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Living conditions and welfare

Eurostat data on living conditions and welfare aims to show a comprehensive picture of the current living conditions in the EU, covering variables related to income, poverty, social exclusion and other living conditions – all social exclusion and housing condition information is collected at the household level.

The demand for information on living conditions and welfare received a new impetus following the social chapter of the Amsterdam Treaty (1997) which became the driving force for EU social statistics. This impetus was reinforced by successive European Councils that have kept the social dimension high on the political agenda.

This data is supplemented by additional information from household budget surveys that detail the breakdown of consumption expenditure, while the third subchapter focuses on housing (status of tenure and average numbers of people living per household).

Income, poverty and social exclusion are multidimensional problems. To monitor them effectively at a European level, a subset of so-called ‘social cohesion indicators’ has been developed within the structural indicators. Additionally, a broader portfolio of social inclusion indicators are calculated under the Open Method of Coordination for Social Protection and Social Inclusion ⁽¹⁾.

The chapter concludes with a snapshot of indicators relating to good governance, in other words, whether political/public institutions allocate resources effectively and take decisions in an efficient and responsible manner. The public’s perception of such ideals may be gauged through indicators such as voter turnout or measures of the public’s confidence in institutions.

(1) http://ec.europa.eu/employment_social/soc-prot/soc-incl/indicator_en.htm.



6.1 Living conditions

Introduction

Favourable living conditions depend on a wide range of factors, which may be divided into two broad groups – those that are income-related and those that are not. The second group includes factors such as: quality healthcare services, education and training opportunities or good transport facilities – aspects that affect everyday lives and work. Analysis of the distribution of incomes within a country provides a picture of inequalities. On the one hand inequalities may create incentives for people to improve their situation through work, innovation or acquiring new skills, while on the other, crime, poverty and social exclusion are often seen as linked to inequalities in the distribution of incomes.

Definitions and data availability

Eurostat statistical indicators within the ILC (Income and Living Conditions) domain cover a range of topics relating to income poverty and social exclusion. One group of indicators relate to monetary poverty analysed in various ways (for example, by age, gender and activity status), across space and over time. Another set relates to income distribution and income inequalities, while there are also indicators relating to non-monetary poverty and social exclusion (for example, material deprivation, social participation) across space and over time. A newly developed set of child-care arrangement indicators complements the information in this domain.

To calculate living condition indicators, Eurostat initially used micro-data⁽²⁾ from the European Community Household Panel (ECHP) survey which was launched in 1994. However, after eight years of using this source, a new instrument was introduced in 2003, namely, data collection under a framework regulation on **Community statistics on income and living conditions (EU-SILC)**. One of the main reasons for this change was the need to adapt the content and timeliness of data production to reflect current political and research needs. EU-SILC is now Eurostat's main reference source for comparative income distribution and social exclusion statistics. It comprises both a cross-sectional dimension and a longitudinal dimension. From 2005, EU-SILC covered the EU-25 Member States, as well as Norway and Iceland. Bulgaria, Romania, Turkey and Switzerland launched EU-SILC in 2007. Note that for 2006 Bulgaria and Romania provided indicators from national Household Budget Surveys and that as such, these indicators are not fully harmonised.

While comparisons between countries of standards of living are frequently based on GDP per capita, such figures say little about the distribution of income within a country. In this section, indicators measuring the distribution of income and relative poverty are presented. **Household disposable income** is established by summing up all monetary incomes received from any source by each member of the household (including income from work, investments and social benefits)

(2) Data gathered at the micro level, for example, from individuals, households or enterprises, rather than aggregate data compiled at the level of the economy.



plus income received at household level and deducting taxes and social contributions paid and certain unavoidable expenditures. In order to reflect differences in household size and composition, this total is divided by the number of **'equivalent adults'** using a standard (equivalence) scale (the so-called 'modified OECD' scale, which attributes a weight of 1 to the first adult in the household, a weight of 0.5 to each subsequent member of the household aged 14 and over and a weight of 0.3 to household members ages less than 14). The resulting figure is called **equivalised disposable income** and is attributed to each member of the household. For the purpose of poverty indicators, the equivalised disposable income is calculated from the total disposable income of each household divided by the equivalised household size. Consequently, each person in the household is considered to have the same equivalised income.

The **S80/S20 income quintile share ratio** is a measure of the inequality of income distribution and is calculated as the ratio of total income received by the 20 % of the population with the highest income (the top quintile) to that received by the 20 % of the population with the lowest income (the bottom quintile); where all incomes are compiled as equivalised disposable income. Note that the final chapter at the end of this publication presents regional data for the disposable income per habitant.

The **relative median income ratio** is defined as the ratio of the median equivalised disposable income of persons aged above 65 to the median equivalised disposable income of persons aged below 65.

The **at-risk-of-poverty rate** is defined as the share of persons with an equivalised disposable income that is below the at-risk-of-poverty threshold, set at 60 % of the national median equivalised disposable income. This rate may be expressed before or after social transfers, with the difference measuring the hypothetical impact of national social transfers in reducing poverty risk. Retirement and survivor's pensions are counted as income before transfers and not as social transfers. Various breakdowns of this indicator are calculated: by age, gender, activity status, household type, education level, etc. It should be noted that this indicator does not measure wealth but low current income (in comparison with other persons in the same country) which does not necessarily imply a low standard of living.

The **relative median at-risk-of-poverty gap** is calculated as the difference between the median equivalised disposable income of persons below the at-risk-of-poverty threshold and the at-risk-of-poverty threshold, expressed as a percentage of the at-risk-of-poverty threshold (cut-off point: 60 % of national median equivalised income). The EU aggregate is a population weighted average of individual national figures.

In line with decisions of the European Council, the at-risk-of-poverty rate is measured relative to the situation in each country rather than applying a common threshold to all countries.

The indicators related to **jobless households** (the share of children aged 0-17 and the share of persons aged 18-59 who are living in households where no one works) are calculated as the proportion



of persons of the specified age who live in households where no one is working. Students aged 18 to 24 who live in households composed solely of students of the same age class are counted neither in the numerator nor the denominator of the ratio; the data comes from the EU Labour Force Survey (LFS).

Main findings

In 2006, the 20 % of the EU-25 population with the highest equivalised disposable income received almost five times as much income as the 20 % of the population with the lowest equivalised disposable income. Within the Member States, the widest inequalities were recorded in Latvia (a ratio of 7.9) and Portugal (6.8). In contrast, the narrowest income inequalities were in the Nordic Member States, Bulgaria, the Czech Republic and Slovenia, with S80/S20 income quintile share ratios of between 3.4 and 3.6.

A comparison between the number of people on low incomes before social benefits other than pensions and those on low incomes after social benefits (in other words, old age pensions and survivors' benefits are included in income both 'before' and 'after' social benefits), illustrates one of the main purposes of such benefits: their redistributive effect and, in particular, their ability to alleviate the risk of poverty and reduce the percentage of population having to manage with a low income. In 2006, social transfers reduced the at-risk-of-poverty rate from 26 % before transfers for the EU-25 population to 16 % after transfers in 2006; as such, social transfers lifted 38 % of those in poverty above the poverty risk threshold. Social benefits other than pensions reduced the percentage of people at-risk-of-

poverty in all countries, but to very disparate degrees. The proportion of persons who were removed from being at-risk-of-poverty by social transfers was smallest in some of the Mediterranean Member States (Greece, Spain, and Italy), as well as Latvia and Bulgaria. Those countries whose social protection and support systems removed the highest proportion of persons out of being threatened by poverty (over half) included Sweden, Denmark, Finland, the Czech Republic, the Netherlands, Slovenia and Germany.

With a growing proportion of the EU's population aged over 65 years and persistently low fertility rates (see Chapter 3 for more details), there are increasing concerns both about how Member States will be able to pay for the pension and healthcare costs linked to ageing, as well as increased poverty risks for the elderly. By comparing the relative median equivalised disposable income of persons aged above 65 to the median equivalised disposable income of persons aged below 65, the relative standard of living among the elderly can be gauged. With the exception of Poland, those aged over 65 years had an average disposable income in 2006 that was less than those aged below 65 years. In Luxembourg, Hungary, Austria and Germany, the difference in incomes between these two age groups was less than 10 %. In 2006, in the majority of Member States, the difference between the equivalised disposable incomes of those aged 65 and over and those aged between 0 and 64 was between 10% and 30%. However, this widened to between 30 % and 35 % in Estonia, Ireland and Latvia, while in Cyprus the median equivalised disposable income of those aged over 65 years was only 57 % of that for persons aged less than 65 years.

This relatively low level of income among pensioners in Cyprus was highlighted as a majority (52 %) of persons aged over 65 in Cyprus were at-risk-of-poverty in 2006. Some 31 % of persons aged over 65 in Spain and 30 % in Latvia were at-risk-of-poverty, which was in contrast to shares of less than 10 % in Hungary, Luxembourg, Poland, Slovakia, the Czech Republic and the Netherlands.

