
Poland					
Slovakia					
Slovenia					

The above categorization is focussed on main features and thus rather crude. For a presentation of the complexities and nuances of national pension systems in EU-15 please consult "The Joint Pension Report" 2003. For further information on pension systems in the new Member States please consult "Social Protection in the Applicant countries", BXL, Dec. 2002 . A few countries (Finland, France & Greece) fall between the categories and this is indicated with combined colours.

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### **The overall impact of enlargement on pension provisions in the EU.**

Enlargement will affect the present balance between different types of pension arrangements. Yet, as demonstrated, the differences between pensions in the EU-15 countries and the new Member States are less than it would, at first, appear. Moreover, with developments towards a somewhat larger role for funded elements in overall provision already under way in several Member States, enlargement is unlikely to lead to a new orientation of the EU coordination on pensions.

The EU process informed by the Laeken pension objectives applies equally well to the national efforts to secure adequate and sustainable pensions in the new Member States. Given the present vulnerabilities of pension systems in these countries it would most likely only lead to an extra emphasis on securing the adequacy of benefits, higher employment and longer work lives as a core factors in sustainability and effective regulation and sound management of pension funds.

## **2.2 Health Care Systems**

Differences among the new Member States in the areas of health and health care are almost as significant as the differences within EU-15 countries. Each new Member State has its particular health care system, its traditions and a specific health situation.

Yet, looking at the new CEE Member States as a specific group, they have a number of elements in common. The legacy of the Soviet-era left prominent marks on the countries' health care systems with ensuing effects for the populations' health status.

Extensive reforms have been carried out since the early 1990s, yet further changes and improvements would be necessary to increase the effectiveness (in terms of health outcomes) and the economic efficiency of the health care systems in the new CEE Member States.

In terms of health status, significant differences persist between the current and the new Member States in Central and Eastern Europe. Whether one considers crude death rates, life expectancy, infant mortality rates, diseases of the circulatory system, ischaemic heart diseases, cerebrovascular diseases, cancers, infectious diseases or injuries, health indicators in the new Member States of Central and Eastern Europe compare poorly with EU averages<sup>152</sup>.

<sup>152</sup> C. Wallace and C. Haerpfer "Health and Health Care Systems in the Applicant Countries", 2002

<sup>153</sup> 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.

<sup>154</sup> WHO "Health for all" database 2001; WHO Regional Office for Europe "Health for all" database.

<sup>155</sup> Since low health care spending also may 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.

Furthermore, there are important variations in terms of health expenditure. In general, the CEE new Member States have fewer resources to devote to the health sector and they allocate a smaller share of national income to health expenditure. In 1999, an average of 8.5% of GDP in EU-15 countries was spent on health. At the two extremes, Ireland only allocated 6.1% to health (the lowest level in the Union) while Germany's total health expenditure amounted to 10.5%<sup>153</sup>. In the same year, Latvia was the new Member State from Central and Eastern Europe with the lowest level of health spending (4.4% of GDP), while Slovenia was the biggest health spender, devoting 7.7% of national income<sup>154</sup>.

As discussed earlier, there is a close relationship between income, health expenditure and health status (see annex 1.2 box on "Health and Wealth"), which to a large extent explains the poorer outcomes in the new CEE Member States compared to most of the EU-15 countries.

Comparing infant mortality or life expectancy with income levels across the enlarged Union shows an obvious clustering with the Baltic States, Poland, Slovakia and Hungary among the least favoured countries, the Southern European countries and the Czech Republic in an intermediary position and the remaining Member States in a third group of more wealthy countries with a higher health status.

The linear elasticities between, on one side, increases in income levels or health expenditure and, on the other, improved health outcomes in terms of less mortality or more longevity are impressive. This is particularly the case with regard to income which reflects the broader opportunities available on top of direct expenditure on health care. (See Graph 7 of Section 1, "Total health expenditure").

Although all the new Member States in Central and Eastern Europe 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 the EU-15 countries, on average, spend roughly four times as much in PPS (Purchasing Power Parities) on health care would indicate that a very substantial gap in health care capacities persists<sup>155</sup>. While health expenditure is not the sole determinant of health outcomes, the potential health impact of raising it is stronger when the initial level of investment is low.

The increases in health budgets have been part of the reforms implemented throughout the 1990s. The new CEE Member States have moved from a clearly monopolistic state system, partly modelled on the old Soviet structure, towards a pluralistic system where there is greater variety in funding and a greater emphasis on primary health care.

Faced with problems of excessive centralisation, insufficient supply of inputs, under-performance and underinvestment, policy-makers have had to transform the out-dated health care systems<sup>156</sup>.

Three elements have been fundamental to the transformations, which have brought the health care systems of the new Member States in Central and Eastern Europe 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 health care services.

Decentralisation has involved two important processes: devolution and privatisation<sup>157</sup>. Central state control has gradually been replaced by multi-level structures where the responsibilities for organising, managing, financing and/or providing health services have been devolved to regional and local entities. Furthermore, state monopoly has been abolished and privatisation has become widespread, particularly with regards to primary health care providers, pharmacies, pharmaceutical companies and dental practices. The hospital sector, however, has been far less privatised.

The second major transformation has been the introduction of social health insurance (SHI). Seven out of the eight CEE new Member States have followed this Bismarckian model<sup>158</sup> of health care financing, though the pace of reforms and the actual shape of the SHI have not been the same in the different countries. Two waves of SHI can be distinguished: while the Czech Republic, Hungary, Slovakia, Slovenia and Estonia introduced health insurance in 1992-3, Lithuania and Poland waited until 1998-9 to change to SHI. Latvia remains the only CEE new Member State with an entirely tax-based system, with some resemblance to the National Healthcare Systems in EU-15 countries.

Furthermore, there is great variation in the shape which SHI takes in the seven countries (i.e. excluding Latvia). When it comes to the organisation of funds Hungary, Slovenia, Estonia and Lithuania have opted for a single insurance fund, the Czech Republic and Slovakia for multiple competing funds, and Poland for multiple non-competing funds that cover people in geographically determined areas. With regard to the governance of funds, Hungary leaves the supervision of its National Fund to government authorities, whereas other countries have an elected board of general directors (as in Estonia and Slovenia), while in most countries a tripartite formation of employers, employees and the State selects the board members in charge of supervising the SHI funds. Lastly, there are considerable differences with regards to contributions: collecting contributions is the responsibility of the funds in the Czech Republic and Slovakia, while in Hungary and Estonia it is the task of national tax agencies.

A third aspect of the transformations was the changes in the delivery of health care and services. All the new Member States have tried to strengthen primary health care, though specific arrangements are very varied. One particular problem was the fact that many physicians were trained as specialists rather than as general practitioners capable of managing primary health care and public health. In the pharmaceutical sector, dispensing

pharmacies are increasingly privatised. The fall in domestic drug production and the opening up of markets to western pharmaceuticals have meant that drug costs are generally constitute a high proportion of total health expenditure, and are still rising (rapidly). Cost pressures, and the move to insurance-based systems, have led many countries to adopt cost-containment measures such as lists of drugs, procedures approved for use under their respective systems, cost-sharing and reference prices. Yet, there are concerns that too strict cost-controls could hinder patients in using effective drugs. Furthermore, conscious efforts have been made to reduce inadequate health capacities left by the old system. The number of acute hospital beds has declined across the enlarged Union. In the EU-15 countries the decrease amounted to 25% between 1980 and 1997 corresponding to approximately 4.4 beds per 1000 population. Yet, in the new CEE Member States the Soviet-era left behind hospital-centred health care systems where hospital facilities often absorbed vast amounts of health budgets. Since reforms began in the early 1990s, noticeable reductions in the number of hospital beds have brought numbers down from levels above the EU-15 average to levels closer to or even below that average. Between 1990 and 2000, for example, the Czech Republic managed to reduce beds in acute hospitals from 8.6 to 6.4 per 1000 population, and the change was even greater in Estonia where 9.2 beds in acute hospitals were cut back to 5.3 per 1000 inhabitants.

Staff numbers mirror this trend, with the numbers of physicians being generally lower than the EU-15 average of 370 per 100,000 inhabitants in 2000. Hospital admissions show considerable variation among the new Member States and are slightly higher than the EU-15 average hovering around 18% of the population, but the lengths of hospital stay are not very different from EU-15 levels. Outpatient contacts per person are on average slightly higher in the new Member States (7.9), but vary considerably, compared to the EU-15 average (6.1).

The new Member States in Central and Eastern Europe generally have to tackle larger and more serious health problems with substantially lower resources and a less well-educated staff than EU-15 countries. In addition to the important reforms outlined above the situation therefore calls for sustained growth in investment in the sector over the short to medium term. As these new Member States become wealthier and able to devote more resources to health care it will at the same time lead to improvements in overall living conditions and thereby most likely also in the general health status of the population.

### 2.3 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. Nearly all EU-15 countries 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>159</sup>.

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

157 For full details see the WHO European Observatory on Health Care Systems' reports on "Health Care Systems in Transition" on the Czech Republic, Slovakia, Poland, Hungary, Estonia, Lithuania, Latvia and Slovenia.

158 Originating from Germany in the 19th century, the Bismarckian system is characterised by social insurance based on earnings-related contributions and state-funding for the young, the elderly and other non-wage earners.

159 Joint Report on social inclusion 2004, p. 52.

While minimum income guarantee schemes have contributed powerfully to reducing the risk of poverty in the EU, they have come increasingly 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 in working age and children, as a result of long-term unemployment and low earnings, whereas in Cyprus and Malta, it affects particularly 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 1990s, 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>160</sup>.

Among the new Member States, those with less developed social protection systems have set up new schemes guaranteeing their citizens minimum levels of income and providing better protection for the unemployed and low-income people. This has been implemented through minimum wages, pension and social assistance benefits (Estonia), guaranteed minimum income schemes (Latvia), non-contributory social pensions and guaranteed minimal survival and utility services (Lithuania), and the subsistence minimum (Slovakia).

Those countries with more developed social protection systems have improved social assistance systems and established more generous minimum income schemes. Cyprus, for instance, has minimum standards of living (in cash or in services), while the Czech Republic had already introduced the minimum subsistence amount and the minimum wage in 1991. Hungary, in turn, provides "general subsistence assistance", "assistance for special needs" and "one-off assistance". By contrast, Malta has no minimum income standard as such, but the universal social assistance scheme guarantees Maltese citizens a minimum income. In Poland, social assistance resources are insufficient and many people are not covered. Finally, Slovenia is progressively (2000-06) introducing a state pension (benefit) aimed at reducing poverty among the elderly, while people who are unable to obtain a minimum income by themselves are entitled to social assistance.

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 the EU-15 countries. (See Graph 40 in Section 1 of this report, "At risk of poverty rate before and after social transfers, EU-25").

## 2.4 Migrants and ethnic minorities in an enlarged EU

### *An increasingly diverse EU*

#### *The trend towards ethnic diversity in the EU is increasing.*

European societies are witnessing a growing trend towards ethnic, cultural and religious diversity, fuelled by international migration and increased mobility within the EU<sup>161</sup>.

Following enlargement this trend is likely to continue, 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 social inclusion and integration of migrants and ethnic minorities in EU-15 countries have tended to focus primarily on migrants who have arrived in the countries concerned over the last three to four decades. In most of the new Member States immigration is a relatively new phenomenon, and efforts have rather been concentrated on integrating the historical minorities which exist in those countries.

#### *Member States recognise the need to promote social and labour market participation of migrants.*

The labour market situation of migrants and ethnic minorities in the EU continues to be more unfavourable than for the rest of the population: on average, the unemployment rate for non-EU nationals is almost twice that for EU nationals<sup>162</sup>.

Figures from those Member States where data is recorded 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>163</sup>.

New Member States face similar challenges with regard to social inclusion of ethnic minorities and integration of migrants as well as labour market participation. These challenges have been highlighted in the employment Joint Assessment Papers (JAP) and Joint Inclusion Memoranda (JIM) concluded between the European Commission and the national authorities of the acceding countries<sup>164</sup>.

#### *The situation of Roma and ethnic minorities in the new Member States.*

Enlargement will move the issues of the Roma population and other ethnic or national minorities higher up on the Union's political agenda, not only because they are more represented in the population of the new Member States than in the EU-15 countries, but because their risk of poverty and social exclusion is higher than for the rest of the population.

160 Social protection in the 13 candidate countries, 2003, DG Employment and Social Affairs.

161 Figures refer to EU-15 countries. This trend was extensively covered in The Social Situation Report 2002.

162 Source: draft 2004 Joint Employment Report, p35

163 Source: Joint Inclusion Report p93.

164 The JAPs and JIMs are available at: [http://europa.eu.int/comm/employment\\_social/index\\_en.html](http://europa.eu.int/comm/employment_social/index_en.html)



It is not an easy thing to give key facts and figures concerning these groups as data on minorities in general, and the Romas in particular, vary depending on the source<sup>165</sup>.

In the national census of the beginning of the 1990s, the number of Roma were recorded as almost 150,000 in Hungary (1.4% of the total population), more than 30,000 in the Czech Republic (0.3%) and more than 75,000 in Slovakia (1.4%). However, other official surveys estimated their numbers at around 450,000 in Hungary (close to 4.5%) and 250,000 in Slovakia (4.8%).

While data coming from official registers seem to under-estimate actual figures, non-official estimates from Roma associations and the media have little precision and probably tend to over-estimate the reality. The Council of Europe has estimated the number of Roma in the whole of Europe as between 7 and 8.5 million, including between 1.5 and 1.9 million in the EU-15, between 1.3 and 1.5 million in the new Member States, and between 2.8 and 3.8 million in Bulgaria, Romania and Turkey.

Apart from the Roma, other important national minorities exist in several new Member States of Central and Eastern Europe: In Slovakia, ethnic Hungarians represent 10.8% of the population (and around 8% in Romania), while in Hungary, ethnic Germans (around 200,000) would be the biggest national minority after Romas.

The problems of exclusion and discrimination faced by Roma communities in some new Member States are particularly acute. For example, the Slovakia JAP pointed to the fact that the unemployment rate for Roma was over twice the rate for the rest of the population (rising to over 90% in some areas of the country), with the JIM indicating extremely low levels of participation in education and 80% of the Roma community relying on social assistance benefits. Similar problems are reported in the JAPs and JIMs for the Czech Republic (unemployment rate of 70%) and Hungary (unemployment rate of 3-4 times the average).

Statistics for Latvia and Estonia indicate differences in unemployment rates for nationals and non-nationals (mainly Russian minorities). The respective rates in 2001 were 10.2% and 17.3% for Latvia and 10.4% and 16.8% for Estonia. These differences may be explained partly by economic restructuring, regional distribution of ethnic groups and problems with language skills.

## **EU policy responses**

### ***The EU offers support for labour market integration and social inclusion ...***

A range of policy and funding instruments are available to support efforts to tackle the challenges faced by minorities in an enlarged EU.

The importance of taking action to promote the integration of disadvantaged groups, including migrants and ethnic minorities, has recently been reaffirmed in the framework of the EU's European Employment Strategy, in particular the new European Employment Guideline N° 7<sup>166</sup>.

The revised common objectives for the EU's Social Inclusion Process were approved at the Copenhagen European Council in December 2002. These highlighted "the high risk of poverty and social exclusion faced by some men and women as a result of immigration" and encouraged Member States to address the situation of ethnic minorities and migrants in their National Action Plans for social inclusion.

### ***... backed up by financial resources ...***

The European Employment Strategy and Social Inclusion Process are backed up by the European Social Fund (ESF). Financial support for measures to promote the integration of disadvantaged groups is available through the ESF, including the EQUAL Community Initiative, which is specifically aimed at combating all forms of discrimination and inequalities in connection with the labour market.

Support for disadvantaged groups, including ethnic minorities, has been confirmed as a priority for future funding under the EU's Structural Funds in the European Commission's Third Report on Social Cohesion, which was adopted on 18 February<sup>167</sup>.

### ***... a legal framework to tackle racial discrimination...***

The European Union has put in place a legal framework to protect against discrimination on grounds of racial or ethnic origin. EC legislation adopted in 2000<sup>168</sup> bans direct and indirect discrimination, as well as harassment and instructions to discriminate. It covers employment, training, education, social security, health care, housing and access to goods and services.

These provisions have helped to raise the level of protection against discrimination across the enlarged EU, although there have been delays in putting the new rights into national law in some Member States. The Commission is taking action in order to ensure that the anti-discrimination Directives are fully implemented and enforced.

<sup>165</sup> The level of statistical coverage depends mainly on the level of official recognition of the existence of (national, ethnic, linguistic, religious) minorities in each Member State. Roma population does not enter easily into the definitions of national or linguistic minorities; for this reason, data available for Roma are very limited in some countries, although in the new Member States of Central and Eastern Europe they are covered by the national censuses. However, census data are usually obtained by self-declaration and only people who have specifically declared themselves as Roma are registered – therefore data obtained in this way can only be considered as a minimum.

<sup>166</sup> Council Decision 2003/578/EC on guidelines for the employment policies of the Member States of 22 July 2003.

<sup>167</sup> [http://europa.eu.int/comm/regional\\_policy/index\\_en.htm](http://europa.eu.int/comm/regional_policy/index_en.htm)

<sup>168</sup> Council Directive 2000/43/EC implementing the principle of equal treatment between persons irrespective of racial or ethnic origin.

**... and a special framework for the integration of migrants.**

The European Union is in the process of finalising a special legal framework for the integration of third country nationals, as called for at the Tampere European Council.

A Directive on the status of third country nationals who are long-term residents (2003/109/EC), which guarantees equal treatment with nationals of the EU in a number of areas after 5 years of legal residence, has been agreed. Furthermore, a Directive which sets out the right to family reunification for third country nationals has also been agreed (2003/86/EC).

A number of legislative instruments in the field of asylum policy contain provisions concerning integration. This is the case for the Council Directive laying down minimum standards for the reception of asylum seekers. The proposal for a directive on minimum standards for the qualification and status of third-country nationals and stateless persons as refugees or as persons who otherwise need international protection contains a specific chapter regulating the content of international protection and specifying the rights to be enjoyed by a refugee or person granted subsidiary protection. These require Member States to provide programmes tailored to the needs of refugees to facilitate their integration into society.

Specific measures to integrate refugees are supported under the European Refugee Fund and a new pilot project "INTI" for integration of immigrants has been implemented in 2003.

**2.5 Disability and People with special needs*****In the disability area the EU promotes a mainstreamed approach based on the accommodation of individual needs ...***

The EU approach to disability is focussed on the needs of individuals. It does not identify separate categories of needy people. 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 mainstreamed approach, where the accommodation of people with special needs becomes an integral part of all policies.

The strategy sees disability as primarily a social construct, views a change in attitudes as a prime condition for the full inclusion and participation of people with disabilities and seeks to ensure the equal effective enjoyment of all human rights for these by combating all forms of discrimination on the ground of disability and promoting equal treatment and the accommodation of difference.

While not fully implemented this strategy is by and large well-accepted among existing Member States. Trends in EU-15 countries are generally positive in this area, although several obstacles remain, notably those relating to physical barriers, legal and administrative barriers, new technologies and attitudes, where much more effort is still needed.

By contrast disability policies in the new Member States tend to be oriented towards segregation rather than mainstream 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 based on medical models of disability and marked by the prevalence of institutionalisation and sheltered employment.

This movement away from sheltered employment has, initially, led to higher unemployment for people with disabilities. So far it has not 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 make them 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.



### 3. Capacities of Civil Society: Civic mindedness, Trust and Participation

#### **Core civil society capacities are indicated by the extent of trust and participation...**

People's underlying social attitudes and values are as important a part of social reality as are their demographic characteristics, social conditions and behaviour patterns. They influence the direction of public policy and the propensity for social and economic change. Capacities of civil society are to a large extent influenced by people's attitudes and values in terms of civic mindedness, trust and willingness to act together for common purposes. Mind-sets and behavioural inclinations determine fundamental civil society capacities for building and sustaining a cohesive society in a properly functioning market economy and a thriving political democracy.

#### **...which in turn influence the overall economic, social and political performance of a country.**

The extent of civic mindedness, the importance of social norms promoting collective action and the degree of trust in public institutions are important indicators of civil society vitality<sup>169</sup>. For the purpose of measurement through social surveys, a set of indicators have been developed based on the extent and character of participation in social life, on the level of mutual trust and support among people and on confidence in public institutions, such as the judicial and political system. Scores on these indicators are thought to influence the overall economic, social and political performance of a community or society<sup>170</sup>.

#### **Trust, civic mindedness and participation is generated and enhanced in a free and thriving civil society...**

Scores on these indicators differ substantially among the EU-15 countries: a gulf seems to separate the Scandinavian from the Mediterranean countries. The reasons are not entirely clear but among other things variations would seem to correlate with the duration and character of the democratic tradition. It would seem that countries, which have been exposed to a period of authoritarian rule in the recent past tend to score substantially lower than those that haven't had such an experience (see Table 4 of this annex "Civic Participation in EU-15 as indicated by The European Social Survey").

#### **...and its development is hampered where the development of civil society has been stifled.**

In the light of enlargement this observation is of particular relevance since it is little more than a decade ago that the CEE new Member States emerged from a long period of totalitarian rule, which seriously stifled the development of public life. Even after harsh repression ended, participation in public affairs remained forced and ritualistic. People therefore tended to retreat from the public sphere into the realm of relatives and immediate friends or into groups promoting non-controversial cultural and leisure activities. Public institutions were perceived as alien and as imposed by a foreign power. An underdeveloped civil society marked by sparse participation in public life and distrust in public institutions is thus one of the damaging legacies of the previous political regimes<sup>171</sup>.

Leading Eastern European dissidents (e.g. Vaclav Havel<sup>172</sup> and Georgy Konrad<sup>173</sup>) as well as Western social scientists (e.g. Rose, 1993<sup>174</sup>) have lamented the absence of a developed, vibrant civil society in Communist and post-Communist countries. Apart from its negative impact on the quality of life this deficit was thought to pose a major obstacle on the path of political and economic transition<sup>175</sup>.

The extent to which the new Member States differ from the current ones in social participation, civic mindedness and trust in institutions and how enlargement may affect the challenge of developing good civil society capacities in the European Union is tentatively investigated below.

#### **The importance of civil society vitality.**

According to Putnam (1993, 2000)<sup>176</sup> the extent of civic mindedness of members of a society, the existence of social norms promoting collective action and the degree of trust in public institutions supports the functioning of society and facilitates economic exchange. In Putnam's model of a working democracy and market economy, there is positive feedback between individuals' sense of civic duty, their participation in social life and the efficiency of existing institutional arrangements for contract enforcement. Moral obligations are reinforced in social networks and cheating is expensive. Moreover, civic participation enhances formal rule compliance and improves the accountability of government. These aspects of civil society are therefore complementary to formal institutions in supporting a complex division of labour. Its effect on economic performance at the country level should be unambiguously positive. The extent and character of civic mindedness and norms promoting collective action as indicated by social participation and trust in institutions also affects the ability of civil society actors to engage in civil dialogue.

169 A growing literature has sought to conceptualise these phenomena in the notion of social capital. Leading academic authorities in the field include the political scientist R. Putnam and the sociologist J. Coleman. The notion is furthermore used by the OECD and the World Bank. For core contributions to the debate see for example: COLEMAN, J. (1988), "Social Capital in the Creation of Human Capital", American Journal of Sociology, Vol. 94, Supplement, pp. S95-120; PUTNAM, R. (2000a), Bowling Alone: The Collapse and Revival of American Community, Simon Schuster, New York.; PUTNAM, R. (2000b), Society and Civic Spirit, Bertelsmann Foundation.; OECD (2001): The Well-being of Nations -THE ROLE OF HUMAN AND SOCIAL CAPITAL, Paris.

The European Commission is investigating the potential, practical applicability of this concept. For an example of this see the review of social capital literature in the report commissioned from Professors de la Fuente and Ciccone: Human capital in a global and knowledge-based economy, published by European Commission, Brussels 2002.

170 R. Putnam (1993), Making Democracy Work, Princeton University Press.

171 C. Gati (1996), The Mirage of Democracy, Transition, 22 March 1996, p. 6 - 12

172 V. Havel, (1989), Living in Truth, Boston, Faber and Faber

173 G. Konrad (1987), Antipolitics, New York, H.Holt..

174 R. Rose, (1993), "Rethinking Civil Society: Postcommunism and the Problem of Trust, Journal of Democracy 1(1): 18-29.

175 A. Smolar, (1996), "Civil Society After Communism: From Opposition to Atomization", Journal of Democracy Vol. 4(1): 24-38.

176 Putnam, R. (1993), Making Democracy Work, Princeton University Press.; Putnam, R. (2000), Society and Civic Spirit, Bertelsmann Foundation.

***Civil society capacities and economic growth in the Central and Eastern European Countries during the transition.***

Measurements of civil society vitality have received growing attention as a variable influencing economic performance and social cohesion. The divergent and sometimes disappointing results in the transition from a centrally planned to a market economy have been explained by variations in core civil society capacities<sup>177</sup>.

The transition from central planning to a market economy and the transition from an authoritarian to a democratic regime is fundamentally a process of accelerated institutional change. Both formal and informal institutions need to adapt to the requirements of democracy and of market transactions. The resulting uncertainty places a heavy load on social arrangements. Mechanisms are thus needed to stabilise mutual expectations and to make behaviour of actual or potential counterparts more predictable and this is where civil society capacities come into the picture.<sup>178</sup> Generalised trust, civic mindedness and willingness to engage in collective action for the common good would facilitate the transition and enhance its likelihood of success.

***Studies find civil society much less developed in transition economies...***

In a recent study based on data from the 1990 and 1995 World Values Survey, the New Democracy Barometer and the World Business Environment Survey, Haerpfer et al (2003)<sup>179</sup> found that countries in the early phases of transition – including the eight CEE new Member States – generally had lower civil society indicator scores than the average for the OECD area<sup>180</sup>.

***...and confirm correlations between key measurements of civil society vitality and economic growth...***

When testing for correlations between indicators of civil society vitality and economic growth Haerpfer et al found a good fit between differences in economic growth rates among transition countries and differences in measurements of active participation and trust in public institutions. Cumulative growth between 1989 and 1998 correlated positively with participation in professional associations and sports clubs, as well as with participation in “other not further defined organisations”. However, Haerpfer et al found it difficult to determine fully what was the cause and what was the effect, in the link between these aspects of civil society and economic growth.

In the study, participation in civic organisations was, in most cases, found to be significantly lower in the transition countries than in countries with fully developed market economies. Only the level of participation in political parties was comparable to the level of participation

that existed in established democracies and market economies. Citizens in transition countries were found to be no less interested in politics than citizens of countries with developed market economies were.

Trust in public institutions is a key aspect of a functioning market economy and democracy. However, this kind of trust may be conceived not so much as a prerequisite for the strengthening of civil society capacities as its consequence. According to the World Values Survey 1995 trust in public institutions was systematically lower in the transition countries than in Western countries, particularly concerning the legal system, the police, the trade unions, commercial companies and political parties (and also the church).

In conclusion Haerpfer et al found that the negative correlation between income inequality on one side and trust and participation on the other, which had evolved by the mid-1990s, would suggest that policies to reduce high levels of income inequality could be important in a strategy of increasing trust in others and in public institutions in the transition economy countries.

***Current differences in social participation between EU-15 and the new Member States.***

Since the early phases of the transition crucial institutions in Central and Eastern European countries have changed, and an overall stabilisation of the new institutions has taken place. To what extent has this affected associational participation in the new Member States from this part of Europe and to what degree do these eight countries still differ from the current Member States in this aspect of civil society vitality? Recent Eurobarometre data on civic participation allow for a tentative examination of these questions.

***Civic participation in new Member States has improved since the early transition...***

Table 4 reports the great variability in voluntary participation between the countries of EU-25, by listing the percentage of respondents who participate in 11 types of organisations, along with the overall percentage of people with no participation and with participation in at least one organisation. Participation rates in some areas would appear to have improved somewhat in a number of the new Member States in Central and Eastern Europe.

177 T. Nowotny ( 1998 ), Central/Eastern Europe and Transitionology, Wien, ÖIIP; J. Stiglitz, (1999), “Wither Reform?” Paper presented at the Annual Bank Conference on Development Economics, Washington D.C., April 1999.

178 C. Wallace, (1998), Spending, Saving or Investing Social Capital: The Case of Shuttle Traders in Post - Communist Central Europe, paper at the 5th International Conference on Social Networks, May 28-31, Spain

179 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.

180 In which the EU countries of that time constituted 15 out of 21 OECD members and where the EU average would have been higher than the figure for the OECD as a whole, itself depressed by the lower scores of the USA and others.

**... and though this score for civic participation continues to be lower than in most of EU-15...**

How the 25 countries differ along the lines of EU-15 countries compared to new Member States, and how scores will be in the Union after enlargement can be highlighted by comparing the averages of each of the 13 scores for EU-15, the 10 new Member States and EU-25. Averages for civic participation in the new Member States (including Cyprus & Malta) are generally lower than in EU-15. But this is not the case in all areas. Thus the average for participation in youth organisations and religious associations (including belonging/going to a church) is significantly higher in the new Member States

In areas of fairly advanced civic engagement, such as consumer and environmental protection, differences are even larger. By contrast the engagement in human rights organisations are much more similar. In EU-15 countries, a little over half the population participate in one or more organisations, while in the ten new Member States the majority of the population are non-participants. Yet, the difference in overall participation measured in this way does not amount to more than eight percentage points.

Measured as a simple average of the scores in the 25 countries, civic participation in the new Union will be noticeably lower. However, in no areas will it be reduced by more than 25% and in most areas the reduction will be less than 15%.

