

# **Sustainable development in the European Union**

## **2011 monitoring report of the EU sustainable development strategy**

### **Executive summary**

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## Executive summary

Sustainable development is a fundamental and overarching objective of the European Union, aiming to continuously improve the quality of life and well-being for present and future generations, by linking economic development, protection of the environment and social justice.

The 2006 EU Sustainable Development Strategy (EU SDS) describes how the EU will more effectively meet the challenge of sustainable development. The overall aim is to achieve a continuous improvement in the quality of life of citizens through sustainable communities that manage and use resources efficiently and tap the ecological and social innovation potential of the economy, so as to ensure prosperity, environmental protection and social cohesion.

*The overall aim of the EU SDS is to improve the quality of life*

Measuring progress towards sustainable development is an integral part of the EU SDS, and it is Eurostat's task to produce a monitoring report every two years based on the EU set of sustainable development indicators (EU SDIs). Eurostat has so far published three monitoring reports, in 2005, 2007 and 2009. This fourth report charts progress in the implementation of the strategy's objectives and key challenges.

*The use of indicators to measure progress is an integral part of the strategy*

The SDS defines objectives and targets intended to put the European Union on a path towards sustainable development. Given these objectives and targets, this report provides a quantitative assessment of whether the EU is moving in the right direction as reflected in the developments revealed by the EU SDIs.

*This report assesses progress towards the targets and objectives of the EU SDS*

### Is the European Union on a sustainable development path?

This report does not aim to give an absolute assessment of whether the EU is sustainable, as there is no political or scientific consensus on what this state of sustainability would be, or on the optimal levels for many of the indicators presented here. It aims rather at an assessment of progress towards the objectives and targets of the EU SDS, which are intended to put the European Union on what has been implicitly defined as a path to sustainable development. As such, the report provides a relative assessment of whether the EU is moving in the right direction given these objectives and targets. In doing so, the focus is on 'sustainable development' rather than 'sustainability'<sup>1</sup>.

In order to assess whether there has been progress towards sustainable development, it may be of interest to compare the results of the evaluation of trends in the headline indicators as they appear in the current report with those of the 2009 report<sup>2</sup>. However, two factors make such a comparison difficult. Firstly the picture is complicated by the disruptive effects of the economic and financial crisis over the period since 2007. The following section in this chapter attempts to describe some of these impacts. Secondly, there are several differences between the datasets, targets and evaluation methodologies used in the two reports. With the aim of compensating for these differences, the evaluations of the previous report have been revised in line with the datasets and methodologies used

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<sup>1</sup> The concept of sustainable development should be distinguished from that of sustainability. 'Sustainability' is a property of a system, whereby it is maintained in a particular state through time. The concept of sustainable development refers to a process involving change or development. The strategy aims to 'achieve continuous improvement of quality of life', and the focus is therefore on sustaining the process of improving human well-being. Rather than seeking a stable equilibrium, sustainable development is a dynamic concept, recognising that changes are inherent to human societies.

<sup>2</sup> [Eurostat, Sustainable development in the European Union: 2009 monitoring report of the EU sustainable development strategy, Luxembourg, Office for Official Publications of the European Union, 2009.](#)

in the current report and are shown in Table 1 alongside the original 2009 evaluations and those of the current report.

**Table 1: Comparison between evaluations of headline indicators in 2009 and in this edition**<sup>3</sup>

SDI theme	Headline indicator	2009 report	Revised 2009 evaluation	Current report
Socioeconomic development	Real GDP per capita			
Sustainable consumption and production	Resource productivity			
Social inclusion	Risk of poverty or social exclusion			
Demographic changes	Employment rate of older workers			
Public health	Life expectancy and healthy life years			
Climate change and energy	Greenhouse gas emissions			
	Consumption of renewables			
Sustainable transport	Energy consumption of transport relative to GDP			
Natural resources	Abundance of common birds			
	Conservation of fish stocks			
Global partnership	Official development assistance			
Good governance	[No headline indicator]	:	:	:

Although only two of the eleven headline indicators show the same evaluation result in both reports (life expectancy from the ‘Public health’ theme and the common bird index from the ‘Natural resources’ theme), if the current datasets, targets and evaluation methodology had been used in 2009 the evaluation of seven indicators would be identical in both reports. In addition to the two indicators already mentioned, these include the two 'decoupling' indicators (resource productivity and energy consumption of transport relative to GDP), the risk of poverty or social exclusion, the consumption of renewables and the conservation of fish stocks.

Real changes have therefore occurred in the case of the remaining four indicators. Of these, the situation has become less favourable for two indicators: real GDP per capita and employment of older workers. On the other hand the situation has become more favourable for two indicators: greenhouse gas emissions, and official development assistance. As described in the following section, the economic and financial crisis has played a role in several of these changes.

Overall, the circumstances outlined above make it hard to assess whether progress has been made since the 2009 report. However, considering that nearly half of the headline indicators are moving in a moderately unfavourable direction, it cannot yet be concluded that the European Union is on a pathway to sustainable development.

## Impacts of the global economic and financial crisis

As a consequence of the global economic and financial crisis which began in late 2007 the EU went into recession during 2008<sup>4</sup>. In mid-2011, as this report was being finalised, the EU economy was still only showing slow growth. The impact of these events has been severe and goes far beyond the economy, affecting many of the issues covered by the indicators presented in this publication. This

<sup>3</sup> An explanation of the evaluation method and the meaning of the weather symbols is given in the Introduction.

<sup>4</sup> For a deeper analysis of the crisis refer to: [European Commission, Economic Crisis in Europe: Causes, Consequences and Responses, European Economy, No 7, 2009.](#)

section provides a brief summary of the areas affected over the period starting in 2007 and extending where possible to 2010. Although it is not clear at this point in time, some of the consequences, such as lower levels of investment, could have long-term and persistent knock-on effects which will only become apparent in later reports.

The liquidity problems in the banking sector, which began in 2007, led to a squeeze on credit and falling asset prices, feeding into lower consumer demand (reflected in the indicator 'household expenditure'), an increase in 'household saving', a decrease in 'investment' from businesses and households, a fall in international trade (reflected in the indicator 'imports from developing countries'), and a decline in 'real GDP per capita'. Levels of 'public debt' rose drastically. 'Employment' fell, particularly amongst the young, and men were hit harder than women ('female employment'). The trend of increasing 'employment rate of older workers' slowed down. Due to labour hoarding and changes to working hours 'labour productivity' fell. 'Research and development expenditure' on the other hand increased, as several countries have boosted their expenditure in an attempt to support economic recovery and longer-term growth. In response to falling demand, industrial production also fell as is evident in the example of the 'production of toxic chemicals'.

