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**SOCIAL SITUATION REPORT 2007**

**Social Cohesion through Equal Opportunities**

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## PART 1 — SOCIAL COHESION THROUGH EQUAL OPPORTUNITIES

### INTRODUCTION AND SUMMARY

#### 1. ASSESSING THE CASE FOR EQUAL OPPORTUNITIES ACROSS THE EU: AN OVERVIEW

The 2007 Social Situation Report presents some key findings from the EU's new tool for monitoring the social situation and, in the future, social trends, namely the EU-SILC (Statistics on Income and Living Conditions). It looks at income inequality and how this is related to economic performance and at how people on low incomes are distributed across the EU as a whole. Promoting equal opportunities in the European Union could make a major contribution to both greater social cohesion and economic performance by mobilising the unused potential of disadvantaged groups. Two sections in this report look notably at the transmission of social disadvantages from one generation to the next and at poverty risks among children from a migration background and ethnic minorities.

The report also tries to identify the largest groups at risk of poverty in the different Member States and the extent to which low incomes are linked to access to various essential goods and services. In view of the theme of the 2007 European Year, the Social Situation Report also has a special focus on equal opportunities. It only scratches the surface of the wealth of data produced by EU-SILC, and the Commission invites the research community to make extensive use of this data source.

The evidence presented in the Social Situation Report underlines once again the importance of investing in people, most recently stressed by the Commission in its contribution to the October Meeting of Heads of State and of Government on the theme *Succeeding in the age of globalisation*<sup>1</sup>. How the challenges of equal opportunities are to be tackled is also a major aspect of the public consultation on the 'social reality' of Europe<sup>2</sup>.

##### 1.1. EU-SILC: The new tool for monitoring the social situation in the EU

*The European Union has a powerful new tool for monitoring the social situation and trends across all Member States and thus for supporting the development of better social policies through the Open Method of Coordination.*

Internationally comparable data for monitoring the economic situation and trends have been collected for about half a century. By contrast, equivalent tools for monitoring social conditions are still in their infancy. Over the past decade, the European Union has made major progress in producing internationally comparable data for social monitoring. The European Community Household Panel survey (ECHP) was first carried out in 1994 and produced annual data on social conditions for a decade. It has now been replaced by a new instrument, EU-SILC (Statistics on Income and Living Conditions), with this year data for almost all Member States.

With EU-SILC the European Union has a much improved tool for monitoring the social situation and trends. It uses larger samples, allowing more detailed analysis of the

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<sup>1</sup> COM(2007) 581 final.

<sup>2</sup> See [http://ec.europa.eu/citizens\\_agenda/social\\_reality\\_stocktaking/index\\_en.htm](http://ec.europa.eu/citizens_agenda/social_reality_stocktaking/index_en.htm).

characteristics of the most vulnerable households. The time lag between collection of data and publication — three years or more in the case of the ECHP — has been reduced by about one year; nevertheless the most recent data used for this report were collected in 2005 and refer to incomes in 2004<sup>3</sup>. So the availability of social data will continue to lag considerably behind key economic indicators.

Without internationally comparable data on the social situation as produced by the ECHP and EU-SILC, key policy developments in the European Union would not have been possible. A major breakthrough in this regard has been the establishment of an Open Method of Coordination, in which Member States agreed on common objectives and indicators for monitoring progress towards these objectives in the field of social protection and social inclusion. Most of these indicators rely on the existence of internationally harmonised surveys on incomes and living conditions such as the ECHP and EU-SILC<sup>4</sup>.

## **1.2. Income inequality and economic performance**

*Incomes are more evenly distributed within the EU than in the US, and in the EU a high level of economic performance often goes hand in hand with greater equality.*

According to data published by the OECD (see section 2.1 of the Social Situation Report) income is much more equally distributed in most Member States than in the US. The most commonly used indicator for inequality is the Gini coefficient<sup>5</sup>, which varies between 0 (if everyone gets an equal share of total income) and 100 (if all income goes to one individual only). In 2000, the Gini coefficient in the US stood at 35.7. Using EU-SILC and taking the population of EU-25 as a whole, and adjusting for purchasing power differences across Member States, the Gini coefficient for EU-25 can be estimated at around 35.0. This is still significantly less than in the US, despite the large differences in GDP per head across Member States. The results from EU-SILC also show that only Portugal surpasses the US level (38.0), while Poland, Latvia and Lithuania have similar levels of inequality as the US.

The international comparison of Gini coefficients also suggests that there might not be a trade-off between equity and economic performance, as measured by GDP per capita, after all. Indeed, plotting the Gini coefficients of EU and applicant countries against their GDP per capita shows that the more developed countries also tend to be more egalitarian. While this does not imply that reducing inequalities raises economic performance, it does suggest that low inequality is also consistent with high GDP per capita.

Taxing the rich to redistribute income to the poor could, according to economic theory, reduce aggregate economic performance due to deadweight losses associated with taxation and incentive effects of income-related transfer payments. Economist Arthur Okun used the metaphor of a leaky bucket. However, a relatively equal distribution of incomes need not be the result of large-scale redistribution alone. It may be the result of a more narrow distribution of market incomes resulting from more equal opportunities for people to

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<sup>3</sup> The United Kingdom has income reference period 2005 and Ireland a moving income reference period 2004-05. Household composition etc. reflect the survey period. Note also that the EU-SILC data used in the statistical portraits and their annexes was extracted later than some of those used for various figures and tables in this first part of the report. Therefore, there might be some inconsistencies between these two parts.

<sup>4</sup> See [http://ec.europa.eu/employment\\_social/social\\_inclusion/indicators\\_en.htm](http://ec.europa.eu/employment_social/social_inclusion/indicators_en.htm) for the latest list of indicators.

<sup>5</sup> The Gini coefficient is defined as the relationship of cumulative shares of the population arranged according to the level of income, to the cumulative share of the equivalised total net income received by them.

develop their full productive potential and contribute to the generation of income. This requires good chances for all to access high-quality education, health care and jobs.

Greater equality resulting from more equal opportunities does not entail the efficiency losses potentially associated with redistribution. On the contrary, promoting equal opportunities makes it possible to boost growth by mobilising resources that were previously blocked by discrimination and social exclusion. The Social Situation Report's analysis of social mobility suggests that a sizeable proportion of the European population does not develop its full potential. This slows down Europe's economic development and implies that too many people have to live in poor conditions.

The Report also discusses inequality trends since the 1970s. There is no common trend across all countries under review; in each of the sub-periods considered, there were countries with rising inequality and others with declining inequality. However, from the mid-1980s to the mid-1990s a clear majority of countries experienced rising inequality, a trend which now seems to have subsided somewhat. A recently completed study on the social impact of globalisation in the European Union<sup>6</sup> concluded that there is no (or only weak) evidence that this rise in income inequalities is attributable to globalisation and suggested that it is more likely to be intimately associated with the emergence of the knowledge society resulting in an increase in the return on human capital and a widening gap between those with a high and a merely basic endowment of knowledge and skills.

### **1.3. Low incomes — a European perspective**

*In 2004, around 100 million Europeans (22 % of the total population) had less than 60 % of the EU median income of around €8000 per year for a single person or €22 a day (amounts adjusted for purchasing power and household size; purchasing power standard PPS<sup>7</sup> used below). Some 23.5 million had to get by on less than €10 a day. The concentration of people with low incomes relative to the EU median is highest in the poorer new Member States, but a large proportion of the low income population can be found in the richer EU-15 countries.*

The Open Method of Coordination mainly uses a relative concept of poverty adopted by the European Council in 1975 which defined the poor as 'individuals and families whose resources are so small as to exclude them from the minimal acceptable way of life in the Member State in which they live'. This relative concept acknowledges that it is not enough to ensure access for all to a minimum subsistence level. The aim is also to ensure that all citizens can benefit from the general level of prosperity of their country and participate as full members of society. The main indicator used to reflect this concept is the at-risk-of-poverty rate, defined as the percentage of individuals whose equivalised disposable income is below 60 % of the *national* median income. The at-risk-of-poverty rate is published and analysed jointly with the at-risk-of-poverty thresholds in each Member State, which range, in purchasing power standards, from around 1500-2000 PPS (Romania, Bulgaria) to around 10000 PPS (UK, Germany, Denmark, Netherlands) per year.

The Social Situation Report complements this nationally centred perspective with a European perspective (section 2.3). One of the European Union's main tasks is to raise the standard of living and quality of life of all Europeans and to promote economic and social

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<sup>6</sup> See [http://ec.europa.eu/employment\\_social/social\\_situation/docs/simglobe\\_fin\\_rep.pdf](http://ec.europa.eu/employment_social/social_situation/docs/simglobe_fin_rep.pdf)

<sup>7</sup> One PPS buys the same given volume of goods and services in all countries, whereas different amounts of national currency units are needed to buy this same volume of goods and services in individual countries, depending on the price level. PPS are obtained by dividing their original value in national currency units by the respective purchasing power parity (PPP), see definition in section 2.3 and table 4.

cohesion and solidarity among Member States. Progress towards these objectives is mainly assessed by looking at GDP per head. EU-SILC makes it possible to assess the challenge of social cohesion by looking also at the number of Europeans whose incomes fall short of the European average in purchasing power terms or a given absolute amount. Monitoring these numbers over time would make it possible to assess whether *all* Europeans are benefiting from the economic progress brought by European integration and helped by the European Union's structural funds as well as appropriate national social policies. It would accordingly complement the monitoring of the process of economic convergence as measured by GDP per head relative to the EU average, but also the monitoring of social inclusion within a given Member State which focuses particularly on the number of people with incomes below a certain percentage of *national* median income<sup>8</sup>.

Various common thresholds, all expressed in PPS to adjust for differing price levels across the EU, were selected before estimating the absolute numbers and proportions of people with incomes below this threshold. This was possible only for 24 Member States (EU-27 excluding Malta, Bulgaria and Romania). 22 % of Europeans (just over 100 million) have an equivalised<sup>9</sup> income below 60 % of the EU median income. 16 % (73.2 million) are below 50 % of the median income and 11 % (48.8 million) below 40 %. These levels of 60 %, 50 % and 40 % of the EU median income correspond to an annual disposable income of 8040 PPS, 6700 PPS and 5360 PPS respectively for a single person, or €22, €18 and just under €15 a day. The proportion of people whose income is below 60 % of their national median income — this is the at-risk-of-poverty rate as used in the Open Method of Coordination — is 16 %. EU-SILC can also be used to estimate what proportion of the European population have to get by on extremely low incomes of €10 a day: 5 % (23.5 million people), or even €5 a day: 2 % (6.9 million).

These figures are estimates and subject to various caveats (see section 2.1 of the Social Situation Report). People with low monetary incomes may be able to consume goods and services produced informally within the household or local community, which tends to be the case in economically less developed and more rural areas. Very low income may also be the result of trading losses reported by the self-employed. Monetary incomes thus provide only a very partial guide to living standards and the risk of social exclusion.

The highest concentrations of people below these various thresholds can obviously be observed in the poorest Member States. More than three quarters of the population in Estonia, Latvia, Lithuania, Hungary, Poland and Slovakia live on incomes below 60 % of the EU median; half or more of the population in these same countries (except Hungary where it is 40 %) have to get by on less than 40 % of the EU median income. The proportion of people who have to live on no more than €10 a day approaches 40 % in Latvia and Lithuania and exceeds one quarter in Estonia and Poland. In four Member States, more than five percent of the population have no more than €5 a day: Estonia (5 %), Latvia (9 %), Lithuania (10 %) and Poland (7 %).

While these extreme low-income situations are most prevalent in the least developed Member States, sizeable numbers of people with very low incomes are also to be found in

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<sup>8</sup> Data on these indicators are published by the Commission notably in the Joint Report on Social Protection and Social Inclusion. [http://ec.europa.eu/employment\\_social/spsi/joint\\_reports\\_en.htm](http://ec.europa.eu/employment_social/spsi/joint_reports_en.htm)

<sup>9</sup> Household income is equivalised (adjusted) in order to reflect differences in household size and composition. In other words, the total household income is divided by the number of household members weighted using the so-called 'modified OECD' equivalent scale. This equivalence scale gives a weight of 1.0 to the first adult, 0.5 to any other household member aged 14 and over and 0.3 to each child. The resulting figure is attributed to each member of the household, whether adult or child.



the richer old Member States. 16 % of Europeans with an income below 60 % of the EU median live in Poland, 13 % in Germany, 11 % in Spain, 11 % in France, 12 % in Italy, but only 8 % in the UK. Looking at those with the lowest incomes (below € a day), we find that 44 % of them live in Poland, but almost 30 % of them live in seven old Member States: Italy (8 % of all Europeans with less than € a day), Spain (7 %), Portugal (4 %), Germany (4 %), UK (3 %), Greece (2 %) and France (2 %).

As the new Member States catch up in terms of economic performance, rising incomes, both in absolute terms and relative to the EU average, should result in a speedy reduction in the number of people with very low incomes. Such progress may, however, not be automatic if large population groups (e.g. pensioners or low-skilled workers) cannot benefit from better earnings opportunities and transfer incomes do not rise in line with earnings. A major preoccupation of the Open Method of Coordination is therefore whether economic growth translates into reduced social exclusion as measured against the national median income.

#### **1.4. Who are the poor: groups most at risk in the Member States**

*In a majority of Member States the largest segment of the population at risk of poverty consists of couples with one or two children where one of the partners is not working (at least throughout the year) — the ‘male breadwinner’ family type. Single parents, while being exposed to a high risk of poverty, represent a large share of the population at risk of poverty only in countries where this type of household is widespread. Policies to fight poverty and to promote social inclusion need to take into account which groups represent the largest share of the population at risk and which groups are most exposed to the risk of poverty so that the right mix of horizontal and targeted policies can be developed.*

The Social Situation Report (section 2.4) looks at the risk of poverty affecting different sections of the population and tries to identify the largest subgroups that make up the total population at risk of poverty in each Member State. For policy makers, it will be useful to look both at group-specific at-risk-of-poverty rates and at the total number of people at risk of poverty in various groups. The first gives an idea of weaknesses in poverty prevention policies; the second may be useful to determine where action needs to be taken to achieve the biggest reductions in at-risk-of-poverty rates.

The indicator which is used to measure the risk of poverty is the proportion of the population with equivalised disposable income below 60 % of the national median. This measure varies from 9 % in Sweden and 10 % in the Czech Republic to 21 % in Lithuania and Poland. The risk of poverty within Member States varies markedly between different sections of the population. At the same time, those with the highest risk also vary across countries.

Nevertheless, four groups stand out as having a high risk in nearly all countries. These are:

- people of working age, both employed and unemployed, living alone with a dependent child, who are, in the vast majority of cases, women;
- those living alone aged 65 and over who are no longer in paid employment and who again, in most cases, are women, many of whom may not have been working before reaching 65;
- those living alone of working age who are not in employment;
- families with children where only one of the parents is in employment.

These groups vary across countries not only in terms of the risk of poverty they face, but also in terms of their numbers and the share of total population they represent. In particular, lone parents are much more numerous in some countries than others. In countries where these groups represent a relatively small proportion of the population, they may also account for only a small proportion of the total population at risk of poverty, despite their having a high risk of poverty as such. Similarly, a section of the population with a much lower risk of poverty may, nevertheless, make up a relatively large share of the total at risk simply because there are a substantial number of them.

In 14 of the 24 Member States for which data were analysed, couples with one or two children where one of the partners is not working (at least throughout the year) made up the largest segment of the population at risk of poverty. All of the new Member States apart from Estonia and Cyprus are included in this group of 14. In another three countries they were the second largest group. In another two countries, Belgium and Ireland, couples with three or more children where one of the partners is not in work represent the largest group.

In other countries, people living alone represent the largest group among the population with income below the at-risk-of-poverty threshold. This is the case in Denmark, Finland, Sweden and Estonia, where those of working age living alone feature among the main subgroups of the population at risk of poverty, especially if they are not employed throughout the year. Lone parents also figure prominently among the main groups with income below the at-risk-of-poverty threshold in these four countries, as they do in Germany and the UK.

In addition, in Denmark, Estonia, Finland, Sweden, the UK and Cyprus, people of 65 and over feature among the main groups at risk of poverty, either as couples or as single women. This is also the case in Greece, Italy, Portugal and Slovenia.

This diversity across the EU emphasises the differences between Member States in how policy would need to be focused in order to achieve a large reduction in the number of people at risk of poverty.

### **1.5. Low incomes and living standards in the EU**

*Low incomes result in reduced consumption possibilities and increased financial hardship, but not all households with incomes below the at-risk-of-poverty threshold have to forego essential goods and services or find it difficult to make ends meet. The high proportion of those reporting that they could not afford a decent meal every other day in the new Member States (above 15 % of the population in six Member States, which is more than three times higher than in EU-15) illustrates the major disparities which remain across the EU and underlines the need to complement poverty measures based on relative income with material deprivation indicators. However, in some EU-15 countries as well, the proportion of people with inadequate nutrition is also worrying, especially in the context of rising food prices. Particular attention must be paid to the longer term consequences of low incomes, notably with regard to life chances of children from deprived families and the increased risks of poor health and mortality affecting people with a lower socio-economic status.*

Income is a means to an end: it is needed to obtain the goods and services needed to survive and, beyond that, to lead a life that allows people to feel part of their community. The Social Situation Report (section 2.5) examines how income is related to access to those necessities of life. EU-SILC covers such areas as housing, financial difficulties (e.g.

with the payment of mortgages or rent or utility bills) and the ability to afford a range of goods and services.

Clearly, people below the at-risk-of-poverty threshold are significantly worse off than people above. Almost by definition, in all countries people below the threshold are more likely to find it difficult to make ends meet, but there are big differences across Member States. While in most of the EU-15 countries most of these people in low-income households do not report major difficulties with regard, for instance, to rent and mortgage payments and utility bills (possibly thanks to the availability of subsidised housing and energy) in the poorer new Member States, many people even above the at-risk-of-poverty threshold report that they cannot afford things which are taken for granted in the more prosperous Member States.

The EU-SILC data allow much more thorough analysis than is presented in the Social Situation Report. The fact that a low-income household reports no problem with poor housing or that it can afford a particular consumer good does not mean that it is not facing hardship in other areas. A more telling picture of material deprivation will have to be derived from an analysis of how many people face any one or more types of hardship measured by EU-SILC.

The time dimension of poverty risks also needs to be taken into consideration. Low-income situations may be transitory (e.g. for students, young people starting their professional life, or self-employed people facing temporary difficulties). EU-SILC includes a panel dimension which, after several survey waves, will allow an assessment of how persistent low-income situations are and how likely people are to leave such situations. There is also a longer time dimension, spanning generations: children growing up in households at risk of poverty may be more likely to live in such households themselves than are children of better-off families. This issue is examined in the report on the basis of a special EU-SILC module (see below).

Moreover, income and socio-economic status are strongly linked to health and life expectancy. There is evidence that people with a lower socio-economic status and lower incomes tend to die younger and suffer more health problems than people in higher socio-economic groups. This is linked to increased exposure to physical, psycho-social and behavioural risk factors during all phases of the life cycle. Currently, there are no comparable indicators available at EU level to monitor such health inequalities, but they do represent a major challenge with regard to public health and social exclusion. The development of indicators, notably life expectancy by socio-economic status, should therefore be a priority.

## **1.6. Intergenerational transmission of disadvantages**

*Survey data show that the education and occupational background of one's parents are major determinants of one's own success, despite improved access to higher education for younger people. Such intergenerational transmission of disadvantages suggests that many young people are not able to develop their full potential and that Europe's economy is being deprived of the kind of highly skilled employees who will be more and more in demand in the knowledge society and in the context of demographic ageing. There are important differences across Member States, suggesting that there is major potential for improvement in education systems and in skills acquisition.*

The Social Situation Report presents a first analysis of results from a special module of the EU-SILC survey focusing on the intergenerational transmission of disadvantages (section 3.1). This module asked questions about the social status of the parents of respondents

when the latter were aged 12 to 16 years. The report looks at correlations between educational achievements of parents and children as well as the main occupational groups.

In the knowledge society, a high level of economic performance and good living standards can only be achieved if an increasing share of the population attains a high level of education. Social origin should not be an obstacle in this regard. However, the data collected through the special EU-SILC module show that people whose fathers had attained tertiary level of education are far more likely to do so themselves than people whose fathers had only a low or medium level of education: a little more than twice as likely in Germany, Finland and the UK, and more than nine times as likely in Hungary, Poland and the Czech Republic. High educational attainment among female respondents tends to be more influenced by the education level of fathers than is the case for male respondents.

Clearly, coming from a low-education background is a major obstacle to achieving a high level of education, especially for girls. In a majority of Member States, this disadvantage seems to have diminished; indeed, for respondents aged 25-34 the education level of their fathers remains a strong determinant of their chances of attaining a high education level, but less so than for the cohorts aged 35-44 and 45-54. This improvement is less marked in some countries where a high education level of fathers appears to be a particularly strong determinant of their children's educational attainment.

The results from the EU-SILC module also suggest that access to the highest occupational level (manager, professional or technician) is much easier for the children of fathers in these same professions than for the children of lower occupational categories. The category of managers, professionals and technicians represents between one quarter (Portugal, Spain) and just over half of the workforce (Netherlands, Germany) and can be regarded as crucial for economic performance in the knowledge society. Yet, the data suggest that family background can be an important barrier of access to this key occupational category: children whose fathers are from a lower level occupation are only half as likely on average across the EU to accede to this key occupational category as children of managers, professionals and technicians, and only a third as likely in Portugal.

The EU-SILC module on intergenerational transmission of disadvantages provides strong evidence that inequality of opportunities is a serious problem. It prevents people from disadvantaged families from developing their full potential and achieving a better living standard for themselves and their own children, and it deprives European labour markets of the highly skilled employees that will be more and more in demand in the knowledge society and in the context of demographic ageing.

### **1.7. Children from a migration background and equal opportunities**

*Children from a migration background are at higher risk of poverty than children of parents born in the country of residence. This can be linked to lower labour force participation of foreign-born parents and lower wages that go with less skilled jobs. Schools fail to help children with migrant background to overcome disadvantages: the OECD's PISA study shows significantly lower scores in mathematics performance for children of foreign-born parents, even though they are highly motivated. Fighting child poverty has become a high priority; success will depend on paying special attention to the situation of children with a migration or ethnic minority background.*

Children from a migration background and ethnic minorities suffer from multiple disadvantages: a larger proportion of them grow up in less educated, low income households. Language and cultural differences constitute additional barriers to accessing the full range of opportunities in their host countries. Overcoming these obstacles is becoming a major challenge as the diversity of populations in the Member States increases, due to large immigration flows into several Member States. According to the 2000/2001 Census round, seven percent of the EU population were born outside their current country of residence, a figure that is likely to have increased significantly since then. The composition of the foreign-born population differs widely from one Member State to another, and in many Member States half or more of foreign-born residents come from just three or four countries.

The Social Situation Report takes a close look at children at risk of poverty (section 3.2) in migrant households, defined as households where both parents were born outside the EU. An estimated 5.5 % of children aged under 16 in the European Union, or over 4 million altogether, live in such households. 40 % of children from a non-EU migration background live in a household at risk of poverty (equivalised income below 60 % of the median), compared to 18 % of children of parents born in the country of residence. The proportion of children in households with income below the at-risk-of-poverty threshold exceeds 50 % in Belgium, Spain, Luxembourg and the Netherlands. This increased poverty risk is linked to employment: parents in migration households are less likely to be fully employed than parents born in the country of residence. Moreover, it is likely that a higher proportion of parents born outside the EU will be doing less qualified and less well-paid jobs.

The disadvantages of migrant children at home are also reflected in student performance. The OECD's PISA study compared mathematics performance of native students (those with at least one parent born in the country) and first and second generation immigrant students (students born outside the country, and students born in the country with foreign-born parents)<sup>10</sup>. Although students from an immigrant background show high levels of motivation, their scores in most of the OECD countries participating in the survey are significantly lower than those of native students.