**... differences within the two groups of countries are larger than those between them ...**

**Table 4 Civic participation EU-15, EU-25, 10 new Member States**

	EU-15	10 new MS	EU-25	10 new MS % of the EU-15	EU-25 % of the EU-15
Charity	8.2	6.5	7.3	79%	89%
Religious non charity	6.5	7.7	6.8	118%	105%
Cultural	7.7	7.3	7.2	95%	94%
Trade Union or Political Party	15.3	6.5	11.4	42%	75%
Human rights	2.5	1.8	2.2	72%	88%
Environment etc.	7.5	3.7	5.9	49%	79%
Youth	2.8	4.0	3.1	143%	111%
Consumer	3.5	1.5	2.7	43%	77%
Sport	22.3	11.3	17.3	51%	78%
Hobby	8.5	6.9	7.5	81%	88%
Other	6.2	4.5	5.2	72%	84%
None	47.4	55.4	48.9	117%	103%
At least one	52.6	44.6	51.1	85%	97%

Source: For the 10 new Member States: Eurobarometre, May 2002; for the 15 current Member States: Eurobarometre, Autumn 1998

**Table 5 Civic participation in 10 new Member States, EU-15 and EU-25 per country**

	Charity	Religious	Cultural	Trade Union Political Part	Human Rights	Environ- ment etc.	Youth	Con-sumer	Sport	Hobby	Other	None	At least one
Cyprus	11.6	10.2	9.8	10.8	4.0	3.4	4.4	1.6	10.0	4.0	3.6	56.6	43.4
Czech	6.7	5.5	13.2	8.7	1.9	8.8	5.6	3.2	20.6	10.9	9.0	46.3	53.7
Estonia	3.4	4.6	7.8	4.0	0.7	2.9	3.8	2.5	12.0	11.5	3.1	56.0	44.0
Hungary	5.2	6.1	3.0	5.6	1.6	3.6	2.6	0.4	6.3	4.0	4.1	70.5	29.5
Latvia	4.1	7.0	6.9	4.6	1.3	2.6	2.8	1.2	10.8	5.2	2.8	63.3	36.7
Lithuania	3.0	5.8	5.6	3.7	0.8	2.8	4.0	0.5	8.7	4.8	2.6	56.4	43.6
Malta	12.6	15.6	4.0	5.6	2.8	2.6	3.8	1.2	10.2	5.8	4.6	61.8	38.2
Poland	3.9	4.5	3.4	4.8	0.8	2.1	3.1	0.4	4.8	3.5	2.7	52.9	47.1
Slovakia	9.5	12.2	11.0	7.5	2.9	5.2	3.8	3.8	14.9	8.9	5.0	47.9	52.1
Slovenia	4.8	5.2	8.3	10.0	1.0	3.1	5.6	0.4	14.7	10.6	7.3	42.4	57.6
<b>10 new MS</b>	<b>6.5</b>	<b>7.7</b>	<b>7.3</b>	<b>6.5</b>	<b>1.8</b>	<b>3.7</b>	<b>4.0</b>	<b>1.5</b>	<b>11.3</b>	<b>6.9</b>	<b>4.5</b>	<b>55.4</b>	<b>44.6</b>
Belgium	4.0	3.6	9.1	8.0	2.5	4.6	6.0	1.3	20.4	4.2	7.6	52.1	47.9
Denmark	9.2	4.7	15.7	51.1	5.4	14.5	4.9	5.2	37.6	18.5	7.2	15.6	84.4
Germany	8.5	6.8	4.4	8.4	0.8	7.8	2.3	1.4	31.9	11.9	6.7	44.0	56.0
Greece	2.6	1.7	6.9	2.8	0.3	1.5	0.3	0.3	8.0	1.4	3.8	76.4	23.6
Spain	3.5	3.0	6.2	3.3	1.5	1.0	1.5	0.6	10.2	0.3	3.9	72.3	27.7
France	3.8	4.0	10.0	3.7	1.9	3.4	1.9	1.4	18.2	2.1	7.2	60.1	39.9
Ireland	7.9	8.1	3.5	5.7	2.2	0.9	2.2	0.4	29.1	10.8	7.0	49.3	50.7
Italy	8.2	6.9	5.5	3.9	1.7	2.2	1.7	0.9	10.9	1.4	3.7	66.4	33.6
Luxembourg	10.8	5.1	10.2	11.2	3.2	11.4	3.2	9.3	25.3	4.2	3.1	43.2	56.8
Netherlands	16.5	16.0	10.9	18.5	5.4	24.8	5.4	10.6	36.6	15.8	8.9	20.7	79.3
Austria	7.8	10.4	6.4	10.8	2.8	9.9	2.8	1.2	19.7	9.5	4.3	47.0	53.0
Portugal	4.3	3.9	4.6	3.2	0.1	0.8	0.1	0.5	10.3	1.2	3.1	73.8	26.2
Finland	13.1	8.4	7.0	37.3	1.7	7.0	1.7	0.8	21.4	15.8	8.6	27.9	72.1
Sweden	12.9	4.6	10.1	50.9	7.0	15.1	7.0	18.6	35.9	19.3	11.0	15.4	84.6
UK	10.0	10.8	5.0	10.8	1.7	8.3	1.7	0.7	19.5	11.4	6.8	46.7	53.3
<b>EU-15</b>	<b>8.2</b>	<b>6.5</b>	<b>7.7</b>	<b>15.3</b>	<b>2.5</b>	<b>7.5</b>	<b>2.8</b>	<b>3.5</b>	<b>22.3</b>	<b>8.5</b>	<b>6.2</b>	<b>47.4</b>	<b>52.6</b>
<b>EU-25</b>	<b>7.3</b>	<b>6.8</b>	<b>7.2</b>	<b>11.4</b>	<b>2.2</b>	<b>5.9</b>	<b>3.1</b>	<b>2.7</b>	<b>17.3</b>	<b>7.5</b>	<b>5.2</b>	<b>48.9</b>	<b>51.1</b>

Source: For the 10 new Member States: Eurobarometre, May 2002; for the 15 current Member States: Eurobarometre, Autumn 1998

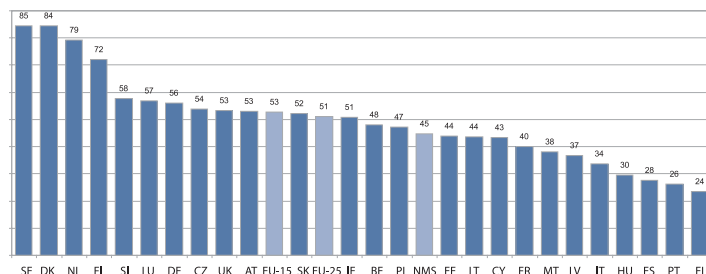
As countries in the next table are sorted by their score for total civic participation, two things are revealed: differences in this measure of civil society vitality are larger within the groups of EU-15 countries and new Member States than they are between them. Enlargement will therefore not so much open a new divide in civil society vitality among the members of the new Union as it will add new facets to the existing clustering along a continuum from the poles in north and south.

Slovenia and the Czech Republic have scores above the EU-15 average, and together with Slovakia they will be above the average for EU-25. By contrast all the Southern Member States and France have scores below the average for the ten new Member States. In addition the three countries with the lowest scores are not the Baltic Republics, but Spain, Portugal and Greece, with Hungary also displaying a participation score below 30%. The Scandinavian countries and the Netherlands will still form a very special cluster, with scores between 70 and 85.

A new higher-middle cluster (scoring 50-60) will extend from Slovenia to Ireland. A lower-middle cluster (scoring 40-50) will include Belgium, Poland, most of the Baltic countries and Cyprus. France, Malta, Latvia and Italy will fall in a cluster, with scores between 30 and 40, but above the aforementioned cluster containing Hungary, Spain, Portugal and Greece.

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### Civic participation in the New Member States, EU-15, EU-25 (% of people participating in at least one organised activity)



Source: 10 NMS - Eurobarometer May 2002, EU-15 countries - Eurobarometer 1998. Percentage of people who participate in at least one organised activity (charity, religious activity, cultural activity, trade union, sport, environmental, etc.)

### ... and new Member States will fit into existing clusters along the North/South divide.

When it comes to the effect of enlargement on the composition of civic participation it would therefore seem that changes will be small. The order of participation by popularity would only change marginally as first religious and environmental and then consumer and youth will change places. Moreover, it would still be a majority of the population in the new Union that participate in civic organisations.

It is clear that the gap to EU-15 countries has narrowed since the early transition period. Yet, capacities for establishing civil dialogue as a constructive part of social policy governance also depend of the extent to which general participation transforms itself into relevant NGOs and the character and resources of government. In that perspective there is little doubt that civil society forces in most Central and Eastern European Countries continue to be less developed than in the majority of EU-15 Member States.

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 many 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 often constrained. Representative, well-organised and capacious NGOs are not so frequent. Moreover, the administrative and decision making resources of local government authorities are not generally of a kind which would allow them to work closely with civil society forces in the implementation of social policy measures.

### Is social participation declining?

Many observers believe that the United States has experienced a steep erosion in social participation during the post-war era. The social participation of Americans is supposedly much lower for all age groups – but especially for the young – than it used to be some decades ago. Secular social trends are thought to be responsible for these developments, notably the prominent role of television entertainment in time use. A leading authority on this matter, Professor Putnam, suggests that the decline in civic mindedness and civic participation in the United States has had important consequences for the health and vitality of American democracy.

The question is whether similar patterns are found in Europe? Though there is no time-series that could answer this in any conclusive way, data presented in this chapter allow for a discussion of whether there is a common trend in the development of civil society vitality in Europe. As indicated above, one finding among the immense variation among countries in Europe is that older and newer democracies appear to differ sharply in their levels of civil society capacities. The divide is not one only between the EU-15 countries and the new Member States in Central and Eastern Europe, but rather there is a clustering effect marked both by a North-South and an East-West divide. The Nordic countries stand out

*as an area where the score for indicators of civil society capacities are extraordinarily high and generally have remained so over the last decades. By contrast civil society capacities measurements for the new Member States in Central and Eastern Europe, while generally lower than the average for EU-15 countries, appear to have improved over the last decade and now these are no longer necessarily lower than in the present Southern Member States. In terms of age groups, social trust appears to have fallen somewhat among younger cohorts in the English-speaking and some Nordic countries. On the other hand, both social tolerance and informal social networks have tended to become stronger among younger cohorts, not weaker. Thus contemporary trends in the development of civil society vitality in Europe would appear to be more complex and encouraging than in the US.*

*As mentioned, the Nordic countries stand out as exceptional on measurements of trust and participation. The question is what we can learn from such countries where civic engagement continues to be so strong and vibrant? Yet, if we approach theories about factors that diminish civil society capacity on the basis of data from these countries none of these appear to hold up. Thus, there is little to no support for the assumption that the state drives out individual voluntary initiative and social participation. On the contrary, participation in voluntary associations seems to be highest in the countries with the most developed welfare states, including in the associations that seek to complement or deliver the services of the welfare state. Moreover, arguments that the spread of Information and Communication Technologies (ICTs) tends to diminish civic mindedness and participation would seem to find little support in the fact that these countries also are the ones with the highest penetration of ICTs and the highest use in daily life. Maybe these countries are just exceptional, but at least it does not seem inevitable that modern life will lead to a decline in social participation and civic engagement.*

#### 4. Industrial Relations & Social Dialogue<sup>181</sup>

Industrial relations and social dialogue is one of the areas where enlargement presents a particular challenge to the Social Model promoted by the European Union. Most of the new Member States in Central and Eastern Europe are still in the process of establishing a fully-fledged system of industrial relations. The bipartite level needs strengthening while the tripartite level is more developed. Presently, the social partners in most of the new CEE Member States have difficulty filling the major role in economic and social governance, which the European Social Model attributes to them.

Enlargement will introduce a marked East-West divide in industrial relations and social dialogue, but this should be seen against the background of the high variability in industrial relations structures and social partner capacities which already exists among the EU-15 countries. The new divide is therefore added to a landscape already marked by significant differences in organisational structure, density, capacities and practices. In fact, when one compares industrial relations in the EU-15 countries and new Member States, several similarities are visible. Moreover, at closer scrutiny some parts of the East-West divide tend to dissolve into already existing patterns of clustering.

##### 4.1 Trade Unions

As illustrated in the table below single dominant peak confederations are found in four EU-15 countries and in five new Member States. Multiple competitive confederations divided along political and other lines exist in five new Member States and in seven of the EU-15 Member States. Finally, a further division between unions in the public and the private sector is found in both Hungary and Greece.

**Table 6. Pattern of trade union organisation at National level in current & New Member States**

	One single dominant confederation	Multiple competitive confederations divided along political & other lines	Separate confederations for blue collar, white collar and academic employees	Divisions along other lines such as public/private or old/new
EU-15	AT DE IE UK	BE FR IT LU NL PT ES	DK SW FI	EL
10 new MS	CZ EE LV SI SK	CY MT PL LT		HU

Based on information in Mark Carley's study for the Dublin Foundation on Living Conditions: "Industrial relations in the EU Member States and candidate countries", Dublin 2002.

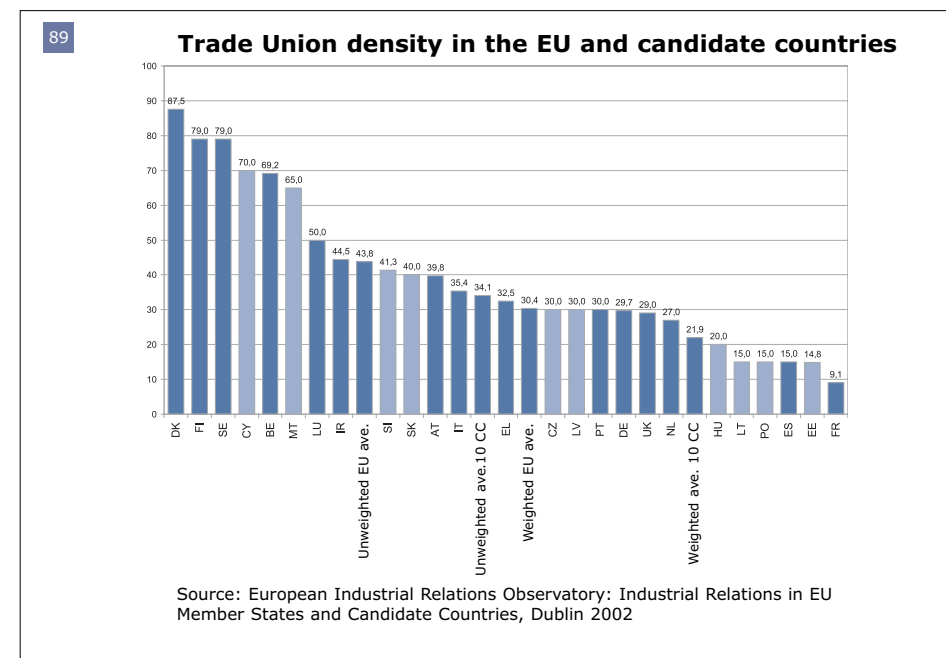
181 This subchapter is based on the following sources where further details can be found: European Commission: Industrial Relations in Europe 2002, chapter on Industrial relations in Candidate countries, p.87-122, Luxembourg 2002. European Foundation for the Improvement of Living and Working Conditions (Mark Carley): Industrial relations in the EU Member States and candidate countries, Luxembourg 2002. European Foundation for the Improvement of Living and Working Conditions: Challenges and opportunities for social dialogue and tripartism, report from European Union Presidency conference 'Tripartism in an enlarged European Union' Elsinore, 29-30 October 2002, Luxembourg 2003. Ludek Rychly & Rainer Pritzer: Social Dialogue at National Level in the EU Accession Countries, International Labour Office - Geneva, February 2003.

182 European Commission: Industrial Relations in Europe 2002.

183 Ibid.

Although the timing and magnitude vary, trade unions in the EU-15 Member States have generally seen their membership falling over recent decades. This results from common trends such as a decline in employment in highly-unionised manufacturing industry and the growth of employment in less-unionised services, and increasing levels of atypical employment<sup>182</sup>.

In recent years as these shifts in employment have eased, membership losses in a number of countries have slowed down and in one case even slightly reversed. Yet, higher overall employment levels may still have lowered union density<sup>183</sup>.



In the new Member States in Central and Eastern Europe the drop in trade union membership has been much steeper and the background more dramatic and particular. Obviously, the change from compulsory to voluntary membership in combination with large-scale privatisation and high levels of unemployment has taken its toll.



But some factors - such as the shift in employment from large-scale manufacturing to small-scale services - are similar in nature if not in scale. The effect on union density of transition related changes vary considerably among the new Member States in Central and Eastern Europe.

A comparative overview of approximate trade union density in the EU-15 countries and the ten new Member States can be constructed from national data of union membership as a percentage of total employment.

Among the EU-15 countries, densities vary from more than 80% in Denmark to less than 10% in France. With a trade union membership amounting to 65% and more of the employed work force, Cyprus and Malta are in the high quarter of an EU of 25, while Lithuania, Poland and Estonia group themselves with Spain and France at the bottom of the scale.

As high achievers among the CEE new Member States, Slovenia and Slovakia exhibit densities close to the unweighted average among the current Member States. The weighted average for EU-15 countries and the new Member States come to 30.4% and 21.9%, respectively.

#### 4.2. Employer organisations

Given that genuine employer organisations only developed after the start of the transition to the market economy in the CEE new Member States, differences between EU-15 countries and new Member States in this area are particularly large. Yet, some similarities emerge at closer scrutiny.

The organisation of employers varies considerably in EU-15. The main distinctions are to what extent the employer and the business interests are gathered in the same organisation and to what extent different sectors are represented separately or together.

Initial employer organisations in the new Member States in Central and Eastern Europe tended to represent the state-owned enterprises. Privatisation has since led to a proliferation of industry and employer organisations. Many of these represent the business/trade interests and focus on lobbying and tripartite consultations or even negotiations rather than collective bargaining. Organisational densities tend to be low. However, this is not the case in all of these countries. As demonstrated in the table below the structure of employer organisations in the new Member States have a number of commonalities with those in the Member States of EU-15.

**Table 7. Pattern of employer organisation at national level in EU-15 countries and new Member States**

	1 single umbrella organisation for employers' and business/trade interests	Separate peak organisations for employers' and business/trade interests	Separate confederations for industry, services and possibly agriculture	Unique forms of organisation Outside the other categories
EU-15	BE, DK, FR, IE, IT NL, ES, SW, UK	DE, (AT, LU)	FI, EL, PT	
10 new MS	CY, EE, LV, LH, SK	CZ, MT PL	HU	SI

Based on information in Mark Carley 's study for the Dublin Foundation on Living Conditions: "Industrial relations in the EU Member States and candidate countries", Dublin 2002.

Notwithstanding such similarities, it is a characteristic feature of most of the new Member States in Central and Eastern Europe that employer organisations at the national and sectoral level are weak, and only organise a fraction of their potential membership. Moreover, with the exception of Hungary and Poland, organisations for employers in the public sector are absent.

Regular national level bargaining (sectoral or intersectoral) with trade unions over pay and other conditions of employment is part of the remit of employer organisations in the great majority of the EU-15 countries. By contrast, employer organisations in the majority of the new Member States in Central and Eastern Europe generally lack the authority and the resources to conclude agreements on behalf of their members. However, when it comes to tripartite consultations and negotiations at the national level, the employer organisations of the new Member States are generally very active in the negotiations with the government and trade unions over issues of interest to their members.



### 4.3. Collective bargaining

Inhibited by a rapidly changing economic environment, low organisational density, limited resources and the absence of a stable institutional framework including a system of arbitration, collective bargaining in the majority of new Member States is generally much less developed than in the EU-15 Member States, in terms of the coverage of bargaining and the number of agreements concluded.

Differences in the levels at which wage bargaining takes place in the EU-15 countries and the new Member States are brought out in the table above.

Collective bargaining is much more coordinated or even centralised in EU-15 countries than in the new Member States, where – with the exception of Slovakia, Slovenia and Cyprus – the company is the dominant level of bargaining. The kind of sectoral bargaining, which is dominant in Austria, Germany, Italy, the Netherlands, Portugal, Spain and Sweden is found only in Slovakia and Cyprus in the new Member States.

The highly centralised system of bargaining in Slovenia has similarities with the systems in Belgium, Finland, Ireland and, in certain respects, also in Austria. Yet, the dominance of company bargaining in the majority of the new Member States is echoed in the UK and to a lesser extent in Luxembourg and France. (See Graph 9 of Section 1, "Direct collective bargaining".) There are large variations in the proportion of workers that have their pay and conditions set by collective agreement in EU-15 countries and the new Member States. The new Member States in Central and Eastern Europe are represented at both ends of the scale, but most of them are found in the lowest quarter of the ranking.

In the multi-annual joint work programme 2003-2005 of the European social partners, governments in the majority of new Member States are called upon to support an autonomous bipartite social dialogue through the strengthening of the existing framework conditions. Only then will the social partners become able to fill a role in economic and social governance similar to that of their counterparts in the EU-15 countries. In turn, such a strengthening will also impact positively on the functioning of the social partners in the tripartite dialogue.

### 4.4. Tripartism

In the majority of EU-15 countries tripartitism is much less important than tripartism. Structures range from more general concertation mechanisms to actual bodies, which can negotiate agreements or take ad-hoc action. In several of the new Member States, by contrast, formal tripartism serves as an important instrument for achieving economic and social development.

The governments of the new Member States have promoted social dialogue by creating tripartite national councils, in which employer and trade union representatives are invited to discussions on economic and social issues. In the new Member States in Central and Eastern Europe this was an obvious response to the lack of a tradition and of arrangements for social partnership. But tripartism is also well established in Cyprus and Malta where it has resulted from the central place of the state in the economy of these countries.

One of the challenges for the tripartite process in the new Member States in Central and Eastern Europe, apart from Slovenia, is that links between what is discussed or agreed at national level and what goes on at the decentralised levels of social dialogue and collective bargaining needs to be strengthened.

Another challenge is to establish a better balance between the government and the social partners in the consultative and decision-making processes. To raise the profile of the dialogue and give it a better tripartite balance the social partners in some of the new Member States in Central and Eastern Europe have sought to establish a firmer legal basis for the tripartite councils. Some of the countries have adopted legislation to that effect. Lately, work in the tripartite councils has been intensified in many new Member States as part of the preparations for EU-membership.



## Annexes to Section 2

- Annex 2.1 Key social indicators per geopolitical entity (latest year)
- Annex 2.2 Key indicators per Member State and Candidate Country (latest 10 years)
- Annex 2.3 Other statistical tables per Member State and Candidate Country
  - 1 Economy
  - 2 Population
  - 3 Education and training
  - 4 Labour market
  - 5 Social protection
  - 6 Income, poverty and social exclusion
  - 7 Gender equality
  - 8 Health and safety
  - 9 Consumption
- Annex 2.4 Symbols, country codes and country groupings, other abbreviations and acronyms

## Annex 2.1: Key social indicators per geopolitical entity (latest year)

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	3.0	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	29	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	:	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	:	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	10	11	18	20	19	15	21	19	16	16	17	12	10
13bf	At-risk-of-poverty rate after social transfers - females	%	2001	17s	17s	16s	15	8	:	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	:	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	5.4p	3.5	3.4	4.9	3.8	4.6	11.2	Inequality of income distribution	12
21	21	22	30	24	17	28p	19	17	29	19	22	29	At-risk-of-poverty rate before social transfers - total	13at
21	21	25	30	24	18	27p	20	:	32	20	23	31	At-risk-of-poverty rate before social transfers - females	13af
21	21	19	31	25	17	28p	17	:	26	18	22	28	At-risk-of-poverty rate before social transfers - males	13am
15	11	12	15	20	11	21p	11	9	17	16	17	25	At-risk-of-poverty rate after social transfers - total	13bt
15	11	14	15	20	12	21p	14	:	19	17	17	26	At-risk-of-poverty rate after social transfers - females	13bf
15	12	9	16	20	10	21p	9	:	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 2.2: Key indicators per Member State and candidate country (last 10 years)

### Key indicator 1

	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>Real GDP growth rate</b> (Growth rate of GDP at constant prices (base year 1995). Annual and year-on-year quarterly growth rates)																															
1995	2.5	2.4	2.2	2.4	5.9	2.8	1.7	4.3	2.1	2.8	1.7	9.9	2.9	6.5	-1.7	6.2	1.4	1.5	6.2	3.0	1.6	7.0	4.3	4.1	6.5	3.5	4.1	2.8	2.9	7.1	7.2
1996	1.7	1.6	1.4	1.2	4.3	2.5	0.8	3.9	2.4	2.4	1.1	8.1	1.1	1.9	3.7	4.7	3.3	1.3	4.0	3.0	2.0	6.0	3.5	3.8	5.8	3.9	1.3	2.7	-9.4	4.0	7.0
1997	2.6	2.5	2.3	3.5	-0.8	3.0	1.4	9.8	3.6	4.0	1.9	11.1	2.0	2.3	8.4	7.0	8.3	4.6	4.9	3.8	1.6	6.8	4.0	4.5	5.6	6.3	2.4	3.3	-5.4	-6.1	7.5
1998	2.9	2.9	2.9	2.0	-1.0	2.5	2.0	4.6	3.4	4.4	3.4	8.6	1.8	4.8	4.8	7.3	6.9	4.9	3.4	4.4	3.9	4.8	4.6	3.7	4.0	5.0	3.7	3.1	3.9	-4.8	3.1
1999	2.9	2.9	2.8	3.2	0.5	2.6	2.1	-0.6	3.4	4.2	3.2	11.3	1.7	4.7	2.8	-1.8	7.8	4.2	4.1	4.0	2.7	4.1	3.8	5.9	1.3	3.4	4.6	2.8	2.3	-1.2	-4.7
2000	3.7	3.6	3.5	3.8	3.3	2.8	2.9	7.3	4.5	4.2	3.8	10.1	3.1	5.0	6.8	4.0	9.2	5.2	6.4	3.5	3.4	4.0	3.7	4.1	2.2	5.1	4.3	3.8	5.4	2.2	7.4
2001	1.7	1.7	1.6	0.6	3.1	1.6	0.9	6.5	4.0	2.8	2.1	6.2	1.8	4.0	7.9	6.5	1.2	3.8	-1.2	1.2	0.8	1.0	1.6	2.9	3.3	1.2	1.1	2.1	4.1	5.7	-7.5
2002	1.1	1.0	0.9	0.7	2.0	1.0	0.2	6.0	3.8	2.0	1.2	6.9	0.4	2.0	6.1	6.8	1.3	3.5	1.7	0.2	1.4	1.4	0.4	2.9	4.4	2.2	1.9	1.7	4.8	4.9	7.8
2003Q1	--	1.1	0.9	1.6	2.4	1.4	0.4	5.2	4.3	2.4	1.3	0.7	0.6	2.6	8.8	9.3	:	2.7	-1.9	-0.2	0.3	2.2	-1.2	2.3	4.1	1.8	1.9	2.2	3.8	8.4	8.1
2003Q2	--	0.2	-0.2	1.0	2.1	-1.0	-0.6	3.5	4.5	2.1	-0.6	2.1	0.3	0.7	6.2	6.7	:	2.4	0.7	-1.2	0.9	3.8	-2.3	2.1	3.8	0.7	0.7	2.6	4.4	4.2	3.9

Notes: Quarterly growth rates are in comparison to the same quarter of the previous year and are based on raw, i.e. not seasonally adjusted data, except for Greece and Portugal. Euro-zone including Greece for 2000 and earlier years.

Source: Eurostat - National Accounts.

### Key indicator 2

	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>Total population, 1st January</b> (The number of inhabitants of the area on 1st January (or on 31st December of the previous year))																															
1994	445 465	370 237	298 003	10 101	10 334	5 197	81 338	1 477	10 410	39 136	57 565	3 583	57 139	633	2 566	3 671	401	10 350	366	15 342	7 929	38 505	9 983	1 989	5 337	5 078	8 745	58 293	8 460	22 748	:
1995	446 577	371 346	298 813	10 131	10 333	5 216	81 539	1 448	10 443	39 197	57 753	3 598	57 269	645	2 530	3 643	407	10 337	370	15 424	7 943	38 581	10 013	1 990	5 356	5 099	8 816	58 500	8 427	22 712	:
1996	447 554	372 374	299 582	10 143	10 321	5 251	81 818	1 425	10 465	39 249	57 936	3 620	57 333	656	2 502	3 615	413	10 321	371	15 494	7 953	38 609	10 041	1 990	5 368	5 117	8 838	58 704	8 385	22 656	:
1997	448 514	373 384	300 359	10 170	10 309	5 275	82 012	1 406	10 487	39 309	58 116	3 652	57 461	666	2 480	3 588	418	10 301	374	15 567	7 965	38 639	10 070	1 987	5 379	5 132	8 845	58 905	8 341	22 582	:
1998	449 318	374 241	301 009	10 192	10 299	5 295	82 057	1 393	10 511	39 388	58 299	3 694	57 563	675	2 458	3 562	424	10 280	377	15 654	7 971	38 660	10 108	1 985	5 388	5 147	8 848	59 090	8 283	22 526	:
1999	450 174	375 176	301 617	10 214	10 290	5 314	82 037	1 379	10 522	39 519	58 497	3 735	57 613	683	2 439	3 536	429	10 253	379	15 760	7 982	38 667	10 150	1 978	5 393	5 160	8 854	59 391	8 230	22 489	:
2000	451 256	376 381	302 567	10 239	10 278	5 330	82 164	1 372	10 554	39 733	58 749	3 777	57 680	690	2 380	3 512	436	10 222	380	15 864	8 002	38 654	10 198	1 988	5 399	5 171	8 861	59 623	8 191	22 456	:
2001	452 261	377 904	303 809	10 263	10 232	5 349	82 260	1 367	10 565	40 122	59 039	3 826	57 844	698	2 364	3 487	440	10 200	391	15 987	8 021	38 249	10 263	1 990	5 379	5 181	8 883	59 863	7 936	21 911	68 036
2002	452368p	377698p	304499p	10 310	10 206	5 368	82 440	1 361	10 988	40 409	59 338	3 901	56 994	706	2 346	3 476	444	10 175	395	16 105	8 039	38 632	10 336	1 994	5 379	5 195	8 909	58 922	7 891	21 872	69 078
2003	453674p	379 484	305 831	10 356	10 203	5 384	82 537	1 356	11018p	40683p	59 630	3 964	57 321	715	2 331	3 463	448	10 142	387	16 193	8 067	38 219	10 407	1 995	5 379	5 206	8 941	59329p	7 846	21 773	70 169

Note: De jure population, except for DE, IE, HU, SI, FI, BG and TR de facto population.