The rise in 'unemployment' and 'long-term unemployment' has had social impacts. Although the overall 'risk of poverty' decreased, it grew for the 25-49 year age group and also slightly for 18-24-year olds. The 'intensity of poverty' also increased, as did 'suicides', especially amongst men and the middle-aged. The 'crude rate of net migration' also fell, probably as a reaction to the difficulty in finding employment in the EU. In terms of combating global poverty, 'financing for developing countries' fell, due to reduced flows from private donors, rather than from official sources or NGOs.

Energy demand ('final energy consumption') fell in parallel to GDP. This lower consumption led to a stabilisation of the EU's 'energy dependence', breaking the long-term trend towards increased dependency. 'Greenhouse gas emissions' and pollutant 'atmospheric emissions', which were already decreasing, fell at an even faster rate.

Freight transport fell faster than GDP (reflected in the indicator 'volume of freight transport relative to GDP'). Nevertheless, probably due to a slower decrease of passenger transport, energy consumption of transport fell less than GDP ('energy consumption of transport relative to GDP'). 'Greenhouse gas emissions from transport' fell, and 'emissions of nitrogen oxides (NO<sub>x</sub>) from transport' and 'emissions of particulate matter from transport' decreased at a faster rate than over previous years. The 'number of people killed in road accidents' also fell, probably as a result of lower traffic volumes.

The public reaction to the crisis and how it has been handled is reflected in the fall in 'citizen's confidence in EU institutions' and in 'voter turnout in national elections'.

## Progress towards sustainable development in the European Union

Of more than 100 indicators presented in this report, eleven have been identified as headline indicators. They are intended to give an overall picture of whether the EU has achieved progress towards sustainable development in terms of the objectives and targets defined in the EU SDS. An evaluation of progress since 2000 based on these headline indicators shows a rather mixed picture.

**Table 2: Evaluation of changes in the headline indicators (EU-27, from 2000)**<sup>5</sup>

SDI theme	Headline indicator	EU-27 evaluation of change
Socioeconomic development	Real GDP per capita	
Sustainable consumption and production	Resource productivity	

<sup>5</sup> An explanation of the evaluation method and the meaning of the weather symbols is given in the Introduction.

Social inclusion	Risk of poverty or social exclusion (*)	
Demographic changes	Employment rate of older workers	
Public health	Life expectancy and healthy life years (**)	
Climate change and energy	Greenhouse gas emissions	
	Consumption of renewables (***)	
Sustainable transport	Energy consumption of transport relative to GDP	
Natural resources	Abundance of common birds (****)	
	Conservation of fish stocks	
Global partnership	Official Development Assistance	
Good governance	[No headline indicator]	:

(\*) From 2005.

(\*\*) From 2002.

(\*\*\*) From 2006.

(\*\*\*\*) EU aggregate based on 19 Member States.



#### Clearly favourable changes

Recent developments can be considered as favourable for the headline indicator of the ‘social inclusion’ theme, with fewer and fewer people being at **risk of poverty or social exclusion**. About 2 million people were lifted out of the risk of poverty or social exclusion between 2008 and 2009.

*Between 2008 and 2009 about 2 million people less at risk of poverty or social exclusion*

Changes can also be evaluated as clearly favourable for the two headline indicators related to ‘climate change and energy’. Between 2000 and 2009, the EU’s **greenhouse gas emissions** fell significantly, making it likely that both the EU-15’s Kyoto commitments (referring to a reduction of 8 % until 2008-12) and the EU-27’s target of reducing emissions by 20 % until 2020 compared to 1990 levels will be met. Due to changes in methodology, data for the second headline indicator **consumption of renewables** are only available for 2006 to 2008. However, if the current pace of change over this short period can be maintained, the EU will likely meet the target of reaching a 20 % share of renewables in gross final energy consumption set for 2020.

*The 2020 targets for the two headline indicators for ‘climate change and energy’ are likely to be met*



#### Moderately favourable changes

Moderately favourable changes can be observed for the headline indicators related to ‘socioeconomic development’ and ‘public health’ as well as for one of the two ‘natural resources’ headline indicators.

*Moderately favourable changes for the indicators ‘real GDP per capita’, ‘life expectancy’ and the ‘common birds index’*

Concerning ‘socioeconomic development’, the headline indicator **real GDP per capita** grew on average by 0.9 % per year between 2000 and 2010, although the economic crisis and the subsequent recession in 2009 caused it to fall close to the level of 2005. Slow growth was experienced during 2010 for the EU as a whole and in mid-2011, when this report was being finalised, the EU economy was still only showing slow growth.

With regard to ‘public health’, data on **life expectancy** in the EU indicate some progress in extending the lifespan of the EU population. A girl born in 2008 would be expected to live, on average, 82.4 years and a boy, 76.4.

Data on the **abundance of common birds**, one of the headline indicators of the

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‘natural resources’ theme, show that the index for all common birds has increased slightly, although the number of farmland birds declined unfavourably between 2000 and 2008.

 *Moderately unfavourable changes*

Five of the eleven headline indicators of the EU SDI set show moderately unfavourable changes, including those related to ‘sustainable consumption and production’, ‘demographic changes’, ‘sustainable transport’ and ‘global partnership’ as well as one of the two headline indicators of the ‘natural resources’ theme.

*Nearly half of the headline indicators show moderately unfavourable trends*

The headline indicator for ‘sustainable consumption and production’ shows a moderately unfavourable trend for the period 2000 to 2007. Although rises in **resource productivity** show that the EU has become more efficient in the way it uses its resources, the demand for materials (and the associated environmental pressures) continued to increase.

*Resource productivity has increased, but so has material consumption*

Concerning the ‘demographic changes’ in the EU, the increase in the **employment rate of older workers** was until 2008 on track towards meeting the target of 50 % in 2010. However, as a consequence of the crisis, growth almost came to an end in 2009 and 2010, resulting in an employment rate of about 46 % in 2010, and the target was missed.

*The EU fell short of the 50 % target for employment of older workers set for 2010*

As with ‘resource productivity’, the **ratio of energy consumption of transport per unit GDP** decreased moderately between 2000 and 2009. Nevertheless, and despite a significant drop due to the crisis in 2009, energy consumption of transport has grown since 2000, although more slowly than the economy. A decoupling of energy consumption of transport from economic development is hardly visible.

*A decoupling of energy consumption of transport from economic growth is hardly visible*

Concerning the **conservation of fish stocks**, one of the two headline indicators of the ‘natural resources’ theme, total fish catches outside safe biological limits reached close to 24 % in 2009. Although this can be seen as an improvement compared to a share of about 37 % in 2000, overall fish catches still exceeded sustainable levels of exploitation.