The elderly and retired were not the only group at-risk-of-poverty in 2006. Across the population of the EU-25, an estimated 15 % of persons aged 18 years or over were at-risk-of-poverty after social transfers. The most vulnerable group were the unemployed (self-assessed most frequent activity status), about two fifths (41 %) of whom were at-risk-of poverty, a share that rose to around 60 % in each of the Baltic Member States. Nearly one third (32 %) of single parent households with dependent children were at-risk-of-poverty across the EU-25 in 2006, which

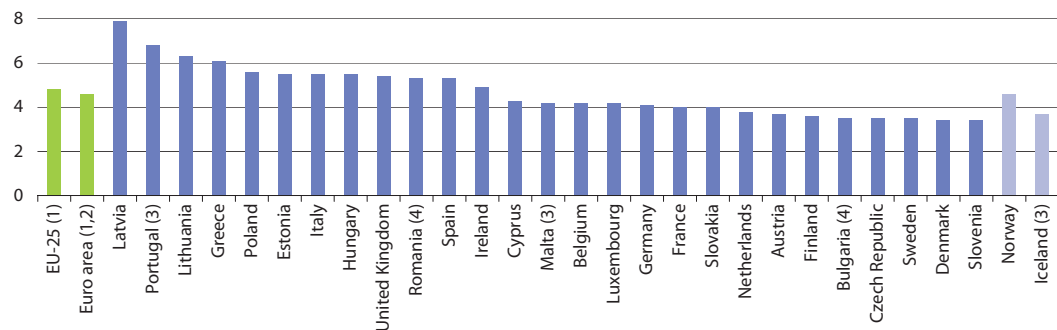
was the highest proportion of any type of household covered by the survey. In contrast, multi-adult households without dependent children tended to be the households with the least risk of poverty⁽³⁾.

In 2007, some 9.3 % of the EU-27's population aged between 18 and 59 years lived in a jobless household; the proportion of children (up to 17 years) living in jobless households was almost at the same level (9.4 %). The highest proportion of children living in jobless households was recorded in the United Kingdom (16.7 %), followed by Hungary (14.0 %) and Belgium (13.5 %); these two Member States also recorded the highest shares of adults aged 18 to 59 years old living in jobless households, along with Poland. Note that these statistics may be affected by a number of factors, including differences in average numbers of children and inactivity rates between different socio-economic groups.

(3) Please note that the at-risk-of-poverty rate emphasises a relative concept of income poverty, relative to the level of income in one country and does not take into account wealth or actual purchasing power; it also assumes that household members share their resources. Additionally, it is influenced by the equivalence scale chosen. In the future, the at-risk-of-poverty rate will be complemented by other poverty indicators.

Figure 6.1: Inequality of income distribution, 2006

(S80/S20 income quintile share ratio)



(1) Eurostat estimates based on population-weighted averages of national data.

(2) EA-13 instead of EA-15.

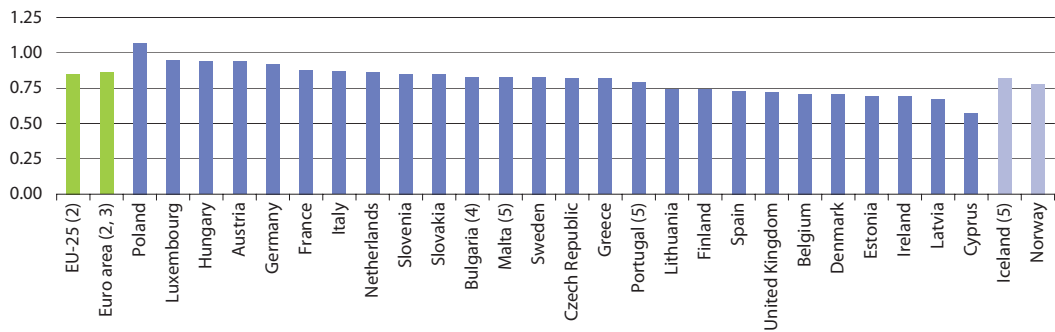
(3) Provisional.

(4) National HBS.

Source: Eurostat (tsisc010)

**Figure 6.2:** Relative median income ratio, 2006 (1)

(ratio)



(1) Romania, not available.

(2) Eurostat estimates based on population-weighted averages of national data.

(3) EA-13 instead of EA-15.

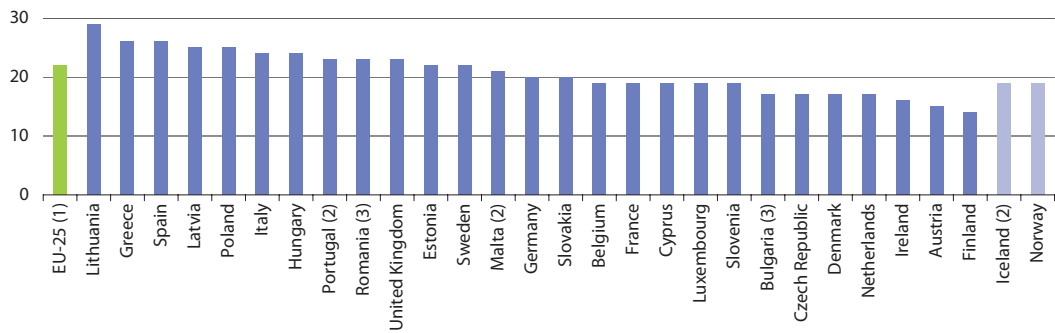
(4) National HBS.

(5) Provisional.

Source: Eurostat (ilc_ov7a)

Figure 6.3: Relative median at-risk-of-poverty gap, 2006

(%)



(1) Eurostat estimates based on population-weighted averages of national data.

(2) Provisional.

(3) National HBS.

Source: Eurostat (tsdsc250)

**Table 6.1:** At-risk-of-poverty rate by most frequent activity status, 2006 (1)

(%)

	Total population	Persons employed	Not employed	Unemployed	Retired	Inactive population, others
EU-25 (2)	15	8	23	41	16	26
Euro area (2, 3)	15	7	22	38	15	25
Belgium	15	4	24	31	20	25
Bulgaria (4)	14	6	20	36	17	16
Czech Republic	8	3	14	44	7	15
Denmark	12	4	22	25	16	28
Germany	12	5	19	43	13	18
Estonia	18	8	32	59	29	29
Ireland	18	6	31	50	26	31
Greece	20	14	26	33	24	26
Spain	19	10	29	38	24	30
France	13	6	19	31	13	25
Italy	19	10	26	44	16	30
Cyprus	17	7	30	31	51	16
Latvia	22	11	37	64	35	29
Lithuania	20	10	30	61	23	28
Luxembourg	13	10	15	48	7	17
Hungary	14	7	20	53	12	25
Malta	13	5	20	40	22	18
Netherlands	9	4	14	27	6	19
Austria	12	6	18	43	13	21
Poland	18	13	22	46	7	23
Portugal	18	11	26	31	23	29
Romania	:	:	:	:	:	:
Slovenia	11	5	18	33	17	17
Slovakia	11	6	15	41	8	17
Finland	13	4	24	42	20	24
Sweden	11	7	18	24	12	29
United Kingdom	18	8	32	57	28	34
Iceland	9	7	15	14	10	21
Norway	10	6	18	31	18	16

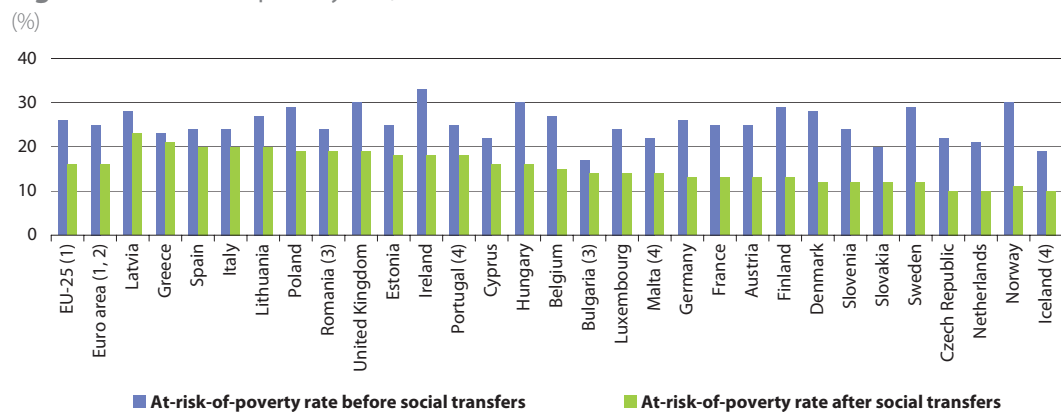
(1) Persons aged 18 years and over.

(2) Eurostat estimates based on population-weighted averages of national data.

(3) EA-13 instead of EA-15.

(4) National HBS.

Source: Eurostat (ilc_li04)

**Figure 6.4:** At-risk-of-poverty rate, 2006

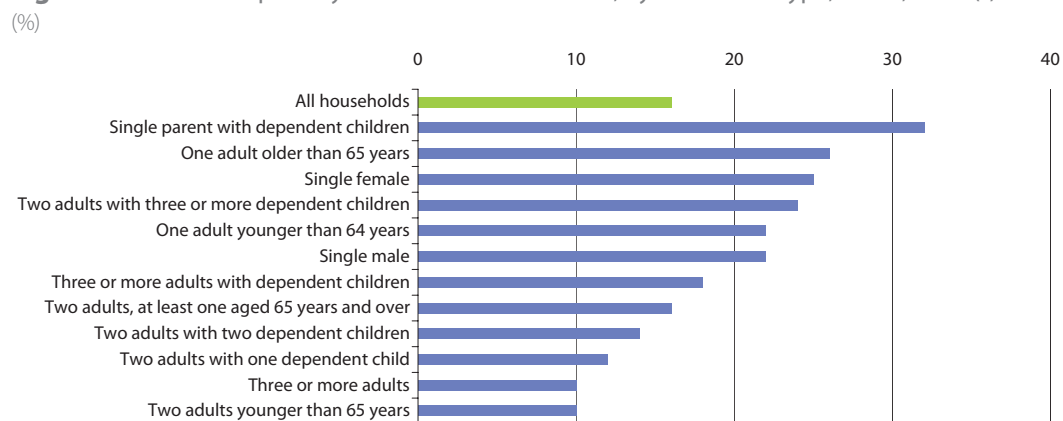
(1) Eurostat estimates based on population-weighted averages of national data.