Source: Eurostat - Demographic Statistics

## Key indicator 3

	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)																															
1994	21.8e	22.7	22.2	23.5	19.2	22.8	22.2	19.3	22.2	21.8	22.6	18.0	23.5	17.3	19.9	17.4	20.2	20.7	:	19.1	22.2	16.3	21.2	17.0	16.2	20.8	27.6	24.3	21.8	17.3	:
1995	22.1	23.0	22.6	23.8	19.3	22.7	22.5	19.7	22.8	22.3	23.0	17.8	24.1	17.3	20.3	17.9	20.6	20.9	16.3	19.3	22.4	16.6	21.6	17.4	16.3	21.1	27.4	24.3	22.2	17.6	:
1996	22.4e	23.3	23.1	24.3	19.4	22.5	22.8	20.2	23.4	22.7	23.4	17.6	24.7	17.3	20.7	18.2	21.4	21.2	17.2	19.5	22.6	16.9	22.0	18.0	16.4	21.5	27.4	24.2	22.6	18.0	:
1997	22.6e	23.6	23.4	24.7	19.6	22.4	23.0	20.7	23.9	23.2	23.8	17.4	25.2	17.3	21.1	18.7	21.2	21.3	17.4	19.6	22.7	17.2	22.5	18.5	16.5	21.7	27.4	24.2	22.7	18.2	:
1998	22.9e	23.8	23.7	25.0	19.7	22.3	23.2	21.2	24.4	23.7	24.1	17.2	25.6	17.3	21.5	19.1	21.3	21.6	17.5	19.8	22.8	17.4	22.9	19.0	16.6	21.9	27.3	24.1	23.1	18.7	:
1999	22.1e	24.0	24.0	25.3	19.8	22.2	23.3	21.3	25.0	24.1	24.4	17.0	26.1	17.2	21.6	19.6	21.4	21.8	17.8	19.9	22.9	17.5	23.4	19.4	16.6	22.0	27.1	24.0	23.4	19.0	:
2000	23.4	24.3	24.4	25.5	19.8	22.2	23.9	22.4	25.6	24.6	24.6	16.8	26.6	17.3	22.3	20.0	21.4	22.0	17.9	20.0	22.9	17.6	23.8	19.8	16.6	22.2	26.9	23.9	23.8	19.3	:
2001	23.7e	24.5e	24.6e	25.7	19.8	22.2	24.5	22.7	25.6e	24.7	24.8	16.6	27.1	17.4	22.6	21.2	20.7	22.2	18.1	20.1	22.9	17.8	24.2	20.2	16.5	22.4	26.8	23.8	24.7	19.6	:
2002	24e	24.7e	24.7e	25.8	19.7	22.3	25.2	23.1e	25.8e	25.0	25.0	16.5	27.0e	17.5e	22.9	21.3	20.9	22.3	18.5	20.2	22.9	18.0	24.5	20.6	16.5	22.7	26.6	23.8e	24.9	20.0	:
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

## Key indicator 4

	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</b>																															
1993	2.1	2.7	1.8	0.5	2.2	5.7	-18.9	5.4	0.8	0.3	-1.0	3.2	13.9	-10.8	-6.5	10.6	1.8	3.6	2.9	4.2	-0.4	1.0	-2.3	0.3	1.8	3.7	1.5	0.0	-0.8	:	:
1994	1.6	2.0	1.7	1.0	2.0	3.9	-14.3	2.6	0.7	-0.1	-0.8	2.7	12.1	-7.4	-6.6	9.9	1.7	3.2	1.3	0.4	-0.5	2.0	0.0	0.9	0.7	5.8	1.4	0.0	-0.7	:	:
1995	1.6	2.0	0.2	1.0	5.5	4.9	-10.9	2.0	0.9	-0.3	1.7	1.7	10.2	-4.2	-6.5	11.2	1.7	0.2	1.0	0.3	-0.5	2.5	0.4	0.5	0.8	1.3	2.0	0.0	-0.9	:	:
1996	1.5	1.9	1.5	1.0	3.3	3.4	-9.5	2.1	1.2	-0.3	3.6	2.7	9.0	-2.9	-6.5	8.9	1.7	2.4	1.4	0.5	-0.3	2.5	-1.8	0.4	0.8	0.7	1.8	0.1	-0.9	:	:
1997	1.1	1.3	1.0	1.2	2.3	1.1	-4.9	2.1	1.5	-0.2	5.6	2.2	8.2	-2.8	-6.3	9.0	1.7	2.3	2.0	0.2	-0.3	3.0	-0.7	0.3	0.9	0.7	1.5	0.0	-0.6	:	:
1998	1.4	1.7	1.1	0.9	2.1	0.6	-4.8	1.2	3.2	-0.1	5.0	1.9	6.1	-1.3	-6.2	9.4	1.7	1.6	2.8	1.1	-0.3	3.5	-2.8	0.2	0.9	1.2	3.6	0.0	-0.2	:	:
1999	2.0	2.5	1.6	0.9	1.8	2.5	-0.8	3.4	5.2	0.8	5.4	1.7	6.1	-19.1	-5.9	10.9	1.6	3.1	2.8	2.5	-0.4	3.9	5.5	0.3	0.7	1.5	2.8	0.0	-0.1	:	:
2000	2.5	3.0	1.3	0.6	1.9	2.0	0.1	1.2	8.8	0.9	6.9	3.1	5.7	-1.5	-5.8	4.3	1.6	3.5	3.6	2.2	-0.5	4.9	1.4	0.3	0.5	2.8	2.8	0.0	-0.2	:	:
2001	2.6	3.1	3.5	-0.8	2.2	3.3	0.1	3.2	6.0	1.1	11.9	2.2	6.6	-2.2	-0.7	6.2	1.0	5.7	3.5	2.2	-0.4	5.7	2.5	0.2	1.2	3.2	3.1	0.9	0.0	:	:
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	1.4p

Source: Eurostat - Demographic Statistics



## Key indicator 5

	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>Youth education attainment level</b> (Percentage of the population aged 20 to 24 having completed at least upper secondary education)																																
<b>Total</b>																																
1993	:	:	:	74.8	:	87.5	81.3	:	70.9	55.4	76.6	71.8	54.8b	:	:	:	52.8	:	:	:	:	:	37.8	:	:	:	:	57.8	:	:	:	
1994	:	:	:	76.3	:	84.9	82.8	:	71.4	56.1	77.5	72.2	56.2	:	:	:	54.0	:	:	:	:	:	41.3	:	:	:	:	61.0	:	:	:	
1995	:	69.2e	:	77.6	:	89.3	79.4	:	73.8	59.0	78.6	73.8	59.2	:	:	:	51.9	:	:	:	79.2	:	45.1	:	:	82.4	88.1	64.0	:	:	:	
1996	:	68.1	:	80.2	:	74.6	74.9	:	75.3	61.3	75.2	77.3	61.4	:	:	:	49.5	:	:	:	67.6	80.5	:	46.2	84.4	:	81.9	86.3	62.2	:	:	:
1997	:	69.5	:	80.1	:	73.6	74.8	:	76.8	63.3	76.3	77.4	62.5	:	:	:	53.1	77.7	:	:	70.3	81.8	85.1	47.1	85.7	:	85.9	86.6	65.8	:	82.0	:
1998	:	:	:	79.6	92.2	76.3	:	83.1	77.4	64.3	78.9	:	65.3	:	78.5	70.8	:	81.5	:	:	72.9	84.4	84.5	39.2b	86.8	93.4	85.2	87.5	:	:	81.0	:
1999	74.7p	72.4p	71.1	76.2b	91.8	73.2	74.6	83.0	79.5	65.0	80.0	81.9	66.3	83.4	74.6b	67.0	71.2b	85.2	:	72.3	84.7	81.6	40.2	85.8	93.3	86.8	86.3	75.4p	:	77.8	:	
2000	76.5p	73.6p	72.5	80.9	91.1	69.8	74.7	83.6	80.5	66.1	81.6	82.5	68.8	83.0	76.8	77.9b	77.5	83.6	:	71.7	84.7	87.8	42.8	87.0	94.5	87.8b	85.2	76.5p	74.9	75.8	:	
2001	76.3p	73.4p	72.3	79.4	90.5	78.5	73.6	79.5	80.9	65.5	81.8	84.6	67.0	84.2	70.3b	81.2	68.0	84.3	:	72.1	84.1	88.6	43.2	85.9	94.4	86.5	85.5b	77.1p	78.2b	77.3	:	
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	39.0	73.3	85.0	88.1	43.7	90.0	94.0	86.2	86.7	77.2p	77.5	75.3	:	
<b>Females</b>																																
1993	:	:	:	77.0	:	88.4	80.3	:	74.9	60.0	79.1	76.3	59.0b	:	:	:	47.8	:	:	:	:	:	44.1	:	:	:	:	56.2	:	:	:	
1994	:	:	:	78.8	:	86.2	82.5	:	75.2	61.1	80.1	77.1	60.8	:	:	:	55.2	:	:	:	:	:	47.6	:	:	:	:	59.6	:	:	:	
1995	:	71.3e	:	80.7	:	87.8	79.6	:	78.2	64.4	80.7	78.9	63.8	:	:	:	52.3	:	:	:	74.5	:	52.0	:	:	84.2	86.1	62.0	:	:	:	
1996	:	70.4	:	83.8	:	77.4	74.5	:	79.2	67.3	76.7	82.8	66.2	:	:	:	47.8	:	:	71.0	77.8	:	52.7	86.6	:	83.1	87.1	60.0	:	:	:	
1997	:	72.0	:	82.4	:	77.3	75.1	:	80.7	69.0	77.3	82.1	67.6	:	:	:	53.0	77.9	:	:	74.3	80.1	88.1	53.9	88.7	:	87.2	88.2	64.5	:	82.7	:
1998	:	:	:	82.9	91.6	79.3	:	85.5	82.7	70.2	80.8	:	70.0	:	86.4	76.3	:	81.4	:	:	76.7	82.4	87.1	44.2b	88.5	93.0	85.2	88.1	:	:	81.2	:
1999	77.3p	75.1p	74.2	80.1b	91.6	77.9	74.5	88.6	83.4	71.7	81.4	85.0	70.4	86.2	82.3b	73.2	72.8b	85.3	:	76.3	82.9	84.3	46.9	87.1	93.4	88.8	87.5	76.0p	:	79.1	:	
2000	79.2p	76.6p	75.9	85.2	91.3	74.8	74.8	86.7	85.6	71.8	83.5	85.6	73.8	84.0	82.3	80.3b	75.8	84.0	:	75.3	84.4	91.0	51.7	89.8	94.4	89.9b	87.6	76.9p	77.1	77.0	:	
2001	79.0p	76.4p	75.6	82.0	91.2	80.8	73.6	86.9	85.2	71.8	83.2	88.1	72.3	86.0	76.2b	84.3	69.0	84.4	:	75.3	84.3	91.0	51.9	87.9	95.1	89.6	86.8b	78.6p	79.7b	77.3	:	
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	42.2	76.7	84.4	91.3	52.0	92.3	95.3	90.4	88.3	78.5p	80.2	77.3	:	
<b>Males</b>																																
1993	:	:	:	72.5	:	86.7	82.3	:	66.4	50.7	73.7	67.3	50.6b	:	:	:	57.6	:	:	:	:	:	31.4	:	:	:	:	59.2	:	:	:	
1994	:	:	:	73.8	:	83.7	83.1	:	67.0	51.0	74.6	67.5	51.6	:	:	:	53.0	:	:	:	:	:	34.9	:	:	:	:	62.4	:	:	:	
1995	:	67.1e	:	74.6	:	90.9	79.1	:	68.9	53.7	76.3	68.8	54.5	:	:	:	51.5	:	:	:	84.1	:	38.3	:	:	80.6	90.0	65.9	:	:	:	
1996	:	65.9	:	76.6	:	71.8	75.2	:	70.7	55.4	73.5	72.0	56.5	:	:	:	51.2	:	:	64.2	83.3	:	39.9	82.1	:	80.8	85.5	64.3	:	:	:	
1997	:	66.9	:	77.9	:	69.9	74.5	:	72.2	57.7	75.1	72.9	57.3	:	:	:	53.2	77.5	:	:	66.5	83.6	81.9	40.4	82.8	:	84.6	85.0	67.1	:	81.3	:
1998	:	:	:	76.4	92.8	73.0	:	80.7	71.7	58.5	76.8	:	60.6	:	70.8	65.6	:	81.5	:	:	69.1	86.5	81.7	34.1b	85.1	93.7	85.3	86.9	:	:	80.8	:
1999	72.1p	69.6p	68.0	72.3b	92.0	67.8	74.7	77.1	75.2	58.5	78.6	78.9	62.1	80.1	67.2b	60.9	69.6b	85.2	:	68.4	86.6	78.8	33.6	84.5	93.3	84.8	85.1	74.8p	:	76.3	:	
2000	73.6p	70.6p	69.2	76.7	90.8	64.5	74.6	80.7	74.8	60.6	79.6	79.4	63.6	81.9	71.4	75.6b	79.2	83.1	:	68.1	85.0	84.5	34.0	84.5	94.5	85.6b	82.8	76.2p	72.8	74.5	:	
2001	73.5p	70.4p	69.0	76.9	89.7	76.2	73.6	72.8	76.0	59.4	80.3	81.2	61.6	82.3	64.6b	78.1	67.0	84.1	:	68.9	83.9	86.3	34.5	83.9	93.7	83.4	84.2b	75.7p	76.6b	77.2	:	
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	36.1	70.0	85.6	84.8	35.4	87.9	92.6	81.9	85.2	75.9p	75.0	73.1	:	

Notes: 1) Due to changes in the survey characteristics, data lack comparability with former years in PT (1998), BE (1999), PL (1999 – quarter 1 for that year), FI (2000), SE and BG (2001), LV and LT (2002).

2) In CY, students usually living in the country but studying abroad are not yet covered by the survey.

3) Estimations are provided on the basis of the available country data for EU-15 (1996), new Member States and candidate countries (1999-2001) and EU-25 (1999-2001).

Source: Eurostat - European Union Labour Force Survey

## Key indicator 6

	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-long learning</b> (adult participation in education and training) (Percentage of the population aged 25-64 participating in education and training over the four weeks prior to the survey))																															
<b>Total</b>																															
1993	:	:	:	2.7	:	15.6	:	:	1.1	3.5	3.0	3.5	3.4b	:	:	:	2.6	:	:	14.3	:	:	3.2	:	:	:	10.8	:	:	:	:
1994	:	:	:	2.7	:	15.1	:	:	1.0	3.9	2.9	3.9	3.7	:	:	:	3.3	:	:	13.6	:	:	3.5	:	:	:	11.5	:	:	:	:
1995	:	:	:	2.8	:	16.8	:	:	0.9	4.3	2.9	4.3	4.0	:	:	:	2.9	:	:	13.1	7.7	:	3.3	:	:	:	:	:	:	:	:
1996	:	5.7e	:	2.9	:	18.0	5.7	:	0.9	4.4	2.7	4.8	4.4	:	:	:	2.9	:	:	12.5	7.9	:	3.4	:	:	16.3	26.5	:	:	:	:
1997	:	5.8e	:	3.0	:	18.9	5.4	4.3	0.9	4.5	2.9	5.2	4.9	:	:	:	2.8	2.9	:	12.6	7.8	:	3.5	:	:	15.8	25.0	:	:	0.9	:
1998	:	:	:	4.4	:	19.8	5.3	6.3	1.0	4.3	2.7	:	4.8	:	:	:	5.1 b	3.3	:	12.9	:	:	3.0b	:	:	16.1	:	:	:	1.0	:
1999	:	8.2e	5.7e	6.9b	:	19.8	5.5	6.5	1.2	5.1	2.6	:	5.5	2.6	:	4.0	5.3	2.9	:	13.6	9.1	:	3.4	:	:	17.6	25.8	19.2	:	0.8	:
2000	:	8.5e	5.7e	6.8	:	20.8	5.2	6.0	1.1	5.1	2.8	:	5.5	3.1	:	2.7	4.8	3.1	:	15.6	8.3	:	3.4	:	:	19.6b	21.6	21.1	:	0.9	:
2001	7.9e	8.4e	5.5e	7.3	:	17.8	5.2	5.2	1.4	4.9	2.7	:	5.1	3.4	:	3.7	5.3	3.0	:	16.3	8.2	4.8	3.3	7.6	:	19.3	17.5b	21.7	1.5	1.1	:
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	4.4	16.4	7.5	4.3	2.9	9.1	9.0	18.9	18.4	22.3	1.3	1.1	:
<b>Females</b>																															
1993	:	:	:	2.0	:	17.1	:	:	1.0	3.7	2.9	3.4	3.3b	:	:	:	2.3	:	:	13.2	:	:	3.0	:	:	:	10.9	:	:	:	:
1994	:	:	:	2.1	:	17.3	:	:	0.9	4.4	3.0	3.9	3.5	:	:	:	2.3	:	:	12.7	:	:	3.4	:	:	:	11.7	:	:	:	:
1995	:	:	:	2.3	:	18.9	:	:	0.9	4.8	3.0	4.3	3.9	:	:	:	2.3	:	:	12.2	6.3	:	3.5	:	:	:	:	:	:	:	:
1996	:	5.5e	:	2.5	:	20.1	4.8	:	0.8	4.9	2.8	4.8	4.4	:	:	:	1.9	:	:	11.7	6.1	:	3.5	:	:	17.5	28.4	:	:	:	:
1997	:	5.7e	:	2.6	:	21.4	4.8	5.7	0.8	5.0	3.0	5.3	4.9	:	:	:	2.1	3.0	:	11.5	6.7	:	3.4	:	:	17.4	27.2	:	:	0.8	:
1998	:	:	:	3.8	:	21.9	4.6	7.8	1.0	4.7	2.8	:	4.6	:	:	:	4.8 b	3.6	:	11.8	:	:	3.1b	:	:	17.0	:	:	:	0.9	:
1999	:	8.6e	5.5e	6.1b	:	23.0	5.0	8.4	1.2	5.5	2.7	:	5.2	2.2	:	5.3	4.4	3.1	:	12.7	8.4	:	3.6	:	:	19.1	28.6	22.3	:	0.7	:
2000	:	8.9e	5.7e	6.0	:	23.8	4.8	7.6	1.1	5.6	3.1	:	5.4	3.2	:	3.5	3.9	3.4	:	14.7	7.4	:	3.5	:	:	21.6b	24.1	24.4	:	0.8	:
2001	8.6	9.0e	5.5e	6.9	:	19.1	4.8	6.3	1.2	5.5	3.0	:	5.2	3.4	:	4.9	4.7	3.5	:	15.5	7.7	5.5	3.6	8.2	:	21.4	19.7b	25.7	1.4	1.0	:
2002	8.5e	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	3.8	15.9	7.4	4.7	3.3	9.4	9.4	21.4	21.2	26.3	1.3	1.0	:
<b>Males</b>																															
1993	:	:	:	3.3	:	14.2	:	:	1.2	3.2	3.0	3.6	3.6b	:	:	:	3.0	:	:	15.4	:	:	3.5	:	:	:	10.8	:	:	:	:
1994	:	:	:	3.2	:	13.0	:	:	1.2	3.4	2.8	3.9	3.8	:	:	:	4.4	:	:	14.4	:	:	3.7	:	:	:	11.4	:	:	:	:
1995	:	:	:	3.3	:	14.8	:	:	1.0	3.8	2.8	4.4	4.1	:	:	:	3.5	:	:	13.9	9.2	:	3.0	:	:	:	:	:	:	:	:
1996	:	5.9e	:	3.4	:	16.0	6.4	:	1.1	3.9	2.5	4.8	4.4	:	:	:	3.9	:	:	13.2	9.7	:	3.2	:	:	15.2	24.7	:	:	:	:
1997	:	5.9e	:	3.4	:	16.4	6.0	2.7	1.1	4.0	2.8	5.2	4.8	:	:	:	3.6	2.7	:	13.8	9.0	:	3.7	:	:	14.3	22.8	:	:	1.1	:
1998	:	:	:	5.0	:	17.9	6.0	4.6	1.0	3.8	2.5	:	5.0	:	:	:	5.4b	3.0	:	13.9	:	:	3.0b	:	:	15.3	:	:	:	1.1	:
1999	:	7.9e	5.8e	7.8b	:	16.7	6.0	4.4	1.2	4.6	2.4	:	5.9	3.1	:	2.5	6.2	2.6	:	14.5	9.8	:	3.2	:	:	16.2	23.2	16.4	:	1.0	:
2000	:	8.0e	5.8e	7.6	:	17.9	5.6	4.1	1.1	4.6	2.6	:	5.5	3.1	:	1.9	5.7	2.7	:	16.4	9.2	:	3.3	:	:	17.7b	19.2	17.9	:	1.0	:
2001	7.4e	7.9e	5.5e	7.7	:	16.4	5.7	4.1	1.5	4.3	2.5	:	4.9	3.4	:	2.4	5.9	2.5	:	17.0	8.7	4.2	3.0	6.9	:	17.1	15.4b	18.0	1.5	1.1	:
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	4.9	16.9	7.6	3.9	2.4	8.8	8.7	16.5	15.7	18.6	1.4	1.2	:

Note: F - Training must occur at the time of the interview for it to be counted.  
Source: Eurostat - European Union Labour Force Survey.

## Key indicator 7a

	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</b> (Employed persons aged 15-64 as a percentage of the population of the same age group)																															
<b>Total</b>																															
1993	:	60.1	58.3	55.8	:	72.1	65.1	:	53.7	46.6	59.3	51.7	52.3	:	:	:	60.8	:	:	63.6	:	:	64.6	:	:	61.0	71.3	67.4	:	:	:
1994	:	59.8	57.9	55.7	:	72.3	64.7	:	54.2	46.1	59.1	53.0	51.4	:	:	:	59.9	:	:	64.0	68.5	:	63.9	:	:	60.3	70.2	67.9	:	:	:
1995	:	60.1	58.1	56.1	:	73.4	64.6	:	54.7	46.9	59.5	54.4	51.0	:	:	:	58.7	:	:	64.7	68.8	:	63.5	:	:	61.6	70.9	68.5	:	:	:
1996	:	60.3	58.2	56.2	:	73.8	64.1	:	55.0	47.9	59.5	55.4	51.2	:	:	:	59.2	52.1	:	66.3	67.8	:	64.1	61.6	:	62.4	70.3	69.0	:	:	:
1997	60.6	60.7	58.6	56.8	:	74.9	63.7	:	55.1	49.4	59.6	57.5	51.3	:	:	:	59.9	52.4	:	68.5	67.8	58.9	65.7	62.6	:	63.3	69.5	69.9	:	65.4	:
1998	61.2	61.4	59.3	57.4	67.3	75.1	63.9	64.6	55.5	51.2	60.2	60.6	52.0	:	59.9	63.2	60.5	53.7	:	70.2	67.9	59.0	66.9	62.9	60.6	64.6	70.3	70.5	:	64.2	:
1999	61.9	62.5	60.5	59.3	65.6	76.0	65.2	61.5	55.3	53.7	60.9	63.3	52.7	:	58.8	63.9	61.7	55.6	:	71.7	68.6	57.6	67.5	62.2	58.1	66.4	71.7	71.0	:	63.2	:
2000	62.4	63.4	61.6	60.5	65.0	76.3	65.6	60.4	55.7	56.2	62.1	65.1	53.7	65.7	57.5	59.3	62.7	56.3	54.2	72.9	68.5	55.0	68.4	62.8	56.8	67.2	73.0	71.5	50.4	63.0	48.2
2001	62.8	64.1	62.1	59.9	65.0	76.2	65.8	61.0	55.4	57.7	62.8	65.7	54.8	67.8	58.6	57.5	63.1	56.5	54.3	74.1	68.5	53.4	68.7	63.8	56.8	68.1	74.0	71.7	49.6	62.4	47.1
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	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
<b>Females</b>																															
1993	:	49.2	46.5	44.5	:	68.2	55.1	:	36.6	30.7	51.5	38.5	35.8	:	:	:	44.8	:	:	52.2	:	:	54.6	:	:	59.5	69.7	60.8	:	:	:
1994	:	49.3	46.5	44.6	:	66.9	55.1	:	37.3	30.7	51.6	40.1	35.4	:	:	:	44.4	:	:	53.2	58.9	:	54.2	:	:	58.7	68.5	61.2	:	:	:
1995	:	49.7	46.9	45.0	:	66.7	55.3	:	38.1	31.7	52.1	41.6	35.4	:	:	:	42.6	:	:	53.8	59.0	:	54.3	:	:	59.0	68.8	61.7	:	:	:
1996	:	50.2	47.4	45.4	:	67.4	55.3	:	38.7	32.9	52.2	43.2	36.0	:	:	:	43.8	45.2	:	55.8	58.4	:	54.9	57.1	:	59.4	68.1	62.5	:	:	:
1997	51.1	50.8	48.0	46.5	:	69.1	55.3	:	39.3	34.4	52.4	45.9	36.4	:	:	:	45.3	45.4	:	58.0	58.6	51.3	56.5	58.0	:	60.3	67.2	63.1	:	59.1	:
1998	51.8	51.6	48.9	47.6	58.7	70.2	55.8	60.3	40.2	35.8	53.1	49.0	37.3	:	55.1	58.9	46.2	47.2	:	60.1	58.8	51.7	58.3	58.6	53.5	61.2	67.9	63.6	:	58.2	:
1999	52.9	52.9	50.4	50.4	57.4	71.1	57.4	57.8	40.6	38.4	54.0	52.0	38.3	:	53.9	60.6	48.6	49.0	:	62.3	59.6	51.2	59.6	57.7	52.1	63.4	69.4	64.2	:	57.5	:
2000	53.6	54.1	51.7	51.5	56.9	71.6	58.1	56.9	41.2	41.2	55.2	54.0	39.6	53.5	53.8	57.9	50.1	49.7	33.1	63.5	59.6	48.9	60.5	58.4	51.5	64.2	70.9	64.8	46.3	57.5	25.1
2001	54.3	55.0	52.3	51.0	56.9	72.0	58.7	57.4	40.9	43.0	56.0	54.9	41.1	57.2	55.7	56.2	50.9	49.8	32.1	65.2	60.7	47.7	61.0	58.8	51.8	65.4	72.3	65.0	46.8	57.1	25.4
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	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
<b>Males</b>																															
1993	:	71.0	70.2	67.0	:	75.8	74.9	:	72.1	63.0	67.3	64.8	69.3	:	:	:	76.4	:	:	74.6	:	:	75.4	:	:	62.5	73.0	73.9	:	:	:
1994	:	70.4	69.3	66.6	:	77.5	74.1	:	72.4	61.8	66.8	65.9	67.7	:	:	:	74.9	:	:	74.5	78.1	:	74.2	:	:	62.0	72.0	74.5	:	:	:
1995	:	70.5	69.3	66.9	:	79.9	73.7	:	72.5	62.5	67.2	67.1	66.9	:	:	:	74.4	:	:	75.3	78.5	:	73.3	:	:	64.2	73.1	75.1	:	:	:
1996	:	70.4	69.1	66.9	:	80.0	72.6	:	72.7	63.2	67.0	67.5	66.7	:	:	:	74.3	59.5	:	76.5	77.3	:	73.8	66.0	:	65.4	72.6	75.5	:	:	:
1997	70.2	70.7	69.2	67.1	:	80.5	71.9	:	72.1	64.5	66.9	69.1	66.5	:	:	:	74.3	59.7	:	78.8	77.1	66.8	75.3	67.0	:	66.2	71.7	76.6	:	71.9	:
1998	70.6	71.2	69.8	67.1	76.0	79.9	71.9	69.6	71.6	66.7	67.4	72.1	66.8	:	65.1	67.8	74.5	60.5	:	80.2	77.0	66.5	75.9	67.2	67.8	67.8	72.8	77.3	:	70.4	:
1999	71.0	72.0	70.7	68.1	74.0	80.8	72.8	65.8	70.8	69.2	68.0	74.5	67.3	:	64.1	67.4	74.5	62.4	:	80.9	77.6	64.2	75.9	66.5	64.3	69.2	74.0	77.7	:	69.0	:
2000	71.3	72.8	71.6	69.5	73.2	80.8	72.9	64.3	71.1	71.1	69.2	76.1	68.0	78.7	61.5	60.9	75.0	63.1	75.0	82.1	77.3	61.2	76.6	67.2	62.2	70.1	75.1	78.1	54.7	68.6	71.2
2001	71.3	73.1	71.9	68.8	73.2	80.2	72.8	65.0	70.8	72.4	69.7	76.4	68.5	79.3	61.9	58.9	75.0	63.4	76.2	82.8	76.4	59.2	76.7	68.6	62.0	70.8	75.7	78.3	52.6	67.8	68.6
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	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

Source: Eurostat - Quarterly Labour Force Data (QLFD)