### **1.8. Equal opportunities: the key to economic growth and social cohesion**

The analysis presented in the 2007 Social Situation Report, albeit very preliminary, suggests that promoting equal opportunities in the European Union could make a major contribution to both greater social cohesion and economic performance. As long as a significant proportion of the population cannot develop their full potential, there is no trade-off between equality and efficiency. This report illustrates this by showing that

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<sup>10</sup> See *Education at a Glance 2007*, OECD.

educational outcomes are still strongly determined by the level of education of parents and by showing that particularly children from a migration background are growing up in difficult social circumstances. The Report only presents a very cursory analysis based on the new set of EU-SILC survey data that has become available, but it demonstrates that the European Union and its Member States now have powerful analytical tools at their disposal for identifying and monitoring major obstacles to achieving more equality of opportunity and hence better prospects for social cohesion and growth.

## MAIN REPORT

### 2. INCOME DISTRIBUTION AND POVERTY RISKS IN THE EU

This chapter presents some key findings from the EU's new tool for monitoring the social situation and, in the future, social trends, namely the EU-SILC (Statistics on Income and Living Conditions). It looks at income inequality and how this is related to economic performance and at the distribution of people on low incomes across the EU as a whole. It also tries to identify the largest groups at risk of poverty in the different Member States and the extent to which low incomes are linked to access to various essential goods and services. The results presented here only scratch the surface of the wealth of data produced by EU-SILC, and the research community will be able to make extensive use of this data source.

#### 2.1. EU-SILC: The new tool for monitoring the social situation in the EU

Internationally comparable data for monitoring the economic situation and trends have been collected for about half a century. By contrast, equivalent tools for monitoring social conditions are still in their infancy. Over the past decade, the European Union has achieved major progress in terms of producing internationally comparable data for social monitoring. The European Community Household Panel survey (ECHP) was first carried out in 1994 and produced annual data on social conditions for a decade. The ECHP has now been replaced by a new instrument, EU-SILC (Statistics on Income and Living Conditions), from which this year data for almost all Member States have become available.

With EU-SILC, the European Union has a much improved tool for monitoring the social situation and trends. It uses larger samples, allowing more detailed analysis of the most vulnerable households. The time lag between the collection of data and their publication — three years or more in the case of the ECHP — has been reduced by about one year; nevertheless the most recent data used for this report were collected in 2005 and refer to incomes in 2004. So the availability of social data will continue to lag considerably behind that of key economic indicators.

Without internationally comparable data on the social situation as produced by the ECHP and EU-SILC, key policy developments in the European Union would not have been possible. A major breakthrough in this regard has been the *Open Method of Coordination*, in which Member States agreed on common objectives and indicators for monitoring progress towards these objectives in the field of social protection and social inclusion. Most of these indicators rely on the existence of internationally harmonised surveys on incomes and living conditions such as the ECHP and EU-SILC<sup>11</sup>.

EU-SILC was introduced in 2003 to replace the European Community Household Panel (ECHP) and now covers all EU Member States<sup>12</sup>, with the exception of Bulgaria and Romania (where it was implemented in 2006). As its name implies, it is the primary source of data across the EU on household income and living conditions. It was designed to overcome the limitations of the ECHP (See Box 2 for details) and to cover the new

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<sup>11</sup> See [http://ec.europa.eu/employment\\_social/social\\_inclusion/indicators\\_en.htm](http://ec.europa.eu/employment_social/social_inclusion/indicators_en.htm) for the latest list of indicators.

<sup>12</sup> In practice Malta is not covered either because of missing values.

Member States. It was also intended to conform to internationally agreed definitions of income. At the same time, the general approach of surveying a representative sample of households each year and asking all members of the household aged 16 and over relatively detailed questions remained the same. However, because of some simplification in the questionnaire and in the procedures, the delay in the results of the survey becoming available has been reduced to less than two years.

To ensure compatibility between countries, the survey is based on a common framework with a common set of sampling variables, guidelines and procedures — as regards imputation in particular — as well as common concepts and definitions. In six Member States (the three Nordic countries plus Ireland, the Netherlands and Slovenia), data from administrative registers are used to supplement, or to replace, survey data for items, income especially, for which they are considered to be more reliable.

The EU-SILC provides both cross-sectional and longitudinal data from the same sample; a proportion of those surveyed remains the same for two, three or four consecutive waves. More specifically, a quarter of the households surveyed in 2004 are, therefore, followed up for four years (up to 2007), a quarter for three years and a quarter for two years, while the remaining quarter is surveyed only once. Those who drop out are replaced by others on a rotational basis. The fact that three-quarters of the sample are the same from one year to the next should ensure a relatively high degree of consistency over time in the data collected, while respondents dropping out will tend to be less of a problem.

#### *The countries covered and data collected*

The EU-SILC was launched on a trial basis in 2003 in six Member States (Belgium, Denmark, Ireland, Greece Luxembourg, and Austria) as well as Norway. In 2004, it was extended to seven more Member States (Estonia, Spain, France, Italy, Portugal, Finland and Sweden) and, in 2005, to the rest of the EU-25 countries as well as Iceland. In 2006, surveys were conducted in Bulgaria and Romania as well as Turkey.

The data included in the EU-SILC are much the same as in the ECHP, though with some streamlining. In particular, there is less of an overlap with the EU Labour Force Survey than was the case with the ECHP. While much of the focus is on household income, other household, personal and non-monetary information is collected as well, reflecting the multidimensional nature of social exclusion. The areas covered include:

- housing conditions, the state of accommodation as well as the size and composition of the household, tenure status and the cost of rent or mortgage payments;
- material deprivation, in terms of ability to afford certain goods and services and to avoid financial strain;
- employment characteristics, in particular whether or not in work, the nature of the job held, hours of work and employment status each month over the past year, as well as the work intensity of the household (i.e. how many people are in work relative to the potential number);
- health status, the presence of any long-term diseases, and access to health care;
- education, in terms of the highest level of education attained and summary details of current participation in education (but no details of participation in continuing training, or lifelong learning)



- the use of childcare, in terms of the hours of care in particular facilities or in informal arrangements (this is the first time such questions have been included in a regular household survey).

The definition of income used in the survey follows recommended international standards (specifically those recommended by the Canberra Group of experts<sup>13</sup>), which makes it somewhat different from that adopted in the ECHP, but not radically so. The main differences are that it includes in income the imputed rent of owner-occupied housing, goods produced for own consumption, employer's social insurance contributions and non-monetary benefits received by employees (see Box 1). In addition, mortgage interest payments are deducted from gross income (as a corollary of including imputed rent). The inclusion of these items, apart from non-monetary benefits received by employees, is being deferred until 2007, though.

**Box 1: Definition of household income in the EU-SILC**

The gross income of households is defined as the sum of:

- cash or near-cash income of employees
- non-cash income of employees (such as a company car or luncheon vouchers)
- employer's social insurance contributions (from 2007)
- income or losses from self-employment
- value of goods produced for own consumption (from 2007)
- social benefits of various kinds, including family or child allowances and housing benefits
- imputed rent (from 2007)
- income from rents
- cash transfers received from other households
- interest and dividends received, plus profits from unincorporated businesses less
- interest paid on mortgages (from 2007)
- Household disposable income is defined as gross income minus:
  - employer's social insurance contributions
  - regular taxes on wealth
  - regular cash transfers paid to other households
  - taxes on income and social insurance contributions

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<sup>13</sup> The 'Canberra Group' was organised following an initiative of the Australian Bureau of Statistics and owes its name to the first meeting held in Canberra in 1996. This International Expert Group on Household Income Statistics works on developing statistics on household economic well-being and particularly on household income. Its primary objective was to enhance national household income statistics by developing standards on conceptual and practical issues related to the production of income distribution statistics.

<http://www.lisproject.org/links/canberra/canberragroup.htm>

### *The sample size*

A major advantage of the EU-SILC over the ECHP is the large sample of households — and individuals covered — which should enable more detailed analysis to be carried out. In most countries the sample is 2-3 times larger than for the ECHP. On the other hand, there are still major differences between countries in the number of households and individuals surveyed relative to total population (See Table 1). This does not just reflect the fact that the population surveyed in smaller countries needs to represent a larger share of the total population to guarantee sufficient sample sizes. The sample in the Czech Republic, for instance, is only just over half that in Hungary, which has a similar population; the sample for the UK is only a third the size of that in Italy. The reliability of some results may therefore differ somewhat across countries.

**Table 1: EU-SILC sample size**

	<b>Households surveyed (No)</b>	<b>Individuals surveyed (No)</b>	<b>Population in 2005 (000)</b>	<b>Individuals as % of population</b>
<b>BE</b>	5 137	9 974	10 479	0.10
<b>CZ</b>	4 351	8 628	10 236	0.08
<b>DK</b>	5 957	11 901	5 419	0.22
<b>DE</b>	13 106	24 982	82 469	0.03
<b>EE</b>	4 169	9 643	1 346	0.72
<b>IE</b>	6 085	12 032	4 159	0.29
<b>EL</b>	5 568	12 381	11 104	0.11
<b>ES</b>	12 996	30 375	43 398	0.07
<b>FR</b>	9 754	18 769	62 818	0.03
<b>IT</b>	22 032	47 311	58 607	0.08
<b>CY</b>	3 746	8 997	758	1.19
<b>LV</b>	3 843	7 913	2 301	0.34
<b>LT</b>	4 441	9 929	3 414	0.29
<b>LU</b>	3 622	7 535	456	1.62
<b>HU</b>	6 927	14 791	10 087	0.15
<b>NL</b>	9 356	17 852	16 320	0.11
<b>AT</b>	5 148	10 419	8 236	0.13
<b>PL</b>	16 263	37 671	38 165	0.10
<b>PT</b>	4 615	10 706	10 549	0.10
<b>SI</b>	8 287	23 862	2 000	1.19
<b>SK</b>	5 147	12 879	5 387	0.24
<b>FI</b>	11 229	22 961	5 246	0.44
<b>SE</b>	6 133	12 191	9 030	0.14
<b>UK</b>	10 826	20 115	60 227	0.03

Source: Eurostat – EU-SILC Users' Data Base, version 01 March 2008.

## **Box 2: The European Community Household Panel**

The European Community Household Panel (ECHP) was a harmonised longitudinal survey introduced in the early 1990s by Eurostat in response to the strong demand for internationally comparable information on household and individual income in the EU. The ECHP enabled comparable social statistics and indicators to be developed in Member States on living conditions, social transfers, poverty and social exclusion, housing, health and so on.

The questionnaire was designed by Eurostat in close consultation with the Member States and was common to all countries, though the precise questions were adapted to a certain extent to national circumstances. By surveying the same panel of households (and individuals) each year, the ECHP produced longitudinal data covering the eight years from 1994 to 2001 for most of the EU-15 countries (Austria from 1995, Finland from 1996 and Sweden from 1997).

The ECHP suffered from a number of limitations, the main ones being:

- the sample size was relatively small, partly because of its panel nature and the detailed questions asked, thus limiting the degree of detail of the analysis which could reliably be carried out;
- the lengthy lag between the data being collected and becoming available, of around three years or more, reduced its usefulness for monitoring developments;
- the panel element, which was one of its main strengths, was compromised by the high rate of attrition among the households surveyed in many countries. Although those dropping out were replaced by other households, the longitudinal element of the data was significantly diminished, again reducing the possibilities of carrying out detailed analysis.

### **2.2. Income inequality and economic performance**

There is an ongoing debate among economists about the nature of the relationship between inequality in income distribution and economic performance. While some point to the likelihood of a trade-off between economic growth and the pursuit of a more egalitarian society, largely because of the adverse effect on incentives of the taxes, benefits and other measures required to achieve a more equitable distribution of income, others highlight the potential gains for economic performance that a more cohesive society might bring.

The idea of a trade-off stems from the fact that taxing the rich to redistribute income to the poor could, according to economic theory, reduce aggregate economic performance due to deadweight losses associated with the taxation and incentive effects of income-related transfer payments. Economist Arthur Okun used the metaphor of a leaky bucket.

However, a relatively equal distribution of incomes need not be the result of large-scale redistribution alone. It may result from a more narrow distribution of market incomes as people have more equal opportunities to develop their full productive potential and contribute to the generation of income. This requires good chances for all to access high-quality education, health care and jobs. Greater equality resulting from more equal opportunities does not necessarily entail the efficiency losses potentially associated with redistribution if the corresponding policy is well-targeted and the associated financial burden is limited. On the contrary, promoting equal opportunities can make it possible to

boost growth by mobilising resources that could not be deployed previously due to discrimination and social exclusion.

The nature of the relationship between inequality and economic performance in practice is of importance for policy across the EU, given that achieving a high level of social protection and securing greater social cohesion are major objectives of the European Union, along with attaining sustained economic growth by maintaining and strengthening competitiveness. If indeed there is trade-off between equity and efficiency, then the implication is that choices have to be made regarding the weight attached to each. If, on the other hand, a more equal distribution of income is not only compatible with improvements in economic performance but might even help to achieve them, then the pursuit of social objectives can play a dual role in both reducing inequalities and strengthening competitiveness.

The concern in this section is threefold. It is, first, to examine the distribution of income in EU Member States using data from the new EU-SILC (which for the first time enable a comparison to be made across all 25 countries on a consistent basis), and at the same time, to compare this with the distribution in the US. Secondly, it is to relate the distribution of income in Member States to GDP per head, which is commonly used as a measure of economic performance. Thirdly, it is to examine trends in income distribution over the long term, to see whether the distribution has tended to become more or less equal over time.

#### *Income inequality in EU Member States in 2004*

Data from the EU-SILC allow the distribution of income in all, or almost all, of the EU Member States to be assessed on a comparable basis for the first time<sup>14</sup>. The data, collected in 2005, relate to the income of households in 2004 and cover all the present EU Member States apart from Bulgaria and Romania.

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<sup>14</sup> For the 1990s, the European Community Household Panel provided a reasonably comparable basis for assessing differences in income distribution across the EU, but this was confined to the EU-15 countries.

### Box 3 Technical issues

#### The measurement of equivalised income

Income is defined to exclude taxes and social contributions and to include social transfers, so as to measure disposable purchasing power, and is adjusted for differences in household size and composition. More specifically, to take account of economies in collective expenditure, a weight of one is assigned to the first adult in a household, 0.5 to the second and each subsequent adult and 0.3 to each child under 16, which corresponds to what is known as the modified OECD equivalence scale. The income thus adjusted or equivalised is then assumed to be divided equally between household members in order to measure the distribution of income between individuals in each country rather than between households.

Non-positive income values — which result from the way that the income of the self-employed is defined, i.e. essentially in terms of net trading profits — are excluded from the analysis. To adjust for the problem of ‘outliers’, or extreme levels of income reported at either end of the distribution, which involve a high degree of uncertainty but which can unduly affect the results of the analysis, income values at the bottom of the ranking of less than the 0.1 percentile were replaced by the value of the 0.1 percentile, while at the top of the ranking, values greater than the 99.95 percentile were replaced by the value of the latter.

#### Standard errors of estimates

To compare income distribution across countries on a meaningful basis, it is important to take account of the margin of error arising from data being compared on a sample of households rather than the whole population. This is done by calculating the standard error of the estimates and estimating confidence intervals around this in order to identify the range within which the value of the inequality indicator is likely to lie<sup>15</sup>. In other words, any comparison of income inequality between countries needs to be carried out in terms of these ranges instead of ‘point’ estimates. If the ranges for two countries overlap, then it is not possible to conclude with sufficient confidence that one country has a more unequal distribution of income than the other.

Three commonly employed indicators are used below to measure inequality. The first is the Gini coefficient or index (as used in Figure 1 below), which measures the extent to which the distribution of income diverges from a situation where everyone has the same level of income — the higher the value of the index, the more unequally is income distributed<sup>16</sup>.

The second is the S80/S20 index, which is the ratio of the share in total income of the 20 % of people with the highest incomes (the top quintile) to the share of the 20 % with the lowest incomes (the bottom quintile). Whereas the Gini index summarises the distribution of income across the whole range, the S80/S20 index focuses on the top and bottom of the ranges. A third indicator, the P90/P10 index, the ratio of the 90th percentile of the income distribution to the 10th, is similar in that it measures the median income of the top 20 % (i.e. the income of the person ranked at the midpoint of this group, with 10 % of the

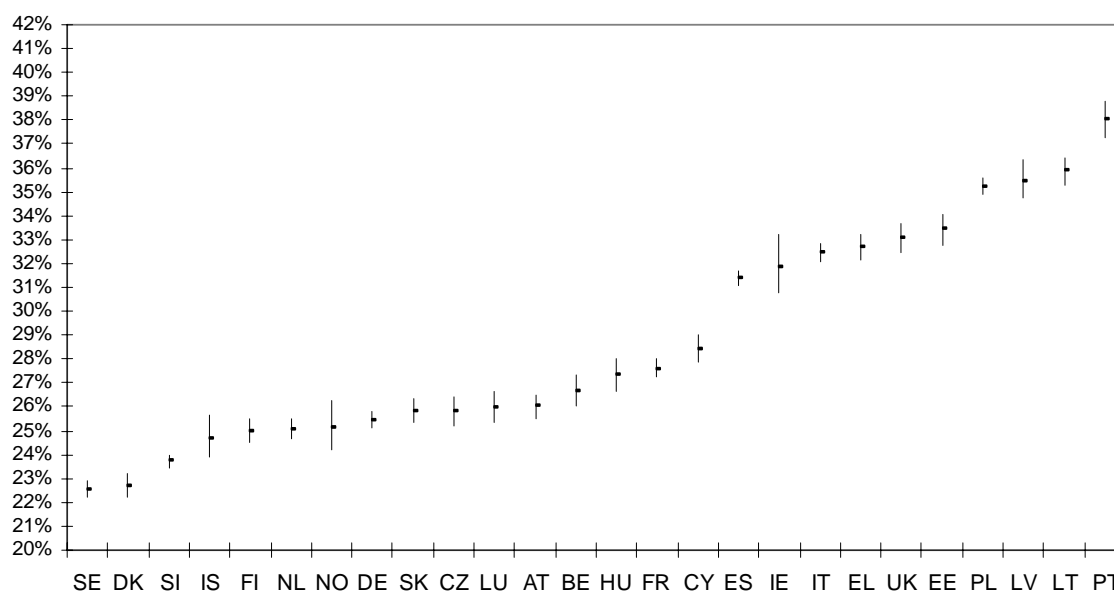
<sup>15</sup> The ‘bootstrap’ simulation method is used here to estimate the standard error.

<sup>16</sup> Formally, the Gini index is measured as  $(1/2n(n-1)) \sum_{i=1, \dots, n} \sum_{j=1, \dots, n} |y_i - y_j|$ , where  $y_i$  are individual incomes,  $n$  is sample size. The index varies between a value of zero, when everyone has the same level of income, and 1 when a single individual has all the income.

population having income higher than this and 90 % lower). The S80/S20 index will tend to be higher than the P90/P10 index, the larger the share of income going to the top 10 %, i.e. the richest people in the country, and the smaller the share going to the bottom 10 %.

According to the Gini index, Portugal has the highest degree of inequality of income distribution, with a value of 38 % (Figure 1, which also shows the 95 % confidence intervals around the estimate, implying that there is a 95 % probability that the true value of the index lies within this range — see Box 3). The new Member States of Lithuania, Latvia and Poland form a second group of countries with Gini coefficients of around 35-36 %, while a third group, with indices of between 30 % and 35 %, is composed of the other three Southern European countries of Spain, Greece and Italy, the UK and Ireland, and Estonia. These countries have Gini indices above 30 % but below 35 %. The four Southern European countries, the three Baltic States, Poland, Ireland and the UK, therefore, have the highest levels of inequality in the EU.

**Figure 1 Gini indices and confidence intervals, 2004**



Source: Eurostat – EU-SILC Users' Data Base, version 30 March 2008.

At the other extreme, countries with the lowest degree of inequality by this measure are Sweden, Denmark and Slovenia, with Gini indices of below 25 %.

Between the low and high inequality countries there are a large number of countries with Gini indices of above 25 % but below 30 %. Differences in the indices between countries in this group are in many cases very small, so that the confidence intervals of the estimates overlap. Finland, the other Nordic Member State, is at the lower end of the group together with the Netherlands, while Hungary, France and Cyprus are at the upper end.

The ranking of countries in terms of the S80/S20 index is very similar to that described above in relation to the Gini index. There are a few changes to the ranking of individual countries, mostly of only one or two places. In particular, Austria and the Czech Republic are ranked two places higher according to the S80/S20 index than according to the Gini coefficient, which implies that there is a wider dispersion between the top and bottom of the income range than within these two parts of the distribution or in the middle of the range. By contrast, Slovakia is ranked four places lower and Spain and Poland one place

lower, suggesting the reverse is the case in these countries. This narrower dispersion between incomes at the top and bottom of the distribution is confirmed by the P90/P10 index.

**Table 2 Values of different inequality indices in 2004**

	<b>Gini</b>	<b>S80/S20</b>	<b>P90/P10</b>
<b>SE</b>	22.5	3.2	2.6
<b>DK</b>	22.7	3.2	2.7
<b>SI</b>	23.7	3.4	3.0
<b>FI</b>	24.9	3.5	2.9
<b>NL</b>	25.1	3.6	2.9
<b>DE</b>	25.5	3.7	3.0
<b>SK</b>	25.8	3.8	3.1
<b>CZ</b>	26.0	3.6	3.0
<b>LU</b>	26.0	3.7	3.2
<b>AT</b>	26.0	3.7	3.1
<b>BE</b>	26.3	3.8	3.1
<b>HU</b>	27.3	4.0	3.2
<b>FR</b>	27.6	4.0	3.2
<b>CY</b>	28.4	4.3	3.6
<b>ES</b>	31.4	5.2	4.4
<b>IE</b>	31.8	4.9	3.9
<b>IT</b>	32.1	5.3	4.1
<b>EL</b>	32.6	5.4	4.4
<b>EE</b>	33.4	5.5	4.5
<b>UK</b>	34.0	5.7	4.4
<b>PL</b>	35.2	6.4	5.1
<b>LV</b>	35.5	6.2	4.7
<b>LT</b>	35.9	6.6	5.3
<b>PT</b>	38.0	6.9	5.5
<b>EU</b>	35.0	6.6	5.2
<b>US</b>	35.7	na	5.4

Source: Eurostat – EU-SILC Users' Data Base, version 30 March 2008.

Estimates for the EU are based on the sum of disposable income in each country measured in purchasing power parity terms. Estimates for US relate to 2000 and are taken from Michael Förster and Marco Mira d'Ercole, Income distribution and poverty in OECD countries in the second half of the 1990s, OECD, 2005

The main feature of the ranking based on the Gini index, however, is largely confirmed, in that there is a group of countries with the lowest ranking which have a significantly lower level of income inequality than other Member States and a group at the top which have a significantly higher level. At the same time, the countries included in these two groups are somewhat different.

In particular, according to both the S80/S20 and P90/P10 measures, Sweden and Denmark have a significantly lower level of inequality than other Member States, while Slovenia has a level which is similar to Finland and the Netherlands.

At the other end of the scale, the distinct difference in income inequality between the group of 10 countries with the highest value of the Gini index (i.e. those listed above where the index is over 30) and those with a lower value (i.e. of below 30) is confirmed by the

S80/S20 index, though to a lesser extent by the P90/P10 index (which shows only a small difference between Ireland in the top group and Cyprus in the lower group).

Within the top group of countries, Poland, Latvia, Lithuania and Portugal stand out as having the most unequal distributions of income according to both the Gini and the S80/S20 indices, though again the difference is less marked according to the P90/P10 index (in this case between Latvia in the top group of four, and Estonia and Greece in the lower group of six). This implies that focusing on the very top and bottom of the income distribution (i.e. the top and bottom 10 % of income earners) can give a slightly different picture of income inequality than taking account of income dispersion over a wider range.

It is also possible to compare income distribution in the EU and in the US. The Gini index estimated for the US amounts to 35.7 (Table 2), which is higher than in any EU country apart from Lithuania and Portugal, signifying that income is slightly more unevenly distributed in the US than in EU Member States. The value of the P90/P10 index is higher than in all EU countries except Portugal, thus confirming the high degree of inequality in the US as compared with the EU<sup>17</sup>.