(2) EA-13 instead of EA-15.

(3) National HBS.

(4) Provisional.

Source: Eurostat (tsisc020 and tsisc030)

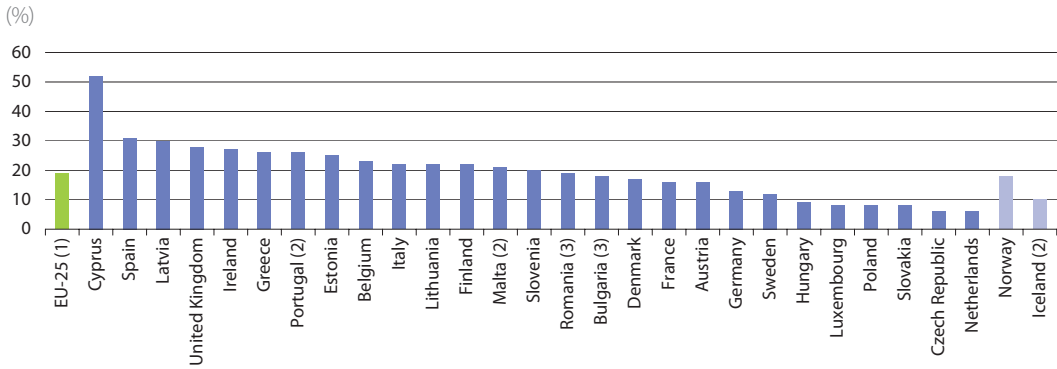
Figure 6.5: At-risk-of-poverty rate after social transfers, by household type, EU-25, 2006 (1)

(1) Eurostat estimates based on population-weighted averages of national data.

Source: Eurostat (tsdsc240)



Figure 6.6: At-risk-of-poverty rate after social transfers, persons aged 65 years and over, 2006



(1) Eurostat estimate based on population-weighted averages of national data.

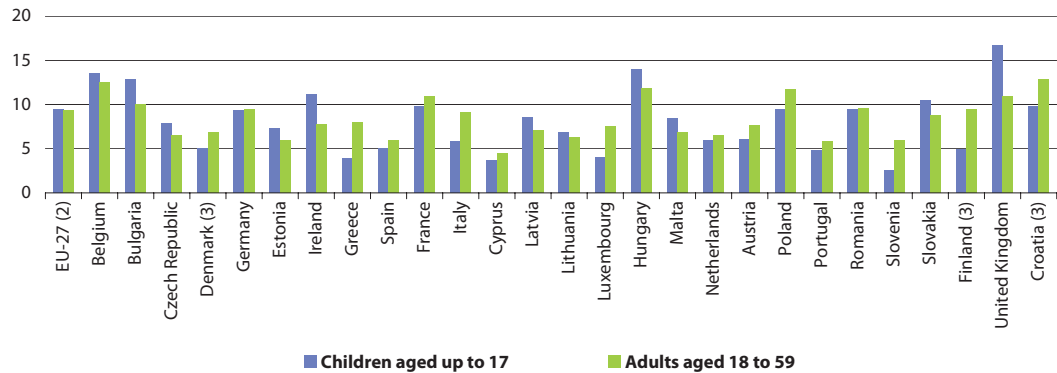
(2) Provisional.

(3) National HBS.

Source: Eurostat (tsdsc230)

Figure 6.7: Persons living in jobless households, by age, 2007 (1)

(% of respective age group living in households where no-one works)



(1) Sweden, not available.

(2) Estimates.

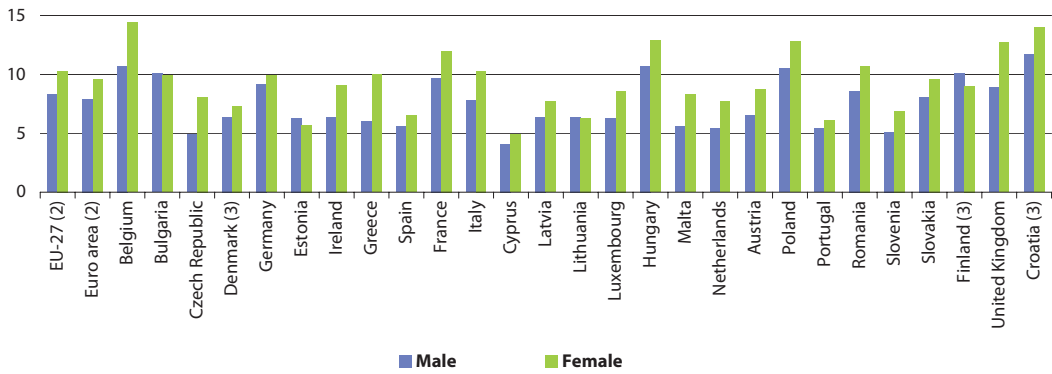
(3) 2006.

Source: Eurostat (tsdsc310)



Figure 6.8: Persons living in jobless households, by gender, 2007 (1)

(% of respective gender aged 18-59 who are living in households where no-one works)



(1) Sweden, not available.

(2) Estimates.

(3) 2006.

Source: Eurostat (tsisc090)



6.2 Household consumption expenditure

Introduction

The final consumption expenditure of households is the biggest component of the expenditure approach of GDP. Its evolution allows an assessment of purchases made by households, reflecting changes in wages and other incomes, but also in employment and in the behaviour towards savings. Therefore, the growth of household consumption can be somewhat different from the growth of wages and incomes.

Definitions and data availability

Final consumption expenditure of households refers to expenditure incurred on the domestic territory (by residents and non-residents) on goods and services used for the direct satisfaction of individual needs. It covers the purchase of goods and services, the consumption of own production (such as garden produce) and the imputed rent of owner-occupied dwellings. The Council regulation for the European system of accounts 1995⁽⁴⁾ provides the underlying basis for the collection of data on household consumption expenditure with respect to data provided by Eurostat's national accounts statistics. Note that the data from national accounts should include institutional households.

The household budget survey (HBS) describes the level and the structure of household expenditure. HBS are national surveys that focus on consumption expenditure, and nationally are used to calculate weights for consumer price indices; they may also be used in the compilation of national accounts. HBS are sample

surveys conducted in all of the Member States, as well as Croatia, the former Yugoslav Republic of Macedonia, Turkey, Norway and Switzerland, on a periodic basis (about every five to six years).

HBS provide a picture of the total consumption expenditure of private households, analysed by a variety of socio-economic household characteristics such as the employment status of the main reference person, their income, their age, the number of active persons living in the household, the type of household, the location of the household (rural or urban), or the main source of income. Information is available at a detailed level using the classification of individual consumption by purpose (COICOP), with over 230 headings for different goods and services (including aggregates).

HBS data are confined to the population residing in private households. In other words, the survey excludes collective or institutional households (such as hospitals, old persons' homes, prisons, or military barracks), as well as persons without a fixed place of residence – in contrast to the data collected for national accounts. The basic unit for the collection of information is the household (defined as a social unit which shares household expenses or daily needs, in addition to having a common residence) – in other words, the household is seen as a housekeeping unit. Nevertheless, it is also important to identify the head of the household, as their personal characteristics are often used as the basis to classify information on socio-economic characteristics. The head of the

(4) Council Regulation (EC) No 2223/96 (see <http://forum.europa.eu.int/irc/dsis/nfaccount/info/data/esa95/esa95-new.htm> for a consolidated version that takes account of subsequent changes).



household is defined, for the purpose of the HBS, as the person who contributes the most to the income of the household (the main earner). To take economies of scale into account, household expenditures can be expressed per adult equivalent (see previous subchapter for more details).

For the HBS, **household consumption expenditure** is defined as the value of goods and services used for directly meeting human needs. Household consumption covers expenditure on purchases of goods and services, own consumption, and the imputed rent of owner-occupied dwellings (the rent that the household would pay if it were a tenant). The expenditure effected by households to acquire goods and services is recorded at the price actually paid, which includes indirect taxes (VAT and excise duties) borne by the purchaser. Eurostat guidelines encourage non-monetary components of consumption to be included within the survey results, with internal production valued at retail prices, as if the product had been bought in a shop. Examples of internal production include own production of food (either by a farming household or by a family that has a different professional activity but grows their own food in a kitchen/vegetable garden or allotment), or withdrawals from stocks for own-use in the case of tradesmen or retailers. HBS data should also reflect benefits in kind provided by employers in exchange for work done. Notional rents are imputed to owner-occupiers and households accommodated free of charge.

Main findings

The consumption habits of households vary substantially among the 27 Member States. Factors such as culture, income, weather, household composition, economic structure and degree of urbanisation can influence habits in each country.

According to national accounts, the final consumption expenditure of households was the equivalent of at least one half of GDP in the majority of Member States; the share was highest in Cyprus (75.3 %), Bulgaria and Greece (both 73.9 %) in 2006 and only less than 50 % in Finland, Denmark, the Netherlands, Sweden, Ireland and Luxembourg. Average household consumption expenditure per capita was by far the highest in Luxembourg (PPS 25 800), followed by Greece (PPS 17 900) and Austria (PPS 16 900). Average household expenditure tended to be lowest in those countries that joined the EU since 2004, the principal exceptions being Cyprus and Malta.

National accounts data also reveals that a little over one fifth (21.9 %) of total household consumption expenditure in the EU-27 in 2006 was devoted to housing, water, electricity, gas and other housing fuels. Transport expenditure (13.6 %) and expenditure on food and non-alcoholic beverages (12.7 %), together accounted for a little more than a quarter of total households consumption expenditure, making these the next two most important categories in the EU-27.