## Key indicator 7b

	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 of older workers</b> (Employed persons aged 55-64 as a percentage of the population of the same age group)																															
<b>Total</b>																															
1993	:	35.8	32.6	21.9	:	52.0	35.8	:	39.5	34.5	29.7	38.4	30.2	:	:	:	25.4	:	:	28.8	:	:	45.4	:	:	34.8	63.4	46.7	:	:	:
1994	:	35.7	32.5	22.5	:	50.9	36.6	:	40.1	32.6	29.6	38.8	29.3	:	:	:	23.5	:	:	29.1	27.2	:	46.5	:	:	33.2	62.0	47.4	:	:	:
1995	:	36.0	32.8	22.9	:	49.8	37.7	:	41.0	32.3	29.6	39.2	28.4	:	:	:	23.7	:	:	28.9	29.7	:	45.8	:	:	34.4	62.0	47.5	:	:	:
1996	:	36.3	33.1	21.9	:	49.1	37.9	:	41.2	33.2	29.4	39.7	28.6	:	:	:	22.9	17.7	:	30.5	29.1	:	47.1	19.1	:	35.4	63.4	47.7	:	:	:
1997	35.7	36.4	33.2	22.1	:	51.7	38.1	:	41.0	34.1	29.0	40.4	27.9	:	:	:	23.9	17.7	:	32.0	28.3	33.9	48.2	21.8	:	35.6	62.6	48.3	:	52.1	:
1998	35.8	36.6	33.3	22.9	37.1	52.0	37.7	50.2	39.0	35.1	28.3	41.7	27.7	:	36.3	40.5	25.1	17.3	:	33.9	28.4	32.1	50.0	23.9	22.8	36.2	63.0	49.0	:	51.5	:
1999	36.2	37.1	33.6	24.6	37.5	54.5	37.8	47.5	39.1	35.0	28.8	43.7	27.6	:	36.6	42.2	26.4	19.4	:	36.4	29.7	31.9	50.3	22.0	22.3	39.0	63.9	49.6	:	49.6	:
2000	36.6	37.8	34.2	26.3	36.3	55.7	37.6	46.3	38.6	37.0	29.9	45.3	27.7	49.4	36.0	40.6	26.7	22.2	28.5	38.2	28.8	28.4	50.7	22.7	21.3	41.6	64.9	50.8	20.8	49.5	35.3
2001	37.5	38.8	35.1	25.1	37.1	58.0	37.9	48.5	38.0	39.2	31.9	46.8	28.0	49.1	36.9	38.9	25.6	24.1	29.4	39.6	28.9	27.4	50.1	25.5	22.4	45.7	66.7	52.3	23.9	48.2	34.7
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	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
<b>Females</b>																															
1993	:	24.2	20.7	12.0	:	41.4	24.0	:	22.3	18.3	24.6	17.7	14.1	:	:	:	14.2	:	:	17.0	:	:	31.9	:	:	33.0	60.5	37.3	:	:	:
1994	:	24.7	21.1	12.8	:	38.9	25.2	:	23.0	17.5	25.2	18.2	13.7	:	:	:	13.3	:	:	17.7	17.2	:	32.8	:	:	31.5	59.1	38.6	:	:	:
1995	:	25.3	21.9	12.9	:	35.9	27.1	:	24.1	17.5	25.6	18.6	13.5	:	:	:	12.6	:	:	18.3	18.2	:	32.4	:	:	33.4	59.2	39.0	:	:	:
1996	:	25.8	22.6	12.4	:	37.1	28.2	:	24.3	17.6	25.5	20.2	14.5	:	:	:	10.8	10.1	:	19.7	17.3	:	34.0	11.5	:	33.3	60.5	38.7	:	:	:
1997	25.5	26.1	22.9	12.9	:	40.3	28.7	:	24.6	18.2	25.0	21.6	14.8	:	:	:	12.9	10.3	:	19.9	17.0	26.1	35.8	14.6	:	33.3	60.4	38.5	:	44.6	:
1998	25.5	26.3	23.0	14.0	22.9	42.0	28.3	41.6	23.4	18.8	24.4	23.1	15.0	:	27.5	27.9	15.5	9.6	:	20.3	17.1	24.1	38.3	16.1	9.4	34.1	60.0	39.2	:	44.5	:
1999	26.3	27.1	23.6	15.7	23.2	45.8	28.8	39.2	24.0	18.8	25.4	25.5	15.0	:	26.6	31.9	17.2	11.3	:	23.1	17.6	24.5	40.6	13.4	10.3	38.0	60.7	39.9	:	43.3	:
2000	26.9	28.0	24.3	16.6	22.4	46.6	29.0	39.0	23.9	20.1	26.3	27.2	15.3	32.1	26.7	33.0	16.4	13.3	8.4	26.1	17.2	21.4	40.7	13.8	9.8	40.4	62.1	41.7	10.3	43.8	19.9
2001	27.8	29.1	25.2	15.5	23.1	49.7	29.4	42.1	22.5	21.8	27.8	28.8	16.2	32.2	30.0	31.1	15.2	15.3	10.2	28.0	18.4	20.4	40.2	15.8	9.8	45.0	64.0	43.1	14.7	42.9	20.2
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	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
<b>Males</b>																															
1993	:	48.0	45.3	32.4	:	63.0	47.8	:	57.9	51.9	35.1	59.4	48.0	:	:	:	37.0	:	:	40.9	:	:	61.9	:	:	37.0	67.0	56.4	:	:	:
1994	:	47.5	44.7	32.7	:	62.8	48.1	:	58.9	49.1	34.3	59.5	46.3	:	:	:	34.1	:	:	40.7	38.4	:	63.0	:	:	35.2	65.4	56.5	:	:	:
1995	:	47.2	44.4	33.5	:	64.7	48.5	:	59.6	48.4	33.8	59.7	44.6	:	:	:	35.1	:	:	39.7	42.2	:	61.0	:	:	35.6	65.2	56.2	:	:	:
1996	:	47.3	44.3	31.8	:	61.7	47.8	:	59.8	50.0	33.6	59.0	43.9	:	:	:	35.5	27.2	:	41.4	41.6	:	62.5	27.6	:	37.8	66.7	57.1	:	:	:
1997	46.6	47.2	44.1	31.7	:	62.7	47.5	:	59.1	51.3	33.2	58.8	42.0	:	:	:	35.4	27.0	:	44.3	40.3	43.1	63.0	29.4	:	38.1	65.1	58.4	:	60.7	:
1998	46.7	47.3	44.1	32.1	53.2	61.3	47.2	62.0	55.8	52.6	32.5	60.1	41.4	:	48.1	57.0	35.2	27.0	:	47.5	40.5	41.5	63.4	31.8	39.1	38.4	66.1	59.1	:	59.5	:
1999	46.8	47.5	44.1	33.8	53.6	62.6	46.8	58.9	55.4	52.3	32.3	61.7	41.2	:	49.9	55.8	35.8	29.7	:	49.6	42.6	40.6	61.3	31.1	36.8	40.1	67.3	59.7	:	56.9	:
2000	46.9	48.0	44.5	36.4	51.7	64.1	46.4	55.9	54.9	55.2	33.6	63.3	40.9	67.3	48.4	50.7	37.2	33.2	50.8	50.2	41.2	36.7	62.1	32.3	35.4	42.9	67.8	60.1	33.2	56.0	51.4
2001	47.7	48.9	45.5	35.1	52.6	65.5	46.5	56.7	55.0	57.9	36.2	64.7	40.4	66.9	46.2	49.2	35.9	34.9	50.4	51.1	40.1	35.6	61.3	35.9	37.7	46.6	69.4	61.7	34.2	54.3	49.9
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	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)

## Key indicator 8a

	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>Unemployment rate</b> (Unemployed persons as a percentage of the active population)																															
<b>Total</b>																															
1994	:	10.5	10.9	9.8	:	7.7	8.2	:	8.9	19.8	11.8	14.3	11.0	:	:	:	3.2	:	:	6.8	3.8	:	6.9	:	:	16.6	9.4	9.3	:	:	:
1995	:	10.1	10.6	9.7	:	6.7	8.0	:	9.2	18.8	11.3	12.3	11.5	:	:	:	2.9	:	:	6.6	3.9	:	7.3	:	:	15.4	8.8	8.5	:	:	:
1996	:	10.2	10.9	9.5	:	6.3	8.7	:	9.6	18.1	11.9	11.7	11.5	:	:	:	2.9	9.6	:	6.0	4.4	:	7.3	6.9	:	14.6	9.6	8.0	:	:	:
1997	:	10.0	10.9	9.2	:	5.2	9.7	9.6	9.8	17.0	11.8	9.9	11.6	:	:	:	2.7	9.0	:	4.9	4.4	10.9	6.8	6.9	:	12.7	9.9	6.9	:	5.3	:
1998	9.4	9.4	10.2	9.3	6.4	4.9	9.1	9.2	10.9	15.2	11.4	7.5	11.7	:	14.3	11.8	2.7	8.4	:	3.8	4.5	10.2	5.1	7.4	:	11.4	8.2	6.2	:	5.4	:
1999	9.2	8.7	9.3	8.6	8.6	4.8	8.4	11.3	11.8	12.8	10.7	5.6	11.3	:	14.0	11.2	2.4	6.9	:	3.2	3.9	13.4	4.5	7.2	16.7	10.2	6.7	5.9	:	6.2	:
2000	8.8	7.8	8.4	6.9	8.7	4.4	7.8	12.5	11.0	11.3	9.3	4.3	10.4	5.2	13.7	15.7	2.3	6.3	7.0	2.9	3.7	16.4	4.1	6.6	18.7	9.8	5.6	5.4	16.4	6.8	6.5
2001	8.5	7.4	8.0	6.7	8.0	4.3	7.8	11.8	10.4	10.6	8.5	3.9	9.4	4.4	12.9	16.1	2.1	5.6	6.7	2.5	3.6	18.5	4.1	5.8	19.4	9.1	4.9	5.0	19.2	6.6	8.3
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	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
<b>Females</b>																															
1994	:	11.9	13.3	12.7	:	8.5	9.8	:	13.7	26.1	13.8	14.6	15.4	:	:	:	4.1	:	:	7.9	4.9	:	7.9	:	:	14.8	7.8	7.1	:	:	:
1995	:	11.7	13.1	12.7	:	8.1	9.4	:	14.1	25.3	13.5	12.5	16.1	:	:	:	4.3	:	:	8.1	5.0	:	8.2	:	:	15.1	7.8	6.7	:	:	:
1996	:	11.7	13.1	12.5	:	7.5	9.5	:	15.2	24.4	13.9	11.8	15.9	:	:	:	4.2	8.8	:	7.7	5.2	:	8.2	6.7	:	14.9	9.0	6.3	:	:	:
1997	:	11.6	13.1	11.9	:	6.2	10.4	8.9	15.2	23.4	13.7	9.9	16.1	:	:	:	3.9	8.1	:	6.6	5.4	13.0	7.6	7.1	:	13.0	9.5	5.8	:	5.7	:
1998	11.0	11.1	12.5	11.6	8.1	6.0	9.7	8.3	16.7	21.8	13.4	7.3	16.1	:	13.6	10.4	4.0	7.8	:	5.0	5.4	12.2	6.4	7.5	:	12.0	8.0	5.3	:	5.3	:
1999	10.7	10.2	11.4	10.3	10.3	5.4	8.9	10.1	17.8	18.7	12.7	5.5	15.5	:	13.6	10.0	3.3	6.3	:	4.4	4.7	15.3	5.2	7.4	16.9	10.7	6.8	5.1	:	5.6	:
2000	10.2	9.2	10.3	8.5	10.4	4.8	8.1	11.5	16.7	16.7	11.2	4.3	14.3	7.8	12.9	13.4	3.1	5.6	7.8	3.8	4.3	18.6	5.1	6.8	18.5	10.6	5.3	4.8	16.2	6.3	6.3
2001	9.7	8.6	9.7	7.6	9.7	4.9	7.9	12.0	15.5	15.4	10.3	3.8	12.9	6.4	11.5	13.8	2.7	4.9	8.0	3.1	4.2	20.2	5.1	6.2	18.9	9.7	4.5	4.4	18.4	6.2	7.4
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	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
<b>Males</b>																															
1994	:	9.4	9.2	7.7	:	7.1	7.1	:	6.0	16.2	10.2	14.2	8.5	:	:	:	2.6	:	:	6.0	3.0	:	6.1	:	:	18.1	10.8	11.0	:	:	:
1995	:	9.0	8.9	7.6	:	5.6	7.0	:	6.2	14.9	9.5	12.2	8.8	:	:	:	2.0	:	:	5.5	3.1	:	6.5	:	:	15.7	9.7	9.9	:	:	:
1996	:	9.1	9.2	7.4	:	5.3	8.1	:	6.1	14.4	10.2	11.5	8.9	:	:	:	2.2	10.2	:	4.8	3.7	:	6.5	7.0	:	14.3	10.1	9.3	:	:	:
1997	:	8.9	9.2	7.3	:	4.4	9.1	10.3	6.4	13.1	10.2	9.9	8.9	:	:	:	2.0	9.7	:	3.7	3.7	9.1	6.1	6.8	:	12.3	10.2	7.7	:	5.0	:
1998	8.2	8.2	8.6	7.7	5.0	3.9	8.6	9.9	7.1	11.2	9.7	7.7	9.0	:	15.1	13.1	1.9	9.0	:	3.0	3.8	8.5	4.1	7.3	:	10.9	8.4	6.9	:	5.5	:
1999	8.1	7.5	7.8	7.3	7.3	4.4	8.1	12.5	7.8	9.0	9.1	5.7	8.6	:	14.4	12.3	1.8	7.4	:	2.3	3.4	11.8	3.9	7.0	16.6	9.8	6.6	6.5	:	6.8	:
2000	7.7	6.7	7.0	5.6	7.3	4.1	7.5	13.4	7.2	7.9	7.6	4.3	8.0	3.2	14.4	17.9	1.8	6.8	6.6	2.2	3.1	14.6	3.3	6.4	18.9	9.1	5.9	5.9	16.7	7.2	6.6
2001	7.6	6.5	6.8	6.0	6.7	3.9	7.8	11.5	6.9	7.5	7.0	4.0	7.3	2.9	14.2	18.4	1.7	6.1	6.2	2.0	3.2	17.1	3.2	5.5	19.8	8.6	5.2	5.5	20.0	6.9	8.7
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	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

Source: Eurostat - Unemployment rates (ILO definition)

## Key indicator 8b

	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>Long-term unemployment rate</b> (Long-term unemployed persons (12 months and more) as a percentage of the active population)																															
<b>Total</b>																															
1993	:	4.4	4.6	4.5	:	2.6	3.1	:	4.2	9.2	4.0	10.0	5.8	:	:	:	0.8	:	:	3.3	:	:	2.0	:	:	:	1.4	4.2	:	:	:
1994	:	5.0	5.4	5.6	:	2.5	3.7	:	4.4	11.0	4.5	9.7	6.7	:	:	:	0.9	:	:	3.3	1.1	:	2.7	:	:	:	2.3	4.1	:	:	:
1995	:	4.9	5.4	5.8	:	2.0	3.9	:	4.7	10.5	4.5	8.0	7.3	:	:	:	0.7	:	:	3.1	1.0	:	3.3	:	:	:	2.3	3.6	:	:	:
1996	:	4.9	5.5	5.6	:	1.8	4.2	:	5.2	9.7	4.6	7.4	7.5	:	:	:	0.8	5.2	:	3.0	1.2	:	3.4	3.4	:	:	2.8	3.1	:	:	:
1997	:	4.9	5.6	5.4	:	1.5	4.9	:	5.3	8.9	4.8	6.0	7.5	:	:	:	0.9	4.5	:	2.3	1.3	5.1	3.3	3.4	:	4.9	3.1	2.5	:	2.4	:
1998	:	4.4	5.1	5.5	1.9	1.3	4.7	4.3	5.8	7.6	4.6	3.9	7.0	:	7.9	7.0	0.9	4.2	:	1.5	1.3	4.8	2.2	3.3	:	4.1	2.6	1.9	:	2.3	:
1999	:	4.0	4.5	4.9	3.1	1.0	4.3	5.0	6.4	5.9	4.2	2.6	6.8	:	7.6	4.8	0.7	3.3	:	1.2	1.2	5.8	1.8	3.2	7.8	3.0	1.9	1.7	:	2.7	:
2000	4.0	3.5	4.0	3.7	4.2	1.0	3.9	5.7	6.0	4.7	3.6	1.6	6.4	1.3	7.9	7.8	0.6	3.0	4.6	0.7	1.0	7.6	1.7	4.1	10.1	2.8	1.4	1.5	9.3	3.5	1.4
2001	3.8	3.1	3.6	3.2	4.1	0.8	3.8	5.7	5.4	3.9	3.0	1.2	5.8	0.9	7.2	9.1	0.6	2.5	3.2	0.6	0.9	9.3	1.5	3.5	11.4	2.5	1.0	1.3	11.9	3.3	1.8
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	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
<b>Females</b>																															
1993	:	5.4	6.3	6.6	:	3.0	4.1	:	7.6	15.7	4.8	9.5	8.8	:	:	:	0.9	:	:	4.0	:	:	2.0	:	:	:	0.4	2.4	:	:	:
1994	:	6.0	7.1	7.7	:	2.8	4.7	:	7.7	17.8	5.4	9.1	9.8	:	:	:	1.0	:	:	3.6	1.6	:	2.8	:	:	:	0.8	2.3	:	:	:
1995	:	5.9	7.1	7.7	:	2.2	4.8	:	8.1	16.8	5.5	7.3	10.5	:	:	:	1.0	:	:	3.3	1.5	:	3.4	:	:	:	1.0	2.0	:	:	:
1996	:	5.9	7.1	7.6	:	2.1	4.9	:	9.3	15.4	5.6	6.7	10.6	:	:	:	1.1	4.5	:	3.6	1.5	:	3.6	3.1	:	:	1.5	1.7	:	:	:
1997	:	5.8	7.0	7.1	:	1.9	5.6	:	9.3	14.1	5.7	5.1	10.5	:	:	:	1.3	4.0	:	3.1	1.6	6.7	3.6	3.3	:	4.9	2.0	1.5	:	2.9	:
1998	:	5.4	6.4	7.0	2.5	1.8	5.3	4.0	9.9	12.4	5.5	2.8	9.5	:	7.5	6.0	1.1	3.9	:	1.8	1.8	6.3	2.7	3.3	:	4.0	1.8	1.2	:	2.5	:
1999	:	4.7	5.7	5.9	4.2	1.2	4.7	4.4	10.5	9.4	5.1	1.9	9.3	:	7.6	4.0	0.8	2.9	:	1.5	1.5	7.4	2.1	3.0	8.4	2.8	1.4	1.0	:	2.7	:
2000	4.7	4.2	5.0	4.6	5.1	1.1	4.2	4.9	9.8	7.6	4.4	1.0	8.8	2.4	7.5	6.3	0.6	2.5	4.4	1.0	1.2	9.3	2.1	4.1	10.1	2.7	1.0	0.9	9.1	3.4	1.9
2001	4.5	3.7	4.6	3.6	5.1	1.0	4.1	5.3	8.6	6.3	3.7	0.8	8.0	1.3	6.4	7.4	0.7	2.1	2.3	0.8	1.1	10.9	1.9	3.6	11.4	2.3	0.8	0.8	11.3	3.2	2.4
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	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
<b>Males</b>																															
1993	:	3.7	3.4	3.1	:	2.3	2.5	:	2.2	5.4	3.2	10.3	4.1	:	:	:	0.7	:	:	2.9	:	:	2.0	:	:	:	2.6	5.6	:	:	:
1994	:	4.3	4.1	4.1	:	2.2	3.0	:	2.4	6.9	3.8	10.1	5.0	:	:	:	0.8	:	:	3.1	0.8	:	2.8	:	:	:	3.9	5.5	:	:	:
1995	:	4.2	4.2	4.5	:	1.8	3.2	:	2.5	6.6	3.6	8.5	5.4	:	:	:	0.6	:	:	2.9	0.7	:	3.3	:	:	:	3.6	4.8	:	:	:
1996	:	4.2	4.3	4.3	:	1.5	3.7	:	2.7	6.2	3.8	7.8	5.7	:	:	:	0.7	5.8	:	2.6	0.9	:	3.3	3.7	:	:	3.8	4.2	:	:	:
1997	:	4.2	4.4	4.2	:	1.1	4.3	:	2.8	5.7	4.0	6.5	5.7	:	:	:	0.7	4.9	:	1.8	1.0	3.7	3.0	3.6	:	4.9	4.0	3.3	:	2.1	:
1998	:	3.7	4.1	4.5	1.5	0.9	4.2	4.4	3.1	4.8	3.9	4.6	5.4	:	8.3	7.9	0.7	4.5	:	1.3	1.0	3.5	1.9	3.3	:	4.3	3.2	2.5	:	2.2	:
1999	:	3.3	3.7	4.1	2.3	0.9	4.0	5.5	3.7	3.7	3.5	3.2	5.2	:	7.6	5.6	0.7	3.6	:	0.9	1.0	4.5	1.5	3.4	7.4	3.2	2.2	:	2.8	:	
2000	3.4	2.9	3.2	3.0	3.4	0.9	3.7	6.5	3.5	2.8	2.9	2.1	4.9	0.5	8.3	9.2	0.5	3.4	4.6	0.5	0.9	6.1	1.4	4.0	10.1	2.8	1.7	1.9	9.5	3.6	1.2
2001	3.3	2.7	2.9	3.0	3.4	0.7	3.7	6.0	3.1	2.3	2.4	1.6	4.5	0.6	8.0	10.7	0.5	2.9	3.5	0.5	0.7	7.9	1.2	3.4	11.3	2.7	1.2	1.7	12.5	3.3	1.6
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	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

Source: Eurostat - Quarterly Labour Force Data (QLFD)

## Key indicator 9

	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</b>																															
1992	:	27.7	27.2	27.7	:	30.3	27.6	:	21.2	22.4	29.3	20.3	26.2	:	:	:	22.5	:	:	31.9	27.8	:	18.4	:	:	33.6	37.1	27.9	:	:	:
1993	:	28.7	28.3	29.3	:	31.9	28.4	:	22.0	24.0	30.7	20.2	26.4	:	:	:	23.3	:	:	32.3	29.1	:	21.0	:	:	34.5	38.2	29.0	:	:	:
1994	:	28.5	28.0	28.7	:	32.8	28.3	:	22.1	22.8	30.5	19.7	26.0	:	:	:	22.9	:	:	31.7	29.9	:	21.3	:	:	33.8	36.7	28.6	:	:	:
1995	:	28.2	27.9	28.1	:	32.2	28.9	:	22.3	22.1	30.7	18.9	24.8	:	:	:	23.7	:	:	30.9	29.8	:	22.1	:	18.7	31.7	34.6	28.2	:	:	:
1996	:	28.4	28.2	28.6	:	31.4	29.9	:	22.9	21.9	31.0	17.8	24.8	:	:	:	24.1	:	:	30.1	29.8	:	21.2	24.7	19.8	31.6	33.9	28.0	:	:	:
1997	:	28.0	27.8	27.9	:	30.4	29.5	:	23.3	21.2	30.8	16.6	25.5	:	:	:	22.8	:	:	29.4	28.7	:	21.4	25.2	20.0	29.2	33.0	27.5	:	:	:
1998	:	27.5	27.4	27.6	:	30.2	29.3	:	24.2	20.6	30.5	15.4	25.0	:	:	:	21.7	:	18.9	28.4	28.3	:	22.1	25.3	20.2	27.2	32.2	26.9	:	:	:
1999	:	27.4	27.4	27.3	:	30.0	29.6	:	25.5	20.2	30.2	14.7	25.2	:	:	:	21.7	20.9	18.4	28.0	28.9	:	22.6	25.2	20.2	26.8	31.8	26.4	:	:	:
2000	:	27.3	27.2	26.8	:	29.2	29.6	:	26.3	20.2	29.8	14.2	25.2	:	:	:	20.3	20.3	17.9	27.4	28.4	:	23.0	25.4	19.5	25.5	30.7	27.1	:	:	:
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)

## Key indicator 10

	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 percentage of total social benefits</b>																															
1992	:	:	45.1	41.6	:	35.4	41.3	:	52.5	40.7	43.0	28.5	60.4	:	:	:	47.0	:	:	37.3	47.8	:	40.7	:	:	32.1	:	43.3	:	:	:
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	:	:	:
1995	:	44.9	45.5	43.1	:	37.7	42.7	:	52.0	43.9	43.5	26.4	63.4	:	:	:	45.1	:	:	38.0	47.1	:	41.1	:	37.9	32.8	37.3	43.2	:	:	:
1998	:	45.9	46.6	44.0	:	38.4	42.3	:	53.9	45.5	43.9	25.8	64.0	:	:	:	43.2	:	50.8	41.0	49.1	:	44.1	45.5	36.1	34.5	39.7	45.1	:	:	:
2000	:	46.6	46.6	44.3	:	38.0	42.2	:	49.7	46.2	43.9	25.4	63.2	:	:	:	39.8	40.9	51.6	42.4	49.1	:	44.7	45.3	38.6	35.9	39.5	48.7	:	:	:
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)

## Key indicator 11

	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>Public expenditure on active LMP measures as a percentage of GDP</b> (Categories 2-7 excl. 2.4)																															
	Females and males																														
1998	:	:	1.108	1.640	0.913	:	0.509	0.898	0.917	:	:	:	:	:	:	:	:	:	:	0.291	:	:	:	:	0.970	2.164	0.060	:	:	:	
1999	:	0.732	1.025	1.813	1.001	:	0.257	0.649	0.960	0.854	0.417	:	:	:	:	:	:	:	0.914	0.367	:	0.248	:	:	0.911	1.929	0.089	:	:	:	
2000	:	0.682	1.003	1.659	0.915	:	0.253	0.682	0.929	0.781	0.436	:	:	:	:	:	:	:	0.917	0.361	:	0.277	:	:	0.748	1.468	0.090	:	:	:	
2001	:	0.663	0.952	1.624	0.887	:	0.264	0.658	0.873	0.710	0.509	:	:	:	:	:	:	:	0.920	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)

## Key indicator 12

	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>Inequality of income distribution</b> (income quintile share ratio) (The ratio of total income received by the 20% of the population with the highest income (top quintile) to that received by the 20% of the population with the lowest income (lowest quintile). Income must be understood as equivalised disposable income.)																															
1994	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	10.9
1995	:	5.1s	5.1s	4.5	:	2.9	4.6	:	6.5	5.9	4.5	5.1	5.9	:	:	4.3	:	:	4.2	4.0	:	7.4	:	:	:	:	5.2	:	:	:	
1996	:	4.8s	4.8s	4.2	3.3	:	4.0	7.0	6.3	6.0	4.3	5.1	5.6	:	5.0	5.2	4.0	:	4.4	3.8	:	6.7	3.1	:	3.0	3.0	5.0	:	:	:	
1997	:	4.7s	4.7s	4.0	:	2.9	3.7	7.0	6.6	6.5	4.4	5.0	5.3	4.4	4.8	4.6	3.6	:	:	3.6	3.6	:	6.7	3.2	:	3.0	:	4.7	:	:	
1998	:	4.6s	4.5s	4.0	:	:	3.6	6.7	6.5	5.9	4.2	5.2	5.1	:	5.4	4.8	3.7	:	:	3.6	3.5	:	6.8	3.2	:	3.1	:	5.2	3.9	4.2	:
1999	4.5s	4.6s	4.5s	4.2	:	3.0	3.6	6.5	6.2	5.7	4.4	4.9	4.9	:	5.1	5.0	3.9	:	:	3.7	3.7	4.2	6.4	3.2	:	3.4	3.1	5.2	3.8	4.4	:
2000	:	4.4s	4.3s	4.3	:	:	3.5	6.3	5.8	5.4	4.2	4.7	4.8	:	5.5	:	3.7	3.2	4.5	3.5	3.4	4.6	6.4	3.2	:	3.3	:	5.2	3.8	:	:
2001	4.4s	4.4s	4.4s	4.0	3.4	3.0	3.6	6.1	5.7	5.5	4.0	4.5	4.8	:	:	4.9	3.8	3.4	:	3.8	3.5	4.5	6.5	:	:	3.5	3.4	4.9	3.8	4.6	:
2002	:	:	:	:	:	:	:	6.1	:	:	:	:	:	:	5.5	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	11.2
2003	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	5.4p	:	:	:	:	:	:

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



## Key indicator 13a

	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</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.)																																
<b>Total</b>																																
1994	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	26
1995	:	26s	24s	27	:	:	22	:	23	27	26	34	23	:	:	:	25	:	:	24	24	:	27	:	:	:	:	32	:	:	:	
1996	:	25s	24s	27	19	:	22	24	22	26	26	34	23	:	22	22	24	:	:	24	25	:	27	16	:	23	:	29	:	:	:	
1997	:	25s	24s	26	:	:	22	23	23	27	26	32	22	18	22	21	22	:	:	23	24	:	27	17	:	23	:	30	:	:	:	
1998	:	24s	23s	25	:	:	22	26	22	25	25	32	21	:	22	21	23	:	:	21	24	:	27	17	:	22	:	30	18	21	:	
1999	24s	24s	22s	24	:	:	21	25	22	23	24	30	21	:	22	22	24	:	:	21	23	28	27	18	:	21	:	30	17	22	:	
2000	:	23s	22s	23	:	:	20	26	22	22	24	31	21	:	22	:	23	19	21	21	22	30	27	17	:	19	:	29	17	:	:	
2001	24s	24s	22s	23	18	36	21	25	23	23	24	30	22	:	:	24	23	20	:	21	22	30	24	:	:	19	34	29	19	22	:	
2002	:	:	:	:	:	:	25	:	:	:	:	:	:	:	24	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	29	:
2003	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	28p	:	:	:	:	:	:	:
<b>Females</b>																																
1994	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	27
1995	:	27s	25s	28	:	:	23	:	24	27	27	35	24	:	:	:	26	:	:	24	27	:	29	:	:	:	:	35	:	:	:	
1996	:	26s	25s	28	20	:	23	26	23	26	27	35	24	:	22	23	25	:	:	24	27	:	28	:	:	24	:	32	:	:	:	
1997	:	26s	25s	27	:	:	23	24	23	27	26	34	23	20	22	22	22	:	:	24	26	:	29	:	:	24	:	33	:	:	:	
1998	:	25s	24s	27	:	:	22	27	23	25	25	34	22	:	21	22	23	:	:	22	27	:	28	:	:	23	:	33	20	21	:	
1999	25s	25s	23s	26	:	:	21	24	23	23	25	32	21	:	22	22	24	:	:	22	26	28	28	19	:	22	:	32	19	22	:	
2000	:	24s	23s	25	:	:	22	26	23	23	25	33	21	:	21	:	22	19	21	21	25	29	28	18	:	21	:	32	19	:	:	
2001	25s	25s	23s	25	19	:	23	26	24	25	24	32	23	:	:	24	23	21	:	21	25	30	24	:	:	20	:	32	20	23	:	
2002	:	:	:	:	:	:	26	:	:	:	:	:	:	:	25	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	31	:
2003	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	27p	:	:	:	:	:	:	:
<b>Males</b>																																
1994	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	25
1995	:	25s	24s	26	:	:	21	:	22	27	26	32	22	:	:	:	24	:	:	24	22	:	26	:	:	:	:	29	:	:	:	
1996	:	24s	23s	25	17	:	21	23	22	26	25	32	22	:	22	21	23	:	:	23	22	:	26	:	:	23	:	27	:	:	:	
1997	:	24s	23s	25	:	:	21	22	22	27	25	31	22	17	22	19	22	:	:	22	22	:	26	:	:	23	:	27	:	:	:	
1998	:	23s	22s	24	:	:	21	24	21	25	24	30	20	:	23	20	23	:	:	21	22	:	26	:	:	21	:	26	15	21	:	
1999	23s	23s	22s	23	:	:	20	25	22	23	24	28	20	:	23	21	24	:	:	21	21	29	27	17	:	19	:	27	15	22	:	
2000	:	22s	21s	22	:	:	19	25	22	21	24	29	20	:	23	:	23	18	21	21	20	31	26	17	:	18	:	26	16	:	:	
2001	23s	22s	21s	21	18	:	20	25	21	22	23	29	21	:	:	24	24	20	:	21	19	31	25	:	:	17	:	26	18	22	:	
2002	:	:	:	:	:	:	25	:	:	:	:	:	:	:	24	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	28	:
2003	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	28p	:	:	:	:	:	:	:

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

## Key indicator 13b

	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 after social transfers</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.)																																	
<b>Total</b>																																	
1994	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	23
1995	:	17s	17s	16	:	10	15	:	22	19	15	19	20	:	:	12	:	:	11	13	:	23	:	:	:	:	:	20	:	:	:		
1996	:	16s	16s	15	8	:	14	20	21	18	15	19	20	:	16	18	11	:	12	14	:	21	11	:	8	:	18	:	:	:			
1997	:	16s	16s	14	:	10	12	19	21	20	15	19	19	16	15	15	11	:	10	13	:	22	11	:	8	8	18	:	:	:			
1998	:	15s	15s	14	:	:	11	19	21	18	15	19	18	:	17	17	12	:	10	13	:	21	12	:	9	:	19	16	15	:			
1999	15s	15s	15s	13	:	10	11	17	21	19	15	19	18	:	16	17	13	:	11	12	15	21	11	:	11	8	19	15	16	:			
2000	:	15s	15s	13	:	:	10	18	20	18	16	20	18	:	16	:	12	9	15	10	12	16	21	11	:	11	:	19	14	:			
2001	15s	15s	15s	13	8	10	11	18	20	19	15	21	19	:	:	17	12	10	:	11	12	15	20	:	:	11	9	17	16	17	:		
2002	:	:	:	:	:	:	:	18	:	:	:	:	:	:	16	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	25	
2003	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	21p	:	:	:	:	:	:	:	
<b>Females</b>																																	
1994	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	24	
1995	:	18s	18s	17	:	:	16	:	22	19	16	20	21	:	:	13	:	:	12	15	:	24	:	:	:	:	:	22	:	:	:		
1996	:	18s	17s	17	9	:	16	21	21	18	16	21	21	:	16	19	11	:	12	16	:	22	:	:	9	:	20	:	:	:			
1997	:	17s	17s	15	:	:	13	19	22	21	16	20	20	18	16	16	12	:	11	14	:	23	:	:	9	:	19	:	:	:			
1998	:	16s	16s	15	:	:	12	21	22	18	15	20	19	:	16	17	13	:	10	15	:	22	:	:	11	:	21	18	15	:			
1999	16s	16s	16s	14	:	:	12	17	21	19	16	20	18	:	15	18	13	:	11	14	14	22	12	:	12	:	21	17	17	:			
2000	:	16s	16s	14	:	:	11	19	20	19	16	21	19	:	16	:	12	10	15	10	14	15	22	12	:	13	:	21	15	:			
2001	17s	17s	16s	15	8	:	12	19	22	20	16	23	20	:	17	13	10	:	11	14	15	20	:	:	14	:	19	17	17	:			
2002	:	:	:	:	:	:	:	19	:	:	:	:	:	:	16	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	26	
2003	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	21p	:	:	:	:	:	:	:	:	
<b>Males</b>																																	
1994	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	23	
1995	:	16s	16s	15	:	:	13	:	21	19	15	17	19	:	:	11	:	:	11	12	:	21	:	:	:	:	19	:	:	:			
1996	:	15s	15s	14	6	:	12	18	21	18	14	18	19	:	15	16	11	:	11	12	:	20	:	:	8	:	16	:	:	:			
1997	:	15s	15s	13	:	:	11	17	21	20	14	18	19	15	15	14	11	:	10	11	:	20	:	:	8	:	16	:	:	:			
1998	:	14s	14s	12	:	:	10	18	20	18	14	18	17	:	18	16	12	:	10	11	:	19	:	:	8	:	17	13	14	:			
1999	15s	15s	14s	11	:	:	10	17	20	18	15	17	18	:	16	17	12	:	10	10	15	19	11	:	9	:	18	13	16	:			
2000	:	14s	14s	12	:	:	10	17	19	17	15	19	18	:	17	:	12	9	15	11	9	16	19	10	:	9	:	16	13	:			
2001	14s	14s	14s	12	7	:	10	17	19	17	15	20	19	:	17	12	10	:	12	9	16	20	:	:	9	:	15	14	17	:			
2002	:	:	:	:	:	:	17	:	:	:	:	:	:	:	16	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	25		
2003	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	21p	:	:	:	:	:	:	:	:	

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

## Key indicator 14a

	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>People aged 18-59 living in jobless households</b>																															
Share of persons/women/men aged 18-59 who are living in households where no-one works. Students aged 18-24 who live in households composed solely of students of the same age class are not counted neither in the numerator nor in the denominator																															
<b>Total</b>																															
1994	:	:	:	14.2	:	:	10.6	:	10.4	13.4	11.0	14.6	11.9	:	:	:	6.7	:	:	10.9	:	:	5.7	:	:	:	:	13.3	:	:	:
1995	:	11.6e	:	14.1	:	:	10.6	:	10.3	12.5	11.0	13.5	12.5	:	:	:	6.5	:	:	11.0	7.0	:	5.9	:	:	:	13.7	:	:	:	
1996	:	11.6e	:	14.1	:	:	10.9	:	9.8	12.0	10.9	12.9	12.6	:	:	:	7.6	15.8	:	10.2	8.1	:	6.3	8.8	:	:	13.5	:	:	:	
1997	:	11.6e	:	14.3	5.3	:	11.4	9.6	10.0	11.2	11.4	12.5	12.8	:	:	:	7.0	15.7	:	8.9	7.7	9.8	5.9	8.7	:	:	12.9	:	6.8	:	
1998	:	11.1e	:	14.4	6.2	:	11.1	8.7	9.9	10.1	11.3	:	12.0	:	14.0	9.8	7.3	15.8	:	8.8	8.4	:	5.1b	8.3	9.0	:	:	12.5	:	7.3	:
1999	:	10.5e	10.2e	13.0b	7.2	:	10.5	10.4	9.9	8.4	11.3	9.8	11.7	:	14.9b	7.6	6.7	14.2	:	7.8	8.2	:	4.7	9.6	9.8	:	:	11.7	:	7.8	:
2000	:	9.9e	9.6e	12.4	7.8	:	9.7	9.6	9.6	7.4	10.7	8.6	11.2	5.6	15.0	9.2	6.9	13.5	:	7.6	8.3	:	4.6	9.0	10.9	:	:	11.3	15.5	8.4	:
2001	10.1e	9.7e	9.4e	13.8	7.9	:	9.7	11.0	9.2	7.3	10.3	8.9	10.8	4.9	12.8	10.0	6.7	13.0	:	6.9	7.9	13.8p	4.3	8.2	10.0	:	:	11.1	17.3b	8.7	:
2002	10.2e	9.7e	9.4e	14.2	7.3	:	10.0	10.8	9.3	7.2	10.4	8.5	10.2	5.3	10.5b	9.1b	6.3	13.0	7.2	6.7	7.5	15.1p	4.5	8.0	10.9	:	:	11.2	16.6	11.3b	:
2003	10.1e	9.6e	9.4e	14.2p	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	7.2p	8.1	7.5p	14.8p	5.3	8.7	10.1	:	:	10.9	15.3	11.1	:
<b>Females</b>																															
1994	:	:	:	16.2	:	:	11.7	:	12.9	14.1	12.1	15.9	13.9	:	:	:	8.3	:	:	12.3	:	:	6.6	:	:	:	:	15.1	:	:	:
1995	:	13.0e	:	16.2	:	:	11.7	:	12.9	13.2	12.1	14.6	14.6	:	:	:	8.1	:	:	12.5	8.4	:	6.8	:	:	:	15.7	:	:	:	
1996	:	13.0e	:	16.0	:	:	11.8	:	12.4	12.7	12.1	14.1	14.5	:	:	:	9.6	17.5	:	11.6	9.6	:	7.3	9.7	:	:	15.5	:	:	:	
1997	:	13.0e	:	16.3	6.6	:	12.4	9.9	12.5	12.0	12.6	13.6	14.8	:	:	:	8.9	17.1	:	10.5	9.1	10.7	7.0	9.4	:	:	15.0	:	7.8	:	
1998	:	12.5e	:	16.3	7.7	:	12.0	8.9	12.4	10.9	12.5	:	13.8	:	14.5	10.9	9.0	17.1	:	10.6	10.0	:	6.1b	9.0	9.9	:	:	14.6	:	8.3	:
1999	:	11.9e	11.5e	14.8b	8.8	:	11.4	10.4	12.4	9.3	12.5	11.1	13.5	:	16.4b	7.7	8.4	15.6	:	9.4	9.8	:	5.3	10.5	10.9	:	:	13.9	:	8.6	:
2000	:	11.3e	10.9e	14.5	9.5	:	10.7	9.6	12.1	8.2	11.9	9.8	13.0	7.1	15.4	8.6	8.8	14.6	:	9.4	10.0	:	5.1	9.6	11.4	:	:	13.5	16.3	9.3	:
2001	11.4e	11.1e	10.7e	16.2	9.5	:	10.5	11.1	11.6	8.2	11.6	10.3	12.4	6.3	13.2	10.0	8.1	14.0	:	8.5	9.6	14.7p	5.0	9.4	10.5	:	:	13.2	17.8b	9.6	:
2002	11.5e	11.0e	10.5e	16.6	9.1	:	10.7	10.9	11.7	7.9	11.8	9.8	11.8	6.5	10.3b	9.7b	7.0	13.9	8.6	8.1	8.7	16.1p	5.2	8.9	11.4	:	:	13.3	17.0	12.5b	:
2003	11.3e	10.9e	10.5e	16.6p	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	8.6p	9.5	8.7p	15.9p	6.0	9.6	10.9	:	:	12.9	15.8	12.4	:
<b>Males</b>																															
1994	:	:	:	12.2	:	:	9.5	:	7.6	12.7	9.9	13.4	9.8	:	:	:	5.2	:	:	9.7	:	:	4.7	:	:	:	:	11.6	:	:	:
1995	:	10.2e	:	12.1	:	:	9.5	:	7.5	11.9	9.9	12.5	10.4	:	:	:	5.0	:	:	9.5	5.6	:	5.0	:	:	:	11.8	:	:	:	
1996	:	10.2e	:	12.3	:	:	9.9	:	7.1	11.3	9.7	11.8	10.6	:	:	:	5.6	14.1	:	8.8	6.7	:	5.1	7.9	:	:	11.6	:	:	:	
1997	:	10.1e	:	12.4	3.9	:	10.5	9.3	7.2	10.4	10.2	11.5	10.8	:	:	:	5.2	14.1	:	7.4	6.3	8.8	4.8	8.0	:	:	10.9	:	5.8	:	
1998	:	9.7e	:	12.4	4.6	:	10.1	8.5	7.2	9.3	10.1	:	10.2	:	13.4	8.7	5.5	14.5	:	7.1	6.9	:	4.0b	7.5	8.1	:	:	10.3	:	6.3	:
1999	:	9.0e	9.0e	11.2b	5.6	:	9.5	10.5	7.2	7.6	10.1	8.5	9.8	:	13.4b	7.4	5.1	12.8	:	6.3	6.5	:	4.0	8.7	8.8	:	:	9.5	:	7.0	:
2000	:	8.4e	8.3e	10.4	6.1	:	8.8	9.7	7.0	6.7	9.4	7.4	9.4	3.9	14.6	9.8	5.0	12.4	:	5.8	6.5	:	4.0	8.4	10.3	:	:	9.1	14.6	7.4	:
2001	8.8e	8.3e	8.1e	11.5	6.2	:	8.9	10.9	6.6	6.4	8.9	7.4	9.1	3.4	12.3	10.1	5.3	11.9	:	5.4	6.2	12.9p	3.7	7.1	9.6	:	:	9.0	16.8b	7.7	:
2002	8.9e	8.4e	8.2e	11.9	5.6	:	9.4	10.6	6.8	6.5	9.1	7.3	8.6	3.9	10.7b	8.5b	5.6	12.0	5.8	5.3	6.3	14.1p	3.7	7.0	10.4	:	:	9.1	16.1	10.1b	:
2003	8.9e	8.4e	8.3e	11.9p	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	5.8p	6.9	6.3p	13.7p	4.6	7.8	9.3	:	:	8.9	14.7	9.8	:

Source: Eurostat - European Union Labour Force Survey

## Key indicator 14b

	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>Children aged 0-17 living in jobless households</b>																															
Share of persons aged 0-17 who are living in households where no-one works																															
1994	:	:	:	11.7	:	:	8.2	:	5.7	12.5	9.6	18.8	8.0	:	:	:	4.3	:	:	9.9	:	:	4.5	:	:	:	:	20.6	:	:	:
1995	:	11.0e	:	12.3	:	:	8.3	:	6.0	11.5	9.2	17.0	8.4	:	:	:	3.7	:	:	9.7	3.7	:	5.1	:	:	:	:	20.4	:	:	:
1996	:	11.2e	:	12.3	:	:	9.1	:	5.1	11.3	9.6	16.3	8.7	:	:	:	4.5	15.0	:	8.9	4.9	:	5.1	3.7	:	:	20.1	:	:	:	
1997	:	11.2e	:	11.8	5.1	:	10.2	:	5.2	10.6	10.1	15.7	8.6	:	:	:	4.2	14.9	:	7.5	4.3	8.6	5.2	3.2	:	:	18.9	:	6.9	:	
1998	:	10.8e	:	12.9	6.1	:	10.0	8.9	5.1	8.9	9.8	:	8.2	:	10.0	:	4.0	15.6	:	7.5	4.4	:	5.0b	3.5	9.3	:	:	18.9	:	7.5	:
1999	:	10.4e	8.7e	11.3b	7.2	:	9.5	10.2	5.3	7.4	9.9	11.7	8.3	:	12.0b	:	4.0	15.5	:	6.9	4.2	:	4.5	4.1	10.6	:	:	18.4	:	7.3	:
2000	:	9.8e	8.2e	10.8	8.0	:	9.0	8.6	5.3	6.5	9.4	10.2	7.6	4.8	13.0	:	4.1	13.5	:	8.0	4.3	:	3.9	4.0	12.5	:	:	17.0	:	7.2	:
2001	9.6e	9.6e	7.9e	12.9	8.0	:	8.9	11.2	5.4	6.5	9.2	10.4	7.0	3.9	10.7	:	3.4	13.5	:	6.0	4.1	:	3.7	3.8	9.3u	:	:	17.0	19.0	6.8	:
2002	10.0e	9.9e	8.2e	13.8	7.6	:	9.3	10.1	5.1	6.6	9.6	10.8	7.2	3.9	10.6b	8.4	2.8	14.5	7.6	6.0	4.4	:	4.4	3.8	12.1	:	:	17.4	18.7	9.8b	:
2003	9.7e	9.8e	8.1e	13.8p	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	7.6p	7.2	4.4p	:	5.1	4.0	11.8	:	:	17.0	16.6	10.2	:

Source: Eurostat - European Union Labour Force Survey

## Key indicator 15a

	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</b>																															
11/1997	17.2i	21.3i	20.2i	12.7	15.0	33.0	26.2	10.9	6.3	24.7	10.9	12.0	11.1	5.4	9.0	17.5	20.0	11.4	5.8	31.3	26.2	13.0	13.0	7.8	14.7	33.5	40.4	18.2	10.8	7.3	2.4
8/1998	17.4i	21.9i	20.6i	12.7	15.0	37.4	26.2	10.9	6.3	24.7	10.9	12.0	11.1	5.4	9.0	17.5	20.0	8.3	5.8	36.0	26.2	13.0	13.0	7.8	14.7	33.5	40.4	18.2	10.8	7.3	2.4
11/1999	18.9i	23.3i	22.3i	23.3	15.0	37.4	30.9	17.8	6.3	21.6	10.9	12.0	11.1	5.4	17.0	17.5	16.7	8.3	9.2	36.0	26.8	13.0	18.7	7.8	12.7	37.0	42.7	18.4	10.8	7.3	4.2
11/2000	19.3i	23.8i	22.7i	23.3	15.0	37.4	30.9	17.8	8.7	28.3	10.9	12.0	11.1	7.1	17.0	10.6	16.7	8.3	9.2	36.0	26.8	13.0	17.4	12.2	14.0	36.5	42.7	18.4	10.8	7.3	4.2
12/2001	19.7i	23.8i	21.6i	23.3	15.0	38.0	31.1	17.8	8.7	28.3	10.9	12.0	9.8	10.7	17.0	10.6	16.7	8.3	9.2	36.0	26.8	20.2	18.7	12.2	14.0	36.5	42.7	17.9	26.3	10.7	4.2
11/2002	20.4i	24.6i	22.3i	23.3	17.0	38.0	32.2	17.8	8.7	28.3	12.1	13.3	9.8	10.7	18.0	10.6	16.7	9.1	9.2	34.0	33.9	20.2	19.1	12.2	17.3	36.5	45.0	17.9	26.3	10.7	4.4
11/2003	21.4i	25.8i	23.8i	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	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

Note: The EU-25, EU-15 and Euro-zone figures are averages of the percentages of the corresponding Member States.  
Source: The Inter-Parliamentary Union (<http://www.ipu.org/wmn-e/classif.htm>).

## Key indicator 15b

	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</b>																																
1979		16.5i	:	:	-	:	:	-	:	:	:	:	:	-	-	-	:	-	-	:	:	-	:	-	-	:	:	:	-	-	-	-
7/1999		26.5i	26.9i	32.0	-	37.5	32.3	-	20.0	26.6	29.9	26.7	13.8	-	-	-	33.3	-	-	29.0	33.3	-	16.0	-	-	43.8	45.5	19.5	-	-	-	
1/2004	-	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) 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 EU-15 Member States is 32.6% and the average of the percentages of Euro-zone Member States is 32.2%. 2) The July 1999 figures are from the end of the 4th term 1994-1999.  
Source: The European Parliament (<http://www.europarl.eu.int/whoswho/default.htm>).

## Key indicator 16

	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>Gender pay gap in unadjusted form</b> (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')																															
1994	:	16s		13	:	11	21	29	13	10	13	19	8	33	:	:	17	:	:	23	:	:	10	:	:	:	16	28	:	21	:
1995	:	17s		12	:	15	21	27	17	13	13	20	8	29	:	27	19	:	:	23	22	:	5	14	:	15	26	:	21	:	
1996	:	16s		10	23	15	21	27	15	14	13	21	8	28	:	22	18	21	:	23	20	:	6	15	:	17	17	24	:	24	:
1997	:	16s		10	24	13	21	28	13	14	12	19	7	27	:	23	:	22	:	22	22	:	7	14	:	18	17	21	:	24	:
1998	:	16s		9	28	12	22	26	12	16	12	20	7	26	20	22	:	18	:	21	21	:	6	11	:	19	18	24	:	20	:
1999	:	16s		11	27	14	19	27	13	14	12	22	8	27	20	16	:	19	:	21	21	15	5	14	19	19	17	22	:	17	:
2000	:	16s		13	27	15	21	25	15	15	13	19	6	26	20	16	:	20	10	21	20	:	8	12	19	17	18	21	:	17	:
2001	:	16s		12	26	15	21	24	18	17	14	17	6	26	16	16	:	19	10	19	20	15	10	11	20	17	18	21	:	18	:

Notes: EU-15: Weighted average of national values for EU-15 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.  
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.)

## Key indicator 17a

	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</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))																																
<b>Females</b>																																
1950	:	:	:	67.3	:	:	68.5	:	68.5	64.3	68.5	67.1	67.2	:	:	:	:	:	:	:	:	:	61.6	:	:	:	:	71.2	:	:	:	
1960	:	72.9	72.5	73.5	73.4	74.4	:	71.6	72.4	72.2	73.6	71.9	72.3	:	72.4	71.4	72.2	70.1	70.5	75.3	72.7	70.6	66.8	72.0	72.7	72.5	74.9	73.7	71.4	67.7	50.3	
1970	:	74.7	74.5	74.2	73.0	75.9	:	74.1	73.8	74.8	75.9	73.5	74.9	:	74.4	74.8	73.4	72.1	72.6	76.5	73.4	73.3	70.8	72.4	72.9	75.0	77.1	75.0	73.1	70.3	56.3	
1980	:	77.2	77.4	76.8	73.9	77.3	76.1 e	74.1	76.8	78.6	78.4	75.6	77.4	77.0	74.2	75.4	75.9	72.7	72.7	79.3	76.1	75.4	75.2	75.2	74.3	77.6	78.8	76.2	74.0	71.8	60.4	
1990	:	79.4	79.5	79.4	75.4	77.7	78.4	74.6	79.5	80.3	80.9	77.6	80.1	78.6	74.6	76.2	78.5	73.7	78.1	80.9	78.9	76.3	77.4	77.4	77.4	75.4	78.9	80.4	78.5	75.2	73.1	68.3
1993	:	79.9	80.2	79.9p	76.4	77.8	79.2	73.8	79.9	81.0	81.4	78.1	80.7	:	73.8	75.0	79.4	73.8	78.6	80.0	79.4	76.0	77.9	77.4	76.7	79.5	80.8	78.8	:	73.3	69.2	
1994	:	80.3	80.5	80.1p	76.6	78.1	79.6	73.1	80.2	81.4	81.8	78.6	81.0	:	72.9	74.9	79.7	74.2	79.1	80.3	79.7	76.1	78.6	77.8	76.5	80.1	81.4	79.3	:	73.4	69.5	
1995	:	80.4	80.7	80.2p	76.6	77.8	79.7	74.3	80.3	81.5	81.8	78.4	81.3	79.8	73.1	75.2	80.2	74.5	79.5	80.4	80.1	76.4	78.6	77.8	76.3	80.2	81.4	79.2	74.6	73.1	69.8	
1996	:	80.6	80.9	80.5	77.3	78.2	79.9	75.5	80.4	81.7	82.0	78.6	81.4	:	75.6	76.1	79.9	74.7	79.8	80.3	80.2	76.6	78.6	78.3	76.8	80.5	81.5	79.5	74.3	73.0	70.0	
1997	:	80.9	81.2	80.6	77.5	78.4	80.3	76.0	80.8	82.0	82.3	78.6	81.6	80.0	75.9	76.8	79.8	75.1	80.1	80.5	80.6	77.0	78.8	78.6	76.7	80.5	81.8	79.6	:	73.3	70.3	
1998	:	80.9	81.2	80.5	78.1	78.8	80.6	75.5	80.4	82.1	82.4	79.1	81.8	80.4	74.9	76.9	80.5	75.2	80.1	80.6	80.9	77.3	78.9	77.8	76.7	80.8	81.9	79.7	:	73.3	70.5	
1999	:	81.1	81.3	80.8	78.2	79.0	80.7	76.2	80.6	82.1	82.5	79.1	82.3	80.4	75.3	77.2	81.1	75.2	79.3	80.5	81.0	77.2	79.2	79.3	77.2	81.0	81.9	79.8	75.1	74.2	70.7	
2000	:	81.4	81.6	80.8	78.4	79.3	81.0	76.2	80.6	82.5	82.7	79.2	82.4	:	76.1	77.5	81.1	75.9	80.4	80.5	81.2	77.9	80.0	79.7	77.4	81.0	82.0	80.2	75.1	74.6	70.9	
2001	:	81.6	81.8	80.1	78.6	79.3	:	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	80.4	75.3	74.8	71.0	
2002	:	:	:	78.5e	79.2	:	77.0p	80.7p	83.1e	82.9p	78.5p	82.9e	:	77.0e	:	:	:	:	80.5	80.6	:	:	80.4p	:	:	81.5	82.1	:	74.3p	:	:	
<b>Males</b>																																
1950	:	:	:	62.0	:	:	64.6	:	63.4	59.8	62.9	64.5	63.7	:	:	:	:	:	:	:	:	:	56.4	:	:	:	:	66.2	:	:	:	
1960	:	67.4	67.0	67.7	67.9	70.4	:	64.3	67.3	67.4	66.9	68.1	67.2	:	65.2	64.9	66.5	65.9	66.5	71.5	66.2	64.9	61.2	66.1	68.4	65.5	71.2	67.9	67.8	64.2	46.3	
1970	:	68.4	68.1	67.8	66.1	70.7	:	65.5	70.1	69.2	68.4	68.8	69.0	:	66.0	66.9	67.1	66.3	68.4	70.7	66.5	66.6	64.2	65.0	66.7	66.5	72.2	68.7	69.1	65.7	52.0	
1980	:	70.5	70.4	70.0	66.8	71.2	69.6 e	64.1	72.2	72.5	70.2	70.1	70.6	72.3	63.6	65.5	69.1	65.5	68.5	72.7	69.0	66.9	67.7	67.4	66.8	69.2	72.8	70.2	68.7	66.5	55.8	
1990	:	72.8	72.7	72.7	67.6	72.0	64.6	74.6	73.3	72.8	72.1	73.6	74.1	64.2	66.6	72.3	65.1	73.7	73.8	72.4	66.7	70.4	69.5	66.6	70.9	74.8	72.9	68.4	66.6	63.9		
1993	:	73.4	73.3	73.0p	69.2	72.6	72.7	62.5	75.0	73.9	73.3	72.6	74.4	:	61.6	63.3	72.2	64.5	74.7	74.0	73.0	67.4	70.6	69.6	68.4	72.1	75.5	73.5	:	65.9	64.7	
1994	:	73.8	73.7	73.4p	69.5	72.7	73.1	61.1	75.2	74.3	73.7	73.0	74.6	:	60.7	62.8	73.2	64.8	74.9	74.6	73.4	67.5	71.6	69.9	68.3	72.8	76.1	74.1	:	65.7	64.9	
1995	:	73.9	73.9	73.4p	69.7	72.7	73.3	61.7	75.0	74.3	73.9	72.9	74.9	75.3	60.8	63.6	73.0	65.3	74.9	74.6	73.6	67.6	71.2	70.3	68.4	72.8	76.2	74.0	67.1	65.3	65.2	
1996	:	74.2	74.1	73.8	70.4	73.1	73.6	64.5	75.1	74.4	74.1	73.1	75.3	:	63.9	65.0	73.3	66.1	74.9	74.7	73.9	68.1	71.1	70.8	68.9	73.0	76.5	74.3	67.1	65.2	65.5	
1997	:	74.6	74.5	74.1	70.5	73.6	74.0	64.7	75.6	75.0	74.6	73.4	75.7	75.0	64.2	65.9	74.1	66.4	74.9	75.2	74.3	68.5	71.6	71.0	68.9	73.4	76.7	74.7	:	65.5	65.7	
1998	:	74.6	74.6	74.3	71.1	73.9	74.5	64.4	75.4	75.1	74.8	73.5	75.7	75.3	63.8	66.5	73.7	66.1	74.4	75.2	74.7	68.9	71.7	69.9	68.6	73.5	76.9	74.8	:	65.5	65.9	
1999	:	74.9	74.9	74.4	71.4	74.2	74.7	65.2	75.5	75.1	75.0	73.9	75.6	75.3	64.7	67.0	74.6	66.4	75.1	75.3	75.1	68.2	72.2	71.8	69.0	73.8	77.1	75.0	68.3	67.1	66.1	
2000	:	75.3	75.2	74.6	71.7	74.5	75.0	65.3	75.5	75.7	75.2	74.3	76.3	:	65.0	67.1	74.8	67.4	76.3	75.5	75.4	69.7	73.2	72.3	69.2	74.2	77.4	75.5	68.4	67.7	66.2	
2001	:	75.5	75.4	74.5	72.1	74.7	:	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	78.3	68.5	67.7	66.4	
2002	:	:	:	72.1e	74.7	:	65.2p	75.4p	75.7e	75.6p	73.0p	76.8e	:	65.5e	:	:	:	75.8	75.9	:	:	73.4p	:	:	74.9	77.7	:	67.2p	:	:		

Sources: Eurostat - Demographic statistics, TR: Council of Europe

## Key indicator 17b

	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>Disability-free life expectancy at birth, 1996</b>																															
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

## Key indicator 18a

	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</b> (Index of the number of serious accidents at work per 100 thousand persons in employment (1998=100))																															
<b>Total</b>																															
1994	:	111	:	86	:	83	113	:	126	88	112	59	113	:	:	:	96	130	111e	110	158	:	107	102	:	114	84	127	140	:	:
1995	:	104	105	110	:	82	106	85	118	92	104	62	102	:	:	90	98	123	106e	108	164	:	109	109	95	106	76	119	147	:	:
1996	:	103	103	99	96	84	103	77	129	95	101	104b	102	:	:	88	100	110	92e	109	107b	:	109	110	96	98	92	103	131	:	94
1997	:	100	101	96	91	100	101	83	113	95	101	115	100	:	:	90	98	103	112e	107	105	113	100	106	107	98	81	102	106	106	107
1998	100	100	100	100	100	100	100	100	100	100	100	100	100	:	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1999	100	100	99	96	93	95	99	106	93	107	101	90	99	100	75	97	105	93	88	108b	99	78	92	102	92	91	107	106	84	100	84
2000	99	98	97	82b	91	89	96	105	88	108	102	72	99	112	66	94	104	93	94	105	92	85	88	98	88	89	111	106	100b	106	85
2001	94p	94p	92p	83	91	82	88	132	86	106	98	105	92	112	116	85	97	86	99	92	83	78	:	94	84	87b	113	110	87	113	90
<b>Females</b>																															
1994	:	102	:	78	:	78	102	:	137	77	111	:	106	:	:	79	:	:	:	:	:	:	:	:	:	108	79	129	:	:	:
1995	:	99	99	100	:	83	98	:	118	80	102	:	97	:	:	93	:	:	:	:	:	:	:	:	:	107	73	130	:	:	:
1996	:	102	102	98	:	90	102	:	126	88	102	112	98	:	:	101	:	:	:	124	:	:	:	:	:	96	84	103	:	:	:
1997	:	99	99	95	:	104	99	:	106	91	103	120	97	:	:	96	:	:	:	106	:	104	:	:	:	98	76	99	:	:	:
1998	100	100	100	100	100	100	100	100	100	100	100	100	100	:	100	100	100	100	100	:	100	:	100	100	100	100	100	100	:	100	:
1999	101	101	100	96	97	103	99	138	88	109	106	106	102	100	:	85	99	92	85	:	99	:	75	101	96	90	103	109	:	94	:
2000	103	103	102	101b	95	99	99	130	76	113	111	88	104	118	:	95	100	94	102	:	93	:	87	98	88	89	106	110	:	101	:
2001	100p	100p	98p	88	97	88	94	181	77	110	110	173	88	123	:	87	101	90	89	:	73	:	:	95	83	87b	106	111	:	112	:
<b>Males</b>																															
1994	:	113	:	87	:	84	114	:	124	89	112	:	115	:	:	98	:	:	:	:	:	:	:	:	:	120	86	130	:	:	:
1995	:	105	106	110	:	81	107	:	119	93	104	:	103	:	:	96	:	:	:	:	:	:	:	:	:	107	77	117	:	:	:
1996	:	104	103	98	:	83	103	:	130	96	100	100	103	:	:	99	:	:	:	104	:	:	:	:	:	101	94	103	:	:	:
1997	:	100	100	96	:	99	102	:	116	96	101	113	100	:	:	98	:	:	:	106	:	98	:	:	:	99	83	102	:	:	:
1998	100	100	100	100	100	100	100	100	100	100	100	100	100	:	100	100	100	100	100	:	100	:	100	100	100	100	100	100	:	100	:
1999	100	100	99	96	92	93	99	140	96	108	101	87	99	100	:	93	107	93	89	:	100	:	96	99	91	93	108	106	:	102	:
2000	98	98	97	80b	90	88	96	114	92	109	101	69	98	112	:	84	105	94	94	:	92	:	89	97	87	89	113	105	:	109	:
2001	93p	93p	92p	84	89	83	89	120	89	108	94	91	96	100	:	87	98	85	101	:	86	:	:	92	84	87b	116	108	:	117	:

Note: 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)