Moreover, estimates of the Gini index for the EU as a whole (aggregating household disposable income measured in purchasing power terms across Member States) put the value at around 35.0, below the value in the US despite the wide disparities in income levels between EU countries. In addition, the P90/P10 is also estimated to be less in the EU than in the US (5.2 as against 5.4), though in this case the difference is small, suggesting that the gap in incomes between the highest and lowest income earners is much the same in the EU as in the US.

#### *Differences between 2000 and 2004*

The ranking of countries according to the Gini index in 2004 shows only relatively minor differences from the ranking for 2000<sup>18</sup> (Figure 2).

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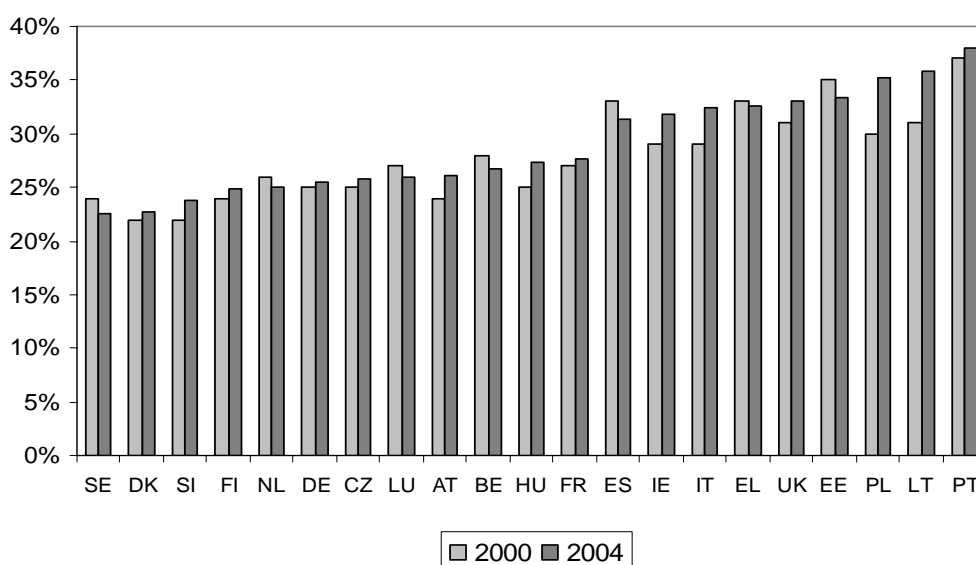
<sup>17</sup> Estimates of the degree of inequality in income distribution in the US are not adjusted for extreme values in the same way as for EU Member States, as explained in the Box. This in itself will tend to reduce the estimates for these countries relative to those for the US even if relatively slightly. The estimates for the EU as a whole, however, are not adjusted in the same way and so ought to be more comparable with those for the US.

<sup>18</sup> Data for 2000 are from the Eurostat online database:  
[http://epp.eurostat.ec.europa.eu/portal/page?\\_pageid=1996\\_45323734&\\_dad=portal&\\_schema=PORTAL&\\_screen=welcomeref&open=/livcon/ilc/ilc\\_ip/ilc\\_di&language=en&product=EU\\_MASTER\\_living\\_conditions\\_welfare&root=EU\\_MASTER\\_living\\_conditions\\_welfare&scrollto=164](http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1996_45323734&_dad=portal&_schema=PORTAL&_screen=welcomeref&open=/livcon/ilc/ilc_ip/ilc_di&language=en&product=EU_MASTER_living_conditions_welfare&root=EU_MASTER_living_conditions_welfare&scrollto=164)

Data for EU-15 countries come from the ECHP, data for other countries from national sources. Note that the data are referred to in the database as relating to 2001, which is the year of the survey rather than the year to which the income relates.



Figure 2 Gini indices in 2000 and 2004



Source: Eurostat – EU-SILC Users' Data Base, version 30 March 2008.

Portugal was the most unequal country in both 2000 and 2004, but Poland and Lithuania had index values below Spain, Greece and Estonia. The countries with the most equal income distributions were the same in 2000 as in 2004, though Sweden appears to have moved from being the fourth least unequal country to being the least unequal. Among countries in between the least and most unequal groups, there were also some changes in ranking, with Austria, Poland and Hungary moving up the ranking — i.e. income becoming more unequally distributed — and Spain and the Netherlands moving down.

Taking account of the likely margins of error surrounding the estimates, however, there were relatively few countries in which the value of the Gini index differs enough between the two years to denote a significant change. The countries concerned — Hungary, Ireland, Italy, Poland and Lithuania — generally showed an increase in inequality. Nevertheless, there is a need for a great deal of caution in interpreting these differences since they are based on two different surveys (the ECHP or national surveys for 2000, the EU-SILC for 2004). Since there is no way of assessing as yet the effect of the different data sources on the results, it would be rash to conclude that incomes became more unequally distributed in these six countries over these four years<sup>19</sup>.

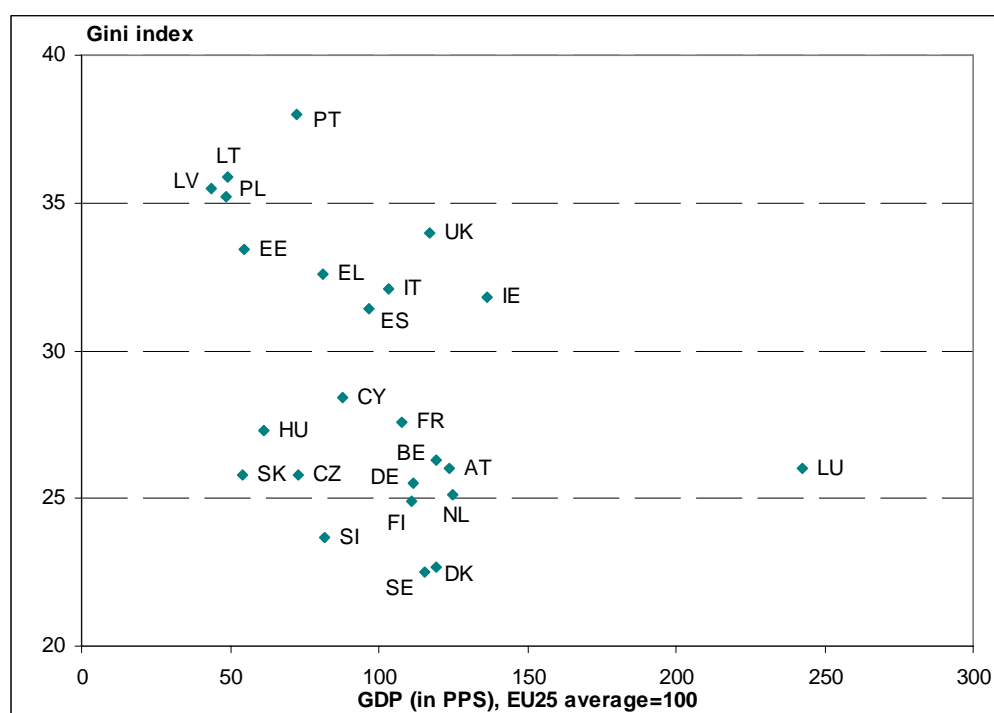
#### *Income inequality and GDP per head*

While it is not possible from the data available to say with any confidence how the distribution of income in EU Member States has changed over recent years, some light can be shed on the relationship between economic performance and income distribution by examining the relationship between the latter and GDP per head across countries. This, therefore, indicates the extent to which countries with a relatively high level of GDP per head (which, as noted above, is commonly taken as an indicator of economic strength) tend to have more or less unequal distribution of income than those with lower levels.

<sup>19</sup> The fact that the two estimates of the Gini index for the two years come from different surveys makes it difficult to specify margins of error in comparing the two. Although it is possible to calculate confidence intervals for the estimates for 2000 from the ECHP at least, these intervals cannot be used in conjunction with the intervals for 2004 to give an indication of the margin or error surrounding the change over the four years.

The relationship between the two in 2004 indicates that there is a general tendency for countries with relatively high levels of GDP per head to have a more equal distribution of income (as measured by the Gini index) (Figure 3). The relationship, however, is by no means systematic. In particular, there are a number of countries with very different degrees of income inequality which have similar levels of GDP per head, such as the UK, Belgium and Denmark or Portugal, Greece and the Czech Republic. This suggests that reducing income inequality — or achieving a more even distribution of income — need not necessarily in itself lead to a higher level of GDP per head, which is perhaps only to be expected given the many other factors which are likely to play a role, including the way in which a more even distribution comes about.

**Figure 3 Distribution of EU Member States by GDP per capita (in PPS and Gini index, 2004)**



Source: Eurostat – EU-SILC Users' Data Base, version 30 March 2008.

### *Long-term trends in the distribution of income*

The evidence on whether and how far the distribution of income has become more or less unequal in EU Member States over time is unclear, in no small measure because of the lack of a consistent set of data with which to assess long-term developments in different countries. Moreover, *a priori* considerations point in conflicting directions. The ICT revolution and the growth of the knowledge-based economy suggest that there should be a premium on high levels of education and know-how and, accordingly, a widening gap between the earnings of those with university degrees or equivalent high skills and those with lower education levels, especially manual workers whose jobs can be replaced by automation. On the other hand, any tendency of this kind is likely to be dissipated by the increased participation in education and the growing number of people with high-level qualifications. Moreover, the growth in the number of women in employment might in itself be expected to lead to a more equal distribution of income across households, allied

with the continued development of the social welfare system to support incomes at the bottom end of the scale.

Against this, the transition of the Central and Eastern European countries from centrally planned to market economies might be expected to result in a widening of income differentials, at least so far as the earnings component of income is concerned, as the influence of market forces on wages and salaries has increased.

The evidence which does exist from household surveys for most European countries dates back only 20 years or so, and for a number of EU Member States data are available only for the recent past. For the six European countries for which data do exist for the years before the 1980s, they indicate a mixed picture for the period from the mid-1970s to the mid-1980s, with the distribution of income (as measured by the Gini coefficient) becoming more unequal in the UK and to a lesser extent in the Netherlands, but becoming less unequal in Finland, Sweden and Greece, especially the latter (Table 3).

**Table 3 Overall trends in income inequality in countries for which data available, mid-1970s to 2000**

	<b>Strong decline</b>	<b>Moderate decline</b>	<b>Small decline</b>	<b>No change</b>	<b>Small increase</b>	<b>Moderate increase</b>	<b>Strong increase</b>
<b>Mid-1970s to mid-1980s</b>	<b>Greece</b>	<b>Finland, Sweden</b>	Canada		<b>Netherlands</b>	United States	<b>United Kingdom</b>
<b>Mid-1980s to mid 1990s</b>		<b>Spain</b>	Australia, Denmark	<b>Austria, Canada, France, Greece, Ireland</b>	<b>Belgium, Germany, Luxembourg, Japan, Sweden</b>	<b>Czech Rep., Finland, Hungary, Netherlands, Norway, Portugal, United Kingdom, United States</b>	<b>Italy, Mexico, New Zealand, Turkey</b>
<b>Mid-1990s to 2000</b>		Mexico, Turkey	<b>France, Ireland, Poland</b>	Australia, <b>Czech Rep., Germany, Hungary, Italy, Luxembourg, Netherlands, New Zealand, Portugal, United States</b>	<b>Austria, Canada, Denmark, Greece, Japan, Norway, United Kingdom</b>		<b>Finland, Sweden</b>

Source: Förster and D'Ercole, OECD, 2005

Note: The table presents summary results for the total population, as expressed by the Gini coefficient applied to the income of individuals as derived from equivalised net household income. 'Strong decline/increase' denotes a change in income inequality above +/- 12 %; 'moderate decline/increase' a change between 7 and 12 %; 'small decline/increase' a change between 2 and 7 %; 'No change' changes between +/- 2 %. Results are based on the values of the Gini coefficient in four reference years which may vary among countries. The last reference period is shorter than the previous ones: this should be borne in mind for comparisons.

Between the mid-1980s and the mid-1990s, when there are many more countries for which data are available, the data suggest that there was a marked increase in income inequality in most cases. Of the 17 current EU Member States for which there are data, the distribution of income narrowed moderately in Spain and to a lesser extent in Denmark, while it remained broadly unchanged in Austria, France, Greece and Ireland. In the other eleven countries, the distribution widened, only to a relatively small in Belgium, Germany, Luxembourg and Sweden but substantially in Italy.

In the subsequent five years up to 2000, there was less of a widespread increase in inequality. Nevertheless, the distribution of income seems to have narrowed only in three of the 16 Member States for which data exist — France, Ireland and Poland — and then only to a small extent. It remained much the same in another six — the Czech Republic, Germany, Hungary, Italy, Luxembourg and the Netherlands — and widened in the other seven, to a small extent in Austria, Denmark, Greece and the UK but more substantially in Finland and Sweden.

The only countries in which any overall trend can be observed over the long term from these data are, on the one hand, Finland and Sweden, where a decline in the first decade was followed by a small to moderate increase in the next and a strong increase in the last period, and, on the other, the UK, in which there was a gradual reduction in the rate of increase in inequality over the 25 years — though the degree of income inequality still rose over this period.

### 2.3. Low incomes — a European perspective

The share of people on low incomes in the EU is conventionally measured in relation to household income in the country in question. Specifically, the measure, which is the focus of the Open Method of Coordination in the field of social protection and social inclusion in this respect and one of the main indicators used in this context, is the proportion of the population with equivalised income of less than 60 % of the national median<sup>20</sup>, as analysed in the Joint Report on Social Protection and Social Inclusion<sup>21</sup>.

This measure is meaningful from a national perspective in that it identifies the people with the lowest levels of income in each Member State who are most likely to be deprived of access to the resources which other people in the community take for granted. The people so identified, however, can have very different levels of income in different Member States. To take the extreme case, people living in Luxembourg have a median level of equivalised income which is six times higher than in Lithuania even when income is measured in purchasing power parity terms to allow for differences in price levels between the two countries.

Such differences across countries are of obvious relevance for one of the main objectives of the EU, which is to raise the standard of living and quality of life for all its citizens and to promote economic and social cohesion throughout the Union. Progress towards reducing the differences is primarily assessed and monitored by reference to GDP per head, measured in purchasing power parity terms. This, however, is an indicator of the economic strength of the countries, or regions, concerned and of the output produced, rather than of income levels as such, and still less of the income received by households and the distribution of income between households.

To supplement GDP per head, there is therefore a case for examining household incomes from a European perspective and, accordingly, focusing on social as well as economic cohesion across all Member States of the EU. The need for an analysis of differences in living standards across the EU to complement nationally focused measures has been recognised almost ever since the latter were first developed in 2001<sup>22</sup>. This section therefore looks at the relative number of people with disposable income below a particular level either in relation to median income across the EU as a whole — i.e. the income received by the average person, defined as the person at the mid-point of the income distribution, which amounted to around 1100 PPS a month in 2004 — or in absolute terms, income being measured, as in the case of GDP per head, in purchasing power parity terms to ensure comparability across countries (see below).

Such a measure is not new but has been suggested on a number of occasions in the recent past<sup>23</sup>. The EU-SILC makes this calculation possible and more meaningful than before by providing data on household income for all Member States on a reasonably consistent basis

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<sup>20</sup> Equivalised income is the income of households adjusted for their size and composition. The income thus adjusted and measured in disposable terms — i.e. net of taxes and social contributions paid by household members and gross of social transfers received — is assumed to be divided equally between household members.

<sup>21</sup> [http://ec.europa.eu/employment\\_social/spsi/joint\\_reports\\_en.htm](http://ec.europa.eu/employment_social/spsi/joint_reports_en.htm)

<sup>22</sup> See the discussion and references in Atkinson, A.B., Cantillon, B., Marlier, E. and Nolan, B. *Taking forward the EU Social Inclusion Process*, An independent report commissioned by the Luxembourg Presidency of the Council of the European Union, 2005.

<sup>23</sup> Atkinson *et al*, *op. cit.*

— with the exception, for the moment, of Bulgaria and Romania. It, accordingly, allows us to identify people whose income falls below a certain level and show in which countries they live, as well as their characteristics. It allows the relative income of such people to be monitored over time and how this is affected by economic growth as the countries concerned develop.

Measuring disposable income across the EU on a comparable basis, however, is not without problems. Applying purchasing power parity (PPP) estimates to data on equivalised income from the EU-SILC, in principle, makes it possible to compare disposable income in terms of what it is capable of purchasing. Such estimates suggest that the average level of prices is around twice as high in EU-15 countries than in the new Member States. Accordingly, in 2004, the year to which the income data used in the analysis below relate, a given sum of money expressed in euros was capable of buying almost three times as much in Poland than in Denmark (Table 4).

**Table 4 Purchasing power parity rates, 2004**

	PPP exchange rate <sup>1</sup>	Value of €10 <sup>2</sup>
DK	1 322	7.56
IE	1 178	8.49
SE	1 178	8.49
FI	1 125	8.89
LU	1 104	9.06
DE	1 090	9.17
UK	1 089	9.19
FR	1 070	9.35
NL	1 065	9.39
AT	1 043	9.59
BE	1 031	9.70
IT	0 996	10.04
CY	0 898	11.14
ES	0 887	11.28
PT	0 829	12.06
EL	0 819	12.21
SI	0 730	13.70
MT	0 679	14.72
HU	0 589	16.99
EE	0 574	17.41
CZ	0 534	18.74
SK	0 523	19.10
LV	0 497	20.14
LT	0 485	20.60
PL	0 482	20.75

<sup>1</sup> EUR or national currency/purchasing power parity

<sup>2</sup> Equivalent value of €10 in terms of goods and services which it can purchase

Source: Eurostat

Of course, the estimates are by no means perfect. In particular, it is difficult to identify equivalent packages of goods and services for different parts of the EU on which price comparisons can be based. They also take no account of regional variations in purchasing power, which can be pronounced. Moreover, the income being measured does not include income in kind, such as food grown for a household's own consumption, which is

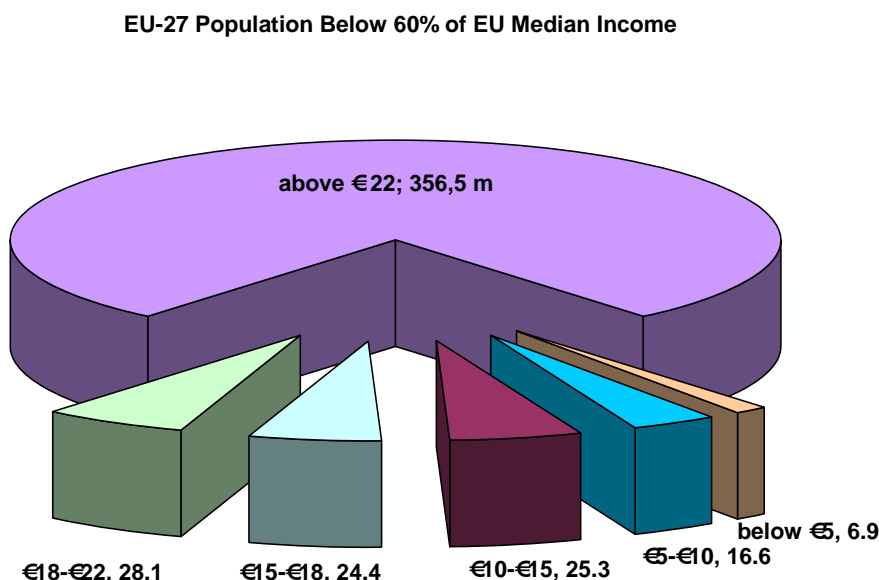
important in a number of places, especially in the more rural parts of some of the new Member States. These considerations need to be kept in mind when interpreting the estimates presented below.

*The population with income below various low income thresholds in the EU*

As indicated above, estimates of the relative number of people with income below a certain level in the EU can be made from the data collected by the EU-SILC in 2005 for income in 2004. These data, however, do not include Bulgaria and Romania. Moreover, no detailed data are available for Malta. Accordingly, the estimates presented below relate to 24 Member States. A range of measures of the low income threshold are taken, both because it is not clear what the most appropriate level should be and in order to examine how the relative number of people living below the threshold changes as the level is varied.

As Figure 4 below shows, around 100 million Europeans in 2004 (22.5 % of the total population) had less than 60 % of the EU median income of around 670 PPS per month for a single person or €22 a day measured on an equivalised basis<sup>24</sup>. Some 23.5 million had to get by on less than €10 a day, and nearly 7 million even less than €5 a day.

**Figure 4: EU Population below 60 percent of EU median income (2004)**



\* except Bulgaria, Malta and Romania.

Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

These figures need to be interpreted with caution. In particular, the limitations of the EU-SILC data on income need to be recognised. They inevitably involve a degree of uncertainty, which is especially large for incomes at the two extremes of the distribution. At the bottom end of the scale, there are a number of negative incomes. These relate to self-employed people who reported losses in 2004, since the disposable income of the self-employed is measured by their business earnings. In these cases, income defined in this

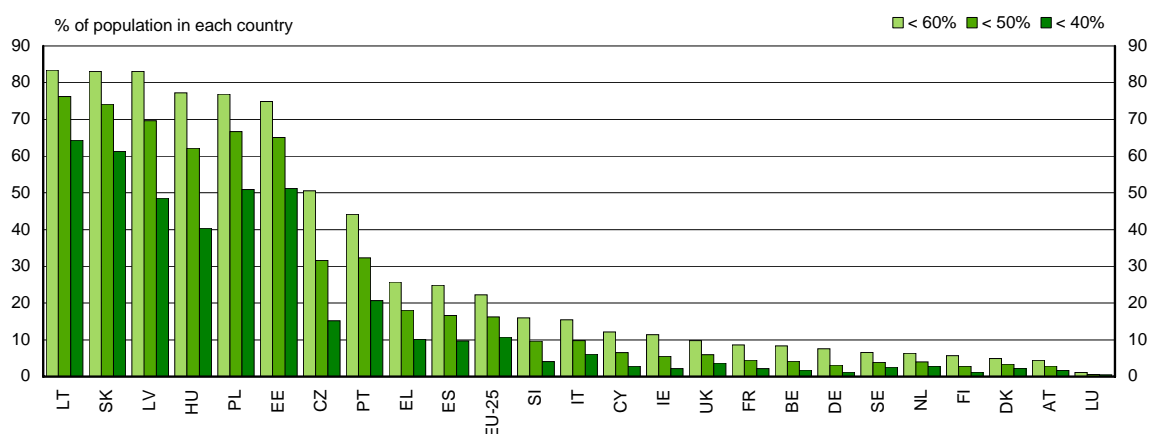
<sup>24</sup> Income in the EU is the sum of equivalised household disposable income, measured in PPP terms in the 24 Member States covered.

way is unlikely to reflect their actual consumption possibilities. Moreover, wealth is not included at all in the EU-SILC. The group with the lowest incomes may, therefore, include people who can afford a reasonably high level of consumption as a result of running down their savings and wealth. Finally, many people with low monetary incomes, particularly in rural areas, may be able to increase their consumption possibilities by producing their own food or bartering goods and services within their local communities. The numbers presented here may therefore give a false impression of the number of people on very low incomes.

*Relative thresholds: 60 %, 50 % and 40 % of EU median*

The 22.5 % of the population below 60 % of the EU median level of disposable income compares with a figure of 16 % with income below 60 % of the *national* median level in the country in which they live, which is the weighted average of the figures for the risk of poverty at national level across the EU (i.e. the indicator used in the Open Method of Coordination in the field of social protection and social inclusion).

**Figure 5 Proportion of people with income below 60 %, 50 % and 40 % of the EU median level of disposable income (in PPS), 2004**



Source: Eurostat – EU-SILC Users' Data Base, version 30 March 2008.

The proportion of people in each Member State with income below this threshold is obviously much larger in the countries with relatively low levels of income per head than in those with higher levels. In Latvia, Lithuania and Slovakia 83-84 % of the population in each case have an income below 60 % of the EU median (i.e. only 16-17 % of people have an income above this), in Estonia, Hungary and Poland 75-77 % and in the Czech Republic just below 51 %. On the other hand, in Slovenia, the figure is only just over 16 % and in Cyprus 12-13 %, which in both cases is below the EU average. It is also well below the proportion in Portugal (44 %), which in turn is well above the proportion in Greece and Spain (25-26 %).