Both the household budget survey (HBS) and national accounts provide a far more detailed breakdown of these aggregated consumption expenditure statistics. Switching to HBS data, the proportion of household expenditure devoted to each of the consumption categories varied greatly between the Member States in 2005. The highest proportion of the mean consumption expenditure of households (in PPS) spent on housing, water, electricity, gas and other fuels in 2005 was recorded in Sweden (32.2 %), which was about three times as high as in Malta (9.1 %). The proportion of household consumption spent on food and non-alcoholic beverages tended to be highest in those Member States where household incomes were lowest; in Romania such items accounted for 44.2 % of the mean consumption expenditure of households, which could be compared with an average of 9.3 % in Luxembourg.

Household consumption expenditure was also reflected in certain broad socio-demographic patterns. The mean consumption expenditure of households whose head was aged 30 to 59 years old tended to be much higher than the equivalent expenditure of households whose head was either aged under 30 or over 60. In a number of the Member States that joined the EU since 2004, average household consumption expenditure of those households headed by a person aged under 30 was generally much closer to the expenditure of households headed by someone of an older working age (30 to 59), and in Latvia and Romania was higher.

Households headed by the self-employed or non-manual workers in industry and services in the EU-27 had, on average, the highest mean consumption expenditure of about PPS 32 500 in 2005, with that of households headed by manual workers about 25 % lower.

As may be expected, there was a strong link between household income and expenditure across the EU-27; the 20 % of households with the highest incomes spent an average of about two and three quarters times as much as the poorest 20 % of households in 2005. There was also a strong correlation between average household consumption expenditure, the size of households and the number of active persons in the household. Household consumption expenditure was highest in households with three or more adults with dependent children and lowest within single person households, while households with three or more active persons spent more than households with no active persons. Nevertheless, in both cases the relationship was not linear: economies of scale (for example, sharing a flat or a car, heating a room, etc.) may, at least to some degree, explain why the expenditure of a single person is generally considerably more than half the expenditure of a couple.

**Table 6.2:** Total consumption expenditure of households (domestic concept)

	As a proportion of GDP (%)			Per capita (PPS)		
	1996	2001	2006 (1)	1996	2001	2006 (1)
EU-27	57.0	57.4	56.3	8 800	11 400	13 300
Euro area	56.8	56.9	56.0	:	12 700	14 600
Belgium	52.5	52.3	50.5	10 200	12 800	14 200
Bulgaria	76.1	73.8	73.9	3 300	4 300	5 800
Czech Republic	53.2	54.0	50.8	6 200	7 500	9 400
Denmark	50.0	46.7	47.5	10 200	11 800	12 900
Germany	55.4	56.5	53.9	10 800	13 000	15 100
Estonia	64.8	59.5	56.2	3 800	5 400	8 900
Ireland	52.1	45.3	43.2	8 700	11 900	14 800
Greece	:	75.8	73.9	:	13 000	17 900
Spain	62.7	62.4	59.5	8 900	12 100	14 700
France	56.2	55.5	56.0	9 900	12 700	15 400
Italy	59.0	60.1	59.7	10 900	14 000	15 000
Cyprus	81.8	82.8	75.3	11 000	14 900	16 300
Latvia	65.1	60.8	63.2	3 300	4 700	8 000
Lithuania	66.6	66.2	65.6	3 700	5 400	8 700
Luxembourg	47.5	46.6	39.3	16 200	21 600	25 800
Hungary	55.9	56.5	53.9	4 300	6 600	8 200
Malta	78.8	77.3	68.9	9 600	11 900	13 200
Netherlands	49.1	48.8	45.7	9 400	12 900	15 000
Austria	58.5	58.1	56.3	12 100	14 400	16 900
Poland	61.3	64.5	61.5	4 200	6 100	7 600
Portugal	65.4	64.2	65.9	7 600	9 800	11 600
Romania	:	69.0	67.8	:	3 800	6 200
Slovenia	61.3	57.8	55.5	7 100	9 000	11 500
Slovakia	53.9	58.8	56.2	4 100	6 100	8 400
Finland	50.6	47.4	48.4	8 300	10 900	14 000
Sweden	47.7	46.6	45.4	9 200	11 200	12 600
United Kingdom	61.4	62.1	59.9	10 700	14 400	16 600
Turkey	67.3	74.9	73.9	3 200	5 300	7 800
Iceland	54.7	52.2	52.5	11 200	13 700	16 100
Norway	47.0	41.7	39.8	10 400	13 300	18 200
Switzerland	59.1	59.5	57.3	13 800	16 600	18 500

(1) Germany, Greece, France, Italy, Malta, the Netherlands, Finland, Turkey and Norway, 2007; Bulgaria and Sweden, 2005; Denmark, 2004.

Source: Eurostat (nama_fcs_c)

**Table 6.3:** Mean consumption expenditure of households, 2005

(PPS)

	COICOP code (1)											
	01	02	03	04	05	06	07	08	09	10	11	12
EU-27	3 594	560	1 412	6 936	1 416	796	3 078	738	2 187	238	1 417	2 291
Euro area (2)	4 027	602	1 679	7 869	1 588	1 016	3 531	804	2 309	248	1 585	2 845
Belgium	4 043	669	1 425	7 610	1 687	1 400	3 863	878	2 868	136	1 894	3 576
Bulgaria	2 238	269	218	2 461	213	305	355	325	204	34	255	220
Czech Republic	2 503	347	679	2 444	815	239	1 351	555	1 289	66	619	1 234
Denmark	2 872	785	1 168	7 194	1 459	639	3 331	583	2 738	100	960	2 233
Germany	3 185	489	1 355	8 445	1 543	1 024	3 790	828	3 168	236	1 212	3 226
Estonia	2 440	300	601	3 240	568	282	1 087	596	691	145	339	559
Ireland	4 491	2 032	1 851	8 520	2 613	904	4 203	1 255	3 670	687	2 190	3 956
Greece	4 801	1 045	2 154	7 442	1 929	1 824	3 222	1 174	1 285	738	2 661	2 701
Spain	4 685	586	1 786	7 874	1 211	577	2 743	701	1 659	292	2 414	1 499
France	3 733	650	1 853	7 339	1 693	1 167	3 777	914	1 926	165	1 277	3 392
Italy	5 359	506	2 013	8 512	1 670	1 132	3 420	621	1 680	202	1 428	2 242
Cyprus	5 158	646	2 649	7 381	2 008	1 624	4 980	1 164	2 044	1 354	2 830	2 370
Latvia	3 091	329	778	1 810	546	394	1 155	610	667	145	557	508
Lithuania	3 166	332	743	1 776	392	445	762	435	402	102	429	393
Luxembourg	4 851	865	3 343	15 611	3 702	1 351	8 403	1 139	3 869	223	4 098	4 478
Hungary	2 413	380	537	2 073	498	440	1 511	696	909	90	343	803
Malta	6 082	786	2 387	2 596	3 070	869	4 758	837	2 879	352	2 030	1 960
Netherlands	3 089	625	1 694	7 513	1 888	371	3 196	903	3 193	306	1 647	4 945
Austria	3 933	847	1 682	6 732	1 868	946	4 863	793	3 809	242	1 660	2 792
Poland	2 704	262	489	3 341	478	485	862	512	662	138	180	571
Portugal	3 243	477	861	5 560	994	1 264	2 693	616	1 182	356	2 263	1 359
Romania	2 355	307	333	832	201	205	344	259	224	45	58	162
Slovenia	3 966	575	1 678	5 483	1 389	356	3 717	950	2 234	202	1 035	2 220
Slovakia	2 910	333	661	2 517	494	330	986	506	712	92	520	713
Finland	3 086	588	934	6 614	1 238	852	3 818	693	2 731	51	1 021	2 733
Sweden	2 913	531	1 270	8 250	1 640	638	3 623	791	3 398	8	981	1 569
United Kingdom	3 159	753	1 585	9 458	2 092	383	4 305	852	3 943	457	2 558	2 415
Croatia	4 564	548	1 059	4 983	697	315	1 484	729	853	105	465	1 039
Norway	3 402	898	1 618	7 633	1 892	872	5 270	770	3 593	95	1 111	1 951

(1) COICOP codes - 01: food and non-alcoholic beverages; 02: alcoholic beverages and tobacco; 03: clothing and footwear; 04: housing, water, electricity, gas and other fuels; 05: furnishings, household equipment and routine maintenance of the house; 06: health; 07: transport; 08: communications; 09: recreation and culture; 10: education; 11: restaurants and hotels; 12: miscellaneous goods and services.

(2) EA-13 instead of EA-15.