## Key indicator 18b

	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 - fatal accidents</b> (Index of the number of fatal accidents at work per 100 thousand persons in employment (1998=100))																															
<b>Total</b>																															
1994	:	115	115	194	110	90	123	:	116	127	108	66	106	:	:	:	106	35i	:	104	:	109	90	:	150	162	106	122	:	:	
1995	:	109	105	190	103	106	100	120	116	127	88	71	96	:	:	98	113i	117	109i	:	131	:	103	118	90	117	177	100	116	:	:
1996	:	106	103	177	112	97	117	102	100	107	90	56	82	:	:	102	271i	101	100i	114	118	:	127	118	109	71	162	119	120	:	121
1997	:	100	95	100	116	74	90	114	76	115	103	120	84	:	:	83	184i	97	42i	140	104	109	108	130	81	117	169	100	116	105	120
1998	100	100	100	100	100	100	100	100	100	100	100	100	100	:	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1999	85	85	83	106	76	71	80	79	170	91	85	119	68	100	115	91	40i	107	74i	107	100	83	79	88	89	75	85	88	96	93	104
2000	83	82	80	100	96	61	70	56	73	85	85	39	66	46i	90	78	149i	95	41i	106	100	96	104	83	71	88	85	106	100b	103	68b
2001	80p	79p	77p	124	96	55	65	78	78	81	79	43	62	62i	140	105	37i	71	48i	79	94	92	:	105	71	98b	105	92	100	97	92

Notes: 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 2.3: Other statistical tables per Member State and Candidate Country

### 1 ECONOMY

	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>Gross domestic product at current market prices</b>																															
2002, Bn Euro	9607	9170	7071	260	74	184	2110	7	141	696	1521	129	1258	11	9	15	22	69	4	445	218	200	129	23	25	140	255	1660	17	48	192
<b>GDP growth rates, at constant prices (1995)</b>																															
Annual growth rate, 2001	1.7	1.7	1.6	0.6	3.1	1.6	0.9	6.5	4.0	2.8	2.1	6.2	1.8	4.0	7.9	6.5	1.2	3.8	-1.2	1.2	0.8	1.0	1.6	2.9	3.3	1.2	1.1	2.1	4.1	5.7	-7.5
Annual growth rate, 2002	1.1	1.0	0.9	0.7	2.0	1.0	0.2	6.0	3.8	2.0	1.2	6.9	0.4	2.0	6.1	6.8	1.3	3.5	1.7	0.2	1.4	1.4	0.4	2.9	4.4	2.2	1.9	1.7	4.8	4.9	7.8
Compared to the same quarter of the previous year, 2003Q1		1.1	0.9	1.6	2.4	1.4	0.4	5.2	4.3	2.4	1.3	0.7	0.6	2.6	8.8	9.3	:	2.7	-1.9	-0.2	0.3	2.2	-1.2	2.3	4.1	1.8	1.9	2.2	3.8	8.4	8.1
Compared to the same quarter of the previous year, 2003Q2		0.2	-0.2	1.0	2.1	-1.0	-0.6	3.5	4.5	2.1	-0.6	2.1	0.3	0.7	6.2	6.7	:	2.4	0.7	-1.2	0.9	3.8	-2.3	2.1	3.8	0.7	0.7	2.6	4.4	4.2	3.9
Growth rates for 2003Q1 and 2003Q2 are calculated from raw (i.e. non-seasonally adjusted) data, except for Greece and Portugal.																															
<b>GDP per head (Index EU-15=100, in PPS)</b>																															
1995	91	100	101	109	:	113	108	31	65	79	104	90	104	75	26	31	161	45	:	109	114	:	66	61	40	96	107	100	29	:	28
2002	91	100	99	107	63	113	100	40	71	86	105	125	98	76	35	39	189	53	69	111	111	41	71	69	47	102	105	107	26	27	25
Figures for 2002 are based on preliminary PPP. Euro-zone: 1995 including Greece																															
<b>GDP per head in Euro</b>																															
2002	21100	24100	23000	25200	7200	34200	25600	5100	12900	17200	24800	33100	21700	15000	3800	4200	50200	6800	10400	27500	27100	5200	12500	11700	4700	26900	28600	28000	2100	2200	2800
<b>Net national income per head (Index EU-15=100, in Euro)</b>																															
2002, EU-15 = 100		100	94	105	28	137	105	20	57	70	104	113	90	65	16	17	188	:	:	110	111	:	48	47	17	109	117	123	9	:	12
Slovak Republic: 2001																															
<b>Household consumption per head (Index EU-15=100, in Euro)</b>																															
2002, EU-15 = 100		100	93	99	27	117	107	21	62	71	97	106	93	74	17	19	153	26	48	98	110	25	54	46	20	97	99	133	10	11	13
Household consumption includes the consumption expenditure of non-profit institutions serving households.																															
<b>Net saving per head (Index EU-15=100, in Euro)</b>																															
2002, EU-15 = 100		100	103	146	5	156	100	22	79	98	109	221	91	:	21	10	:	:	:	126	145	:	7	63	-1	180	120	76	:	:	:
Slovak Republic: 2001																															
<b>Gross compensation per employee (Index EU-15=100, in Euro)</b>																															
2002, EU-15 = 100		100	96	121	29	118	100	19	64	77	108	105	92	:	15	16	207	29	42	98	103	27	:	50	15	101	109	116	9	:	17
Slovak Republic: 2001																															
<b>General government debt (% of GDP)</b>																															
2000		63.9	70.2	109.6	16.6	47.3	60.2	5.1	106.2	60.5	57.2	38.4	110.6	61.7	13.9	24.3	5.5	55.5	61.3	55.9	66.8	37.2	53.3	27.6	46.9	44.6	52.8	42.1	73.6	23.9	58.0
2001		63.0	69.2	108.5	23.3	45.4	59.5	4.8	106.9	56.8	56.8	36.1	109.5	64.2	15.7	23.4	5.5	53.4	66.1	52.9	67.3	37.3	55.5	27.5	48.1	44.0	54.4	38.9	66.4	23.1	105.0
2002		62.3	69.0	105.8	27.1	45.5	60.8	5.8	104.7	53.8	59.0	32.4	106.7	58.6	15.2	22.7	5.7	56.3	66.4	52.4	67.3	41.8	58.1	28.3	42.6	42.7	52.7	38.5	53.0	22.7	95.0
Euro-zone: 2000 including Greece																															







	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 marriage rate (per 1 000 population)</b>																																
1960	8.0	7.0	8.0	7.2	7.7	7.8	9.5	10.0	7.0	7.7	7.0	5.5	7.7	:	11.0	10.1	7.1	8.9	5.9	7.8	8.3	8.3	7.8	8.9	8.1	7.4	6.7	7.5	8.8	10.7	:	
1970	7.9	7.7	4.6	7.6	9.2	7.4	7.4	9.1	7.7	7.3	7.8	7.0	7.3	8.6	10.2	9.5	6.4	9.3	7.4	9.5	7.1	8.6	9.4	8.3	7.9	8.8	5.4	8.5	8.6	7.2	:	
1980	6.7	6.3	6.2	6.7	7.6	5.2	6.3	8.8	6.5	5.9	6.2	6.4	5.7	7.9	9.8	9.2	5.9	7.5	8.6	6.4	6.2	8.6	7.4	6.5	7.9	6.1	4.5	7.4	7.9	8.2	8.2	
1990	6.2	6.0	5.9	6.5	8.8	6.1	6.5	7.5	5.8	5.7	5.1	5.1	5.6	9.3	8.8	9.8	6.1	6.4	7.1	6.4	5.8	6.7	7.2	4.3	7.6	5.0	4.7	6.5	6.7	8.3	8.2	
2000	5.1	5.1*	5.1	4.4	5.4	7.2	5.1	4.0	4.3	5.3	5.2	5.0*	4.9*	12.9*	3.9	4.6	4.9*	4.8	6.5	5.5	4.8	5.5	6.2	3.6	4.8	5.1	4.5	5.1*	4.3	6.1	7.2*	
2002	4.8*	4.8*	4.8*	3.9	5.2	6.9	4.7*	4.3	5.2*	5.0*	4.7*	5.1*	4.7*	14.5	4.2	4.7	4.5	4.5	5.7	5.2	4.5	5.0	5.4	3.5	4.7	5.2	4.3	4.7*	3.7	5.9	6.6*	

The crude marriage rate is the ratio of the number of marriages to the mean population in a given year.

**Total fertility rate**

1960	2.61	2.59	2.60	2.56	2.11	2.57	2.37	:	2.28	2.86	2.73	3.76	2.41	3.51	:	2.60	2.28	2.02	3.62	3.12	2.69	2.98	3.10	2.18	3.07	2.72	2.20	2.72	2.31	2.33	6.18
1970	2.34	2.38	2.39	2.25	1.91	1.95	2.03	2.16	2.39	2.90	2.47	3.93	2.42	2.54	2.01	2.40	1.98	1.98	2.02	2.57	2.29	2.20	2.83	2.10	2.40	1.82	1.92	2.43	2.18	2.89	5.68
1980	1.87	1.82	1.81	1.68	2.10	1.55	1.56	2.02	2.21	2.20	1.95	3.23	1.64	2.46	1.90	2.00	1.49	1.91	1.99	1.60	1.65	2.28	2.18	2.11	2.32	1.63	1.68	1.90	2.05	2.45	4.36
1990	1.65	1.57	1.51	1.62	1.89	1.67	1.45	2.05	1.39	1.36	1.78	2.11	1.33	2.42	2.02	2.00	1.61	1.87	2.05	1.62	1.45	2.04	1.57	1.46	2.09	1.78	2.13	1.83	1.81	1.83	2.99
2000	1.48	1.48	1.46	1.66	1.14	1.77	1.36	1.39	1.29	1.23	1.88	1.89	1.24	1.84	1.24	1.27	1.78	1.33	1.67	1.72	1.34	1.34	1.52	1.26	1.30	1.73	1.54	1.64	1.27	1.30	2.52
2002	1.46*	1.50*	1.46*	1.62	1.17	1.72	1.31	1.37	1.25*	1.25*	1.89*	1.97	1.26*	1.49*	1.24	1.24	1.63	1.30	1.46	1.73	1.40	1.24	1.47	1.21	1.19	1.72	1.65	1.64	1.21	1.26	2.46

The total fertility rate is the average number of children that would be born alive to a woman during her lifetime if current fertility rates were to continue.

**Percentage of live births outside marriage**

1960	5.1*	5.1	4.9	2.1	4.9	7.8	7.6	:	1.2	2.3	6.1	1.6	2.4	0.2	11.9	7.3	3.2	5.5	0.7	1.4	13.0	4.5	9.5	9.1	4.7	4.0	11.3	5.2	8.0	:	:
1970	5.5*	5.6	4.7	2.8	5.4	11.0	7.2	14.1	1.1	1.4	6.9	2.7	2.2	0.2	11.4	6.4	4.0	5.4	1.5	2.1	12.8	5.0	7.3	8.5	6.2	5.8	18.6	8.0	9.3	:	:
1980	8.7*	9.6	8.1	4.1	5.6	33.2	11.9	18.3	1.5	3.9	11.4	5.0	4.3	0.6	12.5	6.3	6.0	7.1	1.1	4.1	17.8	4.7	9.2	13.1	5.7	13.1	39.7	11.5	10.9	:	2.9
1990	17.4*	19.6	16.1	11.6	8.6	46.4	15.3	27.1	2.2	9.6	30.1	14.6	6.5	0.7	16.9	7.0	12.8	13.1	1.8	11.4	23.6	6.2	14.7	24.5	7.6	25.2	47.0	27.9	12.4	:	4.5
2000	27.0*	28.4*	25.1*	22.0	21.8	44.6	23.4	54.5	4.1	17.0*	42.6	31.8*	9.6*	2.3*	40.3	22.6	21.9	29.0	10.9	24.9	31.3	12.1	22.2	37.1	18.3	39.2	55.3	39.5	38.4	25.5	:
2002	28.9*	30.2*	26.9*	27.5*	25.3	44.6	25.0*	56.3	3.9*	19.0*	43.7	31.1*	10.0*	:	43.1	27.9	23.2	31.4	15.0	29.1	33.8	14.4	25.5	40.2	21.6	39.9	56.0	40.6	42.8	26.7	:

**Crude divorce rate (per 1 000 population)**

1960	0.6	0.5	0.5	0.5	1.3	1.5	1.0	2.1	0.3	-	0.7	-	-	:	2.4	0.9	0.5	1.7	:	0.5	1.1	0.5	0.1	1.0	0.6	0.8	1.2	0.5	:	2.0	0.4
1970	0.9	0.8	0.7	0.7	2.2	1.9	1.3	3.2	0.4	-	0.8	-	-	0.3	4.6	2.2	0.6	2.2	:	0.8	1.4	1.1	0.1	1.1	0.8	1.3	1.6	1.1	1.2	0.4	0.3
1980	1.5	1.4	1.1	1.5	2.6	2.7	1.8	4.1	0.7	-	1.5	-	0.2	0.3	5.0	3.2	1.6	2.6	:	1.8	1.8	1.1	0.6	1.2	1.3	2.0	2.4	2.8	1.5	1.5	0.4
1990	1.7	1.7	1.4	2.0	3.1	2.7	2.0	3.7	0.6	0.6	1.9	-	0.5	0.6	4.0	3.4	2.0	2.4	:	1.9	2.1	1.1	0.9	0.9	1.7	2.6	2.3	2.9	1.3	1.4	0.5
2000	1.8	1.9	1.7	2.6	2.9	2.7	2.4	3.1	0.9	1.0	1.9	0.7	0.7	1.8	2.6	2.9	2.3	2.4	:	2.2	2.4	1.1	1.9	1.1	1.7	2.7	2.4	2.6	1.3	1.4	0.5
2002	1.9*	1.9*	1.7*	3.0	3.1	2.8	2.4*	3.0	1.1	1.0*	2.0*	0.7*	0.7	1.7*	2.5	3.0	2.4	2.5	:	2.1	2.4	1.2	2.7	1.2	2.0	2.6	2.4	2.7*	1.3	1.5	0.7*

The crude divorce rate is the ratio of the number of divorces to the mean population in a given year.

**Proportion of marriages dissolved by divorce, by marriage cohort (%), 2000**

1950	:	:	:	:	:	:	:	:	:	:	:	-	2	:	:	:	:	:	:	10	:	:	:	:	:	:	:	:	:	:	:	:
1960	:	15	:	15	:	29	18	:	6	3	17	-	3	:	:	:	14	:	:	16	18	:	4	:	:	23	32	23	:	:	:	
1970	:	22	:	29	:	42	30	:	9	6	29	:	5	:	:	:	28	:	:	27	29	:	11	:	:	35	42	34	:	:	:	
1980	:	28	:	39	:	46	38	:	13	12	35	:	8	:	:	:	40	:	:	35	37	:	19	:	:	44	50	42	:	:	:	
1984	:	29	:	41	:	45	38	:	14	14	37	:	9	:	:	:	41	:	:	37	39	:	21	:	:	49	52	43	:	:	:	

EU-15, UK: Scotland and Northern Ireland not included.

**Mean marriage duration at divorce by marriage cohort, years, 2000**

1950	:	:	:	:	:	:	:	:	:	:	:	-	:	:	:	:	:	:	:	17,0	:	:	:	:	:	:	:	:	:	:	:
1960	:	14.4	:	17.5	:	14.2	12.5	:	14.4	28.6	15.7	-	22.1	:	:	:	17.1	:	:	17.1	11.3	:	22.8	:	:	15.7	14.9	16.4	:	:	:
1970	:	14.0	:	17.8	:	12.9	13.0	:	15.5	22.6	15.8	:	20.5	:	:	:	16.5	:	:	15.7	13.1	:	20.8	:	:	15.7	14.5	13.3	:	:	:
1980	:	12.7	:	16.3	:	11.8	12.3	:	13.5	16.6	14.4	:	17.4	:	:	:	13.8	:	:	13.7	12.6	:	18.0	:	:	15.3	13.4	11.9	:	:	:
1984	:	12.4	:	16.0	:	12.0	12.5	:	13.5	15.4	14.1	:	16.9	:	:	:	13.5	:	:	13.4	12.5	:	17.2	:	:	14.6	13.4	11.5	:	:	:

EU-15, UK: Scotland and Northern Ireland not included.  
Source: Eurostat - Demographic Statistics.

## 3 EDUCATION AND TRAINING

	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>Training enterprises as a percentage of all enterprises by size class, 1999</b>																															
10-49 employees	:	56	:	66	62	95	71	58	11	31	70	75	20	:	49	37	67	32	:	85	68	36	17	35	:	78	88	85	24	8	:
50-249 employees	:	81	:	93	84	98	87	85	43	58	93	98	48	:	70	60	83	51	:	96	91	52	46	72	:	97	99	91	34	13	:
250 or more employees	:	96	:	100	96	100	98	96	78	86	98	100	81	:	91	80	99	79	:	98	96	63	78	96	:	99	99	98	62	38	:
All size classes	:	62	:	70	69	96	75	63	18	36	76	79	24	:	53	43	71	37	:	88	72	39	22	48	:	82	91	87	28	11	:
<b>Percentage of employees of all enterprises participating in CVT courses by gender, 1999</b>																															
Total	:	40	:	41	42	53	32	19	15	25	46	41	26	:	12	10	36	12	:	41	31	16	17	32	:	50	61	49	13	8	:
Males	:	41	:	:	46	52	34	18	14	25	48	40	27	:	13	10	34	13	:	44	31	17	17	32	:	48	60	50	16	8	:
Females	:	38	:	:	35	54	29	20	16	26	44	43	23	:	12	9	39	11	:	35	32	15	17	33	:	53	61	46	9	7	:
<b>Hours in CVT courses per participant by economic activity (*), 1999</b>																															
NACE D	:	32	:	29	24	41	29	26	49	46	33	40	30	:	31	39	47	34	:	39	28	24	44	20	:	35	34	29	19	33	:
NACE G	:	21	:	29	24	30	21	42	32	36	25	32	32	:	26	45	26	42	:	35	26	29	24	14	:	26	23	15	35	31	:
NACE J	:	34	:	34	41	41	35	46	34	44	37	28	35	:	32	29	43	19	:	48	49	36	55	27	:	38	26	27	20	27	:
NACE K	:	41	:	38	46	60	40	32	43	43	36	41	43	:	56	48	53	47	:	43	33	43	44	47	:	49	36	41	50	57	:
NACE O	:	22	:	31	22	42	15	19	44	54	38	59	39	:	27	19	37	30	:	26	15	27	38	34	:	31	26	15	72	45	:
Other	:	30	:	28	20	42	20	26	38	38	49	43	30	:	34	45	28	44	:	32	25	25	34	31	:	36	28	26	46	56	:
Total	:	31	:	31	25	41	27	31	39	42	36	40	32	:	34	41	39	38	:	37	29	28	38	24	:	36	31	26	35	42	:
(*) NACE D: Manufacturing, NACE G: Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods, NACE J: Financial intermediation, NACE K: Real estate, renting and business activities, NACE O: Other community, social and personal service activities, Other (C, E, F, H, I) Mining and quarrying; Electricity, gas, water; Construction; Hotels and restaurants; Transport, communication.																															
<b>Percentage of employees in small and large enterprises with and without 'a joint agreement' participating in CVT courses, 1999</b>																															
small - with	:	48	:	48	45	57	40	27	14	39	44	57	34	:	34	24	49	18	:	53	:	23	38	30	:	53	65	52	25	14	:
small - without	:	20	:	23	22	45	24	11	2	9	22	26	9	:	7	4	19	6	:	29	:	8	4	13	:	39	47	31	4	1	:
large - with	:	54	:	61	58	56	50	28	31	50	65	59	58	:	25	23	55	26	:	45	45	25	52	57	:	67	70	52	31	18	:
large - without	:	45	:	57	44	54	30	29	23	31	54	57	37	:	14	13	44	16	:	37	36	27	30	42	:	52	62	52	12	6	:

Source: Eurostat - CVTS2

#### 4 LABOUR MARKET

	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>Total employment (thousands)</b>																															
Total 2000	197237	167732	127481	4088	4728	2784	38752	572	3935	15744	24308	1692	23128	302	1038	1585	262	3829	134	8124	4050	14526	5029	900	2025	2304	4264	29267	2980	8629	20557
Total 2001	198972	169807	133198	4149	4724	2792	38917	577	3921	16107	24720	1741	23581	:	:	1522	277	3845	138	8274	4076	14207	5098	905	2037	2338	4345	29472	2940	8563	20492
Total 2002	199212	170548	133888	4136	4760	2782	38668	584	3914	16343	24888	1765	24008	:	:	1411	286	3856	137	8349	4066	13782	5107	899	2016	2360	4352	29526	2982	7745	20146
Females 2000	84628	71241	53323	1723	2076	1292	17001	281	1486	5770	10925	692	8518	:	507	806	97	1727	41	3484	1769	6522	2261	414	929	1093	2028	13112	1394	4042	5342
Females 2001	85891	72610	56027	1748	2071	1299	17185	283	1480	5976	11140	718	8834	:	:	774	102	1744	40	3584	1810	6410	2299	412	939	1113	2076	13209	1401	4018	5554
Females 2002	86477	73427	56776	1759	2077	1295	17243	287	1489	6143	11284	738	9058	:	:	701	109	1751	42	3654	1843	6253	2310	411	921	1138	2087	13269	1415	3569	5631
Males 2000	112608	96491	74158	2365	2652	1492	21752	291	2449	9974	13382	1000	14610	:	531	780	166	2103	94	4640	2281	8004	2768	486	1096	1211	2237	16155	1586	4588	15215
Males 2001	113080	97197	77171	2401	2653	1494	21732	293	2441	10130	13580	1023	14747	:	:	748	175	2101	98	4690	2265	7797	2800	492	1098	1225	2269	16263	1539	4545	14938
Males 2002	112736	97122	77113	2377	2683	1487	21425	297	2425	10200	13604	1026	14950	:	:	710	177	2104	95	4694	2224	7529	2796	489	1095	1222	2264	16257	1567	4176	14515
<b>Self-employed in % of total employment</b>																															
Total 2000	15.9	14.8	15.2	16.8	15	7.2	10.3	9.4	43.3	16.7	9.2	18.4	26.1	:	16.9	39.6	6.4	15	12.3	14.2	18.5	27.4	26.3	17.9	8.3	12.2	5.4	11.3	36.2	46.2	29.5
Total 2001	15.7	14.7	15.9	16.5	15.1	7.1	10.5	8.2	42.1	16.3	8.9	17.8	25.7	:	:	37.8	6.1	14.3	10.9	13.9	18.4	28.0	27.3	17.5	8.8	11.9	5.1	11.2	36.6	46.1	31.0
Total 2002	15.5	14.6	15.8	16.4	16.0	7.0	10.6	8.1	41.8	15.8	8.8	17.6	25.2	:	:	20.0	6.0	13.8	10.9	13.9	18.4	28.1	26.9	17.2	9.1	11.8	4.9	11.4	35.7	40.2	27.6
Females 2000	12.2	11.0	11.6	14.4	10.1	4.4	7.5	6.7	40.1	13.7	6.6	8.5	20.3	:	15.4	35.1	5.2	10.4	6.1	11.8	17.2	24.8	24.9	14.8	4.8	8.2	2.8	7.1	29.5	48.1	58.4
Females 2001	12.0	10.9	12.3	13.8	10.1	3.8	7.9	5.4	38.3	13.3	6.4	7.8	19.8	:	:	31.8	5.1	10.2	5.3	11.7	16.8	25.7	25.7	14.3	5.1	8.1	2.7	6.8	30.2	47.8	60
Females 2002	11.7	10.7	12.0	13.8	10.6	4.0	7.9	5.4	38.6	12.5	6.2	7.5	19.4	:	:	16.9	4.1	9.9	4.8	11.3	16.3	25.4	25.2	13.8	5.0	8.1	2.5	6.9	29.5	41.6	54.4
Males 2000	18.7	17.7	17.8	18.6	18.8	9.5	12.5	11.9	45.2	18.4	11.3	25.3	29.6	:	18.4	44.0	7.1	18.7	15	16	19.5	29.5	27.4	20.5	11.3	15.9	7.9	14.7	41.5	44.4	15.6
Males 2001	18.5	17.6	18.6	18.4	19.0	10.0	12.5	10.9	44.5	18.1	11.0	24.9	29.3	:	:	43.5	6.7	17.7	13.2	15.6	19.7	29.9	28.6	20.1	11.9	15.4	7.4	14.9	41.8	44.6	16.3
Males 2002	18.5	17.6	18.5	18.4	20.2	9.8	12.8	10.7	43.8	17.8	11.0	24.9	28.8	:	:	23.1	7.1	16.9	13.7	15.9	20.1	30.4	28.3	20.0	12.5	15.3	7.3	15.2	40.7	39.1	13.6
<b>Part-time workers in % of total employment</b>																															
Total 2000	16.3	17.7	16.3	18.9	5.3	21.3	20.0	8.1	4.5	7.9	16.7	16.4	8.4	:	11.3	10.2	10.4	3.5	6.8	41.5	16.3	10.5	11.0	6.4	2.1	12.3	19.5	24.8	:	16.4	23.0
Total 2001	16.4	17.8	16.2	18.5	4.9	20.1	20.8	8.2	4.0	7.9	16.3	16.4	8.4	:	:	9.9	10.4	3.6	7.4	42.2	18.2	10.3	11	6.1	2.3	12.2	21.1	24.6	3.2	16.5	20
Total 2002	16.7	18.2	16.5	19.1	4.9	20.0	21.4	7.7	4.5	7.9	16.4	16.5	8.6	:	:	10.8	10.6	3.6	8.3	43.9	19.6	10.8	11.2	6.1	1.9	12.8	21.5	24.9	2.5	11.8	20.3
Females 2000	29.8	33.3	31.3	37.4	9.3	34.1	:	10.9	7.8	16.8	30.8	30.1	16.5	:	12.8	11.1	25.1	5.2	15.5	71.0	32.2	13.4	16.4	7.8	3.1	17.0	32.3	44.4	:	18.5	41.7
Females 2001	29.8	33.4	30.9	36.9	8.5	31.6	:	11.3	7.1	16.8	30.1	30.5	16.6	:	:	11.4	25.8	5.2	17.5	71.3	34.9	12.7	16.4	7.4	3.5	16.8	33	44	3.6	18.4	33.3
Females 2002	30.1	33.5	31.2	37.4	8.3	30.3	:	10.7	8.1	16.7	29.8	30.4	16.9	:	:	12.3	24.6	5.1	18.2	73.1	36.7	13.4	16.3	7.5	2.7	17.5	33.1	43.9	3.0	13.0	33.6
Males 2000	6.1	6.1	5.5	5.5	2.2	10.2	:	5.3	2.5	2.7	5.3	6.9	3.7	:	9.7	9.2	1.7	2.0	3.0	19.3	4.1	8.2	6.5	5.3	1.1	8.0	8.2	8.8	:	14.6	16.4
Males 2001	6.2	6.2	5.5	5.2	2.2	10.2	:	5.1	2.2	2.7	5.0	6.6	3.5	:	:	8.4	1.4	2.2	3.2	20.0	4.8	8.3	6.7	5.0	1.2	7.9	10.8	8.9	2.9	14.9	15.0
Males 2002	6.5	6.5	5.7	5.6	2.2	11.1	:	4.8	2.3	2.5	5.2	6.5	3.5	:	:	9.4	2.0	2.3	3.9	21.2	5.3	8.5	7.0	4.9	1.1	8.3	11.1	9.4	2.1	10.9	15.1
<b>Temporary contract workers in % of total employment</b>																															
Total 2000	12.6	13.6	15.2	9.1	8.1	9.7	12.7	3.0	12.9	32.0	15.2	5.7	10.1	:	6.7	4.4	5.3	7.1	4.1	13.7	8.0	5.8	19.9	13.7	4.8	16.3	15.8	6.9	:	2.8	20.4
Total 2001	12.8	13.3	14.9	8.8	8.0	9.2	12.4	2.5	12.6	31.7	14.6	5.2	9.8	:	:	5.8	5.6	7.5	4.0	14.3	7.8	11.7	20.4	13.0	4.9	16.4	15.2	6.7	6.3	3.0	17.3
Total 2002	12.7	13.0	14.5	8.1	8.1	9.1	12.1	2.7	11.2	31.0	13.5	5.3	9.9	:	:	7.2	5.1	7.3	4.6	14.4	7.3	15.4	21.7	14.2	4.9	16.0	15.2	6.3	5.3	1.0	14.6
Females 2000	13.4	14.6	16.3	12.3	9.4	11.1	13.0	1.7	15.5	34.2	16.4	7.0	12.2	:	4.6	3.1	6.6	6.5	5.6	16.8	8.8	4.9	21.8	14.8	4.5	19.8	17.8	7.9	:	2.8	12.7
Females 2001	13.7	14.5	16.2	12.0	8.9	10.7	12.6	1.8	15.0	34.3	16.2	6.2	11.9	:	:	4.2	6.4	6.8	6.4	17.4	8.6	10.9	22.6	14.0	4.7	19.9	17.6	7.5	5.9	2.8	13.3
Females 2002	13.7	14.2	15.8	11.2	9.3	10.3	12.3	1.5	13.1	34.1	15.3	6.2	12.0	:	:	4.9	5.5	6.6	6.6	17.1	7.2	14.4	23.6	16.1	4.5	19.5	17.6	7.2	4.7	0.8	15.2
Males 2000	11.9	12.7	14.3	6.7	7.1	8.5	12.5	4.4	11.1	30.7	14.2	4.6	8.7	:	8.8	5.9	4.6	7.7	3.4	11.2	7.4	6.5	18.2	12.7	5.1	12.9	13.8	6.1	:	2.8	22.2
Males 2001	12.0	12.3	13.8	6.3	7.2	7.7	12.1	3.3	10.9	30.0	13.2	4.3	8.3	:	:	7.6	5.2	8.1	2.8	11.9	7.2	12.4	18.6	12.1	5.1	12.9	12.9	6.0	6.6	3.2	18.3
Males 2002	11.9	12.0	13.4	5.8	7.0	7.9	11.9	3.9	10.0	29.0	12.0	4.5	8.4	:	:	9.8	4.8	7.9	3.7	12.1	7.4	16.3	20.1	12.6	5.2	12.5	12.8	5.6	5.8	1.1	14.5
<b>Services in % of total employment</b>																															
Total 2000	67.5	69.9	68.1	75.1	55.4	73.3	68.4	59.8	58.8	64.2	73.4	63.3	65.5	70.2	60.3	53.9	75.4	59.5	63.7	76.4	61.5	50.4	52.8	50.8	59.4	66.4	73.7	78.3	45.5	31.3	40.5
Total 2001	67.9	70.3	68.2	75.4	55.2	73.6	69.0	60.3	59.3	64.1	73.5	63.8	65.8	:	:	55.7	76.2	59.4	:	76.8	62.1	50.4	53.2	51.3	60.2	67.1	73.8	79.2	46.0	31.6	40.6
Total 2002	68.7	70.9	68.7	76.0	55.5	74.1	69.7	62.0	60.																						