*Fish catches in the North-East Atlantic still exceed sustainable levels of exploitation*

As regards the EU’s international commitments, the share of Gross National Income (GNI) spent by the EU on **official development assistance** to developing countries remained almost stable between 2005 and 2010 at about 0.4 % of GNI. The EU did not achieve therefore its intermediate target of 0.56 % in 2010, nor is it on track to achieve the target of dedicating 0.7 % of its GNI to ODA by 2015. However, it should be noted that many of the other indicators of the ‘global partnership’ theme display more favourable trends.

*The EU is not on track to meet its ODA target of 0.7 % of GNI by 2015*

 *Clearly unfavourable changes*

No headline indicator shows clearly unfavourable changes – suggesting that the European Union has made some progress along the path towards sustainable development. However, looking at the additional indicators within the individual themes of the EU SDI set, a number of clearly unfavourable changes still persist, and the overall picture may be less positive than the impression given by looking at the headline indicators in isolation.

**: No headline indicator**

The ‘good governance’ theme contains no headline indicator as no indicator is considered to be sufficiently robust and policy relevant to provide a

comprehensive overview of the good governance concept.

### Detailed overview of main changes

While the headline indicators provide a snapshot of progress across the key challenges of the EU SDS, for a more complete and nuanced picture it is necessary to look theme by theme at the progress shown by the indicators.

#### Socioeconomic development

Many of the long-term trends in the socioeconomic development theme have been influenced, either positively or negatively, by the recent global economic and financial crisis. In this respect trends have deteriorated in the short term in particular in investment, employment and unemployment, as well as in real GDP per capita and labour productivity, even if these last two have started to pick up again. On the other hand, improvements have been seen in R&D expenditure and energy intensity, and briefly in household saving.

**Table 3: Evaluation of changes in the socioeconomic development theme (EU-27, from 2000)**

Level 1	Level 2	Level 3
 Real GDP per capita	 Investment	<b>Economic development</b>
		 Regional disparities in GDP  Household saving
	<b>Competitiveness, innovation and eco-efficiency</b>	
	 Labour productivity	 Research and development expenditure  Energy intensity
	<b>Employment</b>	
	 Employment	 Female Employment  Regional disparities in employment  Unemployment

#### Headline indicator

Between 2000 and 2010, real GDP per capita for the EU as a whole grew by 0.9 % per year on average, but there were wide variations in the growth rate across the EU. During the economic upswing from 2003 to 2007, growth rates rose to 2.7 %, although several eastern European countries grew much faster. However, as a reaction to the economic crisis, GDP per capita stalled in 2008 and fell sharply by -4.6 % in 2009. Hardest hit by the crisis were the fastest-growing eastern European Member States. Slow growth was experienced in the EU as a whole and in most Member States during 2010, although Ireland, Greece, Spain and Romania experienced negative growth.

*A period of rapid economic growth stalled with the financial crisis*

*Slow growth in 2010*

#### Economic development

Between 2000 and 2009, the share of investment in GDP followed the economic cycle (in particular due to business investment). After reaching a peak of 21.7 % in 2007, it fell over 2008 and 2009 to a level of 19.4 % mainly due to a cutback in business investment in response to the economic crisis.

*Investment remained fairly stable expressed as a share of GDP*

Regional disparities in GDP in the EU declined from 35.5 % to 32.7 % during the period 2000 to 2007. Together with the reduction of regional disparities in employment it suggests a growing convergence of EU regions. Within-country dispersion of regional GDP remained high, in particular in eastern European Member States, where the rapid transition into market economies has led to an increasingly uneven distribution of wealth.

*Regional disparities in economic activity diminished*

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For most of the period 2000 to 2010, household saving as a share of disposable income in the EU fell steadily; however, it rose slightly in 2008 and considerably in 2009 as a response to the financial crisis. In 2010 the level of household savings fell again, almost to 2004 levels. Differences across Member States remain significant

*Saving rate saw an upturn in response to the economic crisis*

### ***Innovation, competitiveness and eco-efficiency***

Labour productivity in the EU rose on average by 1.1. % per year between 2000 and 2010. Although it grew by up to 1.7 % or 1.8 % per year in several years, mostly due to eastern European Member States catching up, it started to fall in 2008 and in 2009 dropped by 1.2 %. In 2010 it grew by 1.6 %.

*Labour productivity slowed with the crisis*

For most of the period between 2000 and 2009, the share of R&D expenditure in GDP remained fairly stable for the EU as a whole at between 1.8 and 1.9 %. In 2008 and 2009 R&D expenditure improved slightly.

*R&D expenditure lags behind the target path*

Between 2000 and 2009 the energy intensity of the EU decreased steadily, in some years by as much as 2.5 %, resulting in an absolute decoupling of gross inland energy consumption from GDP growth.

*Absolute decoupling of energy consumption from economic growth*

### ***Employment***

Employment in the EU rose from 66.6 % in 2000 to 70.4 % in 2008, but had fallen back to 68.6 % by 2010. Men, young people and persons with lower education were particularly affected.

*Progress towards the 75 % employment target hindered by economic crisis*

Over the period 2000 to 2010, female employment rose steadily from 57.3 % to 62.1 %, narrowing the gender gap. Considerable differences remain between Member States.

*Gender gap in employment and unemployment is closing*

Regional disparities in employment rate fell from 13.0 % in 2000 to 11.8 % in 2009. Improvement has been achieved by the progressively more stable position of women in regional economies.

*Achievements in combating unemployment thwarted by the economic crisis*

On average, unemployment increased in the EU between 2000 and 2010. Although it fell to low levels following the economic upturn of 2003 to 2007, in response to the economic crisis, it jumped in 2009 and stabilised in 2010, to levels higher than in 2000.

### ***Sustainable consumption and production***

Changes in consumption and production patterns since 2000 show some highly unfavourable but also some highly favourable trends. On the one hand, consumption of materials and electricity, as well as the generation of hazardous waste, are still increasing (both in absolute terms and on a per capita basis). On the other hand, the final energy consumption and the amount of non-mineral waste generated in the EU have declined, and the share of waste recycled or composted has increased. Moreover, there have been substantial reductions in the emissions of important air pollutants, and there has been progress related to production patterns regarding the ecological dimension of corporate social responsibility and towards more environmentally friendly agricultural practices.

**Table 4: Evaluation of changes in the sustainable consumption and production theme (EU-27, from 2000)**

Level 1	Level 2	Level 3
☁ Resource productivity	<b>Resource use and waste</b>	
	☀ Non-mineral waste (*)	☁ Domestic material consumption ☁ Hazardous waste (*) ☀ Recycled and composted municipal waste ☀ Atmospheric emissions
		<b>Consumption patterns</b>
	☁ Electricity consumption of households	: Number of people in households : Household expenditure ☀ Final energy consumption ☁ Car ownership
<b>Production patterns</b>		
☀ Environmental management systems (**)	☀ Ecolabels : Area under agri-environmental commitment ☀ Organic farming (***) ☀ Livestock density index (**)	

(\*) From 2004.