Source: Eurostat (hbs_exp_t121)



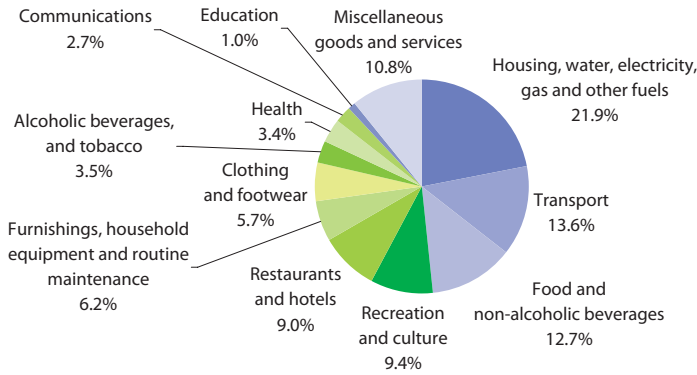
Table 6.4: Mean consumption expenditure of households by age of the head of household, 2005 (PPS)

	Less than 30	Aged 30-49	Aged 45-59	60 or more
EU-27	20 882	27 467	29 018	19 606
Euro area (1)	22 904	31 055	33 375	22 787
Belgium	27 820	33 971	32 513	23 965
Bulgaria	8 435	8 922	8 145	5 212
Czech Republic	11 962	14 551	13 812	8 293
Denmark	18 549	27 912	28 828	18 685
Germany	19 121	30 218	34 207	25 428
Estonia	10 422	14 039	11 630	7 630
Ireland	38 889	42 513	43 039	22 634
Greece	25 747	37 247	39 564	21 543
Spain	23 095	27 928	31 830	20 464
France	23 632	31 728	32 181	22 041
Italy	24 955	31 594	34 558	23 405
Cyprus	38 327	38 559	43 721	19 153
Latvia	13 206	12 902	11 723	6 313
Lithuania	10 537	11 608	10 256	6 193
Luxembourg	44 541	53 941	59 954	43 792
Hungary	11 827	12 905	12 680	7 022
Malta	33 060	31 315	34 051	19 483
Netherlands	22 177	33 447	33 445	22 849
Austria	26 197	33 404	35 516	23 603
Poland	10 627	12 424	11 152	8 270
Portugal	20 688	23 750	25 159	14 838
Romania	6 261	5 919	3 685	2 841
Slovenia	25 230	27 486	26 912	16 322
Slovakia	11 504	12 589	11 929	6 956
Finland	19 735	30 868	28 184	17 853
Sweden	18 665	28 669	28 677	22 985
United Kingdom	28 918	35 742	38 198	24 334
Croatia	13 988	21 215	20 691	12 487
Norway	20 637	33 500	32 373	24 566

(1) EA-13 instead of EA-15.

Source: Eurostat (hbs_exp_t135)

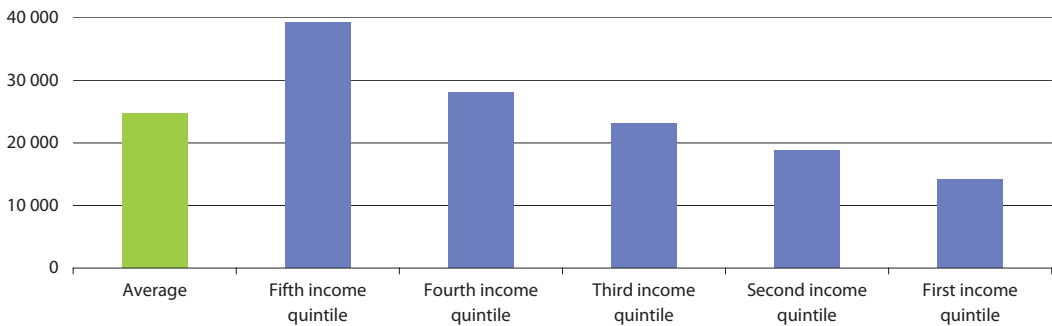
Figure 6.9: Consumption expenditure of households on goods and services, EU-27, 2006 (1)
(% of total household consumption expenditure)



(1) Figures do not sum to 100 % due to rounding.

Source: Eurostat (nama_co2_c)

Figure 6.10: Mean consumption expenditure of households by income, EU-27, 2005 (1)
(PPS)



(1) Estimates.

Source: Eurostat (hbs_exp_t133)



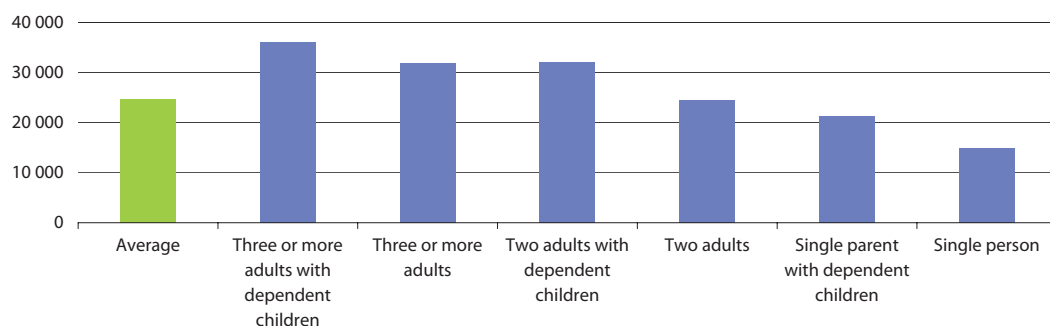
Table 6.5: Mean consumption expenditure of households by employment status, 2005
(PPS)

	Manual workers in industry and services	Non-manual workers in industry and services	Self- employed	Unemployed	Retired	Inactive population - other
EU-27	25 442	32 263	32 621	17 968	20 120	18 336
Euro area	28 055	34 943	36 319	19 833	22 933	19 422
Belgium	28 499	36 508	:	16 741	24 012	32 622
Bulgaria	8 102	10 205	8 729	5 135	5 051	5 923
Czech Republic	13 090	14 359	14 790	:	7 198	:
Denmark	26 414	30 050	26 282	:	:	20 861
Germany	27 655	34 122	41 554	17 943	24 397	15 255
Estonia	10 675	16 045	15 378	6 986	6 657	7 241
Ireland	39 927	47 206	41 326	25 837	25 316	25 707
Greece	31 449	44 510	39 691	23 926	23 375	18 179
Spain	26 525	33 942	29 325	20 128	20 644	23 309
France	27 287	35 524	35 038	20 078	22 686	17 520
Italy	28 766	35 298	36 685	22 135	24 411	21 106
Cyprus	33 701	46 544	37 139	32 342	17 600	21 959
Latvia	10 589	15 905	13 537	5 735	5 239	6 163
Lithuania	10 143	13 874	9 504	5 596	5 638	7 041
Luxembourg	47 073	59 758	66 495	35 441	45 674	38 342
Hungary	10 942	15 175	15 724	7 440	7 169	8 534
Malta	30 198	39 245	34 275	15 156	19 570	:
Netherlands	31 269	34 335	41 961	21 112	22 811	22 348
Austria	30 627	36 156	39 283	20 025	23 716	27 240
Poland	10 271	15 186	12 401	6 504	8 138	7 367
Portugal	23 991	23 991	25 448	17 124	14 441	13 255
Romania	:	:	:	:	:	:
Slovenia	22 820	32 299	32 113	12 570	16 331	20 190
Slovakia	11 633	13 924	14 215	6 766	6 741	7 037
Finland	25 245	33 075	34 285	13 899	16 961	17 550
Sweden	25 545	31 083	:	15 233	20 754	15 823
United Kingdom	30 938	41 664	41 524	21 575	22 148	25 344
Croatia	19 742	25 545	18 496	14 578	13 405	10 584
Norway	:	:	29 222	19 214	22 121	30 606

Source: Eurostat (hbs_exp_t131)



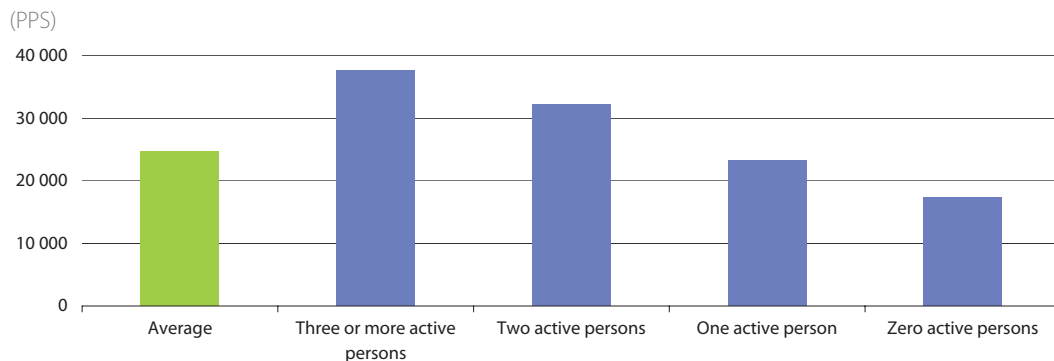
Figure 6.11: Mean consumption expenditure of households by type of household, EU-27, 2005 (1)
(PPS)



(1) Estimates.

Source: Eurostat (hbs_exp_t134)

Figure 6.12: Mean consumption expenditure of households by number of active persons, EU-27, 2005 (1)
(PPS)



(1) Estimates.

Source: Eurostat (hbs_exp_t132)



6.3 Housing

Introduction

As seen in the previous subchapter, housing, water, electricity, gas and other fuels form the main expenditure item of household budgets in the EU. Questions of social housing, homelessness or integration play an important role within the social policy agenda. The Charter of Fundamental Rights stipulates in Article 34 (3) that ‘in order to combat social exclusion and poverty, the Union recognises and respects the right to social and housing assistance so as to ensure a decent existence for all those who lack sufficient resources, in accordance with Community law and national laws and practices’.

However, the EU does not have any responsibilities in respect of housing; rather, national governments have the responsibility for developing their own housing policies. Many countries face similar challenges: for example, how to renew housing stocks, how to plan and combat urban sprawl and promote sustainable development, how to help young and disadvantaged groups to get on the housing ladder, or how to promote energy efficiency among house-owners. The social and economic cost of the absence of decent housing is generally accepted to compromise the efficiency of a country or region. Indeed, decent housing, at an affordable price in a safe environment is likely to alleviate poverty and social exclusion.

Definitions and data availability

From 2005 onwards, EU-SILC covers the EU-25 Member States as well as Norway and Iceland. Bulgaria, Romania, Turkey and Switzerland launched EU-SILC in 2007. The reference population of EU-SILC is all private households and their current members residing in the territory of the Member State at the time of data collection. Persons living in collective households and in institutions are generally excluded from the target population.