	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>Industry in % of total employment</b>																															
Total 2000	26.8	25.8	27.2	22.4	39.5	23.1	29.1	33.2	23.9	29.4	22.4	29.0	29.6	20.7	24.4	26.2	23.0	33.9	34.3	20.1	25.1	30.9	34.5	37.6	35.1	27.7	23.6	20.6	28.3	27.3	24.6
Total 2001	26.5	25.5	26.9	22.3	40.1	22.9	28.6	32.9	24.0	29.6	22.3	29.1	29.3	:	:	27.2	22.5	34.4	:	19.9	24.6	30.5	34.0	37.5	34.5	27.3	23.7	19.8	27.6	27.5	23.3
Total 2002	26.0	25.0	26.4	21.7	39.7	22.5	27.8	31.2	23.8	29.4	22.0	28.1	29.2	:	:	27.4	22.2	34.1	:	19.5	24.0	28.6	33.8	36.9	34.5	26.7	23.3	19.0	27.6	30.7	23.9
Females 2000	14.7	13.4	14.6	10.0	27.2	12.3	15.4	23.8	13.2	13.6	11.7	15.7	19.1	:	16.7	20.0	6.4	24.9	25.6	8.7	11.4	19.0	22.8	28.1	23.5	14.0	11.1	9.4	24.9	21.8	13.8
Females 2001	14.4	13.1	14.3	10.0	28.0	12.1	15.1	23.1	12.5	13.5	11.6	14.9	18.6	:	:	20.7	6.6	25.5	:	8.3	11.2	18.4	22.5	27.9	22.9	13.9	11	8.8	25.7	22.6	12.8
Females 2002	13.9	12.7	13.9	9.7	27.3	11.9	14.7	21.4	12.1	13.5	11.2	13.6	18.2	:	:	20.8	6.5	24.6	:	8.2	10.2	17.2	21.7	27.2	22.9	13.3	10.5	8.1	25.8	25.2	15
Males 2000	36.2	35.3	36.6	31.9	49.2	32.8	40.4	42.3	30.3	38.7	31.4	38.2	35.9	:	31.9	32.7	33.1	41.3	38.1	28.8	36.2	40.5	44	45.6	45.2	40.1	35.2	30.3	31.1	32.1	28.4
Males 2001	36.1	35.1	36.3	31.6	49.5	32.6	39.8	42.3	30.8	39.3	31.5	39.0	36.0	:	:	33.9	32.4	41.7	:	28.8	35.8	40.4	43.4	45.5	44.9	39.5	35.3	29.5	29.2	31.9	27.3
Males 2002	35.6	34.7	36.0	30.9	49.3	32.0	39.0	40.6	31.0	39.2	31.3	38.6	36.0	:	:	34.0	32.4	42	:	28.3	36	38.2	43.9	45.2	44.8	39.3	35	28.7	29.0	35.3	27.3
<b>Agriculture in % of total employment</b>																															
Total 2000	5.7	4.3	4.7	2.5	5.1	3.6	2.5	7.0	17.3	6.4	4.3	7.7	4.9	9.1	15.3	19.9	1.6	6.6	1.9	3.5	13.4	18.8	12.7	11.7	5.6	6	2.7	1.2	26.2	41.4	34.9
Total 2001	5.5	4.2	5.0	2.4	4.8	3.5	2.5	6.8	16.8	6.3	4.2	7.1	4.8	:	:	17.1	1.3	6.2	:	3.3	13.3	19.1	12.7	11.3	5.3	5.6	2.5	1	26.3	40.9	36.1
Total 2002	5.4	4.1	4.8	2.4	4.8	3.3	2.4	6.9	16.1	5.9	4.1	6.9	4.6	:	:	17.8	1.3	6.2	:	3.3	13.2	19.3	12.4	11.0	5.0	5.3	2.4	0.9	26.7	35.1	32.8
Females 2000	4.7	3.4	3.7	1.5	3.7	1.9	1.9	4.5	19.7	4.5	2.9	2.1	4.1	:	13.1	16.0	1.1	3.5	0.7	2.4	13.8	18.3	14.3	11.8	3.3	3.8	1.2	0.6	20.7	43.7	59.0
Females 2001	4.6	3.3	4.1	1.5	3.3	1.6	1.9	3.8	18.7	4.4	2.8	1.8	4.1	:	:	12.9	0.8	3.5	:	2.4	13.8	19.1	14.3	11	3.1	3.7	1.1	0.5	20.1	43.2	61.7
Females 2002	4.4	3.1	3.9	1.6	3.4	1.6	1.8	4.2	18.3	4.1	2.7	1.7	3.9	:	:	14.1	0.8	3.6	:	2.2	13.4	18.8	13.7	10.8	3.2	3.6	1.1	0.4	20.5	37.0	56.8
Males 2000	6.4	5.0	5.4	3.2	6.2	5.1	3.0	9.5	15.9	7.6	5.4	11.6	5.3	:	17.4	23.8	1.9	9.1	2.5	4.2	13.1	19.1	11.4	11.5	7.6	7.9	4.2	1.7	30.7	39.4	26.4
Males 2001	6.2	4.9	5.7	3.0	6.0	5.2	2.9	9.7	15.6	7.5	5.3	10.8	5.3	:	:	21.5	1.6	8.5	:	3.9	12.9	19.2	11.5	11.4	7.3	7.4	3.7	1.5	31.5	38.9	26.6
Males 2002	6.1	4.8	5.5	2.9	5.9	4.8	2.9	9.5	14.8	7.1	5.3	10.6	5.1	:	:	21.4	1.6	8.3	:	4.2	13	19.8	11.3	11.2	6.6	7	3.6	1.4	31.8	33.4	23.5
<b>Total unemployment (thousands)</b>																															
Total 2000	18196.4	13556.6	11104.2	302.3	445.0	125.7	3065.5	81.3	487.3	1994.6	2381.3	75.2	2455.4	16.3	153.9	283.0	4.3	256.0	10.8	224.3	139.9	2849.4	208.3	63.0	481.1	253.1	253.2	1586.9	560.8	791.5	:
Total 2001	17851.2	12893.3	11061.8	289.1	410.8	123.5	3109.7	76.8	452.1	1888.6	2212.4	69.3	2248.5	14.4	142.8	283.2	4.0	227.3	10.6	198.2	139.5	3227.6	212.6	56.4	507.9	237.8	223.9	1488.6	658.9	746.6	:
Total 2002	18616.8	13582.5	11689.3	319.4	376.1	129.1	3395.7	58.3	435.2	2081.1	2308.4	79.6	2160.1	12.6	144.2	215.1	5.4	229.3	11.8	229.7	166.0	3445.2	271.4	58.7	483.0	237.3	228.1	1533.3	616.9	734.8	:
Females 2000	9239.2	6918.6	5818.0	160.6	237.1	64.2	1405.2	36.7	297.3	1149.2	1323.9	30.7	1299.0	10.5	69.7	118.0	2.3	102.5	3.7	125.5	73.5	1493.6	117.4	30.0	218.8	130.8	113.7	628.1	257.8	344.2	:
Females 2001	8924.0	6491.1	5748.7	139.4	220.9	65.0	1392.7	38.4	270.8	1079.4	1224.4	27.6	1191.4	9.2	62.7	118.6	2.0	89.6	3.8	106.3	72.4	1635.3	121.6	27.5	227.0	120.7	99.7	579.1	297.7	328.2	:
Females 2002	9115.8	6691.8	5927.3	154.1	206.2	61.2	1471.3	26.4	263.9	1194.5	1215.8	30.4	1141.6	7.3	64.8	104.5	3.0	93.7	4.7	110.1	79.0	1663.7	149.6	28.7	224.0	113.9	100.9	601.0	279.8	321.4	:
Males 2000	8957.1	6637.9	5286.2	141.7	207.8	61.5	1660.3	44.6	190.0	845.4	1057.4	44.5	1156.4	5.7	84.2	165.1	2.0	153.4	7.1	98.8	66.5	1355.9	90.9	33.0	262.3	122.3	139.4	958.7	303.0	447.3	:
Males 2001	8927.2	6402.2	5313.2#	149.8	190.0	58.5	1717.0	38.4	181.3	809.2	988.1	41.7	1057.1	5.2	80.1	164.6	2.0	137.7	6.8	91.9	67.1	1592.3	90.9	28.9	280.9	117.1	124.1	909.5	361.3	418.4	:
Males 2002	9501.0	6890.7	5762.0	165.3	169.9	67.9	1924.5	32.0	171.3	886.6	1092.7	49.3	1018.4	5.3	79.4	110.6	2.4	135.6	7.1	119.6	87.0	1781.5	121.7	29.9	259.0	123.3	127.2	932.3	337.1	413.4	:
<b>Youth unemployment rate (15 to 24 years)</b>																															
Total 2000	17.6	15.4	16.2	17.0	17.8	7.0	8.5	23.6	29.4	22.6	19.7	6.7	30.7	11.5	21.4	29.3	7.2	12.1	14.2	5.6	5.3	36.3	8.8	16.2	37.1	21.4	10.5	12.3	33.7	17.2	:
Total 2001	17.3	14.6	15.7	17.5	17.3	8.4	8.4	23.5	28.0	21.4	19.0	6.7	28.1	10.3	23.0	30.2	7.3	10.9	16.5	5.3	5.8	39.8	9.2	16.0	39.0	19.8	10.9	11.9	38.0	17.6	:
Total 2002	17.8	15.1	16.2	18.2	16.9	7.7	9.7	17.7	26.4	22.2	19.6	8.0	27.2	9.7	24.6	21.4	8.3	11.9	18.7	5.2	6.8	41.7	11.5	15.3	37.3	21.0	11.8	12.1	35.5	18.5	:
Females 2000	18.9	16.8	18.2	19.8	17.0	7.1	7.6	24.5	37.8	29.2	22.3	7.1	35.0	15.3	21.7	28.1	7.9	10.6	12.6	6.7	6.0	38.2	11.5	18.0	33.9	21.6	9.9	11.1	30.7	15.8	:
Females 2001	18.4	15.6	17.5	18.8	16.9	8.9	7.2	31.9	35.0	27.8	21.6	6.4	32.1	12.8	22.7	25.8	6.9	10.0	14.3	6.1	6.5	41.4	12.0	17.4	35.4	20.0	9.9	10.3	34.2	17.4	:
Females 2002	18.5	15.5	17.4	17.7	17.2	5.8	7.9	22.9	34.3	27.3	21.8	7.1	31.4	10.1	27.8	22.6	10.5	11.0	17.9	5.2	7.0	42.7	13.9	17.2	36.1	20.9	11.6	10.2	31.4	18.5	:
Males 2000	16.4	14.2	14.5	14.7	18.5	7.0	9.3	23.0	21.7	17.4	17.6	6.4	27.1	7.1	21.2	30.2	6.6	13.1	15.7	4.6	4.8	34.6	6.6	14.9	39.9	21.1	11.0	13.3	36.1	18.3	:
Males 2001	16.5	13.8	14.2	16.6	17.7	7.8	9.4	17.3	21.6	16.6	17.0	6.9	24.9	7.6	23.2	33.6	7.5	11.6	18.5	4.7	5.2	38.4	7.1	15.0	42.1	19.6	11.9	13.3	41.3	17.9	:
Males 2002	17.3	14.7	15.2	18.5	16.6	9.4	11.3	14.2	19.6	18.4	17.9	8.8	24.0	9.3	22.1	20.5	6.4	12.6	19.5	5.3	6.5	40.9	9.6	13.9	38.3	21.2	12.0	13.7	39.0	18.6	:
<b>Very long-term unemployment (24 months or more) in % active population</b>																															
Total 2000	2.3	2.2	2.6	2.7	2.1	0.4	2.5	3.3	3.5	3.0	2.0	1.0	4.6	0.4	5.2	4.5	0.2	1.4	3.1	0.4	0.6	3.2	1.0	2.7	5.6	1.4	0.0	0.8	6.3	1.6	0.5
Total 2001	2.3	2.0	2.3	2.2	2.4	0.3	2.5	3.7	3.1	2.3	1.7	0.7	4.3																		

## 5 SOCIAL PROTECTION

	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 in PPS per head of population, 2001</b>																															
Total	:	6405	6118	6888	:	7805	7329	:	3971	3867	7266	3875	6186	:	:	:	####	2253	:	7392	7464	:	3644	4059	1985	5622	7065	6181	:	:	:
<b>Expenditure on social protection per head of population at constant prices (Index 1995 = 100)</b>																															
1996	:	103.0	102.7	102.3	:	100.0	104.0	:	104.5	101.5	101.2	100.9	102.4	:	:	:	104.2	:	:	99.6	101.3	:	99.1	:	117.6	101.7	99.3	102.6	:	:	:
1997	:	104.8	101.7	102.9	:	99.4	102.9	:	111.4	102.5	102.1	106.4	107.5	:	:	:	107.1	:	:	100.7	98.9	:	105.5	:	117.4	100.6	98.8	104.8	:	:	:
1998	:	106.3	103.0	104.3	:	100.5	104.9	:	120.3	104.4	104.4	110.4	107.9	:	:	:	109.2	:	:	101.0	101.0	:	115.0	:	122.0	100.0	99.7	106.5	:	:	:
1999	:	109.7	106.2	106.6	:	101.8	107.7	:	131.5	106.8	106.3	116.9	110.5	:	:	:	117.7	:	:	102.1	105.8	:	122.8	:	119.2	100.4	102.9	108.1	:	:	:
2000	:	114.0	107.7	106.6	:	101.9	108.8	:	142.1	110.2	107.5	121.6	113.2	:	:	:	118.6	:	:	104.5	106.5	:	129.4	:	113.2	100.1	103.7	115.3	:	:	:
2001	:	115.6	109.9	109.1	:	103.8	109.8	:	152.5	113.0	109.7	132.7	116.9	:	:	:	124.1	:	:	106.0	107.1	:	136.2	:	112.2	102.3	105.9	118.8	:	:	:
<b>Social benefits by group of functions (as a percentage of total social benefits)</b>																															
<u>Old age and survivors benefits</u>																															
1992	:	:	45.1	41.6	:	35.4	41.3	:	52.5	40.7	43.0	28.5	60.4	:	:	:	47.0	:	:	37.3	47.8	:	40.7	:	:	32.1	:	43.3	:	:	:
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	:	:	:
<u>Sickness, health care</u>																															
1992	:	:	29.2	27.8	:	19.6	31.8	:	25.8	29.6	28.5	34.2	26.4	:	:	:	25.9	:	:	29.4	27.9	:	34.2	:	:	23.4	:	24.7	:	:	:
2001	:	28.2	28.4	25.0	:	20.3	28.8	:	25.8	30.0	29.2	43.4	26.1	:	:	:	25.4	27.5	25.5	30.4	24.7	:	31.3	31.4	33.1	24.5	29.2	28.1	:	:	:
<u>Disability</u>																															
1992	:	:	7.3	6.8	:	9.9	6.3	:	5.7	7.3	6.0	4.4	6.8	:	:	:	12.6	:	:	16.2	6.8	:	14.5	:	:	15.1	:	9.3	:	:	:
2001	:	8.0	7.4	9.0	:	12.5	7.7	:	5.0	7.6	6.0	5.2	5.7	:	:	:	14.2	10.1	6.1	11.6	8.1	:	12.3	8.7	8.1	13.7	12.4	9.4	:	:	:
<u>Unemployment</u>																															
1992	:	:	8.9	12.7	:	16.8	9.7	:	4.5	19.7	8.9	16.6	3.0	:	:	:	2.6	:	:	8.4	5	:	4	:	:	13.2	:	7.3	:	:	:
2001	:	6.2	6.9	11.7	:	10.0	8.2	:	6.0	12.9	7.1	8.3	1.6	:	:	:	2.5	3.4	6.0	5.0	5.0	:	3.6	3.7	3.4	9.8	5.6	2.9	:	:	:
<u>Family and children</u>																															
1992	:	:	7.2	8.7	:	11.8	8.2	:	8.0	1.9	9.7	11.3	3.3	:	:	:	10.8	:	:	5	10.8	:	6.2	:	:	12.9	:	8.7	:	:	:
2001	:	8.0	8.1	8.9	:	13.3	10.4	:	6.9	2.6	9.5	12.5	4.0	:	:	:	16.8	12.9	6.5	4.4	10.6	:	5.6	8.9	8.6	12.1	9.6	6.8	:	:	:
<u>Housing and social exclusion n.e.c.</u>																															
1992	:	:	2.3	2.3	:	6.6	2.6	:	3.5	0.8	4.0	4.9	0.1	:	:	:	1.2	:	:	3.8	1.7	:	0.5	:	:	3.4	:	6.8	:	:	:
2001	:	3.6	2.8	1.6	:	6.0	2.5	:	5.1	1.7	4.5	5.7	0.3	:	:	:	1.7	3.5	2.0	6.7	2.2	:	1.3	1.8	7.1	3.3	4.3	6.3	:	:	:

	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>Social benefits by group of functions per head of population at constant prices (Index 1995 = 100)</b>																															
<u>Total benefits</u>																															
1997	:	105.0	101.9	101.9	:	99.5	103.2	:	111.1	103.2	102.6	106.2	107.8	:	:	:	106.8	:	:	100.1	98.8	:	102.8	:	114.2	100.7	98.8	105.1	:	:	:
1999	:	109.9	106.3	106.6	:	101.8	108.0	:	131.8	107.4	106.7	116.5	110.7	:	:	:	118.0	:	:	101.5	106.0	:	118.5	:	118.6	100.6	102.6	108.5	:	:	:
2001	:	115.7	109.8	108.4	:	103.7	109.9	:	153.3	114.0	110.1	132.5	116.7	:	:	:	124.4	:	:	104.6	107.2	:	131.9	:	110.4	102.0	105.2	119.9	:	:	:
<u>Old age and survivors benefits</u>																															
1997	:	107.7	103.8	102.8	:	103.9	101.5	:	112.5	107.0	103.3	101.9	108.6	:	:	:	103.7	:	:	107.2	103.2	:	110.8	:	110.0	104.0	104.5	111.7	:	:	:
1999	:	113.5	108.9	109.1	:	102.8	106.5	:	131.7	111.2	108.3	111.1	112.0	:	:	:	105.3	:	:	111.6	109.0	:	129.3	:	113.4	107.9	109.0	116.7	:	:	:
2001	:	119.1	112.1	110.1	:	104.6	109.3	:	150.9	117.6	110.7	124.3	114.6	:	:	:	108.8	:	:	115.2	112.6	:	146.9	:	115.8	113.9	110.1	129.3	:	:	:
<u>Sickness, health care</u>																															
1997	:	100.9	97.3	102.9	:	101.4	94.6	:	107.8	103.5	101.3	107.4	108.1	:	:	:	109.3	:	:	96.2	91.2	:	90.2	:	129.4	105.5	102.9	104.9	:	:	:
1999	:	108.1	102.7	110.1	:	112.1	98.4	:	124.0	111.2	106.1	129.4	112.5	:	:	:	122.3	:	:	103.9	100.8	:	106.1	:	124.6	110.3	120.5	115.2	:	:	:
2001	:	119.4	110.0	114.9	:	118.2	101.9	:	152.0	119.3	113.7	158.9	131.5	:	:	:	127.0	:	:	111.8	96.8	:	114.1	:	115.0	119.3	138.4	140.1	:	:	:
<u>Disability</u>																															
1997	:	107.1	105.3	100.9	:	101.6	117.9	:	110.9	106.0	103.0	109.2	102.2	:	:	:	109.3	:	:	95.8	107.0	:	112.9	:	111.7	98.7	93.3	98.9	:	:	:
1999	:	111.0	108.9	109.6	:	116.1	122.9	:	131.9	113.5	106.6	121.6	99.2	:	:	:	133.7	:	:	95.4	117.0	:	122.0	:	116.3	95.4	101.0	97.0	:	:	:
2001	:	115.2	110.6	110.9	:	122.0	123.9	:	158.2	116.8	112.0	143.1	95.7	:	:	:	139.9	:	:	96.1	118.7	:	137.6	:	112.8	93.3	106.8	103.6	:	:	:
<u>Unemployment</u>																															
1997	:	93.6	94.5	102.1	:	85.1	100.1	:	112.2	86.9	101.6	97.0	90.9	:	:	:	122.3	:	:	90.4	98.0	:	98.5	:	138.8	93.4	92.7	74.0	:	:	:
1999	:	89.8	92.1	99.3	:	76.9	105.0	:	167.6	82.6	100.0	84.6	77.3	:	:	:	115.6	:	:	61.4	101.5	:	83.6	:	216.7	78.9	76.6	66.0	:	:	:
2001	:	85.6	88.8	97.4	:	70.3	99.5	:	202.6	89.4	99.5	71.8	61.3	:	:	:	102.9	:	:	52.7	94.2	:	90.8	:	107.5	69.6	54.4	62.0	:	:	:
<u>Family and children</u>																															
1997	:	113.6	113.8	108.6	:	101.4	138.7	:	103.3	120.2	103.7	119.4	117.1	:	:	:	105.4	:	:	101.2	93.6	:	104.8	:	93.6	95.0	90.1	102.8	:	:	:
1999	:	117.3	119.4	107.7	:	107.0	149.8	:	112.0	137.4	105.1	125.8	128.1	:	:	:	140.2	:	:	95.2	98.0	:	118.9	:	83.3	95.9	85.7	96.2	:	:	:
2001	:	119.2	121.7	110.4	:	111.0	151.6	:	120.0	147.3	105.2	138.0	145.2	:	:	:	159.2	:	:	100.7	102.4	:	144.2	:	66.3	92.8	88.8	91.3	:	:	:
<u>Housing and social exclusion n.e.c.</u>																															
1997	:	104.6	99.1	60.5	:	93.9	103.8	:	131.2	126.0	102.7	113.5	113.6	:	:	:	121.9	:	:	98.9	101.2	:	161.6	:	92.4	101.7	87.8	102.6	:	:	:
1999	:	108.5	103.6	59.6	:	91.1	97.9	:	191.0	125.2	110.4	121.6	155.2	:	:	:	104.6	:	:	108.7	130.1	:	440.0	:	157.4	102.1	79.3	102.9	:	:	:
2001	:	108.9	103.5	63.8	:	91.3	94.2	:	209.0	116.5	109.8	146.5	253.1	:	:	:	169.8	:	:	109.4	158.7	:	431.6	:	167.8	93.1	72.4	101.6	:	:	:
<b>Receipts of social protection by type (as a percentage of total receipts)</b>																															
<u>General government contributions</u>																															
1992	:	:	26.1	21.1	:	82.0	27.2	:	32.2	27.9	18.1	60.7	30.2	:	:	:	41.6	:	:	22.4	35	:	26.9	:	:	44.6	:	47.6	:	:	:
2001	:	36.0	32.0	23.0	:	62.6	32.6	:	27.8	26.7	30.4	58.3	41.1	:	:	:	46.2	32.2	27.0	16.3	34.1	:	37.8	32.6	28.3	42.8	45.1	48.2	:	:	:
<u>Employers' social contributions</u>																															
1992	:	:	44.5	43.8	:	7.0	41.9	:	38.8	53.2	50.3	22.8	51.4	:	:	:	29.5	:	:	20.2	38.1	:	39.4	:	:	36.7	:	27.5	:	:	:
2001	:	38.8	41.4	51.4	:	9.3	37.4	:	38.5	52.9	45.9	24.8	42.4	:	:	:	24.5	46.2	48.7	31.6	37.5	:	36.4	26.5	47	38.8	43.4	30.5	:	:	:
<u>Social contributions paid by protected persons</u>																															
1992	:	:	25.1	25.5	:	4.7	28.3	:	19.9	16.3	28.1	15.1	16.0	:	:	:	21.8	:	:	41.7	25.6	:	17.8	:	:	10.4	:	23.5	:	:	:
2001	:	21.7	22.8	23.0	:	21.1	27.8	:	23.5	16.3	20.8	14.5	14.6	:	:	:	24.4	13.1	21.9	35.3	27.2	:	18	39.3	18.6	11.6	9.1	19.5	:	:	:
<u>Other receipts</u>																															
1992	:	:	4.3	9.7	:	6.4	2.6	:	9.2	2.6	3.5	1.4	2.5	:	:	:	7.1	:	:	15.7	1.2	:	15.9	:	:	8.3	:	1.4	:	:	:
2001	:	3.4	3.8	2.6	:	7.0	2.2	:	10.2	4.1	2.8	2.3	1.8	:	:	:	4.9	8.6	2.4	16.8	1.2	:	7.8	1.5	6.1	6.9	2.3	1.7	:	:	:

2001 data are provisional for BE, DE, ES, FR, HU, IE, IT, NL, PT, SE SI, SK and UK. No data on benefits and receipts for SE for the year 1992. EU-15 data for 1992 are therefore estimated. The abbreviation 'n.e.c.' indicates not elsewhere classified.

## 6 INCOME, POVERTY AND SOCIAL EXCLUSION

	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 (cut-off threshold: 60% of median equivalised income after social transfers), by age, 2001</b>																															
Total population	15	15	15	13	8	10	12	18	20	19	15	21	19	16	16	17	12	10	15	11	12	15	20	11	21p	11	9	17	16	17	25
..Children 0-15	19	19	19	12	12	7	14	19	18	26	18	26	25	12	19	20	18	14	21	16	13	21	27	9	30p	6	7	24	19	22	33
..16-24	18	19	19	12	10	21	16	21	19	20	21	12	25	9	18	21	20	12	10	22	11	19	18	11	23p	23	18	20	22	20	26
..25-49	12	12	13	10	7	7	9	18	14	15	12	17	18	9	16	17	11	9	14	10	8	16	15	9	21p	7	7	12	16	15	22
..50-64	12	12	13	12	4	5	10	17	21	17	13	16	16	15	17	15	9	7	12	7	9	10	16	11	14p	9	5	11	11	12	18
..65+	17	19	18	26	6	24	12	18	33	22	19	44	17	58	10	12	7	9	20	4	24	6	30	21	13p	23	16	24	15	19	23
<b>At-risk-of-poverty rate (cut-off threshold: 60% of median equivalised income after social transfers), by most frequent activity, 2001</b>																															
Total population, 16+	:	14	14	13	:	11	10	:	21	18	15	20	18	:	:	:	10	:	:	10	12	:	18	:	:	12	10	15	:	:	:
..At work	:	7	8	4	3	3	4	9	13	10	8	7	10	5	9	9	8	5	6	8	6	7	12	4	:	6	5	6	7	4	21
....Employed	6	6	6	3	:	1	4	:	5	7	6	6	7	5	:	:	8	:	6	:	3	:	7	:	14p	4	4	5	7	:	:
....Self-employed	16	16	16	10	5	15	5	16	25	20	25	16	18	9	22	33	2	3	1	:	24	19	28	10	24p	17	24	14	7	33	22
..Unemployed	38	38	36	32	30	23	34	47	39	37	30	54	51	23	42	41	48	31	50	23	23	37	38	43	47p	21	19	49	33	28	32
..Retired	16	17	16	21	5	23	13	21	32	18	17	39	13	62	13	13	8	9	18	3	16	7	25	15	11p	20	16	24	14	14	7
..Other inactive	24	25	23	21	11	21	18	27	23	24	26	33	28	20	27	20	16	15	18	12	22	18	28	19	28p	22	22	30	19	20	23
<b>At-risk-of-poverty rate (cut-off threshold: 60% of median equivalised income after social transfers), by household type, 2001</b>																															
Total population	15	15	15	13	8	10	11	18	20	19	15	21	19	16	16	17	12	10	15	11	12	15	20	11	21p	11	9	17	16	17	25
1 person hh - Total	23	25	24	21	14	24	19	33	32	31	22	57	24	64	21	24	9	15	25	12	23	10	39	35	27p	35	21	29	33	25	19
1 person hh - M	18	18	17	12	12	22	16	33	16	18	17	47	17	54	27	29	5	16	17	15	9	16	28	26	33p	28	17	21	20	17	9
1 person hh - F	26	28	27	26	15	26	20	34	39	38	25	66	27	67	19	22	12	14	28	9	30	7	43	39	23p	40	24	33	36	28	23
1 person hh <30 yrs	28	32	31	21	14	:	42	31	37	27	31	21	19	25	16	14	11	10	34	49	17	5	1	26	28p	52	:	37	13	13	0
1 person hh 30-64	15	15	14	13	16	:	13	32	15	18	11	37	16	34	27	27	10	16	23	6	12	14	28	26	31p	20	:	18	27	18	15
1 person hh 65+	26	29	28	27	12	28	19	35	38	43	27	79	29	83	17	22	7	15	25	3	35	6	46	42	20p	45	27	35	36	30	25
2 adults no children (at least one 65+)	15	16	15	26	3	20	7	14	36	24	16	37	14	58	7	8	8	5	25	5	18	8	32	18	14p	8	6	17	7	12	17
2 adults no children (both <65)	10	10	10	8	3	4	8	10	17	14	11	14	12	11	15	14	6	6	11	4	10	8	13	12	6p	5	4	9	7	10	11
Other hh no children	9	9	10	8	8	:	5	11	18	8	12	8	15	10	10	14	5	4	5	9	7	9	10	8	11p	10	:	5	9	14	10
Single parent (at least 1 child)	33	35	34	25	26	12	36	29	37	42	35	42	23	41	35	23	35	18	55	45	23	19	39	20	40p	11	13	50	32	23	45
2 adults 1 dep.child	10	10	11	7	6	3	9	16	8	18	10	17	13	6	14	14	13	8	13	10	7	9	9	12	22p	5	5	8	12	9	12
2 adults 2 dep.children	13	13	14	11	6	3	7	16	14	23	12	17	21	9	19	17	15	12	16	9	7	14	15	6	26p	5	4	12	18	13	17
2 adults 3+ dep.children	27	27	27	7	18	13	21	20	26	34	24	37	37	16	22	27	23	22	29	17	23	32	49	12	35p	5	8	30	54	36	37
Other hh with dep.children	16	16	16	15	10	4	11	18	23	18	14	10	24	6	15	19	26	8	8	18	9	19	23	9	18p	7	6	13	13	23	32



	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 (cut-off threshold: 60% of median equivalised income after social transfers), by accommodation tenure status, 2001</b>																															
Total population	15	15	15	13	8	10	15	18	20	19	15	21	19	16	16	17	12	10	15	11	12	15	20	11	21p	11	9	17	16	17	25
..Owner or rent-free	12	12	13	10	7	7	12	17	21	18	12	17	17	16	14	17	8	9	11	7	12	15	19	11	:	8	5	12	15	17	25
..Tenant	23	24	23	28	8	17	24	29	15	23	25	44	30	18	24	26	24	16	29	20	12	16	25	17	:	23	13	32	32	27	26
<b>At-risk-of-poverty cut-off threshold (60% of median equivalised income after social transfers), illustrative values in PPS, 2001</b>																															
Single person household	7426	8253	8091	9286	4045	9747	9492	2359	5443	6527	8765	7934	7044	6658	2301	2346	14376	3369	5510	8309	9468	2859	4967	6295	3629	7680	8502	8984	1630	1176	1813
Two-adult, two-children household	15595	17332	16991	19501	8494	20469	19933	4954	11431	13706	18407	16662	14793	13983	4833	4926	30190	7075	11572	17449	19883	6004	10431	13219	7622	16128	17854	18866	3422	2469	3807
<b>At-risk-of-poverty cut-off threshold (60% of median equivalised income after social transfers), illustrative values in Euro, 2001</b>																															
Single person household	7243	8319	7747	9295	1897	:	9455	1208	4264	5416	8932	8553	6240	5312	1215	1124	13863	1641	5038	8292	9173	1742	3589	4180	1549	8916	:	10632	638	483	987
Two-adult, two-children household	15210	17469	16269	19520	3984	:	19855	2537	8955	11374	18756	17961	13103	11155	2552	2360	29113	3446	10581	17414	19263	3658	7538	8778	3252	18724	:	22327	1340	1015	2073
<b>At-risk-of-poverty gap expressed relative to cut-off threshold (60% of median equivalised income after social transfers), 2001</b>																															
Total population	22	22	22	15	16	13	19	24	28	24	19	24	28	24	20	22	17	16	18	20	19	22	22	18	34	17	17	23	21	22	31
<b>Annual disposable equivalised household income, in PPS, 2001</b>																															
Median	:	:	13485	15477	6742	16245	15820	3932	9072	10878	14608	13223	11740	11097	3835	3910	23960	5615	9183	13848	15780	4765	8278	10492	6048	12800	14170	14973	2717	1960	3022
Mean	:	15499	15151	17785	:	:	17812	:	10546	12776	16189	14366	12779	:	:	27336	:	:	15549	17146	:	10565	:	:	13970	:	17272	:	:	:	
<b>Share of national equivalised household income by quintile, 2001</b>																															
Total population	:	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
..bottom quintile	:	9	9	10	:	:	10	:	7	7	9	9	7	:	:	:	9	:	:	9	7	:	11	:	:	11	:	8	:	:	:
..2nd quintile	:	14	14	14	:	:	14	:	12	12	14	13	13	:	:	:	13	:	:	14	11	:	14	:	:	15	:	13	:	:	:
..3rd quintile	:	17	17	17	:	:	17	:	17	17	18	18	18	:	:	:	17	:	:	17	16	:	18	:	:	18	:	17	:	:	:
..4th quintile	:	22	23	21	:	:	22	:	23	23	23	23	23	:	:	:	23	:	:	23	22	:	22	:	:	22	:	22	:	:	:
..top quintile	:	38	38	38	:	:	37	:	40	41	37	38	38	:	:	:	37	:	:	38	45	:	35	:	:	35	:	40	:	:	:

Source: Eurostat - European Community Household Panel, Users' Data Base, version December 2003 except DK, SE and the ten new Member states and three Candidate Countries: national surveys.  
Note : In all the nine tables above on income, poverty and social exclusion the data is from 2001, except for CY 1997, MT and SI 2000, LV and TR 2002 and SK 2003.