(\*\*) From 2003.

(\*\*\*) From 2005.

#### *Headline indicator*

Developments in resource productivity (measured as the ratio between GDP and domestic material consumption) have been moderately unfavourable for the period 2000 to 2007. Although an increase in resource productivity between 2000 and 2007 indicates that the EU has become more efficient in the way it uses its resources (GDP grew at a faster rate than domestic material consumption), the demand for materials (and the associated environmental pressures) continued to increase. The decoupling of resource use from economic growth was therefore only relative.

*Only relative decoupling of resource use from economic growth*

#### *Resource use and waste*

Domestic material consumption increased moderately in absolute and per capita terms over the period 2000 to 2007. This was driven by an increase in domestic extraction and imports stemming from a growing demand for minerals.

*Consumption of materials continues to rise*

The generation of waste shows both favourable and unfavourable trends. On the one hand, the generation of non-mineral waste in the EU decreased between 2004 and 2008, and municipal waste treatment shifted significantly towards recycling and composting between 2000 and 2009. On the other hand, the generation of hazardous waste rose considerably between 2004 and 2008.

*Waste management improving, although more hazardous waste*

Man-made emissions to the atmosphere of sulphur oxides, nitrogen oxides, non-methane volatile organic compounds and ammonia all fell considerably between 2000 and 2008.

*Decrease in atmospheric emissions*

#### *Consumption patterns*

EU household expenditure rose steadily between 2000 and 2007, but dropped slightly in 2008 and 2009, as a consequence of the economic crisis. In parallel, the number of people per household decreased, reflecting a continuous trend

*More but smaller households with increasing*

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towards more but smaller households.

*expenditures*

Between 2000 and 2009, the electricity consumption of households rose substantially, but final energy consumption decreased slightly mostly as a consequence of the economic crisis.

*Final energy consumption decreased in 2009*

Between 2000 and 2009 the number of passenger cars per 1 000 inhabitants was still on the rise, albeit at a slower pace than during 1990 to 2000.

*More and more cars on the roads*

### ***Production patterns***

European businesses are increasingly integrating social and environmental concerns into their operations and interactions with stakeholders on a voluntary basis, which is a concept known as ‘corporate social responsibility’. The number of organisations having implemented a certified environmental management system according to the ‘Eco-Management and Audit Scheme’ Regulation rose significantly between 2003 and 2010. In addition, the number of EU ecolabel licenses increased considerably between 2000 and 2010, but market shares of the related products remain low.

*Increase in ecolabel licenses and organisations certified with an environmental management system*

With regard to sustainable agricultural production in the EU, the share of agricultural area under agri-environmental commitments and the share of organic farming in total utilised agricultural area increased notably until 2009. In addition, the number of livestock units per hectare showed a favourable decline between 2003 and 2007.

*Signs of agricultural de-intensification*

### **Social inclusion**

The trends observed in the social inclusion theme since 2000 are in general rather encouraging, especially in terms of reducing poverty. There has been a clearly favourable development in the overall risk of poverty or social exclusion. This is reflected in particular in the number of people at risk of severe material deprivation and the number of people living in households with very low work intensity. There has also been a clearly favourable development in reducing the number of adults with low educational attainment and the difference between men’s and women’s wages (gender pay gap). Furthermore, there has been a moderately favourable development in the risk of monetary poverty, the intensity of poverty, income inequalities and long-term unemployment. However, there have also been several unfavourable developments. The share of working poor has risen, participation in life-long learning has declined, missing the target set for 2010, and further progress is necessary in reducing the share of early school leavers and low reading literacy of pupils.

**Table 5: Evaluation of changes in the social inclusion theme (EU-27, from 2000)**

Level 1	Level 2	Level 3
 Risk of poverty or social exclusion (*)	<b>Monetary poverty and living conditions</b>	
	 Risk of poverty after social transfers (*)	 Intensity of poverty (*)
	 Severe material deprivation (*)	 Income inequalities (*)
	<b>Access to labour market</b>	
	 Households with very low work intensity (*)	 Working poor (*)
		 Long-term unemployment
		 Gender pay gap (**)
	<b>Education</b>	
	 Early school leavers (***)	 Adults with low educational attainment
		 Life-long learning (***)
	 Low reading literacy performance of pupils	

(\*) From 2005.

(\*\*) From 2006.

(\*\*\*) From 2003.

#### *Headline indicator*

About 2 million people were lifted out of the risk of poverty or social exclusion between 2008 and 2009. This was mainly achieved through reducing the number of people suffering from severe material deprivation.

*Between 2008 and 2009 about 2 million people less at risk of poverty or social exclusion*

#### *Monetary poverty and living conditions*

The share of people at risk of poverty after social transfers has only slightly decreased since 2005, but the number of people suffering from severe material deprivation has decreased substantially, and most Member States are in line with this favourable trend. The gap between the income of the poor and the poverty threshold (poverty intensity) has been slightly reduced, and income inequality has marginally decreased.

*Slight fall in share of people at risk of monetary poverty  
Less material deprivation*

#### *Access to labour market*

Between 2005 and 2009 the share of people living in households with very low work intensity fell in the EU as a whole and in most Member States. While the share of long-term unemployment has fallen very slightly since 2000, the share of people at risk of poverty despite being employed (working poor) increased between 2005 and 2009. The difference between male and female wages fell significantly between 2006 and 2009, but not in all Member States.

*Slightly less long-term unemployment, but more working poor*

#### *Education*

The share of early school leavers declined in the EU, but further progress is still necessary to reach the 2020 target. Since 2003 there has been progress in the participation in life-long learning as well, but the 2010 target was not reached. The share of adults with low educational attainment steadily declined, and the previously worsening trend in low reading literacy performance among pupils was reversed in 2009 although it will be insufficient to meet the target in 2010.

*Several favourable trends but the 2010 target for life-long learning was missed*

## Demographic changes

The demographic indicators on life expectancy and fertility, as well as those related to the adequacy of income in old age, have been developing favourably. However, even if substantial progress has been made, the 2010 target for the employment of older workers has not been achieved. Furthermore, indicators monitoring the sustainability of public finances have developed unfavourably. Levels of public debt, for example, rose on average within the EU from 62.3 % in 2008 to 80 % in 2010 and there has been only slow progress in increasing the average age of retirement.

**Table 6: Evaluation of changes in the demographic changes theme (EU-27, from 2000)**

Level 1	Level 2	Level 3
 Employment rate of older workers	 Life expectancy at age 65 (men's) (*)  Life expectancy at age 65 (women's) (*)	<b>Demography</b>  Fertility rate (*) : Migration : Elderly population compared to working-age population
	<b>Old-age income adequacy</b>	
	 Income level of over-65s compared to before (**)	 Risk of poverty for over-65s (**)
	<b>Public finance sustainability</b>	
	 Public debt	 Retirement age (***) : Expenditure on care for the elderly : The impact of ageing on public expenditure

(\*) From 2002.