Main findings

The average number of persons living in a household in the EU-27 was 2.4 in 2007. The highest average in 2007 was recorded for Malta (3.0), the equivalent of almost one additional person per household when compared with the average in Germany (2.1), where the lowest value was recorded. Generally speaking, the northern Member States tended to report the lowest average number of persons per household, while there were higher figures among the Mediterranean countries and those countries which joined the EU since 2004.

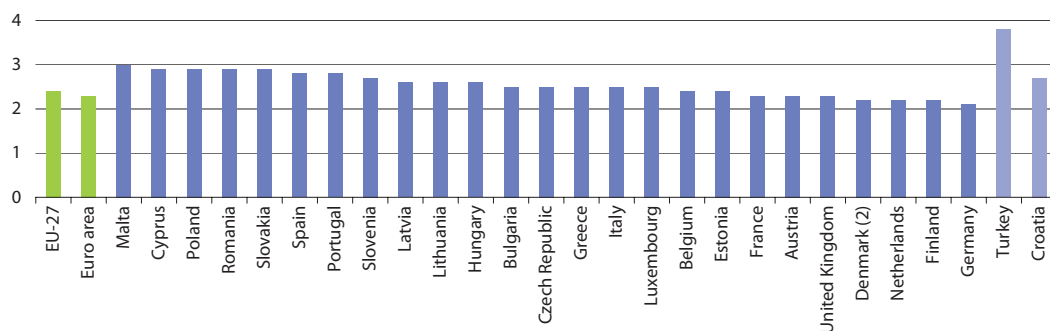


There were wide ranging differences across the Member States as regards housing ownership status in 2006: in the Baltic Member States, Slovakia, Hungary, Slovenia and Spain more than 80 % of households owned their own house/flat, while there was a tendency for lower levels of ownership (and therefore a higher

propensity to rent) in Germany, Austria, the Netherlands and Poland. It is difficult to pinpoint the reasons for such differences, as the distribution of households may be related to a range of factors including the degree of urbanisation, the quality of accommodation, or the supply of new or renovated housing.

Figure 6.13: Average number of persons per private household, 2007 (1)

(persons)



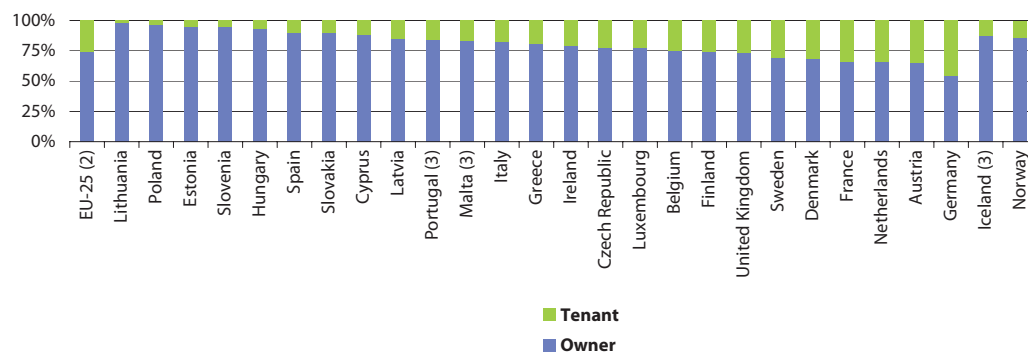
(1) Ireland and Sweden, not available.

(2) 2006.

Source: Eurostat (lfst_hhantych)

Figure 6.14: Tenure status of households, 2006 (1)

(%)



(1) Bulgaria and Romania, not available.

(2) Eurostat estimates based on population-weighted averages of national data.

(3) Provisional.

Source: Eurostat (EU-SILC)



6.4 Social protection

Introduction

Social protection systems are highly developed in the EU: they are designed to protect people against the risks associated with unemployment, parental responsibilities, ill health and invalidity, the loss of a spouse or parent, old age, housing and social exclusion. The organisation and financing of social protection systems is under the responsibility of each of the Member States. The model used in each Member State is therefore somewhat different, while the EU plays a coordinating role to ensure that people who move across borders continue to receive adequate protection. This role also promotes actions among the Member States to combat poverty and social exclusion, and to reform social protection systems on the basis of policy exchanges and mutual learning: this policy is known as the social protection and social inclusion process. The process underpins the revised Lisbon objectives for 2010, promoting a more inclusive Europe that, it is argued, will be vital to achieve the EU's goals of sustained economic growth, more and better jobs and greater social cohesion. The social inclusion process was established in 2000 with the aim of eradicating poverty by 2010, it has also led to general consensus on the following challenges:

- to eradicate child poverty by breaking the vicious circle of intergenerational inheritance;
- to make labour markets truly inclusive;
- to ensure decent housing for everyone;

- to overcome discrimination and increase the integration of people with disabilities, ethnic minorities and immigrants;
- to tackle financial exclusion and over-indebtedness.

Definitions and data availability

Data on expenditure and receipts of social protection are drawn up according to the **European System of integrated Social Protection Statistics (ESSPROS)** methodology; this system has been designed to allow a comparison of social protection flows between Member States. In April 2007 a legal basis was established for the provision of ESSPROS data (with data delivery due to start in 2008 with reference to 2006 data); this basis is provided for by Regulation (EC) No 458/2007 of the European Parliament and of the Council⁽⁵⁾.

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, associated with old age, sickness and/or healthcare, childbearing and family, disability, unemployment, etc. **Expenditure on social protection** includes: social benefits, which consist of transfers, in cash or in kind, to households and individuals to relieve them of the burden of a defined set of risks or needs; administration costs, which represent the costs charged to the scheme for its management and administration; and other expenditure, which consists of miscellaneous expenditure by social protection schemes (payment of property income and other).

(5) <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:113:0003:0008:EN:PDF>.



Social protection benefits are direct transfers, in cash or in kind, by social protection schemes to households and individuals to relieve them of the burden of one or more of the defined distinct risks or needs; benefits via the fiscal system are excluded. Social benefits are paid to households by social security funds, other government units, NPISHs (non-profit institutions serving households), employers administering unfunded social insurance schemes, insurance enterprises or other institutional units administering privately funded social insurance schemes. Benefits are classified according to eight social protection functions (which represent a set of risks or needs):

- sickness/healthcare benefits – including paid sick leave, medical care and provision of pharmaceutical products;
- disability benefits – including disability pensions and the provision of goods and services (other than medical care) to the disabled;
- old age benefits – including old age pensions and the provision of goods and services (other than medical care) to the elderly;
- survivors' benefits – including income maintenance and support in connection with the death of a family member, such as survivors' pensions;
- family/children benefits – including support (except healthcare) in connection with the costs of pregnancy, childbirth, childbearing and caring for other family members;
- unemployment benefits – including vocational training financed by public agencies;
- housing benefits – including interventions by public authorities to help households meet the cost of housing;

- social exclusion benefits – including income support, rehabilitation of alcohol and drug abusers and other miscellaneous benefits (except healthcare).

The **pensions aggregate** comprises part of periodic cash benefits under the disability, old age, survivors and unemployment functions. It is defined as the sum of the following social benefits: disability pension, early-retirement benefit due to reduced capacity to work, old age pension, anticipated old age pension, partial pension, survivors' pension, early-retirement benefit for labour market reasons.

Expenditure on care for the elderly is defined as the percentage of social protection expenditure devoted to old age care in GDP. These expenditures cover care allowance, accommodation, and assistance in carrying out daily tasks. The **aggregate replacement ratio** is defined as the median individual gross pensions of those aged 65-74 relative to median individual gross earnings of those aged 50-59, excluding other social benefits; it is expressed in percentage terms.

The units responsible for providing social protection are financed in different ways, their **social protection receipts** comprise social security contributions paid by employers and protected persons, contributions by general government, and other receipts from a variety of sources (for example, interest, dividends, rent and claims against third parties). **Social contributions by employers** are all costs incurred by employers to secure entitlement to social benefits for their employees, former employees and their dependants. They can be paid by resident or non-resident employers. They include all payments by employers to social protection



institutions (actual contributions) and social benefits paid directly by employers to employees (imputed contributions). **Social contributions made by protected persons** comprise contributions paid by employees, by the self-employed and by pensioners and other persons.

Main findings

Social protection expenditure in the EU-27 represented 27.2 % of GDP in 2005. The largest proportion of expenditure on social expenditure was recorded in Sweden, with slightly less than one third (32 %) of GDP in 2005, closely followed by France (31.5 %). At the other end of the spectrum, the Baltic Member States dedicated the lowest proportion of their GDP to social protection (between 12.4 % and 13.2 %).

The use of a purchasing power standard (PPS) allows an unbiased comparison of social protection expenditure per capita between countries, taking account of differences in price levels. The highest level of expenditure on social protection per capita in 2005 was registered for Luxembourg ⁽⁶⁾ (PPS 12 946 per capita), while Sweden, Denmark, the Netherlands, Austria, Belgium and France all accounted for between PPS 8 000 and PPS 8 500 per capita. In contrast, average expenditure in the Baltic Member States, Bulgaria and Romania was less than PPS 1 800 per capita. These 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.

Old age represented the largest social benefit function, accounting for a little more than two fifths (41.4 %) of total social benefits in the EU-27 in 2005, followed by sickness and healthcare (28.6 %). The relative importance of family/child benefit, disability benefit and unemployment benefit was quite similar, accounting for between 6.1 % and 8.0 % of the total in the EU-27, while survivors, housing and social exclusion benefits together accounted for the remaining 7.9 %.