These three countries apart, the only other Member States where the relative number of people with income below 60 % of the EU median is above 10 % are Italy (just under



16 %) and Ireland (just under 12 %)<sup>25</sup>. In Denmark and Austria, the figure is under 5 % and in Luxembourg only around 1 %.

Lowering the threshold from 60 % to 50 % of EU median income, of course, reduces the number of people below the threshold but at varying rates in different countries because of national differences in the distribution of income. In the EU as a whole, the proportion with income below this level is reduced to just over 16 % of the total population, or to some 73.2 million. In Latvia and Lithuania, the proportion is reduced but it is still around 70 % of the population. In Slovakia it remains at 70 %, slightly above the figures in Estonia and Poland, at around 65-67 %. These, in turn, are now higher than in Hungary (62 %), reflecting the greater concentration of incomes in Hungary at just below 60 % of the EU median (and accordingly the more equal distribution of income). In the Czech Republic, the proportion is reduced to below that of Portugal and in Slovenia, to the same level as in Italy (10 %).

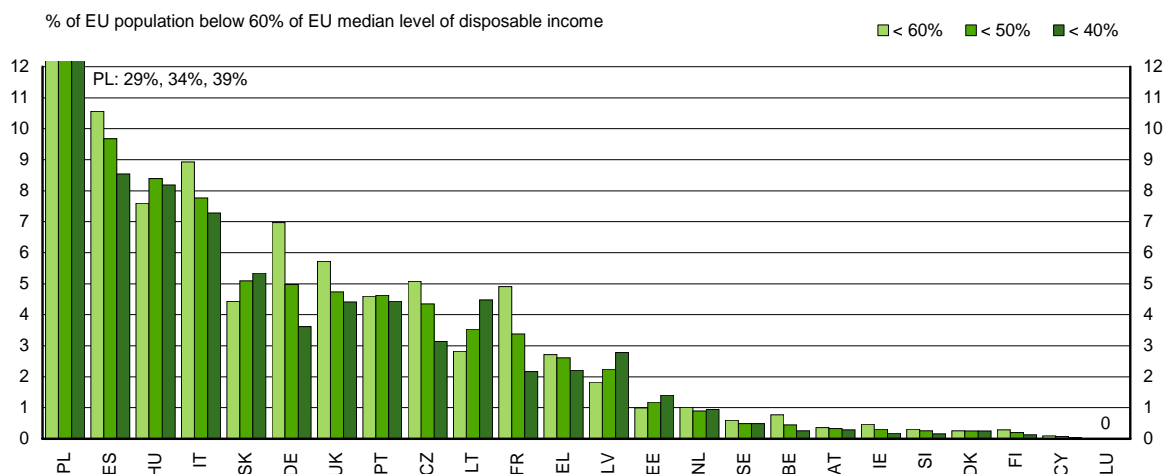
A further reduction of the threshold to 40 % of the EU median (or to just under 450 PPS a month) lowers the share of the population with income below this level to 11 %, or to some 49 million. The proportion in Lithuania is still well over 60 %. In Estonia and Poland it is reduced by more but remains at 51 %, which is below the proportion in Slovakia, and some 10 percentage points more than in Hungary. In the Czech Republic, the proportion is reduced to well below that in Portugal (to just over 15 % as compared with 21 % in Portugal) and in Slovenia to below that in Italy. In the EU-15 Member States except for the four southern countries, less than 3 % of people have income below 40 % of the EU median.

Despite the relatively small proportions of people with income below these thresholds in most of the EU-15 countries, it is still the case that, because of their population size, a large share of all the people in the EU with incomes of these levels live in these countries. Almost half (just under 48 %) of people with income below 60 % of the EU median, therefore, live in the EU-15, some 11 % of them in Spain, another 9 % in Italy and just under 7 % in Germany. At the same time, 29 % live in Poland (Figure 6).

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<sup>25</sup> Although GDP per head in Ireland is the second highest in the EU, behind Luxembourg, average household income is much lower than this because of the substantial scale of net income going abroad (in practice to foreign-owned enterprises in the country).

**Figure 6 Persons with income below 60 %, 50 % and 40 % of the EU median level of disposable income (in PPS), 2004**



Source: Eurostat – EU-SILC Users' Data Base, version 30 March 2008.

With the low income threshold at 50 % of EU median income, some 60 % of the people with income below this level live in the new Member States – around 34 % in Poland alone. Nevertheless, 40 % still live in the EU-15 countries, 17 % of these in Spain and Italy taken together. With the threshold reduced to 40 % of the EU median, the proportion with income below this level living in the new Member States goes up to around 65 %, with 39 % in Poland. Nevertheless, some 16 % live in Spain and Italy.

#### *Income below €10 per day*

The thresholds used to measure the relative number of people with low incomes can also be expressed in absolute rather than relative terms, which may clarify what income levels are being looked at. An income of 40 % of the EU median in 2004 represents an average of just under €15 a day (measured in terms of what this amount can purchase on average in different countries rather than in actual euros — see Table 4 above). A significant number of people across the EU, and in the new Member States in particular, however, have equivalised disposable incomes below this.

Just over 5 % of the total population in the EU had a daily income in 2004 of less than €10 a day, measured in PPS terms, which means some 23.8 million people overall. In Latvia and Lithuania, this was the case for 37-40 % of the population (over 2 million people in total), and in Estonia and Poland, for over a quarter (26-27 %). The proportion was also significant in Hungary (15 %) and Slovakia (18 %). In Portugal, it was 8 %, which represents around 844 000 people — twice the total number and the proportion in the Czech Republic (Table 5).

**Table 5 People with income below €10 and €5 a day, in PPP terms, 2004**

	Less than €10 a day (000)	Less than €5 a day (000)	Less than €10 a day (% in each country)	Less than €5 a day (% in each country)
<b>BE</b>	63	28	0.6	0.3
<b>CZ</b>	417	33	4.1	0.3
<b>DK</b>	62	47	1.2	0.9
<b>DE</b>	807	366	1.0	0.4
<b>EE</b>	354	69	26.4	5.2
<b>IE</b>	28	9	0.7	0.2
<b>EL</b>	469	169	4.4	1.6
<b>ES</b>	1 718	697	4.0	1.6
<b>FR</b>	425	152	0.7	0.3
<b>IT</b>	1 789	848	3.1	1.5
<b>CY</b>	5	1	0.7	0.2
<b>LV</b>	828	193	37.2	8.7
<b>LT</b>	1 348	351	39.5	10.3
<b>LU</b>	1	0.4	0.3	0.1
<b>HU</b>	1 512	120	15.2	1.2
<b>NL</b>	287	177	1.8	1.1
<b>AT</b>	84	23	1.0	0.3
<b>PL</b>	10 391	2 643	27.5	7.0
<b>PT</b>	844	167	8.0	1.6
<b>SI</b>	31	7	1.6	0.4
<b>SK</b>	977	165	18.1	3.1
<b>FI</b>	24	6	0.5	0.1
<b>SE</b>	142	82	1.5	0.9
<b>UK</b>	1 158	545	2.0	0.9
<b>EU-25</b>	23 758	6 898	5.2	1.5

Note: Household income equivalised for differences in household size and composition and shared equally between members, expressed in PPS terms in each country.

Source: Eurostat – EU-SILC Users' Data Base, version 30 March 2008.

In all the other EU-15 countries, the proportion with this level of income was less than 5 %. It is still the case, however, that almost a third of people with this level of income — over 7.5 million altogether — lived in the EU-15 countries, and around 15 % of the total (3.5 million) in Spain and Italy. Nevertheless, the main concentration is, of course, in the new Member States, where almost 16 million people are estimated to have an income this low. Almost 10.5 million of these lived in Poland.

A significant proportion of these people on extremely low incomes have actually reported a negative income. They number almost 200 000 each in Germany, Spain and the UK and more than 300 000 in Italy. Although the people concerned account for only around 0.5 % or less of the total population in each country — and would accordingly reduce the proportion with an income of less than €10 a day by this amount — they represent a significant proportion of those with very low incomes in many EU-15 countries in particular. In Denmark, they account for over half of people with an income of below €10 a day and over a quarter in the Netherlands and the UK (Table 6). It is still the case, however, that 1.2-1.3 million people in each of Spain and Italy had an income of less than €10 a day in 2004.

**Table 6 People with income below or equal to zero, 2004**

	Number (000)	Low income thresholds relative to EU median income:				
		<60 %	<50 %	<40 %	<€10 a day	<€5 a day
		(% of people in each category)				
<b>BE</b>	6.9	0.9	2.1	5.5	11.0	24.8
<b>CZ</b>	-	-	-	-	-	-
<b>DK</b>	33.8	12.9	18.8	27.8	54.2	71.2
<b>DE</b>	169.8	2.4	4.6	9.6	21.0	46.3
<b>EE</b>	7.9	0.8	0.9	1.1	2.2	11.4
<b>IE</b>	4.9	1.0	2.2	5.6	17.4	56.5
<b>EL</b>	72.6	2.6	3.8	6.7	15.5	43.0
<b>ES</b>	180.1	1.7	2.5	4.3	10.5	25.9
<b>FR</b>	27.0	0.5	1.1	2.5	6.3	17.7
<b>IT</b>	304.9	3.4	5.3	8.6	17.0	35.9
<b>CY</b>	0.4	0.4	0.7	1.7	7.1	29.6
<b>LV</b>	16.8	0.9	1.0	1.2	2.0	8.7
<b>LT</b>	17.2	0.6	0.7	0.8	1.3	4.9
<b>LU</b>	0.1	2.8	5.4	7.1	11.7	34.6
<b>HU</b>	10.5	0.1	0.2	0.3	0.7	8.7
<b>NL</b>	89.7	8.7	13.6	19.5	31.2	50.7
<b>AT</b>	1.9	0.5	0.8	1.4	2.3	8.4
<b>PL</b>	110.0	0.4	0.4	0.6	1.1	4.2
<b>PT</b>	-	-	-	-	-	-
<b>SI</b>	0.8	0.3	0.4	1.0	2.7	12.1
<b>SK</b>	10.0	0.2	0.3	0.4	1.0	6.1
<b>FI</b>	1.4	0.5	1.0	2.2	5.8	22.2
<b>SE</b>	32.1	5.3	9.0	13.6	22.6	39.4
<b>UK</b>	245.0	4.2	7.0	11.3	21.3	45.0
<b>EU-25</b>	1 343.9	1.3	1.8	2.7	5.7	19.5

Note: Household income equalised for differences in household size and composition and shared equally between members, expressed in PPP terms in each country.

Source: Eurostat – EU-SILC Users' Data Base, version 30 March 2008.

### *Income below €5 a day*

A significant number of people in the EU have an income of even less than €10 a day. According to the EU-SILC, around 1.5 % of the EU population<sup>26</sup> had a disposable income of just €5 a day (again measured in PPP terms) in 2004. Although this is a small percentage, it still represents almost 7 million people. In Latvia and Lithuania, this accounted for around 9-10 % of the population, while in Poland some 7 % of the population, or around 2.6 million people, had an income this low.

Although the majority of people with an income of €5 a day live in the new Member States — 39 % in Poland — almost half live in the EU-15 countries. Many of these are self-employed with a negative trading income, but even if these are excluded, there are still just over 2 million people with this level of income in the EU-15 Member States and over 1 million in Spain and Italy taken together.

<sup>26</sup> Not including Bulgaria, Malta and Romania.

### *Concluding remarks*

The above analysis suggests that examining low incomes across the EU, in the sense of estimating the relative number of people whose disposable income, duly adjusted for purchasing power differences, falls below a particular level calculated either in relation to the EU median or as an absolute amount provides a useful complement to nationally-based indicators of poverty risk. In particular, it could become a useful additional tool for monitoring how quickly the poorer parts of the EU are catching up. As such, it provides an indication of how disparities in income distribution across the EU as a whole are tending to change and of how to assess progress towards convergence of income levels and living standards, in the same way as GDP per head is used to assess economic convergence.

The measure highlights the fact that, although the problem of low incomes is most serious in many of the new Member States, there are nevertheless significant numbers of people in the richer parts of the Union whose income is well below the median in the EU and who seem to have relatively little to live on. Further investigation is required to assess how far the income data in the EU-SILC accurately reflect their living conditions and the kinds of policy best suited to alleviating their situation.

There is a parallel need in the EU-15 countries, in particular, to examine in more detail the living standards of the self-employed and to see how the problem of negative or zero incomes arising from the way their income is currently measured can best be overcome.

#### **2.4. Who are the poor: groups most at risk in the Member States**

The indicator which is used to measure the risk of poverty in EU Member States is the proportion of the population with equivalised disposable income below 60 % of the national median. This varies from 9 % in Sweden and 10 % in the Czech Republic to 21 % in Lithuania and Poland. The risk of poverty within Member States, however, varies markedly between different sections of the population. At the same time, those at the highest risk also vary across countries.

Nevertheless, four groups stand out as having a high risk in nearly all countries. These are:

- people of working age living alone with a dependent child, who are, in the vast majority of cases, women;
- people living alone aged 65 and over who are no longer in paid employment – and who again, in most cases, are women, many of whom may not have been working before reaching 65;
- people living alone of working age who are not in employment;
- families with children where only one of the parents is in employment.

These groups vary across countries not only in terms of the risk of poverty they face but also in terms of their numbers and the share of total population they represent. In particular, lone parents are much more numerous in some countries than others, as are those of working age living alone generally. In countries where these groups represent a relatively small proportion of the population, they may also account for only a small proportion of people with income below the at-risk-of-poverty threshold, despite having a high risk of poverty as such. Similarly, a section of the population with a much lower risk of poverty may, nevertheless, make up a relatively large share of the total at risk simply because there are a substantial number of them.

The risk of poverty within different groups, therefore, gives policymakers only partial guidance as to where measures to alleviate poverty should be targeted. A high risk of poverty among a particular group may signify gaps in policy or in its effectiveness, but it does not necessarily indicate the groups which policy needs to target if the concern is to reduce the overall risk. To achieve the latter objective, measures could be targeted at people who make up the largest number of those with income below the at-risk-of-poverty threshold, who may not necessarily be those with the highest risk.

The concern here is with the composition of the population with income below the threshold, with the groups who make up the largest shares, and with the extent to which these groups differ across Member States.

### *The risk of poverty*

The analysis is based on data from the EU-SILC for 2005, which relate to income in 2004 and cover 24 EU Member States, the countries excluded being Bulgaria, Romania and Malta. Being at risk of poverty is defined as having equivalised annual disposable income of less than 60 % of the national median income level<sup>27</sup>. The focus is on people, including children, having income below this level and specifically on their age, sex and household circumstances in terms of the type of household in which they live and its work intensity — i.e. the number of people in the household in work relative to the total living there of working age, adjusted for months during the year when not in employment<sup>28</sup>.

These characteristics can be combined into a limited number of broad groups to assess the risk of poverty as follows:

- lone parents with dependent children living at home
- lone women of 65 and over
- lone men of 65 and over
- people living alone of less than 65 who are unemployed or were employed for only part of the year
- people of less than 65 living alone and who were employed throughout the year
- couples aged 65 and over
- households with two people of working age and with one or two dependent children, with a work intensity of less than 1
- households with two people of working age and with one or two dependent children, with a work intensity of 1
- households with two people of working age and with three or more children, with a work intensity of less than 1
- households with two people of working age and with three or more children, with a work intensity of 1
- households with two people of working age without children, with a work intensity of less than 1

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<sup>27</sup> Equivalised to adjust for differences in the size and composition of households.

<sup>28</sup> Work intensity is 1 if all people of working age in the household are employment throughout the year. It is less than 1 if this is not the case. In practice, in most cases where it is less than 1 either only one of a couple is employed throughout the year or no-one in the household is working.

These groups are mutually exclusive but do not cover all households. In practice, most of them feature among the five groups who account for the largest shares of those at risk of poverty in at least one Member State and, as noted above, several feature in most countries. They do not include, it should be noted, households with two people working throughout the year and households with more than two adults both with and without children and with varying levels of work intensity. In all of these cases, the households concerned tend to have a relatively low risk of poverty and do not feature among the ‘top’ five groups with income below the at-risk-of-poverty threshold in any of the countries.

The risk of poverty among these groups in each of the 24 Member States is shown in Table 7, which indicates the wide differences across the EU in the risk faced by particular groups. For women living alone aged 65 and over, for example, the risk is over 50 % in Cyprus, Spain and Ireland but under 8 % in Luxembourg, the Netherlands and Poland. For lone parents, on the other hand, the risk does not exceed 50 % in any country, but is over 20 % in all Member States except Sweden.

The effect on income of unemployment, or only partial employment, among those of working age is very apparent. The risk of poverty is particularly high in nearly all countries for people of working age living alone who are not employed or employed for less than half the year. Nevertheless, it still ranges from 23 % in the Netherlands to over 70 % in Estonia, Latvia and Slovenia. The risk is particularly high in households with three or more children where not everyone — typically only one of a couple — or no-one is working. This risk exceeds 50 % in Spain, Latvia, Lithuania, Poland and Portugal, and is below 20 % only in Germany and Finland.

Table 7 At-risk-of-poverty rates in selected social groups by household type and work intensity, 2004

	Lone women of 65+	Lone men of 65+	Single people <65 with work intensity of <1	Single people <65 with work intensity=1	Couples without children 65+	Households with 1-2 children with work intensity of <1	2 adults with 1-2 children with work intensity of 1	Households with 3+ children with work intensity of <1	Households with 3+ children with work intensity of 1	Households <65 without children with work intensity of <1	Lone parents
AT	27	11	33	7	11	18	3	28	8	15	27
BE	28	28	35	5	17	25	1	41	3	13	33
CY	74	60	52	12	47	19	2	26	2	19	35
CZ	16	5	41	4	2	22	2	43	2	14	41
DE	23	13	44	7	11	11	3	14	2	14	26
DK	20	24	40	10	13	8	3	27	8	8	21
EE	44	29	71	10	11	24	4	37	8	25	40
ES	51	32	46	8	29	29	8	51	13	19	37
FI	39	27	41	5	8	10	2	18	5	8	20
FR	22	20	31	7	13	19	3	32	5	12	26
EL	36	31	39	6	27	26	7	43	16	17	44
HU	12	6	37	18	4	35	8	50	15	14	27
IE	65	56	65	8	20	24	2	34	10	24	45
IT	38	24	47	9	20	31	3	48	7	14	35
LT	36	18	58	9	9	37	5	55	33	25	48
LU	5	13	31	10	7	23	8	23	16	12	32
LV	46	37	73	13	11	28	6	55	11	28	31
NL	7	5	23	6	4	18	5	32	11	11	26
PL	8	6	36	12	6	30	9	55	31	16	40
PT	41	44	49	15	28	37	9	58	29	22	32
SE	21	12	28	10	4	7	3	21	4	10	18
SI	49	26	72	11	12	27	2	36	5	15	22
SK	13	3	32	10	4	27	10	38	16	12	32
UK	35	24	48	10	24	27	6	41	14	26	37

Source: Eurostat – EU-SILC Users' Data Base, version 30 March 2008.



### *The composition of the population at risk of poverty*

- Age breakdown

As noted above, the social groups who are at most risk of poverty are not necessarily those who make up most of the population with income below the at-risk-of-poverty threshold. The ratio of the groups in question to the total population is an equally important factor. Since the broad age composition of the population at large is relatively similar across countries, the differences in the at-risk-of-poverty rates described above are indicative of the variations between Member States in the age breakdown of people with at-risk-of-poverty levels of income.

Thus, in Cyprus, where the risk of poverty among people of 65 and over is higher than anywhere else in the EU, such people account for some 37 % of all those with income below the at-risk-of-poverty threshold, much higher than in other parts of the EU. On the other hand, in a number of the other new Member States, where the risk of poverty for those in this age group is relatively low — in particular in the Czech Republic, Hungary, Poland and Slovakia — people aged 65 and over make up less than 10 % of the total with at-risk-of-poverty levels of income (Table 8). This is also the case in Luxembourg and the Netherlands. In these countries, children make up a much larger share of those at risk of poverty than in most other parts of the EU, accounting for well over 20 % of the total and around 30 % in Luxembourg and the Netherlands.

At the same time, in the new Member States concerned, people of working age also account for a relatively large share of the population at risk (65 % or more in each case and over 70 % in Poland and Slovakia). As indicated below, the age composition of people with income below the at-risk-of-poverty threshold in these countries reflects the relatively high level of retirement pensions relative to wages and unemployment benefit.

**Table 8 Distribution of the population at risk of poverty by age group**  
(% of total population at risk of poverty in the country)

	Children, 0-15	Working age, 16-64	Elderly, 65+
BE	22	54	24
CZ	27	65	7
DK	17	61	22
DE	14	64	21
EE	19	63	18
IE	25	56	19
EL	15	58	26
ES	18	56	25
FR	20	58	21
IT	18	58	23
CY	16	47	37
LV	17	64	19
LT	24	63	13
LU	30	63	8
HU	25	68	8
NL	29	64	7
AT	21	61	19
PL	25	70	5
PT	19	56	25
SI	15	60	25
SK	22	72	7
FI	16	59	25
SE	18	63	19
UK	24	54	23

Source: Eurostat – EU-SILC Users' Data Base, version 30 March 2008.

- Breakdown by age, household type and work intensity

These age groups can be broken down into the same sub-groups as for the risk of poverty examination above in order to identify the characteristics of those who account for significant shares of the population with income below the at-risk-of-poverty threshold in different countries. Such a breakdown shows that there are not only large variations across the EU in the risk of poverty faced by the different groups, but equally marked differences in the relative size of the groups — i.e. in the shares of total population which they represent. Accordingly, the shares of the population with income below the threshold in each country are not completely in line with the risk of poverty as such.

Nevertheless, the characteristics of the main groups which make up the total with income below the threshold vary just as much between Member States as do the at-risk-of-poverty rates examined above. The main groups concerned differ considerably across the EU, as shown in the pie charts below, which indicate the groups which account for the largest proportions of the total with income below the threshold in each Member State. There are, however, common features of the groups in question in many cases.

Women aged 65 and over living alone account for a relatively large proportion of the population at risk of poverty in many countries, reflecting both the tendency for women to live longer than men and for them to have lower pension levels. In Finland and Slovenia they account for 15-16 % of all those with income below the threshold, and in Estonia and Sweden for 12 %. At the other extreme, in Luxembourg, the Netherlands and Poland, they account for only around 1-2 % of the total and in the Czech Republic, Hungary and Slovakia for 4-5 %, reflecting the relatively low risk of poverty of older people, even those who live alone.

Whereas men aged 65 and over living alone make up only a small proportion of the population with income below the at-risk-of-poverty threshold in all countries, couples where both partners are 65 and over account for a relatively large share in many countries. This is particularly the case in Cyprus, where they account for 25 % of the total, much more than in other Member States. They also account for a relatively large share in the other southern countries, Greece (16 %), Spain, Portugal (15 % in each) and Italy (12 %), as well as in the UK (14 %) and Germany (11 %). In these countries, therefore, the pensions paid to couples are in many cases not sufficient to give them an income above the threshold.

As indicated above, lone parents bringing up a dependent child, almost all of whom are women, also face a relatively high risk of poverty in most countries. Indeed, in five Member States — the Czech Republic, Ireland, Lithuania, Greece and Poland — the at-risk-of-poverty rate is over 40 % (see Table 7 above). In the first three of these countries, lone parents account for a significant proportion of the population with income below the threshold (15-17 % in each case). In the last two, Greece and Poland, however, they make up a smaller proportion than in most other countries (only 4-5 %) because of the small number of lone parents in the two countries (perhaps partly due to the high poverty risk they face, which makes it difficult to bring up a child alone). Lone parents account for a similarly large share of the total with income below the threshold in Belgium, Estonia, Sweden and the UK.

Even if they do not have a dependent child, people below the retirement age living alone are also vulnerable to the risk of poverty if they are not working. Such people make up a particularly large share of those with income below the threshold in Finland (19 %),

Germany (17 %), Denmark (16 %) and Sweden (12 %), not so much because of their high risk of poverty — indeed in Sweden, it is lower than anywhere else in the EU — but because of their relatively large numbers. The large number of people of working age living alone in Denmark and Sweden means that even those in employment throughout the year make up 7-8 % of the total below the threshold in these two countries.