## 7 GENDER EQUALITY

	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>Women in regional parliaments, 2000</b>																															
Number of regions	:	143	:	5	:	14	16	:	.	19	22	.	20	:	:	:	.	:	:	10	9	:	2	:	:	.	23	3	:	:	:
Number of members	:	9840	:	393	:	374	1970	:	.	1180	1693	.	933	:	:	:	.	:	:	761	448	:	111	:	:	.	1717	260	:	:	:
Number of female members	:	2896	:	85	:	113	605	:	.	359	437	.	78	:	:	:	.	:	:	208	117	:	13	:	:	.	810	71	:	:	:
Percentage of female members	:	29.4	:	21.6	:	30.2	30.7	:	.	30.4	25.8	.	8.4	:	:	:	.	:	:	27.3	26.1	:	11.7	:	:	.	47.2	27.3	:	:	:

EL, IRL, L, FIN: No elected regional parliaments existing. F: 1999 data; With "Assemblée territoriale de Corse". I: From some regions no data is available. P: Only the autonomous regions of Açores and Madeira have regional parliaments.

**Women in regional governments (including junior ministers), 2000**

Number of regions	:	97	:	5	:	.	16	:	.	19	.	.	20	:	:	:	.	:	:	.	9	:	2	:	:	.	23	3	:	:	:
Number of members	:	940	:	37	:	.	183	:	.	177	.	.	194	:	:	:	.	:	:	.	76	:	16	:	:	.	224	33	:	:	:
Number of female members	:	206	:	8	:	.	44	:	.	31	.	.	15	:	:	:	.	:	:	.	17	:	0	:	:	.	81	10	:	:	:
Percentage of female members	:	21.9	:	21.6	:	.	24.0	:	.	17.5	.	.	7.7	:	:	:	.	:	:	.	22.4	:	0.0	:	:	.	36.2	30.3	:	:	:

DK, EL, F, IRL, L, FIN: No regional governments existing. D: In some regions junior ministers do not longer belong to the government and are no longer included. F: 1999 data. I: From some regions no data is available. NL: Regional governments are appointed. P: Only the autonomous regions of Açores and Madeira have regional governments. S: Some regions do not have governments.

**Women in local councils, 1997**

Number of seats	:	364 367	:	12 912	:	4 658	177 193	:	:	:	:	883 94 886	:	:	:	1 105	:	:	11 072	7508	:	7337	:	:	12 482	11 006	23 325	:	:	:
Number of seats occupied by women	:	72 343	:	2 565	:	1 261	30 973	:	:	:	:	103 18 237	:	:	:	114	:	:	2475	929	:	1 057	:	:	3932	4533	6164	:	:	:
Percentage of seats occ. by women	:	19.9	:	19.9	:	27.1	17.5	:	:	:	:	11.7	19.2	:	:	10.3	:	:	22.4	12.4	:	14.4	:	:	31.5	41.2	26.4	:	:	:

Local data are incomplete. Due to the huge differences in local level political decision-making data provided are not always comparable. D: No data available for Saxony-Anhalt and Mecklenburg-Vorpommern. A: Only data from Styria available.

Source: European database - Women in decision making (www.db-decision.de).

## 8 HEALTH AND SAFETY

	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>Percentage of persons aged 16 and over stating that they are hampered in daily activities by any physical or mental health problem, illness or disability by sex, 2000</b>																															
Total	:	25	:	15	:	22	40	:	17	15	24	16	11	:	:	:	:	:	:	24	16	:	22	:	:	31	:	:	:	:	:
Males	:	22	:	14	:	18	36	:	15	13	22	15	10	:	:	:	:	:	:	21	14	:	20	:	:	28	:	:	:	:	:
Females	:	28	:	17	:	25	43	:	18	17	25	16	13	:	:	:	:	:	:	28	18	:	25	:	:	34	:	:	:	:	:
<b>Percentage of persons aged 65 and over that they are hampered in daily activities by any physical or mental health problem, illness or disability by sex, 2000</b>																															
Total	:	52	:	32	:	48	73	:	42	35	53	36	30	:	:	:	:	:	:	45	39	:	49	:	:	62	:	:	:	:	:
Males	:	48	:	28	:	49	70	:	40	30	50	30	27	:	:	:	:	:	:	40	36	:	45	:	:	61	:	:	:	:	:
Females	:	54	:	35	:	47	75	:	43	40	55	40	33	:	:	:	:	:	:	48	41	:	53	:	:	62	:	:	:	:	:
<b>Percentage of persons aged 16 and over with an above-mentioned problem/illness and who are hampered in their daily activities, 2000</b>																															
Yes, severely	:	9	:	6	:	6	10	:	8	6	10	4	5	:	:	:	:	:	:	8	5	:	10	:	:	9	:	16	:	:	:
Yes, to some extent	:	16	:	10	:	16	30	:	9	9	14	12	7	:	:	:	:	:	:	16	11	:	13	:	:	22	:	:	:	:	:
No	:	78	:	85	:	79	60	:	83	85	76	84	89	:	:	:	:	:	:	76	84	:	78	:	:	69	:	:	:	:	:
<b>Percentage of persons aged 65 and over with an above-mentioned problem/illness and who are hampered in their daily activities, 2000</b>																															
Yes, severely	:	22	:	14	:	20	22	:	21	14	26	9	15	:	:	:	:	:	:	18	17	:	25	:	:	25	:	32	:	:	:
Yes, to some extent	:	30	:	18	:	28	51	:	21	21	26	27	15	:	:	:	:	:	:	27	22	:	24	:	:	37	:	:	:	:	:
No	:	53	:	68	:	52	27	:	59	65	47	64	70	:	:	:	:	:	:	55	61	:	51	:	:	38	:	:	:	:	:
<b>Percentage of the population aged 16 and over who feel that their health is bad or very bad, by level of education, 2000</b>																															
Pre-primary, primary and lower secondary education	:	16	:	9	:	13	23	:	14	17	9	5	18	:	:	:	:	:	:	5	13	:	27	:	:	:	:	15	:	:	:
Upper secondary education	:	10	:	4	:	4	16	:	3	2	4	1	3	:	:	:	:	:	:	2	5	:	6	:	:	4	:	25	:	:	:
Total tertiary education	:	7	:	2	:	3	13	:	2	1	2	1	3	:	:	:	:	:	:	1	5	:	3	:	:	3	:	12	:	:	:
<b>Percentage of the population aged 16 and over who feel that their health is bad or very bad, by sex, 2000</b>																															
Total	:	11	:	5	:	6	18	:	8	10	8	3	12	:	:	:	:	:	:	5	7	:	20	:	:	7	:	10	:	:	:
Males	:	10	:	4	:	5	16	:	8	8	6	2	9	:	:	:	:	:	:	4	6	:	17	:	:	7	:	8	:	:	:
Females	:	13	:	5	:	7	21	:	9	12	9	3	14	:	:	:	:	:	:	7	8	:	23	:	:	7	:	11	:	:	:
<b>Percentage of the population aged 65 and over who feel that their health is bad or very bad, by sex, 1998</b>																															
Total	:	26	:	11	:	17	35	:	23	28	18	8	34	:	:	:	:	:	:	11	21	:	54	:	:	19	:	16	:	:	:
Males	:	22	:	9	:	18	31	:	22	23	16	7	28	:	:	:	:	:	:	10	20	:	46	:	:	21	:	13	:	:	:
Females	:	28	:	12	:	15	37	:	24	32	20	9	38	:	:	:	:	:	:	12	22	:	59	:	:	18	:	18	:	:	:
FIN: 1997. EU-15 without L, FIN and S. Source: Eurostat - European Community Household Panel (ECHP), UDB December 2001 version.																															
<b>Standardised death rates (SDR) per 100 000 population by sex, 1999</b>																															
<b>Males</b>																															
Diseases of the circulatory system	386	326	301	309	591	335	388	797	356	263	230	422	305	:	812	647	329	745	403	314	414	595	332	424	673	409	345	351	853	831	:
Cancer	182	251	244	288	332	258	243	286	218	257	276	249	250	:	303	287	238	402	239	270	232	298	220	296	336	208	190	236	203	217	:
Diseases of the respiratory system	70	87	74	113	58	86	62	63	56	114	67	161	62	:	55	70	92	79	112	100	48	72	110	111	74	90	54	141	64	104	:
External causes of injury and poisoning	32	61	59	78	94	70	51	279	117	56	85	62	51	:	264	244	72	141	41	39	72	112	69	120	98	115	53	40	83	102	:
<b>Females</b>																															
Diseases of the circulatory system	207	208	196	196	385	207	250	446	281	178	133	258	199	:	476	415	202	477	321	185	282	373	249	268	443	219	205	214	607	621	:
Cancer	174	140	129	149	180	201	147	146	114	112	127	170	128	:	139	140	135	205	137	162	140	153	116	157	156	122	137	165	121	126	:
Diseases of the respiratory system	45	44	32	42	30	64	28	15	35	46	32	108	24	:	16	18	42	34	51	49	23	30	54	44	34	40	33	95	33	55	:
External causes of injury and poisoning	55	24	23	33	34	33	20	60	37	17	37	23	20	:	69	57	30	50	17	20	25	31	21	40	23	34	23	17	24	30	:
B: 1997. Source: Eurostat - Health and safety statistics.																															
<b>Hospital beds per 100 000 inhabitants</b>																															
1990	:	779	806	810	1348	567	1034	1154	507	427	977	619	723	504	1245	1402	1182	1009	:	583	786	575	558	243	:	919	1249	592	1004	605	243
2001	:	631	685	712	1096	440	912	670	489	399	821	485	466	404	518	869	688	806	760	472	854	718	376	533	767	732	359	408	699	749	262
BE, DE, IT, SE and UK: 2000. EU-15, EU-12, DK, EL and IE : 1999																															
Source: Eurostat - Health and safety statistics.																															

	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>Number of persons per 100 000 discharged from hospitals by ICD diagnosis, 2001</b>																																
All diagnosis	18294	18691.9	18427.3	15449.1	22363.3	17585	19529		15419.8	11333	27827.4	12964.8	16106	7470	20811	21979.6	22950.4	24082.1	6781	9159	28474.7	12007	7885	16225.2	20142	26146.1	16079.5	20570.2	14552	20686.1	6923	
including :																																
Infectious and parasitic diseases	351	340	352	451	473	464	365	674	454	208	448	381	311	113	884	752	382	395	78	116	694	310	216	476	453	695	427	257	554	1153	335	
Cancer	1325	1354	1264	904	1543	1559	1815	1555	1115	669	1224	675	1043	315	1263	1121	1573	1810	203	776	2950	841	545	1788	1382	1907	1370	1791	996	1119	334	
Diseases of the respiratory system	1286	1252	1267	1401	1601	1598	1266	2165	1306	1089	1461	1415	1239	686	2229	2726	2051	2201	568	623	2027	1099	724	1239	1518	2286	1010	1184	1984	3084	806	
Diseases of the circulatory system	2460	2406	2512	2338	3630	2640	3369	3118	2215	1389	2386	1493	2592	857	3122	3926	2639	4084	667	1379	4027	2050	1167	1671	2962	3891	2753	1798	2096	2739	843	
Mental and behavioural disorders	573	583	599		697	264	1037	3118	347	269	508	108	463	88	1570	1141	1102	1524	67	120	1535	60	127	560	679	1790	1003	370	505	1217	98	
External causes of injury and poisoning	1406	1276	1205	1677	1740	1874	1995	1282	1270				1378	1622		2213	2141	1768	1487	98	727	3040	1343	925	1639	85	694	1835		1036	1344	373

SI, TR, BE, DK, ES, FR, LU, AT and UK: 2000; PL, EE, HU, EU-15, DE and IT: 1999; EL: 1998. UK includes only England.

Source: Eurostat - Health and safety statistics.

#### Work accidents per 100 000 employed persons by selected type of activity, 2000, Index (1998 = 100)

Total	:	98	97	82	:	89	96	:	88	108	102	72	99	:	:	:	104	:	:	105	92	88	:	:	:	89	111	106	:	:	:
Construction	:	94	93	91	:	101	91	:	86	103	93	86	100	:	:	:	109	:	:	111	85	70	:	:	:	94	107	103	:	:	:
Agriculture, hunting and forestry	:	98	96	84	:	128	122	:	87	86	93	58	94	:	:	:	112	:	:	81	94	43	:	:	:	94	112	110	:	:	:
Transport, storage and communication	:	94	93	65	:	99	89	:	79	107	99	66	103	:	:	:	116	:	:	107	102	101	:	:	:	100	95	112	:	:	:
Manufacturing	:	98	98	85	:	84	94	:	103	280	101	67	98	:	:	:	94	:	:	102	89	109	:	:	:	87	117	103	:	:	:
Hotels and restaurants	:	106	100	81	:	123	101	:	93	114	101	141	98	:	:	:	120	:	:	99	100	94	:	:	:	81	112	130	:	:	:
Wholesale and retail trade; repairs	:	103	101	89	:	121	98	:	79	114	105	155	97	:	:	:	102	:	:	105	98	86	:	:	:	83	121	115	:	:	:

#### Work accidents per 100 000 employed persons by selected type of activity, 2000

Total	:	4016	4665	4213	:	2866	4757	:	2595	7052	5030	1027	4049	:	:	:	4891	:	:	4095	3056	:	4863	:	:	3046	1475	1607	:	:	:
Construction	:	7548	8891	7859	:	3955	8893	:	5838	14807	11407	1630	6450	:	:	:	10942	:	:	2777	5499	:	7048	:	:	7059	2410	2506	:	:	:
Agriculture, hunting and forestry	:	6625	7250	5754	:	1541	14443	:	2695	2763	4496	3356	8808	:	:	:	8610	:	:	5754	11138	:	2422	:	:	5200*	1629	2328	:	:	:
Transport, storage and communication	:	5512	6783	3702	:	3361	10460	:	1585	6603	6084	1261	5659	:	:	:	4236	:	:	3268	2816	:	4243	:	:	3634	1466	1957	:	:	:
Manufacturing	:	4421	5016	4042	:	4956	4455	:	3944	8977	4488	1105	4930	:	:	:	4850	:	:	5714	3345	:	6462	:	:	4024	1957	1723	:	:	:
Hotels and restaurants	:	3790	4363	3295	:	1702	5579	:	1004	6554	5374	613	3191	:	:	:	4677	:	:	1604	1199	:	3183	:	:	2099	1131	2021	:	:	:
Wholesale and retail trade; repairs	:	2524	2861	3613	:	1438	2331	:	1695	5180	3868	589	1898	:	:	:	3288	:	:	2336	1439	:	4113	:	:	1849	1175	1488	:	:	:

#### Work accidents per 100 000 employed persons by sex, 2000, Index (1998=100)

Males	98	98	97	80	90	88	96	114	92	109	101	69	98	112	:	84	105	94	94	:	92	:	89	97	87	89	113	105	:	109	:
Females	103	103	102	101	95	99	99	130	76	113	111	88	104	118	:	95	100	94	102	:	93	:	87	98	88	89	106	110	:	101	:

#### Work accidents per 100 000 employed persons by sex, 2000

Males	:	5160	6076	5162	:	3465	6320	:	3519	8700	6572	1350	4908	:	:	:	6269	:	:	4051	:	6571	:	:	3952	1742	1966	:	:	:
Females	:	1952	2232	2223	:	1725	2105	:	842	3630	2386	521	2124	:	:	:	1969	:	:	1411	:	2156	:	:	1404	938	957	:	:	:

Source: Eurostat - Health and safety statistics.

#### Number of persons killed in road accidents

1970	73 229	73 229	63 215	2 950	:	1 208	21 332	:	931	4 197	15 034	540	10 208	:	:	:	132	:	:	3 181	2 238	:	1 417	:	:	1 055	1 307	7 499	:	:	:
1980	59 600	59 600	51 823	2 396	:	690	15 050	:	1 225	5 017	12 384	564	8 537	:	:	:	98	:	:	1 997	1 742	:	2 262	:	:	551	848	6 239	:	:	:
1990	51 711	51 711	44 903	1 976	:	634	11 046	:	1 737	6 948	10 289	478	6 621	:	:	:	71	:	:	1 376	1 391	:	2 321	:	:	649	772	5 402	:	:	:
1999	54 328	42 131	37 473	1 397	1455	514	7 772	232	2 116	5 738	8 487	414	6 633	113	604	748	58	1306	4	1 090	1 079	6730	2 258	334	671	431	580	3 564	1047	2505	5723
2000	52 615	41 116	36 444	1 470	1486	501	7 503	204	2 074	5 776	8 079	415	6 410	111	588	641	70	1200	15	1 160	976	6294	2 115	313	647	396	591	3 580	1012	2499	5510
2001	:	:	:	:	:	415	6 961	:	1 882	5 193	8 100	410	:	:	:	:	64	:	:	1 065	955	:	1 895	:	:	438	558	:	:	:	

#### Number of persons killed in road accidents per million inhabitants

2001	:	104	:	143	:	77	85	:	178	129	137	106	111	:	:	:	144	:	:	66	117	:	184	:	:	84	63	60	:	:	:
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BE, IT and UK: 2000 data. Source: Eurostat - Transport Statistics.

## 9 CONSUMPTION

	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>Final consumption expenditure of households, thousand millions of euro, current prices</b>																															
1999	:	4561.2	3425.1	123.5	27.3	80.6	1112.0	2.8	82.9	331.8	730.7	41.1	660.2	5.7	3.9	6.4	7.4	25.1	2.1	185.4	108.7	92.4	65.8	10.3	10.5	58.5	111.0	861.6	8.6	24.4	125.1
2000	:	3587.5	131.1	29.8	82.8	1143.8	3.1	356.2	760.3	47.3	698.9	6.6	4.8	7.7	7.8	25.8	2.5	197.1	113.1	111.6	69.4	11.3	11.8	62.4	120.8	975.9	9.4	27.8	155.0		
2001	:	:	:	33.5	:	:	3.4	:	:	:	:	6.9	5.3	8.5	:	29.9	2.6	:	:	130.5	:	11.9	12.7	:	:	:	10.5	30.7	116.6		
2002	:	:	:	38.4	:	:	3.9	:	:	:	:	7.3	5.6	9.1	:	36.4	2.7	:	:	130.7	:	12.5	13.9	:	:	:	11.4	32.0	127.8		
<b>Final consumption expenditure of households, euro per inhabitant, current prices</b>																															
1999	:	12090 f	11690 f	12080	2650	15160	13550	2040	7870 f	8370	12150	10970	11450	8300	1630	1830	16940	2450	5550	11730	13430	2390	6590 f	5190	1940	11330	12530	14500	1050	1090	1940
2000	:	12200 f	12790	2900	15510	13920	2260	8920	12580	12490 f	12110	9400	2030	2210	17700	2530	6320	12380	13950	2890	6930 f	5690	2180	12050	13610	16350 f	1160	1240	2300		
2001	:	:	:	3260	:	0 f	2520	:	:	:	:	9840	2260	2440	:	2940	6600	:	:	3380	:	5970	2370	:	:	:	1330	1370	1700		
2002	:	:	:	3750	:	:	2860	:	:	:	:	####	2390	2630	:	3590	6690	:	:	3380	:	6270	2590	:	:	:	1450	1430	1830		
<b>Final consumption expenditure of households, thousand millions of PPS, current prices</b>																															
1999	:	4561.2	3496.8	125.7	68.2	65.3	1030.8	6.5	106.1	395.0	686.9	41.0	745.8	7.9	9.1	16.6	6.8	59.2	2.9	191.5	103.6	202.9	94.8	15.8	31.3	53.5	93.6	798.0	35.0	83.1	260.4
2000	:	3697.9	134.0	69.6	68.0	1092.1	6.9	422.7	727.7	46.4	792.3	8.1	10.2	17.9	7.2	58.5	:	205.9	110.1	221.6	102.2	17.5	31.0	56.9	98.8	886.3	32.5	81.7	275.7		
2001	:	:	:	74.3	:	0.0	7.0	:	:	:	:	8.2	11.4	19.8	:	64.6	:	:	:	232.4	:	18.3	32.9	:	:	:	31.4	86.1	258.4		
2002	:	:	:	76.6	:	:	7.7	:	:	:	:	8.5	12.4	20.3	:	72.1	:	:	:	238.6	:	18.9	33.9	:	:	:	32.2	87.2	255.6		
<b>Final consumption expenditure of households, PPS per inhabitant, current prices</b>																															
1999	:	12090 f	11940 f	12300	6635	12270	12560	4710	10080 f	9970	11420	10960	12940	11513	3806	4710	15540	5781	7366	12120	12800	5250	9490 f	7969	5810	10360	10570	13430	4259	3700	4048
2000	:	12580 f	13070	6780	12730	13290	5047	10710 f	12040	12240 f	13730	11628	4312	5111	16329 f	5733	:	12930	13570	5735	10220 f	8804	5740	10990	11140	14850 f	3977	3640	4086		
2001	:	:	:	7242	:	0 f	5145	:	:	:	:	11622	4851	5682	:	6346	:	:	:	6015	:	9204	6120	:	:	:	3971	3840	3766		
2002	:	:	:	7477	:	:	5642	:	:	:	:	11852	5291	5857	:	7092	:	:	:	6174	:	9494	6290	:	:	:	4094	3900	3669		
<b>Final consumption expenditure of households, percentage of GDP, current prices</b>																															
1999	:	56.9	55.8	52.4	52.9	48.8	56.3	57.5	70.8	58.7	54.1	46.1	59.6	65.9	62.8	64.4	40.0	55.7	62.8	49.6	55.2	63.5	60.8	54.8	55.4	48.6	48.8	63.0	70.9	73.2	72.2
2000	:	55.8	52.8	53.4	46.9	56.5	55.6	58.5	54.1	45.7	60.0	68.3	61.8	63.9	38.0	51.0	63.8	49.1	55.2	62.7	60.2	55.4	55.3	47.4	48.6	63.0	68.8	68.9	71.5		
2001	:	52.4	52.4	52.4	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0
2002	:	52.0	52.0	52.0	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3	56.3

Source: Eurostat - National Accounts, ESA95, aggregates (theme2/aggs).

**Structure of household consumption expenditure, 1999 (%)**

Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Food and non-alcoholic beverages	:	:	13.3	23.2	13.1	11.1	34.0	16.6	18.3	15.4	15.7	19.0	17.8	39.1	45.7	10.1	25.0	21.1	10.5	13.4	32.3	18.7	24.0	29.8	14.2	15.4	10.5	48.2	51.9	:	
Alcoholic beverages, tobacco and narcotics	:	:	2.3	3.4	4.2	2.8	4.0	3.5	2.7	2.6	7.8	1.9	1.6	2.4	4.2	2.0	5.1	2.7	2.1	2.6	3.3	2.8	2.9	3.6	2.9	2.9	3.0	4.8	6.1	:	
Clothing and footwear	:	:	5.4	7.0	5.5	5.7	7.0	8.6	7.4	5.8	6.3	7.5	7.6	6.7	7.7	5.9	6.7	8.3	6.0	6.6	6.3	6.6	8.6	9.3	4.6	5.2	5.5	6.1	6.9	:	
Housing, water, electricity, gas and other fuels	:	:	26.2	17.5	28.4	31.2	18.0	21.9	27.5	27.7	27.3	24.7	19.8	17.7	12.9	27.4	20.0	9.0	26.7	23.9	19.1	19.8	10.7	15.8	28.1	26.8	28.3	13.8	13.0	:	
Furnishings, household equipment and routine maintenance of the house	:	:	6.5	7.7	6.4	7.4	5.0	7.5	5.0	5.5	4.6	7.6	6.6	5.0	4.7	8.2	5.3	10.6	7.2	7.2	6.5	7.2	7.0	6.2	4.5	5.0	7.3	3.9	3.6	:	
Health	:	:	4.7	1.6	2.4	3.6	2.0	6.3	2.5	3.9	1.6	4.4	4.7	3.8	3.6	2.4	3.0	3.0	1.1	2.4	4.5	5.2	1.7	1.5	3.7	3.0	1.1	3.5	2.6	:	
Transport	:	:	12.5	11.3	14.1	13.3	6.0	11.2	12.5	13.9	13.3	13.7	18.0	7.6	7.6	15.4	11.5	16.5	10.3	14.4	9.6	15.0	17.6	8.6	17.0	13.4	13.6	6.6	6.0	:	
Communications	:	:	2.2	2.5	2.1	2.5	4.0	3.3	2.0	2.4	2.5	2.5	1.7	4.3	2.3	2.1	5.0	2.9	2.2	2.6	2.9	3.3	2.4	2.6	2.8	2.6	2.3	2.5	2.4	:	
Recreation and culture	:	:	10.7	11.3	11.2	11.9	7.0	4.5	6.2	7.4	9.2	6.3	6.0	5.7	3.6	8.7	6.8	10.0	10.4	12.3	7.0	4.8	8.7	8.3	10.7	14.6	13.4	3.3	2.9	:	
Education	:	:	0.5	0.5	0.4	0.5	1.0	2.4	1.4	0.4	1.4	0.8	3.4	1.0	0.6	0.1	1.2	1.2	1.2	0.3	1.2	1.3	0.7	0.5	0.2	0.1	1.3	0.6	0.9	:	
Restaurants and hotels	:	:	5.7	4.8	4.1	4.9	3.0	8.8	9.2	5.8	5.2	4.6	6.3	2.3	4.1	9.6	2.7	7.0	7.0	5.4	1.4	9.5	5.8	5.5	4.1	3.8	7.9	3.5	1.0	:	
Miscellaneous goods and services	:	:	10.0	9.2	8.1	5.0	6.0	5.5	5.1	9.3	5.0	7.1	6.8	4.4	3.0	8.0	7.7	7.7	15.3	8.9	5.4	6.1	9.8	8.3	7.1	7.2	5.8	3.3	2.7	:	

Source: Eurostat - Household Budget Survey (theme3/hbs).

## Annex 2.4: 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
Eurozone	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). Also called as 'euro area', 'euroland' and 'euro group'.

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

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

The **candidate countries**, for the purpose of this publication, are Bulgaria, Romania and Turkey.

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

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

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

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

## Other abbreviations and acronyms

CVT	Continuing Vocational Training
CVTS2	Second Survey of Continuing Vocational Training
EC	European Communities
ECB	European Central Bank
ECHP	European Community Household Panel
ECHP UDB	European Community Household Panel – Users’ Database
ESAW	European Statistics on Accidents at Work
ESSPROS	European System of integrated Social Protection Statistics
EU	European Union
Eurostat	the Statistical Office of the European Communities
GCSE	General Certificate of Secondary Education
GDP	Gross Domestic Product
HBS	Household Budget Survey
HICP	Harmonised Index on Consumer Prices
ICD	International Classification of Diseases and Health Related Problems
ILO	International Labour Organisation
ISCED	International Standard Classification of Education
LLL	Lifelong Learning
LFS	Labour Force Survey
LMP	Labour Market Policy
NACE Rev. 1	Statistical Classification of Economic Activities in the European Community
n.e.c.	not elsewhere classified
NUTS	Nomenclature of Territorial Units for Statistics
OECD	Organisation for Economic Co-operation and Development
PPS	Purchasing Power Standard
QLFD	Quarterly Labour Force Data
SES	Structure of Earnings Survey
SDR	Standardised Death Rate
UOE	UNESCO/OECD/Eurostat
UNESCO	United Nations Educational, Scientific and Cultural Organisation