(\*\*) From 2005.

(\*\*\*) From 2001.

### Headline indicator

The target of having half of older workers employed was not reached in 2010. Nevertheless, the participation of older workers in the labour market increased over the entire period and this will help dampen demand for expenditure on pensions.

*Although 2010 target was missed, more older workers employed*

### Demography

Life expectancy at age 65 rose for both men and women between 2002 and 2008. The rate of population renewal also rose slightly, remaining, however, below the rate of replacement, and, taken together with longer life expectancies, indicates that the working age population may continue to shrink relative to the population who have retired.

*The ratio of the active to inactive population may decline with potential*

Immigration into the EU exceeds emigration, although it fell sharply between 2007 and 2009. The ratio of elderly people to the working age population increased between 2000 and 2010, from 23.2 % to 25.9%. And it is projected to increase further, reaching more than 50 people aged 65 years or older per 100 persons of working age by 2060. An increase in the old-age dependency ratio, coupled with low retirement ages, will put pressure on public finances depending on the level of financing within state guaranteed pensions.

*consequences for the sustainability of public finances*

### Old-age income adequacy

The income level from pensions of people aged between 65 and 74, compared to the income level from earnings of those aged between 50 and 59, remained stable

*Average pension levels remain*

at 51 % between 2005 and 2009. The risk of poverty for over-65s decreased between 2000 and 2009, as also happened in the mid-1990s.

*adequate and the risk of poverty has fallen for the elderly*

**Public finance sustainability**

Over the period 2000 to 2007 the level of public debt was successfully reduced, falling to just below the 60 % EU reference mark in 2007. After 2007, however, with the onset of the financial crisis, public debt increased to even higher levels than those seen in the mid-1990s, reaching 80 % in 2010.

*The current economic crisis is placing high pressure on the sustainability of public finances*

Despite an increase in the employment rate of older workers (see headline indicator), the rate of increase in the average retirement age has slowed down, making it unlikely that the 2010 target rate set at the Barcelona European Council in 2002 can be achieved. Expenditure on care for the elderly as a share of GDP, after increasing between 2000 and 2005, decreased between 2005 and 2007 before levelling out in 2008 at a more favourable level close to that of 2000.

Both the ageing population and the structure of social protection systems within the Member States are placing pressure on the sustainability of public finances. Projected changes in the income-replacement ratio and public pension expenditure indicate the potential future impact of an ageing population.

**Public health**

The developments in the public health theme since 2000 present a generally favourable picture. The headline indicator shows that in general people are living longer. Improvements are visible in the reduction of deaths due to chronic diseases, suicides, the production of toxic chemicals, annoyance by noise, and serious accidents at work. On the other hand, not all have benefitted from the improvements and there are still important inequalities in health and access to healthcare. Furthermore there remain challenges related to the environmental determinants of health. Since 2000, people in the EU have been more exposed to ozone as well as to particulate matter.

**Table 7: Evaluation of changes in the public health theme (EU-27, from 2000)**

Level 1	Level 2	Level 3
 Life expectancy and healthy life years (*)	<b>Health and health inequalities</b>	
	 Deaths due to chronic diseases	 Suicides : Unmet needs for healthcare
<b>Determinants of health</b>		
	 Production of toxic chemicals (**)	 Exposure to air pollution by particulate matter  Exposure to air pollution by ozone  Annoyance by noise (***)  Serious accidents at work

(\*) From 2002, based on life expectancy only.  
 (\*\*) From 2002.  
 (\*\*\*) From 2005.

**Headline indicator**

Improvements in life expectancy demonstrate that there has been progress in promoting a healthier and longer life for EU citizens. Life expectancy at birth for men and women grew by 4 and 3 months per year respectively between 2002 and

*People in the EU are living longer and the gap*

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2008. It is also apparent that the life expectancy of men is catching up with that of women.

*between men and women is narrowing*

### **Health and health inequalities**

Improvements in health are apparent in several indicators. The death rate due to chronic diseases, which constitute the leading cause of premature deaths in the EU, fell by 2.0 % per year between 2000 and 2008 for people aged less than 65. Improvements in mental health, as reflected by changes in the rate of suicides, are also observable between 2000 and 2008. The overall EU suicide rate fell annually on average by 1.9 % among older teenagers and by 3.6 % among people aged over 85 years. The exception is the middle aged, where an increase in the suicide rate, which began in 2007, has been linked to the unemployment and indebtedness resulting from the financial crisis.

*Fewer people die from chronic diseases or suicide. However the financial crisis has taken its toll on the middle aged*

Between 2005 and 2009 the proportion of people reporting unmet needs for healthcare fell for all income groups. Nevertheless, the proportion of the poorest who reported unmet needs for healthcare is still eight times higher than for the highest income group.

*Despite improvements, cost associated with medical treatment still pose an obstacle to the poorest*

### **Determinants of health**

Production of toxic chemicals in the EU fell by 1.8 % per year on average between 2002 and 2009. However, there has been no change in their share of overall chemical production and no shift in the share of the most toxic classes of chemicals.

*Despite a fall in production of toxic chemicals, no shift towards lower toxicity*

Exposure of the urban population to air pollution by particulate matter fell by 0.4 % per year but remains far away from the path to the 2010 target and exposure to ozone grew by 2.8 % per year between 2000 and 2008. It is however not possible to discern clear trends as these indicators fluctuate from year to year and changes in airborne concentrations are often the consequence of natural or semi-natural causes, such as forest fires and extremes of climate.

*Exposure to air pollution did not really improve in urban areas*

The share of the population in the EU declaring that they suffer from excessive noise favourably declined by an average of 1.5 % per year during the period 2005 to 2009.

*Fewer people are annoyed by noise and the number of serious accidents at work has fallen*

Efforts to improve health and safety in work places have resulted in progress in the EU which is essentially consistent with the target of a 25 % reduction of serious accidents at work over the period 2007 to 2012.

### **Climate change and energy**

For the majority of the climate change and energy indicators progress since 2000 has been relatively good, particularly in the second half of the decade, while unfavourable trends continue for only a small number of indicators. Although the transformation to a low-carbon economy is already reflected in some indicators the economy of the EU remains energy- and carbon-intensive and most indicators in this theme are closely linked to economic growth. It is therefore to be expected that the economic crisis has had a considerable impact on the issues discussed in this chapter. On the whole, the changes in trends over 2008 and 2009 are not the result of profound, structural changes but rather a temporary interruption of longer term trends.