Joblessness is also responsible for the fact that a large number of people sharing a household with their spouse or partner or others of working age have an income below the threshold. This is especially the case for those with children, who make up a substantial proportion of those at risk of poverty in most countries. In both the Czech Republic and Italy, persons living in households with 1-2 dependent children (excluding lone parents) and with a work intensity of less than one (i.e. not everyone of working age is in employment throughout the year) account for just under 30 % of all those with an income below the threshold — typically only one adult is working in these households. In Greece and Spain such people make up 21-25 % of the total, while they also account for over 20 % in Luxembourg, Lithuania and Slovenia.

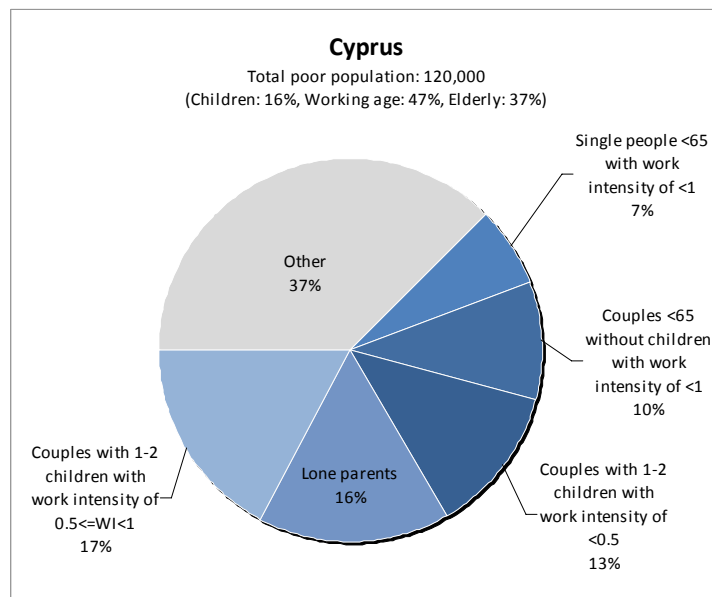
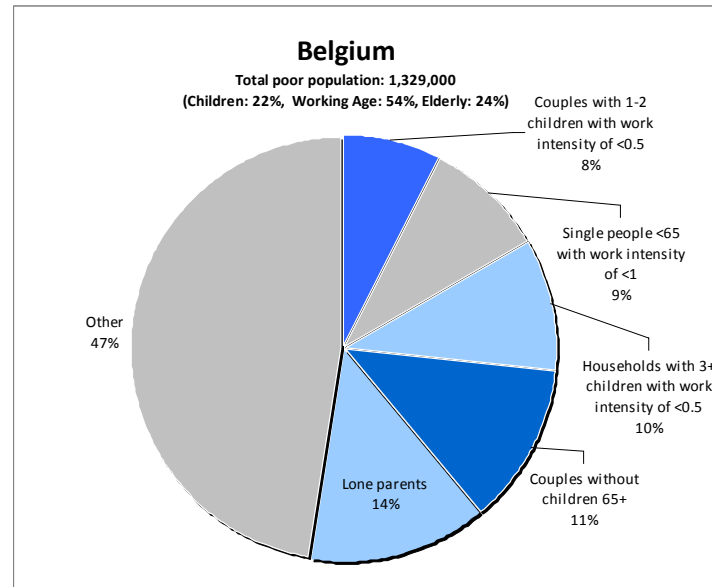
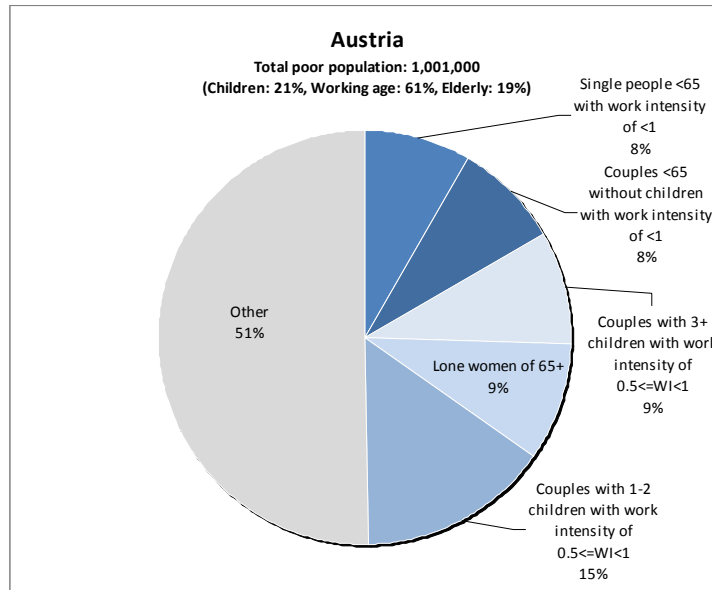
In Luxembourg, as well as in Belgium and the Netherlands, families with three or more children where not everyone is working (i.e. with a work intensity of less than 1) also account for a relatively large share of the total number of people at risk of poverty, as they do in Ireland (17 %).

Working-age adults living together without children, but where not everyone is working, account for a relatively small proportion of the total with income below the threshold in most countries, though in the Czech Republic and the Netherlands the figure is close to 10 %.

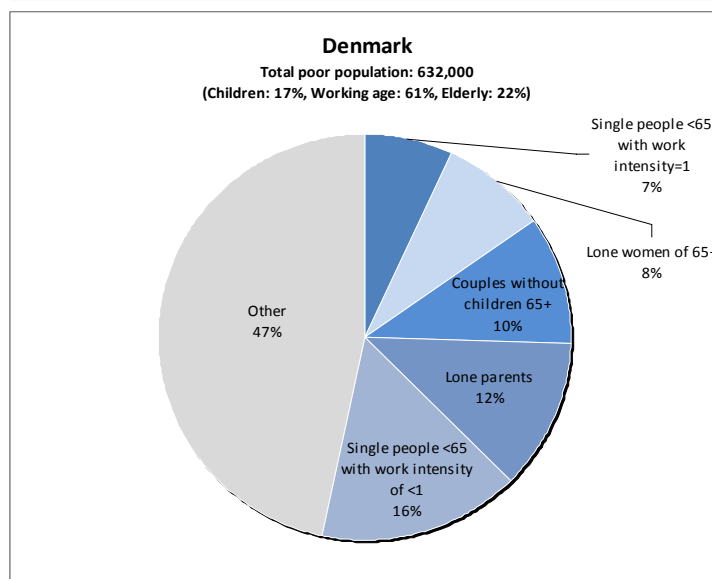
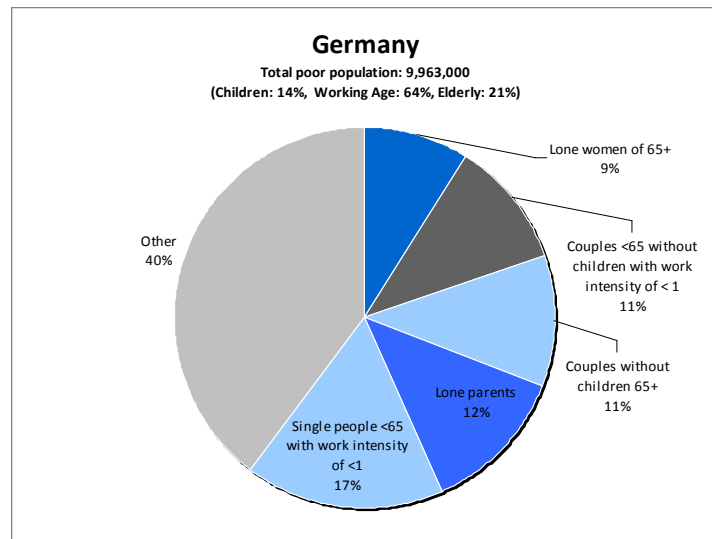
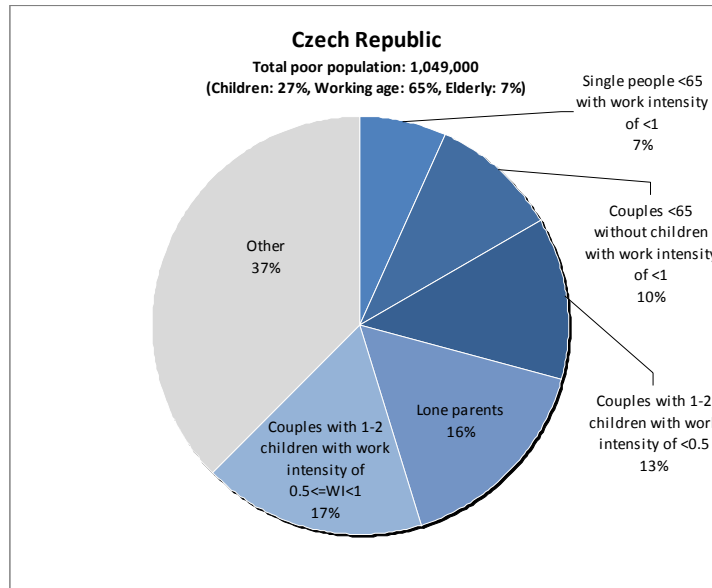
Joblessness, however, is not the only reason for people of working age being at risk of poverty. Low wages also seem to play a role in a number of Member States. This is especially the case in Slovakia, Hungary and Portugal, where those living in households with one or two children and where everyone of working age is in employment make up 12-14 % of the total with income below the threshold, while in the Netherlands, Luxembourg and the UK, the equivalent figure is 9-10 %. The figure in Hungary and Slovakia is increased to 18-20 % if households with three or more children are included, and in the Netherlands to 15 %.

In the Netherlands, this relatively large proportion can be attributed to a large extent to at least one of the people in employment working only part-time, women in particular. This is not the case in Hungary and Slovakia, or indeed Portugal, where relatively few people work part-time. In these countries, therefore, it is predominantly a result of low wage rates.

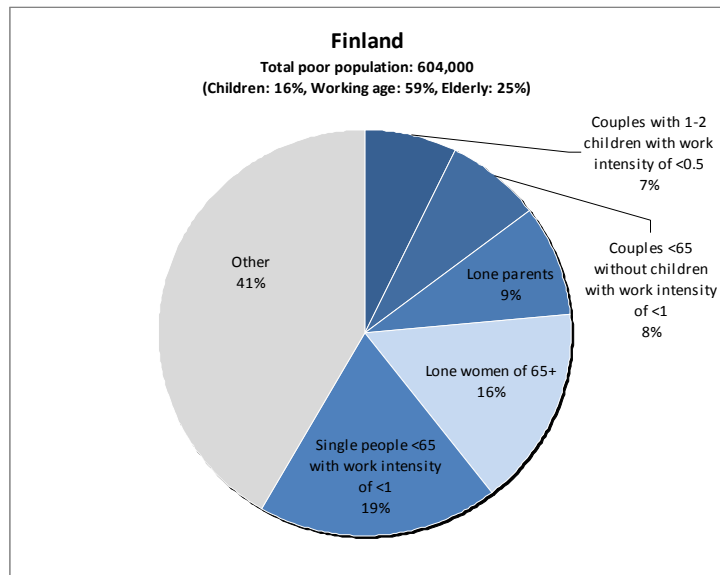
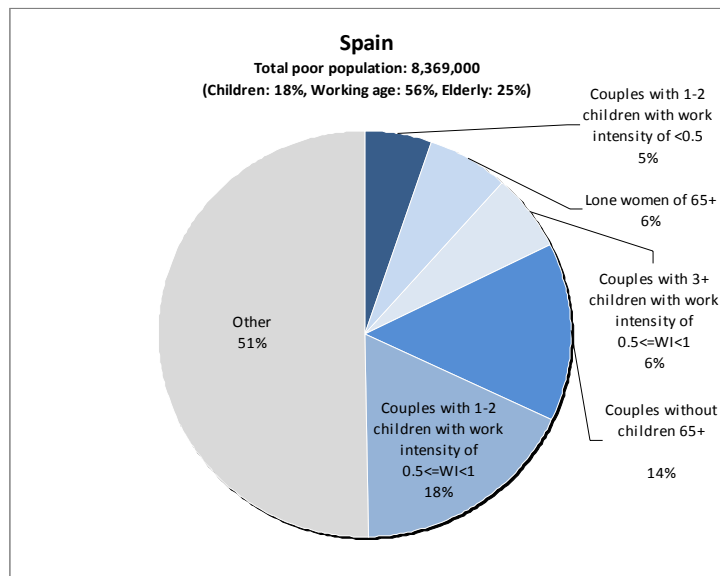
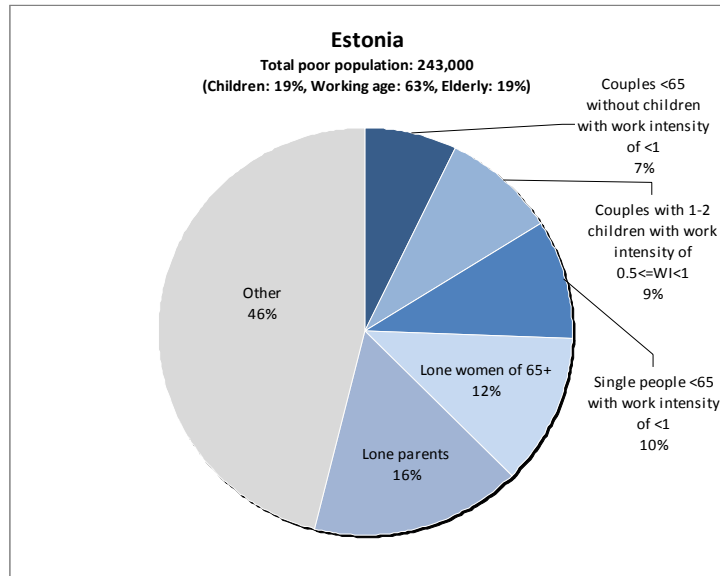
**Figures 7 Individuals at risk of poverty by main household types, 2004**



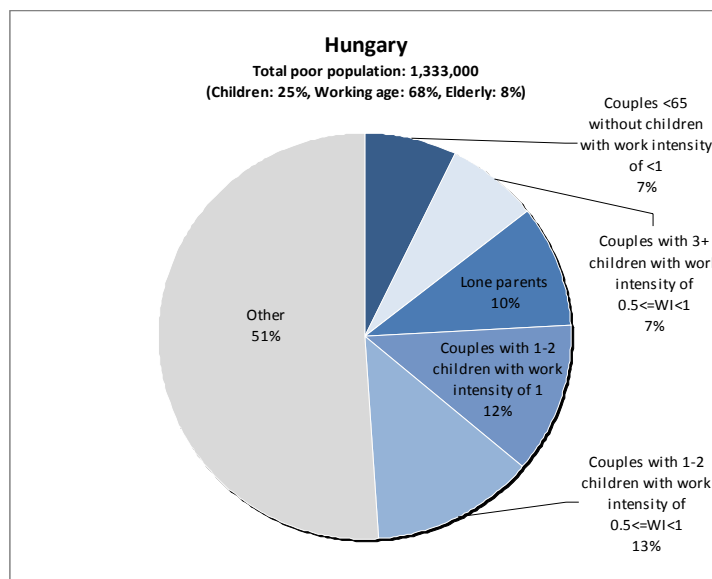
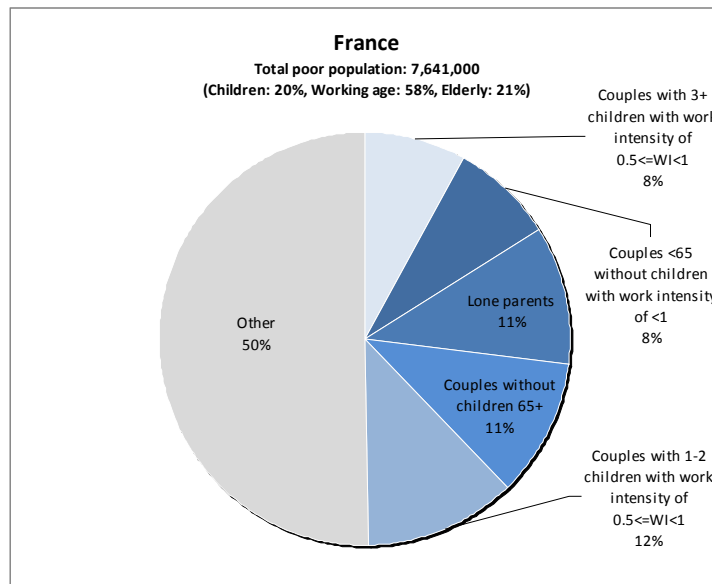
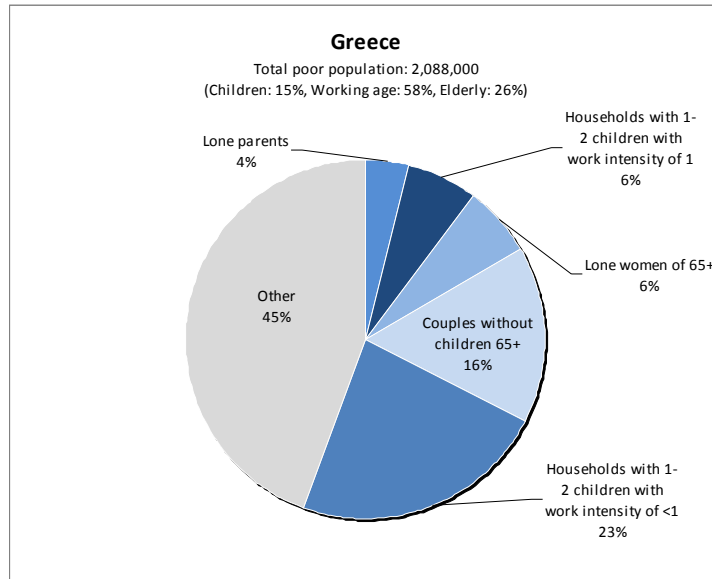
Figures 7 Individuals at risk of poverty by main household types, 2004 (continued)



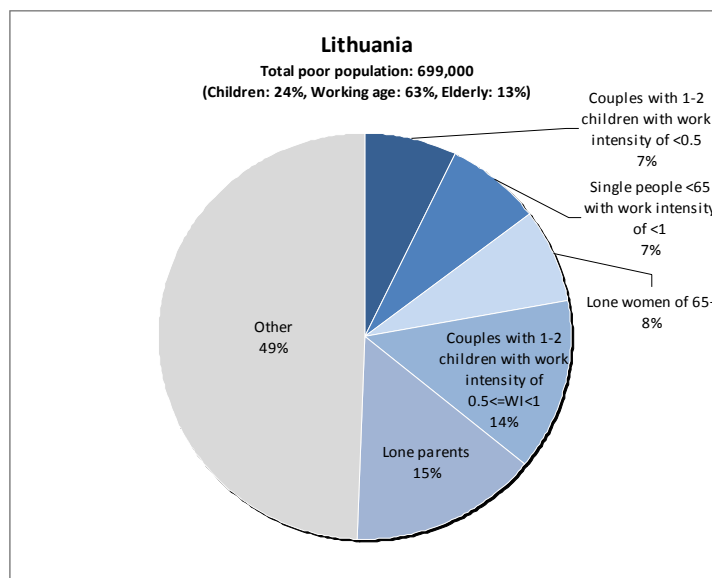
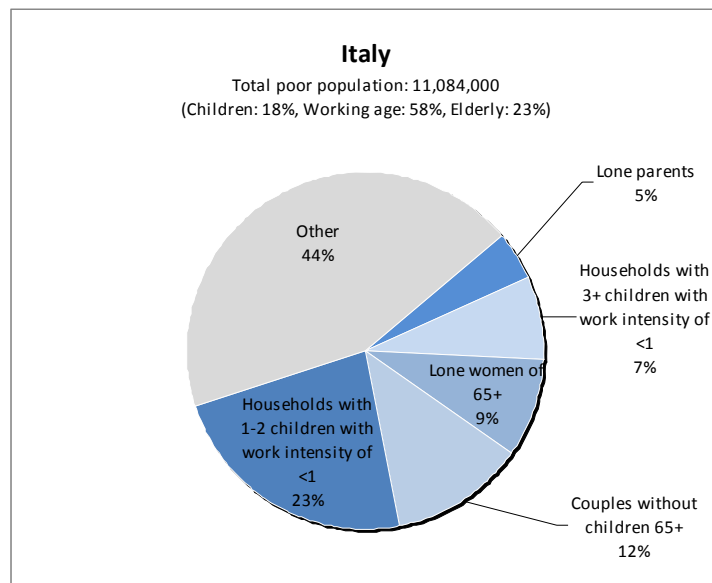
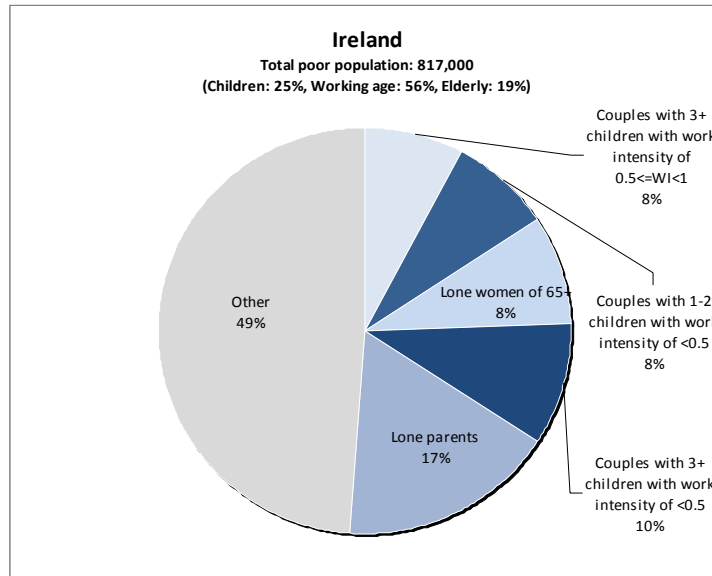
Figures 7 Individuals at risk of poverty by main household types, 2004 (continued)



Figures 7 Individuals at risk of poverty by main household types, 2004 (continued)

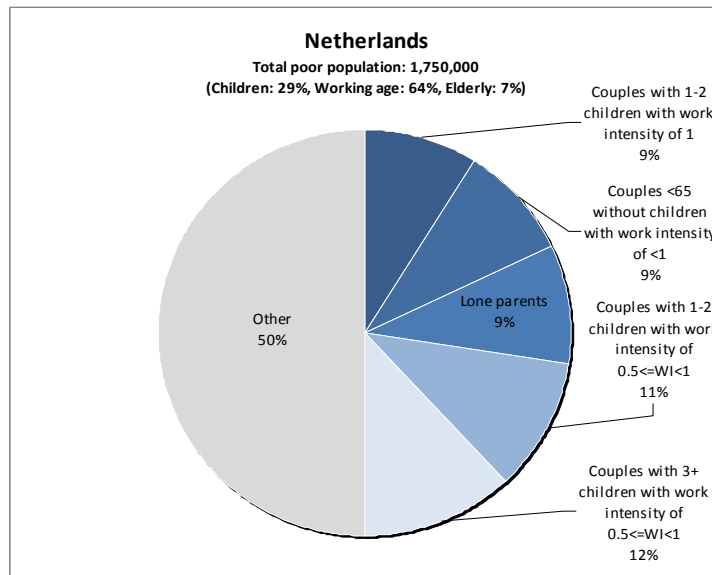
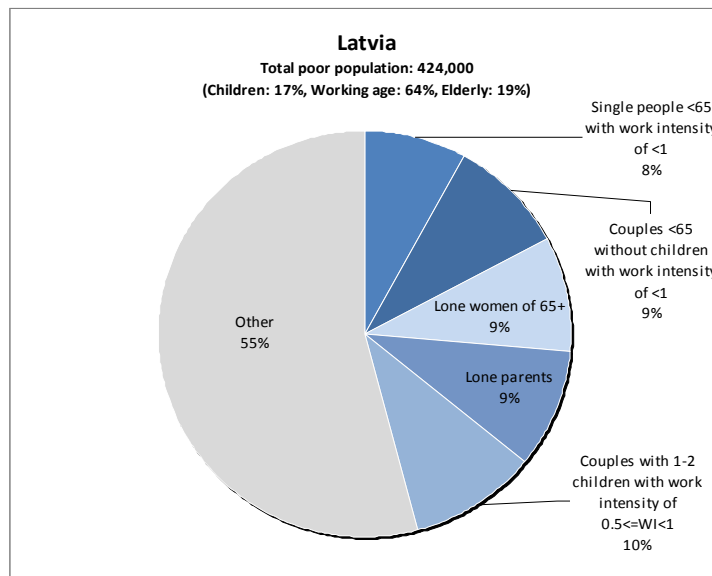
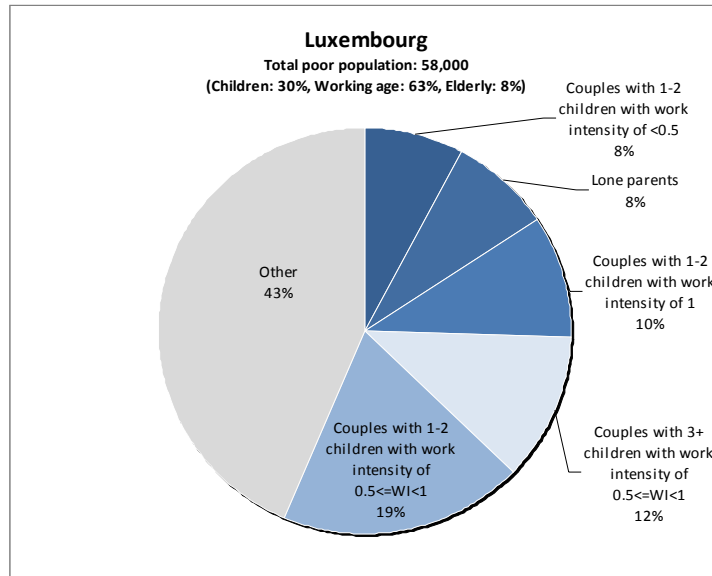