In relation to GDP, expenditure on pensions was equivalent to 12.2 % within the EU-27 in 2005, ranging from a high of 14.8 % in Italy to a low of 4.9 % in Ireland. Expenditure on care for elderly in the EU-27 accounted for some 0.5 % of GDP in the same year, a proportion that rose to 2.5 % in Sweden, but fell to less than 0.1 % of GDP in Greece, Estonia, Belgium, Bulgaria and Romania. The aggregate replacement ratio measures the difference between retirement benefits for pensioners (aged 65 to 74 years old) and salaries received by those aged 50 to 64. This ratio was highest in 2006 in Luxembourg and Austria (where pensioners received on average 65 % of the salary received by those aged 50 to 64). The majority of the remaining Member States were within the range of 40 % to 60 %, with Denmark (37 %), Ireland (35 %) and Cyprus (28 %) below.

The main contributors to EU-27 social protection receipts in 2005 were employers' social contribution (38.3 %) and general government contributions (37.6 %); social contributions paid by protected persons accounted for a further 20.8 % of the total.

(6) Luxembourg is a special case insofar as a significant proportion of benefits (primarily expenditure on healthcare, pensions and family benefits) are paid to persons living outside the country.

**Table 6.6:** Total expenditure on social protection

(% of GDP)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU (1)	27.7	27.9	27.5	27.1	27.0	26.6	26.8	27.1	27.4	27.3	27.2
Euro area (2)	27.2	27.6	27.3	26.9	27.0	26.8	26.9	27.4	27.8	27.8	27.8
Belgium	27.4	28.0	27.4	27.1	27.0	26.5	27.3	28.0	29.1	29.3	29.7
Bulgaria	:	:	:	:	:	:	:	:	:	:	16.1
Czech Republic	17.5	17.6	18.6	18.5	19.2	19.5	19.5	20.2	20.2	19.3	19.1
Denmark	31.9	31.2	30.1	30.0	29.8	28.9	29.2	29.7	30.9	30.9	30.1
Germany	28.2	29.3	28.9	28.8	29.2	29.3	29.4	30.0	30.3	29.6	29.4
Estonia	:	:	:	:	:	14.0	13.1	12.7	12.6	13.1	12.5
Ireland	14.8	13.9	12.9	12.0	14.6	14.1	15.0	17.3	17.8	18.2	18.2
Greece	19.9	20.5	20.8	21.7	22.7	23.5	24.1	23.8	23.6	23.6	24.2
Spain	21.6	21.5	20.8	20.2	19.8	20.3	20.0	20.3	20.4	20.6	20.8
France	30.3	30.6	30.4	30.1	29.9	29.5	29.6	30.4	30.9	31.3	31.5
Italy	24.2	24.3	24.9	24.6	24.8	24.7	24.9	25.3	25.8	26.0	26.4
Cyprus	:	:	:	:	:	14.8	14.9	16.2	18.4	17.8	18.2
Latvia	:	:	15.3	16.1	17.2	15.3	14.3	13.9	13.8	12.9	12.4
Lithuania	:	13.4	13.8	15.2	16.4	15.8	14.7	14.1	13.6	13.3	13.2
Luxembourg	20.7	21.2	21.5	21.2	20.5	19.6	20.9	21.6	22.2	22.3	21.9
Hungary	:	:	:	:	20.7	19.3	19.3	20.4	21.1	20.7	21.9
Malta	15.7	17.1	17.5	17.5	17.3	16.5	17.4	17.5	17.9	18.4	18.3
Netherlands	30.6	29.6	28.7	27.8	27.1	26.4	26.5	27.6	28.3	28.3	28.2
Austria	28.8	28.7	28.6	28.3	28.7	28.1	28.4	29.0	29.3	29.0	28.8
Poland	:	:	:	:	:	19.7	21.0	21.1	21.0	20.1	19.6
Portugal	21.0	20.2	20.3	20.9	21.4	21.7	22.7	23.7	24.1	24.7	:
Romania	:	:	:	:	:	13.2	13.2	13.4	12.6	15.1	14.2
Slovenia	:	24.1	24.5	24.8	24.8	24.6	24.8	24.8	24.1	23.7	23.4
Slovakia	18.4	19.3	19.6	20.0	20.0	19.3	18.9	19.0	18.2	17.3	16.9
Finland	31.5	31.4	29.1	27.0	26.2	25.1	24.9	25.6	26.5	26.6	26.7
Sweden	34.3	33.6	32.7	32.0	31.7	30.7	31.2	32.2	33.2	32.7	32.0
United Kingdom	28.0	27.8	27.3	26.7	26.2	26.9	27.3	26.2	26.2	26.3	26.8
Iceland	18.9	18.7	18.5	18.3	18.8	19.2	19.4	21.2	23.0	22.6	21.7
Norway	26.5	25.8	25.1	26.9	26.9	24.4	25.4	26.0	27.2	25.9	23.9
Switzerland	25.6	26.4	27.3	27.3	27.3	26.9	27.6	28.5	29.1	29.3	29.2

(1) EU-15 for 1995-1999; EU-25 for 2000-2004; EU-27 for 2005.

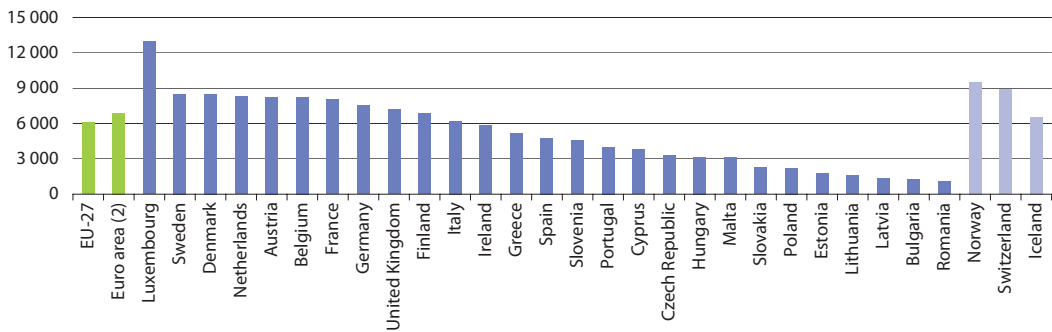
(2) EA-13 instead of EA-15.

Source: Eurostat (tps00098)



Figure 6.15: Total expenditure on social protection per capita, 2005 (1)

(PPS)



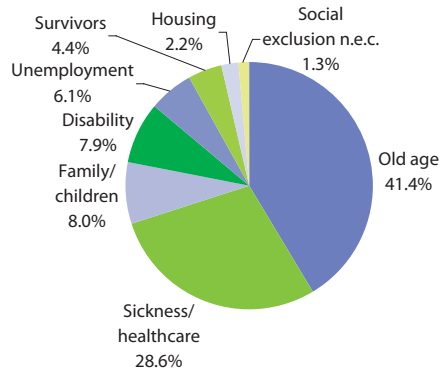
(1) EU-27, euro area and the United Kingdom, estimates; Bulgaria, the Czech Republic, Germany, Spain, France, Italy, Latvia, Lithuania, the Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia and Sweden, provisional; Portugal, 2004.

(2) EA-13 instead of EA-15.

Source: Eurostat (tps00100)

Figure 6.16: Social benefits, EU-27, 2005 (1)

(%, based on PPS)



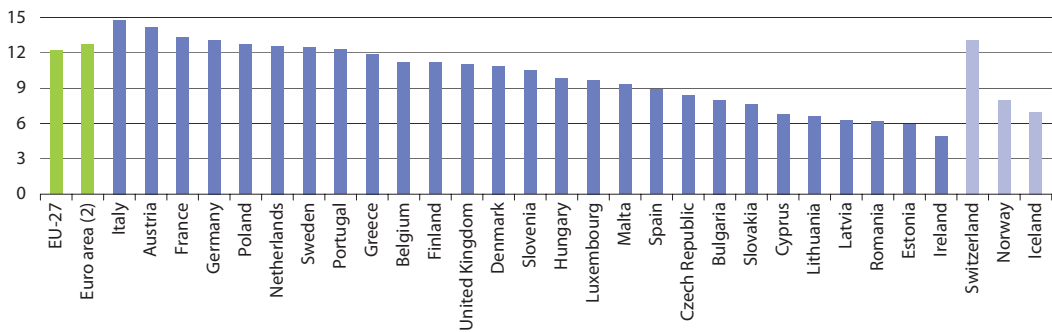
(1) Estimates; figures do not sum to 100 % due to rounding.

Source: Eurostat (tps00107)



Figure 6.17: Expenditure on pensions, 2005 (1)

(% of GDP)



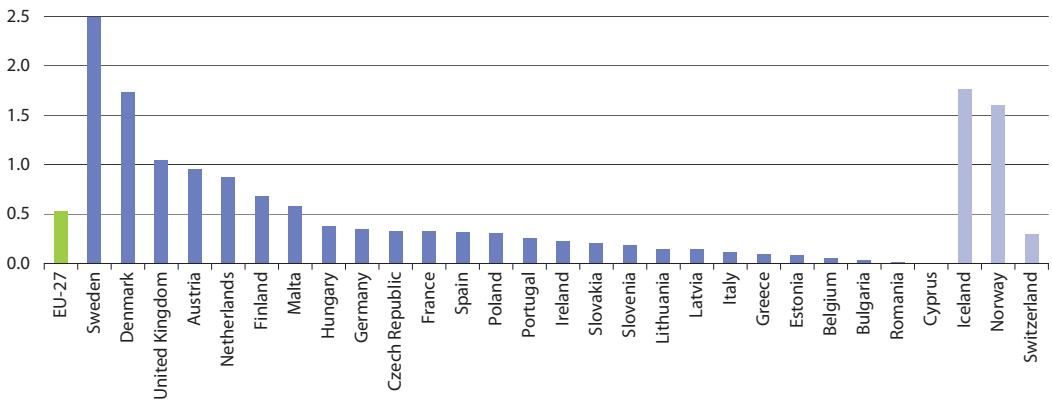
(1) EU-27, euro area and the United Kingdom, estimates; Bulgaria, the Czech Republic, Germany, Spain, France, Italy, Latvia, Lithuania, the Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia and Sweden, provisional; Portugal, 2004.