Greenhouse gas (GHG) emissions in the EU-27 declined between 2000 and 2009, and the pace is likely to be sufficient to meet the 20 % reduction target by 2020. The EU-15 is also on track to meet the collective Kyoto Protocol target of reducing GHG emissions by 8 % below 1990 levels in the

commitment period 2008 to 2012. Similarly, the EU is on the way to reach the target of 20 % share of renewables in gross final energy consumption by 2020.

Favourable developments can also be seen for the greenhouse gas intensity of energy consumption, the use of renewable energy in transport, and combined heat and power. In contrast, the 2010 target of a 21 % share of renewables in electricity production is unlikely to be met even though the share rose between 2000 and 2009. The EU’s dependence on energy imports<sup>6</sup> has grown considerably since 2000, with about 54 % of energy consumption being met by imports from outside the EU. The implicit tax rate on energy has fallen since 2000, which is inconsistent with the EU objective of shifting the tax burden from labour to resource use.

**Table 8: Evaluation of changes in the climate change and energy theme (EU-27, from 2000)**

Level 1	Level 2	Level 3
 Greenhouse gas emissions   Consumption of renewables (*)	: Greenhouse gas emissions by sector   Energy dependence	<b>Climate change</b>  Greenhouse gas intensity of energy consumption : Global surface average temperature
		<b>Energy</b>  Gross inland energy consumption  Electricity generation from renewables  Consumption of renewable energy in transport*  Combined heat and power (**)  Implicit tax rate on energy

(\*) From 2006.  
 (\*\*) From 2004.

**Headline indicators**

In 2009 EU-27 GHG emissions stood 17.4 % below their 1990 levels. This makes it likely that the target of reducing GHG emissions by 20 % by 2020 will be met. Furthermore in 2009, EU-15 GHG emissions stood 12.7 % below their Kyoto baseline value. Thus the EU-15 countries are likely to overachieve their collective Kyoto commitment of reducing GHG emissions by 8 % in 2008-2012.

*EU-27 on track to meet 2020 GHG emissions target and EU-15 Kyoto commitments are likely to be met  
 EU on track to meet its target for renewables in energy consumption*

Due to changes in methodology, data for the second headline indicator ‘consumption of renewables’ are only available from 2006 to 2008. If the current pace of change over this short period is maintained, the EU is likely to meet the target of reaching a 20 % share of renewables in gross final energy consumption set for 2020.

**Climate change**

With some notable exceptions, the proportions of total GHG emissions (excluding international bunkers and land use, land use change and forestry) emitted by each of the main source categories in the EU-27 have changed rather little between 1990 and 2009. The main changes have been reductions from manufacturing industries and construction (from 14.8 % to 11.5 %) and from industrial processes (from 8.3 % to 7 %) as well as, most notably, an increase from 13.8 % to 20.2 % from transport. Changes in the shares emitted by other categories have been minor.

*Whilst the share of emissions from manufacturing and construction and industrial processes have fallen, the share of emissions from transport has*

<sup>6</sup> Fuel needed for producing nuclear energy is not counted in energy imports.

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The greenhouse gas intensity of energy consumption decreased moderately between 2000 and 2009, albeit at a slower pace than during the 1990s. The switch to lower carbon fuels is mostly responsible for the decrease.

*increased*

Between 2001 and 2010, the average global surface temperature was 0.46 °C above the 1961-1990 mean, making the decade the warmest ten-year period ever recorded. This follows the trend in temperature where the 2000s were warmer than the 1990s, which were warmer than the 1980s and earlier decades.

*2001-2010 was the warmest decade ever recorded*

### **Energy**

The EU's dependence on imported energy remained rather constant at around 45 % in the 1990s. However, between 2000 and 2009, energy dependence increased substantially, reaching 53.9 % in 2009.

*EU imports more than half of its energy*

Energy demand in the EU has fallen slightly. After increasing steadily during the early 2000s, it fell between 2006 and 2009. In general, decreasing consumption of solid fuels has been compensated for by greater use of natural gas and, to some extent, renewable energies.

*Energy demand in the EU has fallen slightly since 2000*

The share of renewables in EU electricity production grew from 13.8 % in 2000 to 16.7 % in 2008. Despite the increase, the EU is unlikely to meet the 21 % target set for 2010. In contrast, the share of renewables in transport rose rapidly between 2006 and 2008 to 3.5 % of transport fuels. If the current growth rate were to continue, the EU would meet the 5.75 % target set for 2010. However, given that data only cover three years, this must be treated with caution.

*The EU is likely to miss its target for renewables in electricity, but is on track to meet its target for renewables in transport*

The development of cogeneration or combined heat and power (CHP) which combines the production of useful heat with electricity generation has been steady but slow, reaching a share of 11.4 % of gross electricity generation in 2009.

*Modest progress in cogeneration*

The EU's implicit tax rate on energy fell between 2000 and 2009. The decrease in the effective tax burden is inconsistent with the EU objective to shift taxation from labour onto resource and energy consumption as a policy tool to advance environmental goals and increase employment.

*No shift of taxation from labour to energy*

### **Sustainable transport**

Overall, the changes since 2000 concerning sustainable transport present a rather unfavourable picture although with some favourable trends. The picture presented here is thus less harsh than that presented in the previous edition of this report, although this is largely due to the tempering effect of the economic crisis, which has had the effect of reducing the demand for transport and its negative impacts.

Reductions in energy consumption and greenhouse gas emissions between 2007 and 2008 are a consequence of the economic crisis rather than a steady long run trend towards absolute decoupling. Even if there has been progress in decoupling transport and its energy consumption from economic development, the decoupling has been only relative. Furthermore, neither freight nor passenger transport has shown any shift towards modes with lower environmental impacts. There have been substantial decreases in the average CO<sub>2</sub> emissions of new cars and in road accident fatalities. The continuing downward trend in emissions of nitrogen oxides and particulate matter since 2000 has even accelerated.

**Table 9: Evaluation of changes in the sustainable transport theme (EU-27, from 2000)**

Level 1	Level 2	Level 3	
 Energy consumption of transport relative to GDP	 Modal split of freight transport   Modal split of passenger transport	<b>Transport and mobility</b>	
		 Volume of freight transport relative to GDP (*)  Volume of passenger transport relative to GDP  Investment in transport infrastructure : Passenger transport prices	
	 Greenhouse gas emissions from transport   People killed in road accidents (**)	<b>Transport impacts</b>	
		 Average CO <sub>2</sub> emissions per km from new passenger cars (***)  Emissions of NO <sub>x</sub> from transport  Emissions of particulate matter from transport	

(\*) From 2004.

(\*\*) From 2001.

(\*\*\*) From 2007.

#### *Headline indicator*

The energy consumption of transport has grown more slowly than the economy since 2000 and thus the ratio between energy consumption and GDP fell moderately between 2000 and 2009, indicating a minor relative decoupling between economic development and the energy consumption of transport. However, the link between the two is still apparent from the parallel drop in energy consumption as the economy stalled in 2008.