Figures 7 Individuals at risk of poverty by main household types, 2004 (continued)

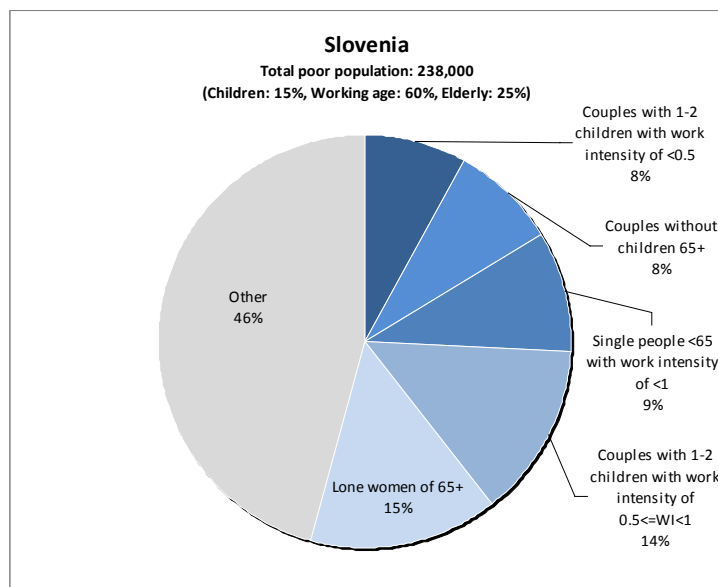
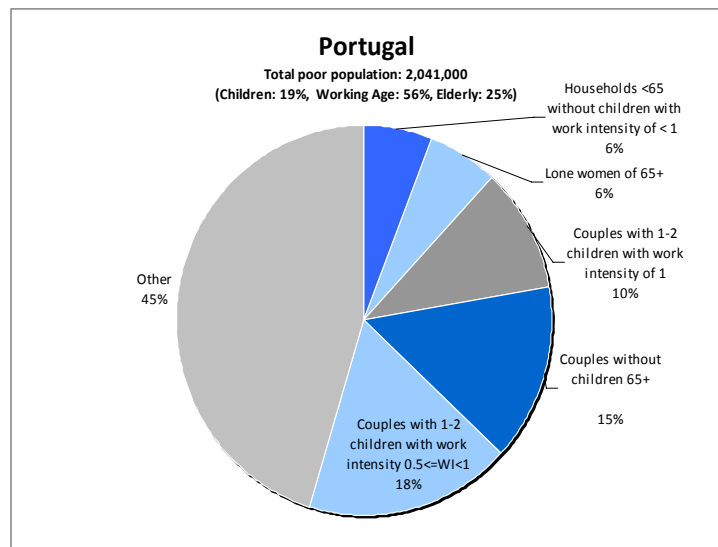
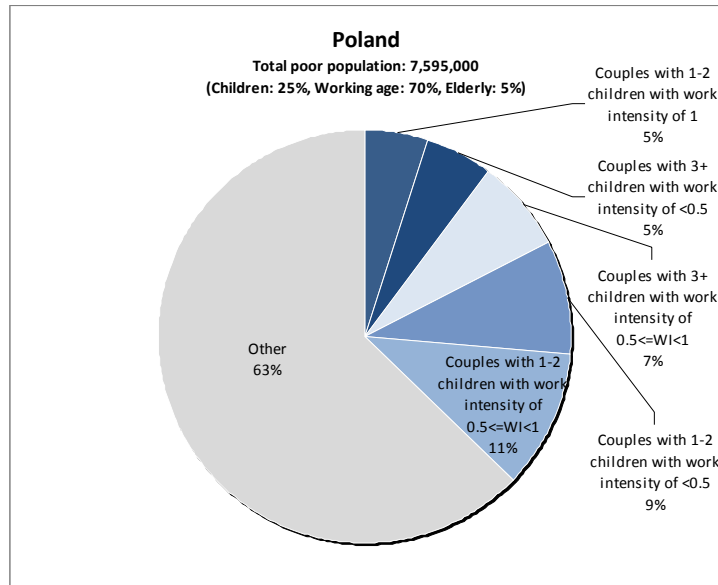




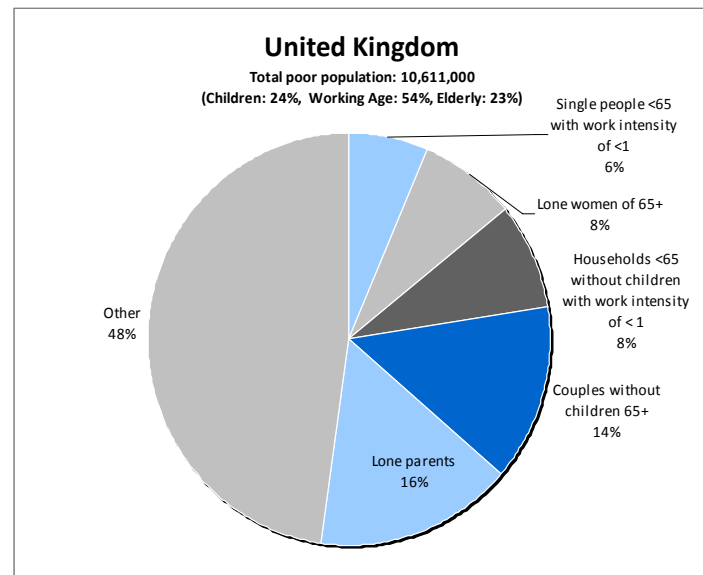
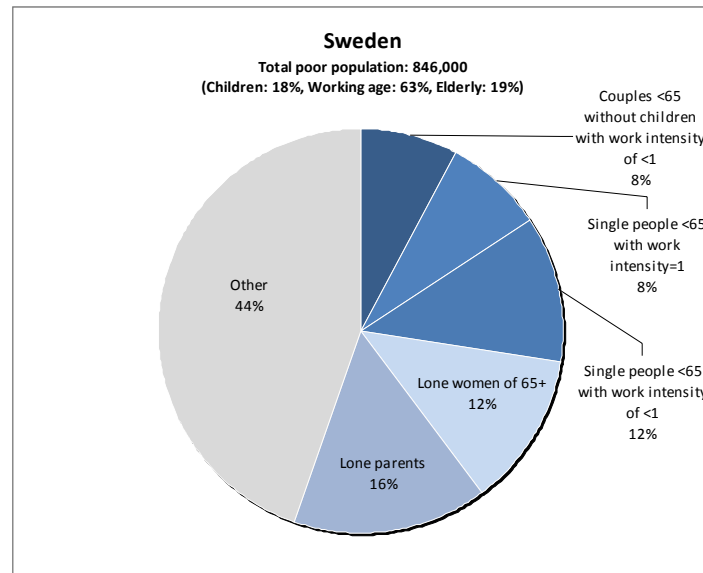
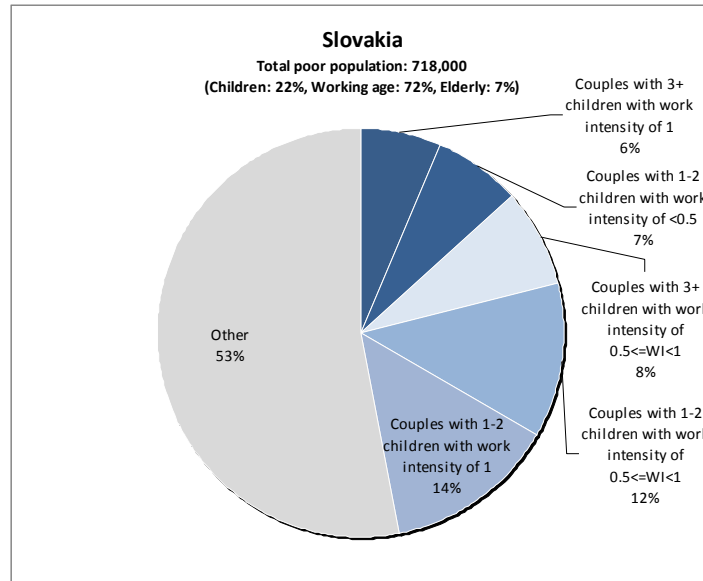
Figures 7 Individuals at risk of poverty by main household types, 2004 (continued)



Figures 7 Individuals at risk of poverty by main household types, 2004 (continued)



Figures 7 Individuals at risk of poverty by main household types, 2004 (continued)



Source: Eurostat – EU-SILC Users' Data Base, version 30 March 2008.

### *Concluding remarks*

The above analysis indicates that there are differences between the social groups which have the highest risk of poverty, in the sense that the proportion of them with income below 60 % of the median in the country where they live is relatively large. These differences reflect the differing composition of households across the EU — and, in particular, the extent to which people live alone instead of sharing a house with a spouse, partner or other people — as well as differences in the level of pensions and social transfers, especially transfers to the unemployed. They also reflect, however, the level of wages in different countries and the ability of households to secure a level of income above the at-risk-of-poverty threshold without more than one person being in employment. This is especially the case for households where there are dependent children, which may point to a lack of affordable childcare preventing both partners from working.

In 14 of the 24 Member States, therefore, *couples with one or two children* where one of the partners is not working (at least throughout the year) are the largest group among those at risk of poverty, while in another three countries they are the second largest group. All of the new Member States apart from Estonia and Cyprus are included in this group of 14 countries. In another two countries, Belgium and Ireland, couples with three or more children where one of the partners is not in work represent the largest group, and these are the second or third largest group among those at risk of poverty in nine of the countries where those with one or two children are the largest.

In other countries, *people living alone* represent the largest group among the population with income below the threshold. This is the case in Denmark, Finland and Sweden as well as in Estonia, where people of working age living alone feature among the main subgroups of the population at risk of poverty, especially if they are not employed throughout the year, (though, in Denmark and Sweden, even if they are). *Lone parents* also figure prominently among the main groups with income below the threshold in these four countries — though to a lesser extent in Finland than in the other three — as they do in Germany and the UK.

In addition, in Denmark, Estonia, Finland, Sweden and the UK, as well as Cyprus, *people of 65 and over* feature among the main groups at risk of poverty, either as couples or women of this age living alone, or both. This is also the case in Greece, Italy, Portugal and Slovenia.

This diversity among the social groups which make up the bulk of those at risk of poverty across the EU emphasises the differences between Member States in the way that policy would need to be focused in order to achieve a major reduction in the number of people at risk of poverty.

### **2.5. Low incomes and living standards in the EU**

The main indicator of the risk of poverty across the EU is the proportion of people with disposable income below 60 % of the national median. However, this measure of relative income can only be regarded as a proxy for the ability of households to maintain a standard of living which enables the people concerned to feel part of their community. As this indicator is calculated relative to national median income, it also leaves open the question of how far people in different Member States have difficulty in affording consumer goods and other items which are taken for granted elsewhere in the Union.

The EU-SILC contains information which throws light on both these issues. In particular, it indicates whether or not people with different income levels are able to afford a range of

consumer durables and an annual holiday as well as basic necessities, like a square meal at least once every other day or paying their utility bills. It also indicates their housing conditions and whether or not they have difficulty in making ends meet or in facing unexpected expenses.

It, accordingly, allows estimates to be made of the relative number of people in each Member State who cannot afford at least one of a range of items, thus possibly causing a sense of deprivation. It also makes it possible to assess the proportion of people who suffer from multiple deprivation in that they are unable to afford more than one of the items in question.

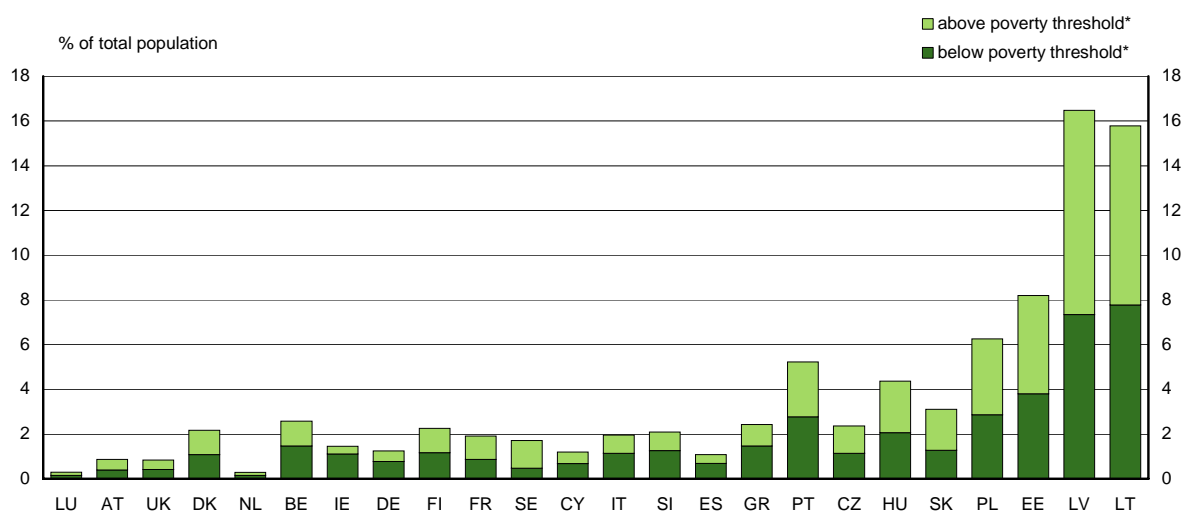
The analysis below examines, first, the various indicators of material deprivation and financial hardship and the proportion of the population in each EU country who report experiencing one or the other or both, distinguishing those with income above and below the at-risk-of-poverty threshold. Secondly, it considers people's housing conditions, focusing on problems like a leaking roof, damp walls, rotten floors or window-frames, and the link between having these kinds of problem and having both low income and financial difficulties. In each case, it also examines the link between the overall prevalence of deprivation and median disposable income per head (measured in equivalised and purchasing power parity terms) across countries.

As such, the results of the analysis are intended to complement the estimates of the risk of poverty, measured by the relative number of people with (equivalised) income below 60 % of the national median, which is one the main indicators for monitoring the social situation across the EU, and to provide an additional insight into the extent of deprivation in different Member States.

#### *Ability to afford key consumer durables*

Analysis of the information contained in the EU-SILC shows that in nearly all EU countries, very few people report being unable to afford either a telephone, a colour TV or a washing machine — or, more accurately, live in households which cannot afford at least one of these items (see Figure 8 — note that countries are ranked in terms of median income per head measured in purchasing power parity terms to pinpoint the relationship between the inability to afford any of these items and the level of income, or more accurately, purchasing power). Around half of those reporting such difficulties for their household have income above the at-risk-of-poverty threshold (60 % of the national median), although in all countries there is a much greater probability of those with income below the at-risk-of-poverty threshold not being able to afford at least one of these items than those with income above. Only in Poland and the three Baltic States does the proportion of people who are unable to afford the above-mentioned consumer goods exceed 5 %, reaching a particularly high level of around 16 % in Latvia and Lithuania.

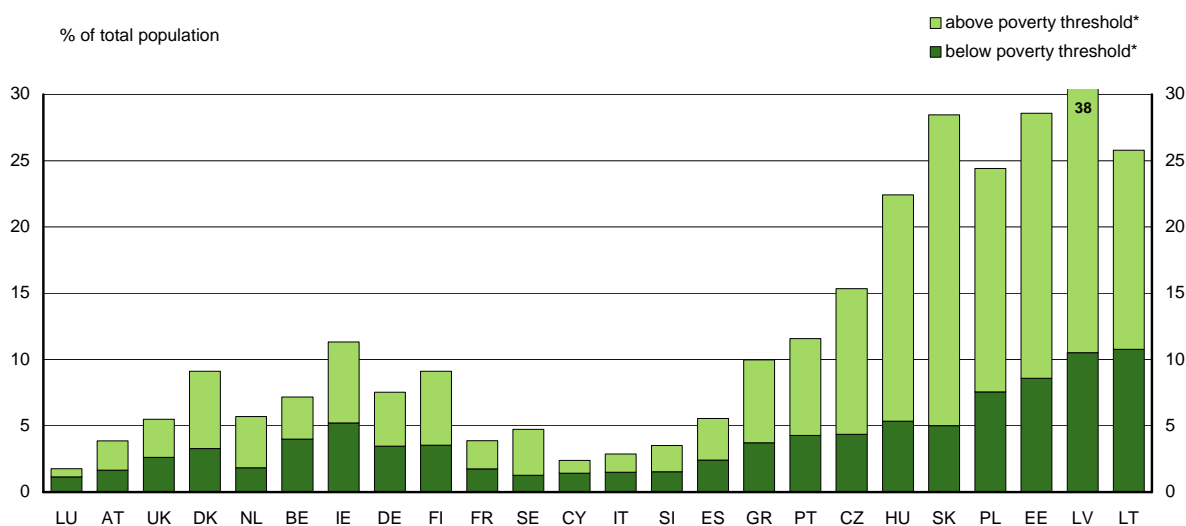
**Figure 8 Proportion of population not able to afford either a telephone, a colour TV or a washing machine, 2005**



\* at-risk-of-poverty threshold: 60 % of the national median equivalised income. Countries are ranked by average disposable income per (equivalised) head measured in PPP terms.  
Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

In all parts of the EU, more people live in households which are unable to afford a car; nevertheless, in most countries the number is relatively small, especially among the EU-15 Member States. Only in Ireland, Greece and Portugal, among the EU-15 countries, did 10 % or more of the population report not being able to afford a car (Figure 9).

**Figure 9 Proportion of population not able to afford a car, 2005**



\* at-risk-of-poverty threshold: 60 % of the national median equivalised income. Countries are ranked by average disposable income per (equivalised) head measured in PPP terms.  
Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

Among the new Member States, the percentage is higher in all countries apart from Slovenia and Cyprus. In the Czech Republic, the figure is around 15 %, in Hungary 22 %, and in Poland, Lithuania, Slovakia and Estonia 25-30 %, while in Latvia, it is as high as 38 %. In each case, substantially more people who say they are unable to afford a car have income above the threshold than below (though again the probability of not being able to

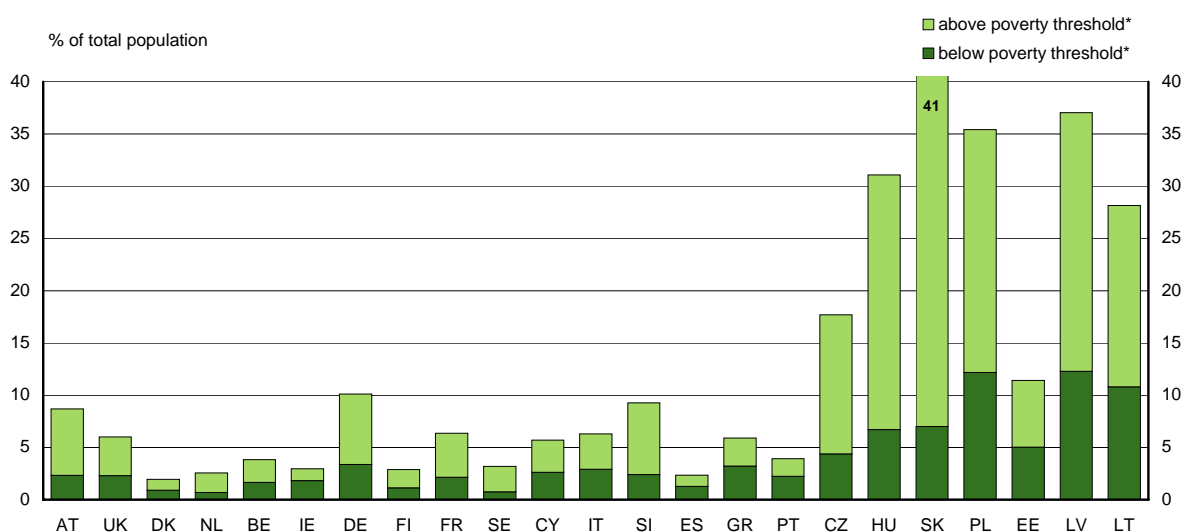
afford a car is much greater among those below — around 50 % or more in each of the three Baltic States).

Whether not being able to afford a car represents a strong form of deprivation or social exclusion is likely to depend, amongst other things, on how widespread car ownership is in the community in which a person lives. While almost all households can afford telephones, colour TVs and washing machines, the proportion of households with a car is around 80 % in the EU-15 countries (slightly less in Greece, Portugal and Denmark), and less than 60 % of people have cars in Hungary, Slovakia, Poland and the three Baltic States, and less than 50 % in Latvia.

#### *Ability to afford a decent meal every other day*

More worryingly perhaps, a large number of people in all the new Member States, except Estonia, report not being able to afford a meal with meat or fish or the vegetarian equivalent at least every other day — something which is defined as a basic need by the World Health Organisation. The proportion often exceeds that of people who report being unable to afford a car. In Hungary, Slovakia, Poland, Latvia and Lithuania, around 30 % or more of the population (slightly below this in Lithuania) and around 40 % in Slovakia state that they cannot afford a decent meal every other day. Most of the people concerned have income above the threshold (Figure 10). What this underlines is that income-based indicators are not sufficient for assessing the intensity of deprivation across the Member States. They also suggest that more attention needs to be given to access to affordable basic nutrition.