(2) EA-13 instead of EA-15.

Source: Eurostat (tps00103)

Figure 6.18: Expenditure on care for elderly, 2005 (1)

(% of GDP)

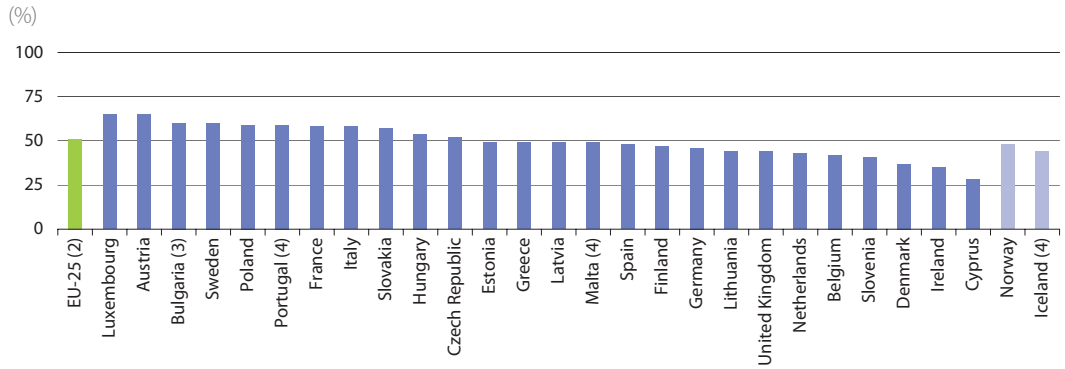


(1) EU-27 and the United Kingdom, estimates; Bulgaria, the Czech Republic, Germany, Spain, France, Italy, Cyprus, Latvia, Lithuania, the Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia and Sweden, provisional; Portugal, 2004; Luxembourg, not available.

Source: Eurostat (tsdde530)



Figure 6.19: Aggregate replacement ratio, 2006 (1)



(1) Romania, not available.

(2) Eurostat calculation based on population-weighted averages of national data.

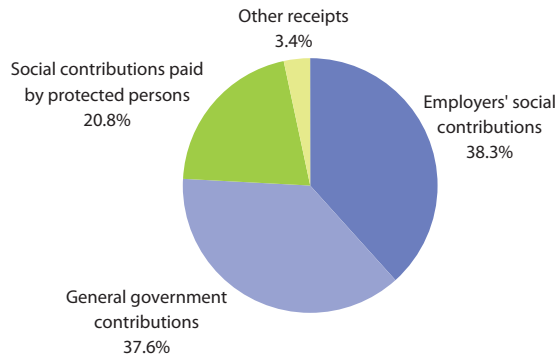
(3) National HBS.

(4) Provisional.

Source: Eurostat (tsdde310)

Figure 6.20: Social protection receipts, EU-27, 2005 (1)

(% of total receipts)



(1) Estimates; figures do not sum to 100 % due to rounding.

Source: Eurostat (tps00108)



6.5 Good governance

Introduction

The term 'governance' covers a wide range of concepts. Indeed, it is used in connection with several contemporary social sciences, especially economics and political science. It originates from the need of economics (enterprise governance, for instance) and political science (State governance). The term 'governance', in both corporate and State contexts, embraces action by executive bodies, assemblies (such as national parliaments) and judicial bodies (national courts and tribunals for example).

In July 2001, the European Commission adopted a White Paper on European Governance. This White Paper contained a series of recommendations on how to enhance democracy in Europe and boost the legitimacy of its institutions. It defined governance in a European context as the rules, processes and behaviour that affect the way in which powers are exercised at European level, particularly as regards openness, participation, accountability, effectiveness and coherence (the five principles of good governance). The White Paper aims to modernise European public action in order to increase the accountability of European executive bodies to the elected assemblies and open up the EU's decision-making procedures to allow citizens to participate in making decisions which concern them. Ultimately, it is hoped that these new forms of governance will bring the EU closer to

its citizens, making it more effective, reinforcing democracy and consolidating the legitimacy of its institutions, while improving the quality of European legislation and making it clearer and more effective.

Definitions and data availability

Voter turnout is the percentage of persons who cast a vote or 'turn out' at an election as a share of the total population entitled to vote. It includes those who cast blank or invalid votes. In Belgium, Luxembourg and Greece, voting is compulsory. In Italy, voting is a civic obligation (no penalty).

The **level of citizens' confidence in each EU institution** (Council of the European Union, European Parliament and European Commission) is expressed as the share of positive opinions (people who declare that they 'tend to trust') about each institution. Trust is not precisely defined and could leave some room for interpretation to the interviewees. The data are based on a twice-yearly Eurobarometer survey which has been used, since 1973, to monitor the evolution of public opinion in the Member States and since 2004 in the candidate countries. The remaining categories, not shown in the table, include the percentage of negative opinions (people who declare that they 'tend not to trust'), as well as 'don't know' and/or 'no answer'.

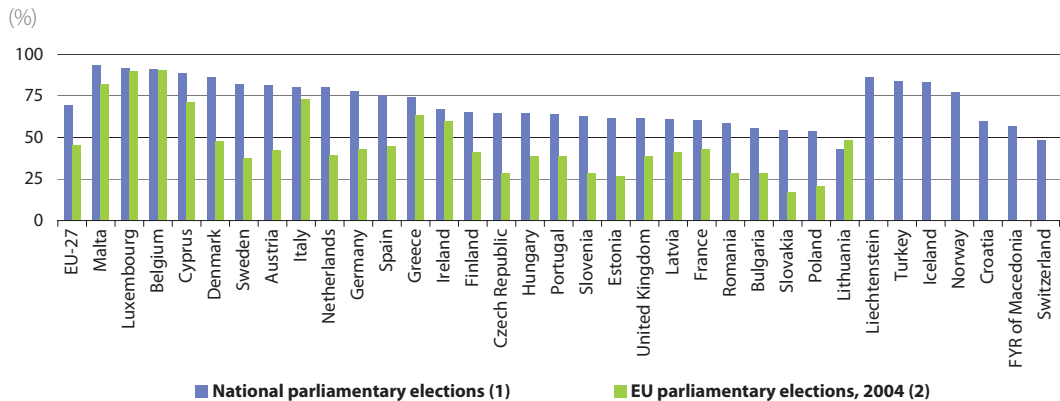


Main findings

Voter turnout at EU parliamentary elections in June 2004 ranged from 90.8 % in Belgium (where voting is compulsory) to 17.0 % in Slovakia. Voter turnout in Bulgaria and Romania for their first elections to the European Parliament in 2007 was a little less than 30 %, at the lower end of the range among Member States. The next parliamentary elections are planned for 2009.

According to the latest survey of public opinion in 2007, somewhat more than half (55 %) of all citizens declared that they tended to trust the European Parliament, while exactly half (50 %) tended to trust the European Commission. Less than half (44 %) of respondents tended to trust the Council of the European Union, the relative proportions in Denmark, Italy, Luxembourg and Sweden falling relatively sharply when compared with results from 2000.

Figure 6.21: Voter turnout



(1) Latest elections: Spain, Italy, Lithuania, Malta, Austria, Slovenia and the former Yugoslav Republic of Macedonia, 2008; Belgium, Denmark, Estonia, Ireland, Greece, France, Poland, Finland, Croatia, Turkey, Iceland and Switzerland, 2007; the Czech Republic, Cyprus, Latvia, Hungary, the Netherlands, Slovakia and Sweden, 2006; Bulgaria, Denmark, Germany, Portugal, the United Kingdom, Liechtenstein and Norway, 2005; Luxembourg and Romania, 2004; EU-27, average estimated by Eurostat on the basis of the trends observed in each of the Member States for national parliamentary elections.

(2) Bulgaria and Romania, 2007; non-EU Member States, not applicable; EU-25 instead of EU-27.

Source: Eurostat (tsdgo310), International Institute for Democracy and Electoral Assistance

**Table 6.7:** Level of citizens' confidence in EU institutions

(%)

	European Parliament		Council of the European Union		Commission of the European Communities	
	2002	2007	2002	2007	2002	2007
EU-27	:	55	:	44	:	50
Belgium	69	68	54	56	64	67
Bulgaria	:	58	:	40	:	46
Czech Republic	:	61	:	53	:	57
Denmark	59	70	55	48	65	61
Germany	58	52	41	43	47	46
Estonia	:	61	:	52	:	57
Ireland	71	63	60	50	67	60
Greece	61	77	53	68	56	69
Spain	64	62	57	49	59	53
France	62	58	47	46	58	54
Italy	74	53	57	45	65	50
Cyprus	:	59	:	57	:	57
Latvia	:	44	:	37	:	39
Lithuania	:	57	:	47	:	53
Luxembourg	75	65	67	52	74	55
Hungary	:	67	:	54	:	61
Malta	:	63	:	57	:	60
Netherlands	65	61	49	47	60	59
Austria	58	51	47	41	51	48
Poland	:	60	:	55	:	61
Portugal	59	63	54	53	58	59
Romania	:	72	:	53	:	60
Slovenia	:	63	:	59	:	61
Slovakia	:	70	:	59	:	62
Finland	57	53	49	49	55	53
Sweden	51	57	46	30	45	49
United Kingdom	34	25	20	17	31	22
Croatia	:	40	:	41	:	39
FYR of Macedonia	:	57	:	52	:	53
Turkey	:	20	:	17	:	17

Source: Eurostat (tsdgo510), European Commission, Eurobarometer survey