*Energy consumption of transport has grown slightly slower than GDP*

#### *Transport and mobility*

Between 2000 and 2009 the modal share of inland road freight transport in the EU climbed to 77.5 %, as the shares of rail and inland waterway transport decreased slightly over the same period. These changes were accompanied by increasing transport performance (tonne-km) between 2000 and 2007, and it was only in 2008 that freight performance started to fall in line with the lower economic growth resulting from the economic crisis. Freight transport fell further in 2009, leading to an absolute decoupling between economic growth and freight transport over the period 2000 to 2009.

*Increased share of road in freight transport*

*Absolute decoupling between freight transport and the economy*

The modal shares in passenger transport remained rather stable between 2000 and 2008, although there were minor increases of car and rail transport (accounting for 83.3 % and for 7.3 % respectively in 2008) at the expense of a slight decrease in the share of buses and coaches. Passenger transport volumes in the EU followed a similar development to those of freight transport, although the decrease of 0.4 % in 2008 was more moderate than that of freight transport, which fell by 1.4 %. As passenger transport volumes grew at a lower rate than GDP during this period, there was a relative decoupling between passenger transport volumes and GDP.

*Relative decoupling of passenger transport and GDP*

Although the share of road and airport infrastructure investments fell from 66 % in 2000 to 59 % in 2003, it climbed to 68 % in 2009. A converse pattern of development was observed for the shares of investments in rail, inland waterways and sea ports, which fell from 34 % to 32 % over the same period.

*Road still takes the major share of infrastructure investment*

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Between 2000 and 2010 prices for passenger transport services for road, rail and air transport services all increased substantially, albeit at different rates. The highest annual price increase was recorded for road passenger transport services (i.e. buses and coaches) with an average of 4.2 %, followed by rail (4.0 %) and air (2.8 %). Prices for the operation of personal transport equipment and purchase costs of vehicles increased by an average of 3.5 % and 0.6 % respectively between 2000 and 2010. Thus, in relative terms, prices increased less for road transport with private vehicles and aviation, the latter being the transport mode with the fastest growing energy consumption and emissions of greenhouse gases.

*Prices for road and rail transport services have grown faster than air transport*

### **Transport impacts**

Between 2000 and 2009 greenhouse gas (GHG) emissions from transport in the EU grew more slowly than over the period 1990 to 2000. As a consequence of the reduced transport demand during the economic crisis, there were substantial reductions of transport GHG emissions in 2008 (-1.7 %) and 2009 (-2.8 %).

*Growth in greenhouse gas emissions from transport has slowed down*

As road dominates the total GHG emissions of transport, the development of the average CO<sub>2</sub> emissions of new cars plays a crucial role in reducing overall GHG emissions from transport. Some progress has been achieved and there was an average annual reduction of 4.2 % between 2007 and 2009 in the EU, with new cars emitting an average of 145.7 grams of CO<sub>2</sub> per km in 2009. The current reduction rates seem to be sufficient to meet the target of 130 grams of CO<sub>2</sub> per km by 2015.

*Progress in reducing average CO<sub>2</sub> emissions of new car fleet*

In contrast to the growing emissions of GHGs, emissions of noxious air pollutants such as oxides of nitrogen (NO<sub>x</sub>) and particulate matter (PM) have been steadily falling since 1990, due to the progressive tightening of emission standards. Current levels of the emissions of NO<sub>x</sub><sup>7</sup> and PM<sub>2.5</sub><sup>8</sup> are more than 30 % lower than they were in 1990. In the figures from 2008 it is apparent that this process has even been hastened by the falling transport volumes resulting from the economic crisis.

*The steady decrease of air pollutants accelerated in 2008*

Measures to reduce road traffic accident fatalities within the EU have led to the number of people killed being more than halved since 1991. Progress between 2007 and 2009 has been especially strong, and this has been linked to financial insecurity resulting from the economic crisis. However, progress lags behind what would be necessary to cut road fatalities by 50 % between 2001 and 2010.

*Deaths due to road accidents continue to fall*

### **Natural resources**

Changes in the natural resources theme since 2000 show both favourable and unfavourable trends. On the one hand, there has been continued progress in the designation of protected areas and in water quality, and the harvesting of wood from forests remains sustainable. The abundance and diversity of common birds have stabilised, albeit in a substantially poorer state than they were in 1990 and previous decades. On the other hand, marine fish stocks remain under threat and built-up land continues to increase at the expense of areas of semi-natural land.

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<sup>7</sup> The oxides of nitrogen, nitric oxide (NO) and nitrogen dioxide (NO<sub>2</sub>), are acidic gases, damaging to human health and the environment.

<sup>8</sup> Fine particulate matter with an average aerodynamic diameter of up to 2.5µm. It is associated with circulatory disease in human beings.

**Table 10: Evaluation of changes in the natural resources theme (EU-27, from 2000)**

Level 1	Level 2	Level 3
 Abundance of common birds (*)	 Protected areas (**) : Water abstraction	<b>Biodiversity</b>  <b>Fresh water resources</b>
		 Water quality in rivers (***)  <b>Marine ecosystems</b> : Fishing capacity
 Conservation of fish stocks	 Increase in built-up land (****)	<b>Land use</b>  Forest increment and fellings

(\*) EU aggregate based on 19 Member States.

(\*\*) EU-25, from 2006.

(\*\*\*) Aggregate based on 19 European countries.

(\*\*\*\*) EU aggregate based on 23 Member States.

#### *Headline indicators*

The EU index for all common birds has started to stabilise since 2000 following the sharp declines over previous decades. Recovery has been particularly evident in habitat generalists and forest species. On the other hand common farmland bird populations are still on the decline.

*Common bird populations are recovering, but at levels below previous decades*

Total fish catches taken from stocks outside safe biological limits reached close to 24 % in 2009. Currently, fish catches of almost all categories exceed by far a sustainable degree of exploitation.

*Fish catches remain outside safe biological limits*

#### *Biodiversity*

In 2010 areas designated for nature conservation in the EU-25 reached 89 % of that considered necessary to provide sufficient habitats to safeguard biodiversity. The differences in the level of implementation between older Member States and those that have most recently joined the EU is narrowing, and in 2010 the median value of all 27 Member States was 98 %. Although implementation is nearly completed in terms of area covered, progress is still needed in terms of the management of designated sites and connectivity between sites.

*Protected areas are approaching sufficiency*

#### *Fresh water resources*

In most of the countries for which data are available, surface water abstraction has stabilised. Groundwater extraction rates are still at high or unsustainable levels in some countries. The great variation of rates between countries can be related to geo-climatic characteristics as well as the relative importance of specific economic sectors, such as tourism and agriculture in some European regions.