**Figure 10 Proportion of population not able to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day, 2005**



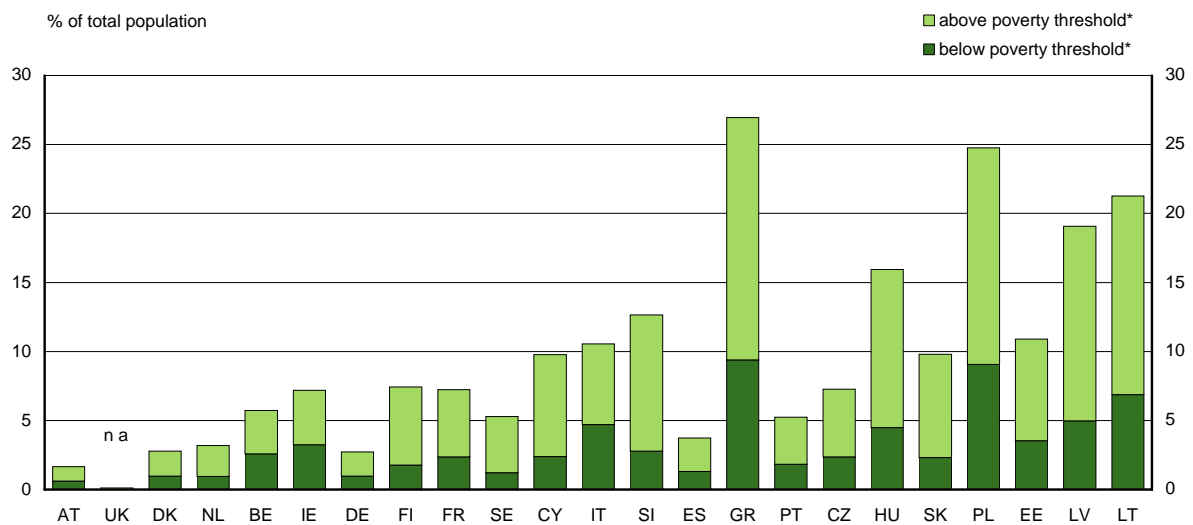
\* at-risk-of-poverty threshold: 60 % of the national median equivalised income. Countries are ranked by average disposable income per (equivalised) head measured in PPP terms.  
Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

In many of the EU-15 countries, including Spain, Greece and Portugal, between two and six percent of the population reported that they could not afford such a decent meal every other day. However, in both Austria and Germany, the proportion of the population was larger — 8 % and 10 % respectively with, in each case, many more people with income above the threshold than below, although this might reflect a slightly different interpretation of the question in these two countries rather than more widespread deprivation as such.

### Arrears on utility bills

Indicators of financial hardship contained in the EU-SILC include being in arrears on utility bills<sup>29</sup>. Here there is less of a difference between the EU-15 countries and the new Member States in the relative numbers. Again, the number concerned is relatively small in most EU-15 countries — 5 % or less in the majority of cases and over 8 % only in Italy (11 %) and, most strikingly, Greece where, at 27 %, it is higher than anywhere else in the EU; two-thirds of the people concerned in Greece have income above the at-risk-of-poverty threshold (Figure 11). In the new Member States, it is less than 10 % in Cyprus, the Czech Republic and Slovakia, but over 20 % in Lithuania and Poland, with again most of those concerned having income above the threshold.

**Figure 11 Proportion of population in arrears on utility bills, 2005**



\* at-risk-of-poverty threshold: 60 % of the national median equivalised income. Countries are ranked by average disposable income per (equivalised) head measured in PPP terms.

Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

### Capacity to face unexpected expenses

The EU-SILC also contains a question on the capacity of households to pay an unexpected cost from their own resources. To make this more objective the amount of the unexpected cost was specified in the question and related to the level of income in each country (specifically to the at-risk-of-poverty threshold) so as to adjust for this and make the answers more comparable between Member States<sup>30</sup>. The number of people who reported not being able to meet the expense was relatively large in all Member States. It was also considerably larger in most of the new Member States than in other parts of the EU, despite the fact that the cost represented a similar share of income to other parts of the EU. This suggests that the ability to meet such costs is not proportionate to income but is less in

<sup>29</sup> It also includes being in arrears on rent and mortgage payments. This, however, does not apply to a large proportion of people in most EU countries because they own their own homes and seem not to have outstanding loans to pay off. This is particularly the case in the new Member States in most of which the great majority of people own the homes they live in and report having no housing costs.

<sup>30</sup> Specifically, respondents were asked whether their household could afford an unexpected required expense of an amount equal to the poverty threshold, expressed as a monthly sum, from its own resources.

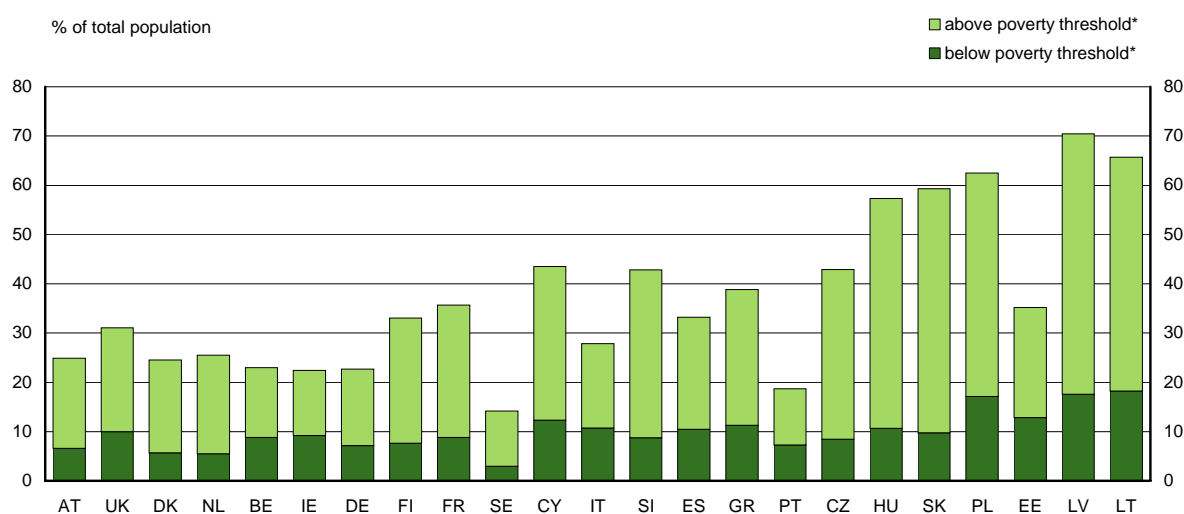


low-income countries, reflecting the smaller amount of money left over after essential items have been purchased.

Even in EU-15 countries, however, with the sole exception of Sweden and, perhaps surprisingly, Portugal, over 20 % of the population reported difficulties in meeting a significant unexpected cost. In the UK, Finland, France and Spain, the proportion was over 30 % and in Greece close to 40 % (Figure 12).

In all the new Member States, with the sole exception of Estonia, where the question was somewhat different, over 40 % of the population reported that they would have difficulties. In Hungary and Slovakia, the proportion was 55-60 % and in Poland, Latvia and Lithuania, 60-70 %. In all cases, over 70 % of those who said they could not meet an unexpected cost had income above the at-risk-of-poverty threshold.

**Figure 12 Proportion of population unable to face unexpected financial expenses, 2005**



\* at-risk-of-poverty threshold: 60 % of the national median equivalised income. Countries are ranked by average disposable income per (equivalised) head measured in PPP terms.  
Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

### *People experiencing at least one form of deprivation*

There is a good deal of overlap between the people reporting difficulties in relation to the items examined above, in the sense that many of the same people appear under the different items. The difficulties, however, are not confined to a small group in many cases. In most countries, a significant proportion of the total population report having problems as regards at least one of the items considered above. Accordingly, there are a great many people across the EU who can be regarded as materially deprived on the strength of at least one indicator. The number, as might be expected, varies in fairly close correlation with the median level of income per head of countries, with a few significant exceptions.

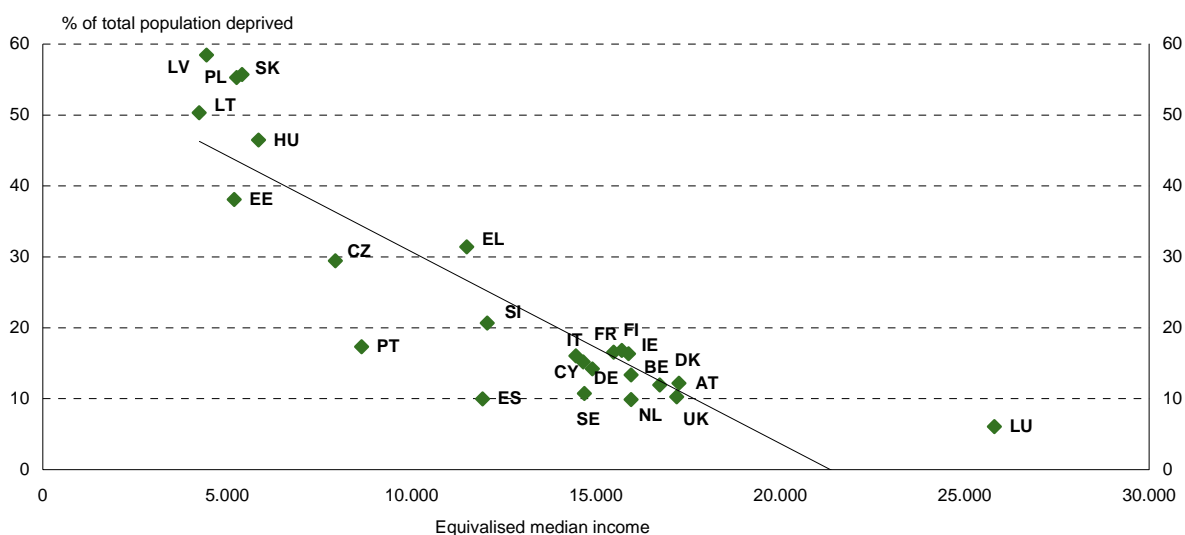
Leaving the capacity to face unexpected expenses aside, the proportion of people who say they cannot afford any one of a telephone, TV, washing machine, a car or a decent meal at least once every other day or who were in arrears on their utility bills amounted to just 6 % in Luxembourg, the country with by far the highest median income per head, and 10-12 % in Austria, the UK, Denmark and the Netherlands, the four countries with the next highest levels (Table 9). The proportion, however, was equally small in Sweden and Spain, where income per head was lower, especially in the latter. Similarly in Portugal, only 17 % of people lived in households not able to afford at least one of the items in question or in

arrears on utility bills, which is the same as in Germany or Finland, where income per head is much higher.

In the new Member States, the proportion was around 40 % or more in all the countries apart from Cyprus and Slovenia, where median income per head is higher than in Spain, Greece or Portugal, and in the Czech Republic, where median income was lower but where the proportion (at 29 %) was also well below 40 %. In Slovakia, Poland, Latvia and Lithuania, it was 50 % or more. In most countries, and in all of the new Member States, around two-thirds or more of those concerned had income above the at-risk-of-poverty threshold.

With a few exceptions, therefore, there is a close inverse association across EU Member States between indicators of financial hardship and the median level of income per head (Figure 13).

**Figure 13 Distribution of EU Member States by equivalised median household income (in PPS) and proportion of population deprived\*, 2004**



\* Unable to afford phone / TV / washing machine / car / decent meal and/or in arrears on utility bills  
Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

If the range of indicators of financial hardship is extended to include a lack of capacity to meet unexpected expenses, the proportion of people reporting negatively in relation to any one of the indicators is increased significantly in all countries, reflecting the limited overlap between this indicator and the others in many cases. The proportion of people concerned increases to 25 % or more in all Member States, except Luxembourg, where it is just below, and Sweden, where it is only 19 %, reflecting the smaller scale of financial difficulties here compared to other parts of the EU. In Greece it is increased to almost half, while in all of the new Member States, except for Cyprus and Slovenia, where it is just below, it is up to 50 % or more. In Slovakia, Poland, Latvia and Lithuania the proportion exceeds 70 %.

Table 9 Population deprived according to at least one indicator, 2005

	% of total population						% unable to meet unexpected costs		
	Phone, TV, washing machine, car, meal, utility bills			Phone, TV, washing machine, car, meal, utility bills+unexpected cost			Extent of overlap of capacity to meet unexpected costs with items in first columns		
	Total	Income above 60 % median	Income below 60 % median	Total	Income above 60 % median	Income below 60 % median	Total	Income above 60 % median	Income below 60 % median
LU	6	3	3	23	15	8	21	14	32
AT	12	9	4	29	22	7	33	28	46
UK	10	6	4	33	22	10	28	23	40
DK	12	8	4	28	22	7	33	27	55
NL	10	7	3	28	22	6	30	26	44
BE	13	7	6	26	17	10	44	34	60
IE	16	9	7	28	17	11	47	39	57
DE	17	11	6	29	21	9	46	38	64
FI	17	12	5	37	28	8	39	34	57
FR	14	10	5	38	29	9	33	28	48
SE	11	8	2	19	15	4	38	36	47
CY	15	10	5	46	34	13	28	24	39
IT	16	9	7	33	21	12	39	31	52
SI	21	16	5	47	38	9	38	35	52
ES	10	6	4	36	25	11	21	17	30
EL	31	21	11	49	35	14	54	47	70
PT	17	11	6	27	18	9	46	39	58
CZ	29	23	7	50	41	9	52	46	73
HU	46	37	10	66	55	12	65	62	82
SK	56	47	9	72	62	11	72	71	80
PL	55	40	16	73	54	18	72	68	84
EE	38	27	12	50	35	15	66	62	74
LV	58	43	16	78	59	18	73	68	86
LT	50	35	16	72	53	19	67	60	83
EU-25	20	13	6	38	28	11	44	39	57

Note: Countries are ranked by median disposable income per head on an equivalised basis and measured in purchasing power terms.

Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

In the new Member States, again with the exception of Cyprus and Slovenia, there is a higher degree of overlap between being unable to meet unexpected expenses and the other indicators of deprivation or financial hardship than in all the EU-15 countries apart from Greece. In the Czech Republic over 50 % of those without the resources to cover an unexpected expense also report being unable to afford one or more of the items taken as indicators of deprivation; in the other transition countries this proportion rises to over 65 %. The extent of overlap is particularly large among those with income below the at-risk-of-poverty threshold. In Hungary, Slovakia, Poland, Latvia and Lithuania 80 % or more of those with income below the threshold and reporting an inability to meet unexpected expenses also report financial difficulties in relation to the other indicators.

#### *Housing conditions*

A significant number of people in all Member States, with the exception of the three Nordic countries and Slovakia, report problems with leaking roofs, damp walls, rotten floors and window frames or similar. The percentage of the population concerned ranges in

the EU-15 countries from 10 % in Austria to around 20-21 % in Greece and Portugal and 23 % in Italy (Table 10). In the latter three countries, however, it is perhaps not so much of a problem as in the north of Europe given the warmer climate. In all the countries well over two-thirds of the people affected have income above the at-risk-of-poverty threshold, though it is still the case that a much larger share of those with income below this report this kind of problem (20-30 % of them in all the countries apart from Austria and the three Nordic countries).

**Table 10 Population reporting various problems with housing, 2004, % of total population**

		<i>Leaking roof, damp walls, floors...</i>	<i>No indoor bath or shower</i>	<i>No indoor toilet for sole use</i>	<i>Leaking roof, etc + no bath</i>	<i>Leaking roof, etc + no toilet</i>	<i>All 3 problems</i>	<i>At least 1 of 3 problems</i>
<b>LU</b>	>60 % median	12	0	0	0	0	0	12
	<60 % median	3	0	0	0	0	0	3
<b>AT</b>	>60 % median	8	0	1	0	0	0	9
	<60 % median	2	0	1	0	0	0	2
<b>UK</b>	>60 % median	11	0	1	0	0	0	11
	<60 % median	4	0	0	0	0	0	4
<b>DK</b>	>60 % median	7	0	0	0	0	0	7
	<60 % median	1	0	0	0	0	0	2
<b>NL</b>	>60 % median	15	0	0	0	0	0	15
	<60 % median	3	0	0	0	0	0	3
<b>BE</b>	>60 % median	11	1	1	0	0	0	12
	<60 % median	4	1	0	0	0	0	4
<b>IE</b>	>60 % median	8	0	0	0	0	0	8
	<60 % median	4	0	0	0	0	0	4
<b>DE</b>	>60 % median	11	0	1	0	0	0	11
	<60 % median	3	0	0	0	0	0	3
<b>FI</b>	>60 % median	4	1	1	0	0	0	5
	<60 % median	1	1	0	0	0	0	1
<b>FR</b>	>60 % median	10	1	1	0	0	0	10
	<60 % median	3	0	0	0	0	0	3
<b>SE</b>	>60 % median	5	0	0	0	0	0	5
	<60 % median	1	0	0	0	0	0	1
<b>CY</b>	>60 % median	29	1	1	0	0	0	30
	<60 % median	7	1	1	1	0	0	7
<b>IT</b>	>60 % median	17	0	0	0	0	0	17
	<60 % median	6	0	0	0	0	0	6
<b>SI</b>	>60 % median	15	1	1	1	0	0	16
	<60 % median	4	1	1	1	1	0	4
<b>ES</b>	>60 % median	13	0	0	0	0	0	13
	<60 % median	5	0	0	0	0	0	5
<b>EL</b>	>60 % median	15	1	2	0	1	0	16
	<60 % median	6	1	2	1	1	0	7

		<i>Leaking roof, damp walls, floors...</i>	<i>No indoor bath or shower</i>	<i>No indoor toilet for sole use</i>	<i>Leaking roof, etc + no bath</i>	<i>Leaking roof, etc + no toilet</i>	<i>All 3 problems</i>	<i>At least 1 of 3 problems</i>
<b>PT</b>	>60 % median	14	2	2	1	1	1	15
	<60 % median	6	2	1	1	1	1	6
<b>CZ</b>	>60 % median	17	1	1	0	1	0	18
	<60 % median	3	1	1	1	1	1	3
<b>HU</b>	>60 % median	27	5	5	3	3	3	29
	<60 % median	6	3	3	2	2	2	7
<b>SK</b>	>60 % median	5	1	2	0	1	0	7
	<60 % median	2	1	1	0	0	0	2
<b>PL</b>	>60 % median	32	5	4	4	3	3	33
	<60 % median	12	4	3	3	3	3	13
<b>EE</b>	>60 % median	18	14	12	5	4	4	28
	<60 % median	7	6	5	3	2	2	10
<b>LV</b>	>60 % median	29	14	14	9	8	8	36
	<60 % median	11	9	9	6	6	6	13
<b>LT</b>	>60 % median	23	13	15	6	6	5	32
	<60 % median	9	10	10	5	5	5	15

Note: Countries ranked by median equivalised income of people  
Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

In the new Member States, apart from Slovakia (where there are few reported problems with housing), the number of people with housing problems of this kind range from 19-20 % of the total population in Slovenia and the Czech Republic and 25 % in Estonia to 32-33 % in Hungary and Lithuania and 40-44 % in Latvia and Poland. Again, as in the EU-15 countries, the large majority of the people concerned by such housing problems — over three-quarters — have income above the threshold. However, the share of people experiencing such problems is much higher among those with income below the threshold: 30-33 % in Slovenia and the Czech Republic, 37 % in Estonia and over 40 % in all the other countries. The people concerned, therefore, experience both a low income and poor housing conditions.

In the new Member States, a leaking roof, damp walls or similar problem also goes together in some cases with the lack of a bath, shower or indoor flushing toilet for the sole use of the household, whereas very few people in the EU-15 countries lack these amenities. This is particular the case in the lowest-income countries. In Hungary 5 % of the population had both leaking roof, damp walls or similar problems and had no indoor bath, shower or toilet. In Poland and Estonia the proportion was 6 %, in Lithuania 10 % and in Latvia as much as 14 %.

### Poor housing conditions and financial hardship

In a number of cases, those living in poor housing conditions also face financial hardship — indeed the latter tends to exacerbate the former. This is the case in Poland, in particular, where 21 % of the population in 2005 reported that they both lived in poor housing conditions and could not afford a meal of meat or fish, or the vegetarian equivalent, at least every other day (Table 11). Over 60 % of these had income above the at-risk-of-poverty threshold, but 8 % of the total population could not afford such a meal, lived in poor housing and had low income. In Latvia, the proportion facing all three problems was only slightly smaller at 7 %.

**Table 11 People living in poor housing conditions who also have financial problems, 2004**

	% total population					
	Those with leaking roof, damp walls or similar problems who also:					
	Cannot afford a meal of meat or fish every other day			Are in arrears on utility bills		
	Total	>60 % median	<60 % median	Total	>60 % median	<60 % median
LU	0.6	0.3	0.3	1.0	0.5	0.5
AT	1.7	1.2	0.5	0.5	0.3	0.2
UK	1.3	0.7	0.6	n a	n a	n a
DK	0.2	0.1	0.1	0.4	0.3	0.1
NL	0.6	0.4	0.2	1.0	0.8	0.3
BE	1.2	0.5	0.7	2.1	1.0	1.1
IE	1.0	0.4	0.7	2.3	1.1	1.3
DE	2.4	1.4	1.0	0.9	0.6	0.3
FI	0.4	0.3	0.1	0.9	0.6	0.2
FR	1.5	0.9	0.6	1.9	1.2	0.7
SE	0.2	0.1	0.1	0.7	0.5	0.2
CY	3.1	1.7	1.4	5.5	4.1	1.4
IT	2.7	1.4	1.3	4.2	2.1	2.0
SI	3.3	2.2	1.0	4.2	2.9	1.3
ES	0.8	0.3	0.6	1.1	0.7	0.4
EL	2.6	1.2	1.4	8.1	4.8	3.3
PT	2.1	0.7	1.3	1.5	0.8	0.8
CZ	5.9	4.2	1.7	2.9	1.9	1.0
HU	14.3	10.3	4.0	8.7	5.7	2.9
SK	4.1	2.8	1.3	1.1	0.5	0.6
PL	20.6	12.6	7.9	14.8	8.8	6.1
EE	5.3	2.8	2.5	4.9	3.1	1.8
LV	18.1	11.0	7.1	9.8	6.9	2.9
LT	11.4	6.2	5.2	9.8	6.3	3.4

Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

Elsewhere the proportion living in poor housing conditions and at the same time not being able to afford a square meal every other day was also over 10 % in Hungary (14 %) and Lithuania (11 %). In other Member States, however, especially in the EU-15, the link between poor housing and financial hardship was less close: under 4 % of the population in all countries apart from the Czech Republic, Slovakia and Estonia experienced this particular combination of problems.

The same is broadly true if being in arrears on utility bills is taken as an indicator of financial hardship. The proportion of the population reporting both kinds of problem was

again relatively large in Poland (15 %) as well as Latvia and Lithuania (10 %); in Greece, too, this combination of problems was relatively common (8 %).

#### *Socio-economic inequalities in mortality and morbidity*

Low incomes may not only result in poor living conditions, but may even be reflected in poorer health and increased mortality. Several studies focus on this connection and reveal that income, occupational status, education and psychosocial factors affect the distribution of morbidity, particularly cardiovascular diseases and mental illness, within countries and tend to reduce life expectancy substantially (four to six years among men, two to four years among women). As a consequence, people with a low socio-economic status not only die younger, but also tend to be ill for more years during their lifetime<sup>31</sup>.

The relation between health conditions and social economic status operates indirectly through several specific health determinants. Material factors, such as low income and increased exposure to health risks, are certainly partly responsible for this outcome. Socio-economically disadvantaged people are also more likely to suffer from psycho-social stress. Work organisation, for instance, has proved to be an important factor in explaining socio-economic inequalities in cardiovascular health. Unhealthy behavioural traits (smoking, inadequate diet, excessive alcohol consumption, lack of physical exercise etc) tend to be more prevalent in the lower socio-economic groups in many European countries<sup>32</sup>.

Differences in access to health services across socio-economic groups have also been observed and may contribute to health inequalities. In some EU-15 and almost all new Member States, people with higher income report easier access to hospitals. The accessibility gap in the EU-15 between the highest and lowest income quartile is more than 20 % in Belgium, France, Italy, Portugal and the UK; in the new Member States the difference is less than 20 % only in the Czech Republic, Slovenia, Estonia, Lithuania, and Latvia; in Hungary and Slovakia it is larger than 30 %. The differences are, however, less marked with reference to general practitioner's services (Figure 14). Unemployed and retired people have on average greater difficulty than the employed in getting to hospital. This is the case in all European countries, both in terms of geographical barriers and the likelihood of being admitted, but the difference is more marked in the new Member States<sup>33</sup>.