*Freshwater quality is improving in rivers and abstraction rates have stabilised*

From 2000 to 2008 the concentration of biodegradable organic matter and other nutrient pollutants in rivers has decreased across Europe as a whole<sup>9</sup>, indicating a clear improvement of freshwater quality. The Urban Wastewater and Water Framework Directives are amongst the main drivers of this favourable trend.

#### *Marine ecosystems*

The EU-15 fishing fleet, as measured by the total engine power of vessels, has continuously reduced, with the aim of matching fishing capacity with available stocks. However, at the same time technology and fishing efficiency has

*Despite reduction in fishing fleet, fishing capacity*

<sup>9</sup> The indicator is pan-European, including both Member and non-member States.

improved so that overall fishing capacity has not diminished.

*has not diminished*

### Land use

Built-up land continued to encroach on farmland and semi-natural land between 2000 and 2006. The highest rate of growth was for mine, dump and construction sites, followed by transport networks. The fragmentation of ecosystems associated with such extensive linear structures is a major pressure on biodiversity.

*Areas of natural land continue to be built on*

Between 2000 and 2010 fellings increased slightly while there was a substantial fall of increment. This resulted in a considerable increase in the forest utilisation rate (the ratio between fellings and increment). Nevertheless, the harvesting of wood remains sustainable.

*Forest fellings remain sustainable*

### Global partnership

The overall picture presented by the indicators in the global partnership theme is rather favourable. Most of the indicators have shown a favourable tendency since 2000, in particular those on trade flows, financing for sustainable development and natural resource management. However, the EU is not on track for the headline indicator, which measures the share of gross national income dedicated to official development assistance to developing countries. Furthermore, many indicators developed unfavourably over the period 2007 to 2009, in parallel with the global economic crisis.

**Table 11: Evaluation of changes in the global partnership theme (EU-27, from 2000)**

Level 1	Level 2	Level 3
 Official Development Assistance	 Imports from developing countries	<b>Globalisation of trade</b>
		 Share of imports from least developed countries  Subsidies for EU agriculture
	 Financing for developing countries (*)	<b>Financing for sustainable development</b>
		 Share of foreign direct investment in low-income countries (**)  Share of official development assistance for low-income countries (*)  Share of untied assistance (*)  Assistance for social infrastructure and services (*) : Assistance for debt relief
		<b>Global resource management</b>
: CO <sub>2</sub> emissions per inhabitant	 Assistance for water supply and sanitation *)	

(\*) EU-15.

(\*\*) EU DAC members.

### Headline indicator

The share of gross national income (GNI) spent on official development assistance (ODA) to developing countries increased only slightly between 2005 and 2010. The EU has therefore not met its intermediary target of 0.56 % in 2010. It is also not on track to achieve the target of dedicating 0.7 % of its GNI to ODA by 2015.

*EU has missed its ODA target of 0.56 % of GNI in 2010*

### Globalisation of trade

The share of imports from developing countries in EU imports increased between 2000 and 2010. There was an interruption to this trend in 2009 reflecting the global economic crisis. Imports from the least-developed countries developed in line with the EU objective of increasing their share, but overall remain low. Those EU agricultural subsidies that are classified as trade-distorting by the World Trade Organisation (WTO) decreased by more than two-thirds between 2000 and 2007.

*Imports from developing countries increased*

### Financing for sustainable development

Overall, the EU-15 provided more money to developing countries in 2009 than in 2000, reflecting the general trend among donors. Moderate progress has been made in raising the shares of low-income countries in foreign direct investment (FDI) and development assistance. However, the global economic crisis led to a decline in flows between 2007 and 2008. Most indicators had not yet reached their 2007 level again in 2009. Less development assistance was dedicated to debt relief purposes in 2009 than in 2000.

*Overall EU-15 financing for development increased, but economic crisis had negative impact*

### Global resource management

Indicators of global resource management showed favourable trends. The gap in CO<sub>2</sub> emissions per inhabitant in the EU and developing countries has narrowed, but remains substantial. The closing was due to an increase in CO<sub>2</sub> emissions in developing countries and a decrease in the EU. Assistance for water supply and sanitation increased substantially between 2000 and 2009.

*The gap between CO<sub>2</sub> emissions from the EU and from developing countries is narrowing*

### Good governance

The trends observed in the good governance theme since 2000 have been mixed. There have been favourable trends as regards infringement cases as well as e-government availability and usage. In addition, the transposition of EU law has been above the target rate. There have, however, been negative trends with regard to voter turnout in national parliamentary elections, which is generally falling. Moreover, trends in the ratio of environmental to labour taxes show that a general shift towards a higher share of environmental taxes in total tax revenues has not been achieved.

**Table 12: Evaluation of changes in the good governance theme (EU-27, from 2000)**

Level 1	Level 2	Level 3
	<b>Policy coherence and effectiveness</b>	
	 Infringement cases (*)	: Citizens' confidence in EU institutions  Transposition of EU law (*)
	<b>Openness and participation</b>	
	 Voter turnout	 E-government availability (*)  E-government usage (**)
	<b>Economic instruments</b>	
	 Environmental taxes compared to labour taxes	

(\*) From 2007.

(\*\*) From 2005.

### Policy coherence and effectiveness

In 2009 half of EU citizens said that they trusted the European Parliament, making it the most trusted of the main EU institutions. Fewer citizens reported

*European Parliament is*

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that they trusted the European Commission and the Council of the EU.

*most trusted  
among main EU  
institutions*

Between 2007 and 2009 the number of new infringement cases in the EU decreased considerably from 212 to 142. This was mainly due to reductions in two policy areas: Internal market, and Justice and home affairs. There were, however, substantial differences between the different policy sectors policy sectors.

*Decrease in new  
infringement  
cases and  
transposition of  
EU law above  
target level*

In 2001 the European Council set a target of a 98.5 % transposition rate of EU law by national authorities. Although in 2009 the overall rate was slightly above the 98.5 % target, several policy sectors showed lower transposition rates.

#### ***Openness and participation***

Voter turnout in national parliamentary elections decreased slightly in the EU as a whole between 2000 and 2010. Generally, there has been stronger participation in national elections than in EU parliamentary elections.

*Slight decrease in  
voter turnout in  
national elections*

E-government availability of basic public services is extensive in the EU and has been steadily increasing since 2002 and its usage by individual citizens has increased between 2005 and 2010. There exist, however, considerable differences between Member States.

*E-government  
availability and  
usage are  
increasing*

#### ***Economic instruments***

There was a shift from environmental to labour taxes in the EU between 2000 and 2009. This is inconsistent with EU Sustainable Development Strategy objective to shift taxation from labour to resource and energy consumption and/or pollution.

*The ratio of  
environmental to  
labour taxes has  
decreased*