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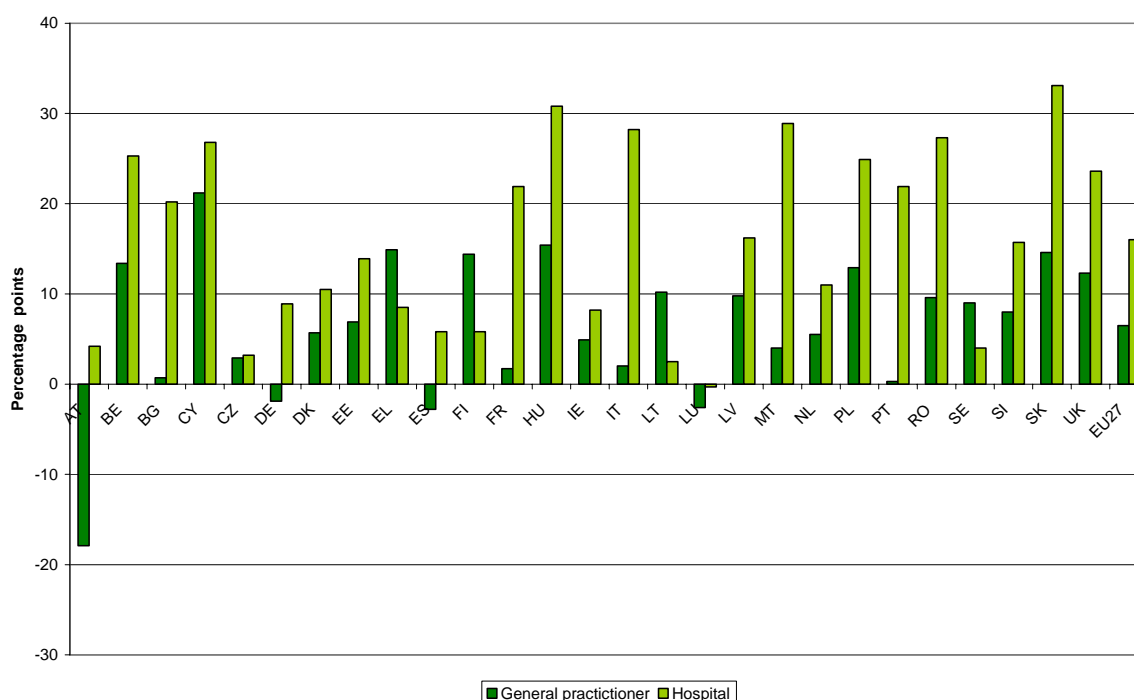
<sup>31</sup> J.P. Mackenbach *Health Inequalities: Europe in Profile*, February 2006.

<sup>32</sup> Ibidem

<sup>33</sup> Alber, J. and Kohler, U., 'Health and care in an enlarged Europe', Dublin, European Foundation for the improvement of working and living conditions, 2004)



**Figure 14 Proximity to hospitals and general practitioner's services: difference between lowest and highest income quintile**



Note: proximity is measured by access to a hospital and general practitioners' services in less than 20 minutes.

Source: Alber and Köhler, 2004 based on Eurobarometer 52.1, Q17/D29; Candidate Countries Eurobarometer 2002.1, Q25/D29: if you had to go to each of the following places from home, how long would it take you? — The nearest hospital.' 'Your general doctor/health centre.'

There are wide inequalities in self perceived health between groups based on level of education, with the worst educated reporting 2-3 times the level of fair/poor health. These differences have persisted throughout the 1980s and 1990s. Health inequalities by socio-economic status and by education in particular have been observed<sup>34</sup> in self-assessed health in Austria, Denmark, England, Italy, Finland, the Netherlands, Norway, West Germany, and Spain (see Table 12). Between the 1980s and the 1990s, socio-economic inequalities in self-assessed health remained, on average, stable for men but increased slightly for women. Increasing inequalities were observed in Italy, the Netherlands and Spain, but this was not seen in Northern countries.

<sup>34</sup> Kunst et al, 'Trends in socio-economic inequalities in self-assessed health in 10 European countries', International Journal of epidemiology 34(2): 295-306, 2005).

**Table 12 Magnitude of educational differences in fair/poor self-assessed health: men and women aged 25-69 years; odds ratios (95 % confidence intervals)**

Country	Men		Women	
	1980s	1990s	1980s	1990s
<b>AT</b>	3.39 (2.92-3.93)	3.22(2.79-3.71)	2.75 (2.37-3.19)	2.67 (2.31-3.07)
<b>DK</b>	2.93 (2.16-3.9)	2.30 (1.73-3.04)	3.10 (2.13-4.50)	2.84 (2.10-3.82)
<b>UK</b>	3.11 (2.27-4.25)	3.08 (2.57-3.68)	2.08 (1.59-2.71)	2.66 (2.21-3.19)
<b>FI</b>	3.15 (2.55-3.88)	2.99 (2.44-3.66)	2.86 (2.28-3.58)	3.29 (2.60-4.18)
<b>IT</b>	2.05(1.79-2.34)	2.94 (2.54-3.40)	1.86 (1.62-2.15)	2.55 (2.20-2.95)
<b>NL</b>	2.95 (2.46-3.52)	2.81 (2.39-3.30)	1.95 (1.63-2.35)	2.12 (1.81-2.49)
<b>NO</b>	2.37 (1.71-3.29)	2.37 (1.70-3.30)	3.32 (2.37-4.66)	3.06 (2.22-4.23)
<b>ES</b>	1.86 (1.56-2.17)	2.58 (1.81-3.67)	1.97 (1.63-2.37)	3.10 (2.18-4.41)
<b>DE (W)</b>	1.50 (1.20-1.88)	1.76 (1.44-2.14)	1.89 (1.43-2.50)	1.91 (1.50-2.44)

The reference category in all countries is higher educational level  
Source: Kunst et al, 2005.

### *Concluding remarks*

The above analysis suggests that material deprivation and financial hardship does not only affect people with income below the at-risk-of-poverty threshold. It is particularly widespread in the poorer new Member States, where a significant proportion of the population live in households which report not being able to afford particular consumer goods or a decent meal at least once every other day. Most of the people concerned have income above the at-risk-of-poverty threshold. The same is true for other indicators of financial hardship, namely being in arrears on utility bills and not having the resources to meet unexpected expenses.

Equally, a significant number of people in many parts of the EU report living in poor housing, once again in the new Member States in particular, in some cases in accommodation which lacks an indoor bath or shower and/or an indoor flushing toilet for the sole use of the household. In the lowest-income countries, in particular, a sizeable proportion of the population both live in poor housing and face financial hardship. Again many of these have income above the threshold.

However, it is people at the lower end of the income distribution who are most likely to face material deprivation and financial hardship. In addition, the lower socio-economic groups are disadvantaged in terms of health, resulting in poorer access to health care, a worse self-assessed health status and, ultimately, lower life expectancy.

It is evident from the analysis, therefore, that the indicators on material deprivation, financial hardship, housing conditions and health provide an important additional insight into the extent of poverty and social exclusion over and above what can be gleaned from the indicator of the risk of poverty based on income levels relative to the median in each country. In particular, material deprivation indicators highlight disparities across the Member States that do not show up in the same way when looking at income-based indicators. Efforts to reduce relative poverty in each Member States must go hand in hand with determined efforts to raise living standards across all socio-economic groups, particularly in the poorer Member States.

### 3. THE SCOPE FOR MORE EQUAL OPPORTUNITIES

This part of the Social Situation Report examines the extent to which European societies fail to offer equal opportunities and hence to make full use of their human potential. It is based on a first analysis of the EU-SILC module on the intergenerational transmission of disadvantages (3.1) and on an analysis of the risk of poverty among children with migrant family background.

#### 3.1. Intergenerational transmission of disadvantages

The extent to which a person's life chances are affected by their family background and how far it is possible for someone to escape from a less advantaged background provide a measure of social mobility across the EU.

The EU-SILC for 2005 included a special *ad hoc* module which addressed this issue. Specifically, each respondent aged 25-65 was asked a set of questions about the situation of their parents when the respondent was aged between 12 and 16. The analysis here examines the responses to these questions and what they reveal, first, about the educational attainment level of parents and their children and the closeness of the links between the two, and, secondly, about the same kind of links as regards the jobs held by parents and their children. The strength of these links are indicated below in terms of the 'odds ratio', which measures the increased probability of, for example, someone whose father or mother had a university degree or the equivalent (i.e. a tertiary level of education) him/herself having this level of qualification as compared with someone whose parents had a lower education level.

The results of the analysis are not only interesting in themselves but are important for the light they throw on the scale of obstacles to achieving true equality of opportunity for people throughout the EU, irrespective of their social origin, and ensuring that everyone is given the chance to realise their potential and contribute to the full to economic advancement and rising living standards. Such obstacles could be a major constraint to the pursuit of the Lisbon agenda and to securing its central aim of making the EU *the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion*, as was stated in the Conclusions of the Lisbon European Council of March 2000.

##### *The link between the education level of fathers and their children*

Differences in education systems across the EU and in the relative number of people attaining different levels of education complicate any comparison of the influence of parents on the education level attained by their children. In particular, taking two extremes, the proportion of people aged 25-64 with no education beyond compulsory schooling (lower secondary education or below) varies from 74 % in Portugal to 10 % in the Czech Republic, while the proportion with upper secondary education, but not tertiary level, varies from under 14 % in the former to 77 % in the latter.

The probability of someone attaining an upper level of secondary education is, therefore, much lower in Portugal than in the Czech Republic, irrespective of the level of education of the father or mother. By the same token, in the Czech Republic, only around 12 % of people aged 25-64 have tertiary education as compared with 35 % in Finland, which implies that there is a much smaller chance of attaining this level of education in the former than the latter, again irrespective of the father's or mother's education.

These large differences should be kept in mind when interpreting the results presented below. The analysis focuses on the relative chances of men and women attaining tertiary

education in relation to the education level of their parents, because there is more similarity in the proportion of those with tertiary education across the EU and, accordingly, the results are less subject to distortion, but also because tertiary education is becoming increasingly important to economic performance.

The probability of men and women aged 25-64 having tertiary level education is significantly higher in all EU Member States if their father had the same level of education than if he had a lower level.

**Table 13 Probability of attaining High education, of women and men, aged 25-65, by education level of father**

Country	Father not present	Highest education attained by father			Odds ratio High/Low	Odds ratio High/ Father not present
		Low	Medium	High		
CZ	0.10	0.05	0.12	0.52	11.0	5.1
PL	0.08	0.07	0.24	0.69	9.7	9.1
HU	0.14	0.07	0.19	0.60	9.1	4.2
SI	0.07	0.05	0.20	0.42	8.0	6.0
IT	0.08	0.08	0.36	0.64	7.7	7.7
SK	0.15	0.08	0.20	0.52	6.7	3.5
LU	0.21	0.12	0.32	0.80	6.5	3.8
PT	0.09	0.11	0.58	0.65	6.0	6.9
LV	0.14	0.12	0.26	0.58	4.7	4.1
CY	0.18	0.20	0.55	0.81	4.1	4.6
EL	0.18	0.16	0.46	0.65	4.1	3.7
LT	0.18	0.17	0.36	0.65	3.8	3.7
<b>EU-25</b>	<b>0.18</b>	<b>0.18</b>	<b>0.33</b>	<b>0.63</b>	<b>3.6</b>	<b>3.4</b>
AT	0.15	0.14	0.26	0.51	3.6	3.3
IE	-	0.23	0.56	0.82	3.5	-
FR	0.12	0.22	0.53	0.72	3.3	6.0
ES	0.20	0.22	0.51	0.72	3.3	3.7
DK	-	0.18	0.28	0.57	3.2	-
BE	0.18	0.25	0.54	0.79	3.2	4.3
NL	0.25	0.25	0.43	0.69	2.8	2.8
SE	0.21	0.24	0.52	0.63	2.6	3.1
EE	0.21	0.22	0.36	0.58	2.6	2.8
UK	-	0.29	0.43	0.69	2.4	-
FI	0.27	0.29	0.45	0.62	2.2	2.3
DE	0.31	0.28	0.35	0.58	2.1	1.9

Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

In all the EU Member States for which data are available (i.e. the 27 less Bulgaria, Malta and Romania), with the sole exception of Slovenia, the probability of someone having completed tertiary education is over 50 % if their father had tertiary education (Table 13). Moreover, in all countries, the chances of people having this level of education if their father had the same level are over twice as high as for people whose fathers had only basic schooling ('low' education in the table). In the Czech Republic, Poland and Hungary, the chances are over nine times greater (i.e. the odds ratio thus calculated is over nine) and in

Slovenia and Italy around eight times greater. Indeed, in all the new Member States covered, apart from Estonia, the odds ratio is around four or higher.

At the other extreme, in the Netherlands, Sweden, the UK, Finland and Germany, as well as Estonia, the odds ratio is under three — though still of course over two — implying that there is less of an obstacle in these countries than elsewhere to someone whose father had only basic schooling attaining tertiary education, but that the obstacle is, nevertheless, significant.

Having no father living at home during a person's early teenage years — i.e. being brought up by a lone mother — seems to have a similar influence on the child's education level as having a father with only a basic level of education (which could have more to do with the education level of the mothers than the fact of having no father at home).

*The link between education levels of fathers and that of sons and daughters*

The influence of the father's education level is similar for sons and daughters considered separately, in the sense that for both the chances of having tertiary education if their father had also completed tertiary education are much greater than if their father had a lower level of education. In both cases, the odds ratio, comparing fathers with tertiary education with fathers with only basic schooling, is around two or over in all countries (Table 14a and 14b).

There are a number of countries, however, where the odds ratio is higher for daughters than sons, implying that it is more difficult for women to attain tertiary education if their father had only basic schooling than it is for men. This is the case, in particular, in the Czech Republic, Hungary, Germany, Austria and the Netherlands. However, the reverse is true in Denmark, Sweden and Portugal, suggesting that the obstacles are less for daughters.

Tables 14a and 14b Probability of attaining High education of men and women aged 25-65, by education level of father

14a Men

Country	Father not present	Highest education attained by father			Odds ratio	Odds ratio
		Low	Medium	High	High/Low	High/ Father not present
PL	0.07	0.06	0.20	0.65	10.5	9.4
CZ	0.09	0.07	0.13	0.57	8.4	6.2
HU	0.14	0.07	0.17	0.58	8.2	4.2
IT	0.07	0.08	0.36	0.67	8.0	9.1
PT	0.06	0.08	0.52	0.62	7.6	9.9
SI	0.04	0.05	0.17	0.36	6.6	8.4
SK	0.16	0.09	0.19	0.49	5.5	3.1
LU	0.22	0.15	0.35	0.81	5.5	3.8
LV	0.11	0.09	0.15	0.51	5.4	4.8
LT	0.17	0.14	0.26	0.60	4.4	3.5
EL	0.17	0.16	0.47	0.67	4.1	4.0
CY	0.18	0.22	0.55	0.84	3.9	4.8
DK	-	0.15	0.25	0.53	3.7	-
EE	0.16	0.14	0.27	0.51	3.6	3.3
IE	-	0.25	0.59	0.88	3.6	-
FR	0.07	0.21	0.50	0.72	3.4	9.6
SE	0.21	0.18	0.48	0.61	3.3	2.9
ES	0.24	0.22	0.49	0.72	3.3	3.1
BE	0.19	0.25	0.53	0.77	3.1	4.1
AT	0.22	0.18	0.29	0.48	2.6	2.1
UK	-	0.29	0.44	0.69	2.4	-
NL	0.24	0.31	0.47	0.72	2.4	3.0
FI	0.21	0.24	0.39	0.54	2.2	2.5
DE	0.37	0.33	0.43	0.63	1.9	1.7

## 14b Women

Country	Father not present	Highest education attained by father			Odds ratio	Odds ratio
		Low	Medium	High	High/Low	High/ Father not present
CZ	0.11	0.03	0.11	0.46	16.8	4.2
HU	0.15	0.06	0.21	0.63	10.0	4.2
SI	0.10	0.05	0.23	0.48	9.7	4.9
PL	0.08	0.08	0.28	0.72	9.1	8.9
LU	0.20	0.10	0.30	0.79	8.1	3.9
SK	0.13	0.07	0.20	0.54	8.0	4.0
IT	0.09	0.08	0.36	0.61	7.5	6.6
AT	0.10	0.10	0.23	0.54	5.4	5.5
PT	0.12	0.14	0.64	0.67	4.9	5.4
LV	0.17	0.15	0.36	0.65	4.4	3.8
CY	0.18	0.18	0.55	0.78	4.3	4.4
EL	0.18	0.16	0.45	0.63	4.1	3.4
LT	0.19	0.20	0.45	0.71	3.5	3.8
IE	-	0.23	0.54	0.76	3.4	-
NL	0.26	0.19	0.40	0.65	3.4	2.6
BE	0.18	0.25	0.55	0.81	3.3	4.6
ES	0.16	0.22	0.53	0.73	3.3	4.6
FR	0.16	0.23	0.55	0.73	3.2	4.6
DK	-	0.21	0.31	0.61	2.9	-
DE	0.26	0.22	0.28	0.54	2.5	2.0
UK	-	0.30	0.43	0.69	2.4	-
SE	0.20	0.30	0.56	0.66	2.2	3.3
EE	0.25	0.29	0.43	0.64	2.2	2.6
FI	0.33	0.33	0.50	0.70	2.1	2.1

Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

### *The link between education levels of fathers and children by age*

The EU-SILC module can also be used to examine the relationship between education levels of fathers and their children by the age of respondents (i.e. of the children concerned). Dividing the respondents into successive ten-year age groups — 25-34, 35-44 and 45-54 — gives an indication of how the closeness of the link between the education level of fathers and their children has tended to change over time. Assuming that the average age of fathers at the birth of their children has not changed much over the years, the fathers of children aged 25-34 will have gone through the education system on average 10 years after the fathers of 35-44-year-olds, who will in turn have completed their education 10 years after those aged 45-54.

**Table 15 Probability of attaining High education of men and women by age and by education level of father**

Country	Age	Highest education attained by father				Odds ratio High/ Low
		Father not present	Low	Medium	High	
BE	25-34	0.25	0.33	0.57	0.84	2.5
	35-44	0.20	0.27	0.56	0.76	2.8
	45-54	0.15	0.23	0.48	0.77	3.4
CZ	25-34	0.11	0.04	0.11	0.50	11.9
	35-44	0.13	0.02	0.15	0.55	27.0
	45-54	0.08	0.07	0.13	0.49	7.1
DK	25-34	-	0.22	0.33	0.58	2.4
	35-44	-	0.21	0.29	0.50	3.1
	45-54	-	0.19	0.30	0.61	3.1
*	35-44	0.24	0.28	0.36	0.61	2.2
DE	45-54	0.41	0.33	0.40	0.68	2.1
	55-64		0.28	0.35	0.58	2.1
EE	25-34	0.13	0.16	0.30	0.55	3.5
	35-44	0.23	0.22	0.38	0.56	2.6
	45-54	0.24	0.23	0.36	0.65	2.8
IE	25-34	-	0.41	0.60	0.84	2.1
	35-44	-	0.24	0.50	0.85	3.6
	45-54	-	0.18	0.59	0.81	4.6
EL	25-34	0.26	0.19	0.44	0.63	3.3
	35-44	0.25	0.20	0.51	0.71	3.6
	45-54	0.13	0.14	0.49	0.55	4.0
ES	25-34	0.27	0.33	0.57	0.75	2.3
	35-44	0.26	0.23	0.50	0.74	3.2
	45-54	0.14	0.16	0.46	0.69	4.3
FR	25-34	0.18	0.35	0.62	0.80	2.3
	35-44	0.14	0.24	0.50	0.66	2.7
	45-54	0.12	0.17	0.46	0.73	4.2
IT	25-34	0.11	0.10	0.32	0.63	6.3
	35-44	0.08	0.09	0.34	0.66	7.4
	45-54	0.07	0.08	0.49	0.61	7.3
CY	25-34	0.26	0.28	0.55	0.81	2.9
	35-44	0.17	0.20	0.56	0.81	4.1
	45-54	0.17	0.18	0.62	0.81	4.4
LV	25-34	0.16	0.13	0.22	0.54	4.2
	35-44	0.14	0.11	0.25	0.59	5.2
	45-54	0.11	0.12	0.32	0.60	5.1



Country	Age	Highest education attained by father				Odds ratio High/ Low
		Father not present	Low	Medium	High	
LT	25-34	0.32	0.16	0.34	0.69	4.2
	35-44	0.12	0.13	0.32	0.60	4.6
	45-54	0.15	0.20	0.46	0.67	3.3
LU	25-34	0.33	0.18	0.41	0.83	4.6
	35-44	0.21	0.13	0.30	0.81	6.3
	45-54	0.19	0.08	0.28	0.74	8.8
HU	25-34	0.13	0.04	0.19	0.59	14.1
	35-44	0.17	0.06	0.22	0.66	10.3
	45-54	0.16	0.06	0.17	0.58	9.6
NL	25-34	0.27	0.34	0.46	0.68	2.0
	35-44	0.23	0.28	0.40	0.69	2.4
	45-54	0.22	0.24	0.43	0.70	3.0
AT	25-34	0.30	0.15	0.29	0.46	3.1
	35-44	0.17	0.16	0.26	0.51	3.1
	45-54	0.17	0.13	0.25	0.62	4.8
PL	25-34	0.07	0.10	0.28	0.77	7.5
	35-44	0.10	0.07	0.21	0.62	9.1
	45-54	0.04	0.06	0.19	0.62	10.4
PT	25-34	0.14	0.17	0.55	0.62	3.6
	35-44	0.07	0.09	0.54	0.63	7.0
	45-54	0.10	0.09	0.62	0.79	8.9
SI	25-34	0.11	0.09	0.25	0.32	3.7
	35-44	0.09	0.05	0.20	0.58	10.8
	45-54	0.06	0.04	0.16	0.50	12.8
SK	25-34	0.14	0.05	0.18	0.45	9.5
	35-44	0.16	0.06	0.17	0.50	7.9
	45-54	0.15	0.08	0.24	0.63	7.9
FI	25-34	0.28	0.34	0.43	0.52	1.5
	35-44	0.34	0.32	0.40	0.71	2.2
	45-54	0.23	0.29	0.50	0.62	2.1
SE	25-34	0.21	0.31	0.49	0.64	2.1
	35-44	0.22	0.22	0.59	0.64	2.9
	45-54	0.28	0.24	0.52	0.55	2.3
UK	25-34	-	0.42	0.51	0.76	1.8
	35-44	-	0.33	0.43	0.65	2.0
	45-54	-	0.27	0.46	0.72	2.6

\* DE Older age groups compared because of later graduation  
Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

Table 15<sup>35</sup> shows that:

- The probability of someone whose father had low education attaining a university degree or the equivalent has tended to increase over time in most Member States, but this also reflects the general rise in participation in tertiary education.
- More relevantly, the chance of a person whose father had only basic schooling completing tertiary education relative to someone whose father had tertiary education has risen over the long term in 17 of the 24 EU Member States for which data are available.
- In three Member States — Estonia, Hungary and Slovakia — however, it has fallen, in the sense that the odds ratio of a person whose father was a university graduate attaining such a qualification relative to someone whose father had only basic schooling has increased.

In Germany and Sweden, the odds ratio has remained much the same, while in the Czech Republic and Lithuania it is difficult to determine the direction of change since the figures fluctuate between the three age groups.

*The link between the education level of mothers and their children*

Partly because there is a relatively close correlation between the education attainment level of fathers and mothers, the education level of men and women is also closely linked to that of their mother as well as of their father.

The odds ratio of someone having tertiary education if their mother had this level of education as compared with only basic schooling is highest in the same countries where the odds ratio in respect of their father's education is highest — i.e. the Czech Republic, Hungary, Poland, Slovenia, Slovakia, Italy and Portugal. Equally, the countries where the odds ratio is lowest in terms of the education of fathers is also lowest where the criterion is the mother — i.e. Germany, Finland, the UK, Estonia, Sweden and the Netherlands. Moreover, the influence of the education level of mothers on that of their children seems to be much the same for daughters as for sons (Table 16).

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<sup>35</sup> Because young people in Germany tend to graduate from university at a later age than in other countries and a significant number of those aged 25-34 are, therefore, still in the process of completing their tertiary level programme, the age groups compared in this case are, therefore, 35-44, 45-54 and 55-64.

Table 16 Probability of attaining High education of men and women aged 25-65 by education level of mother

Country	Mother not present	Highest education attained by			Odds ratio	Odds ratio
		Low	Medium	High	High/ Low	High/ Mother not present
CZ	0.06	0.06	0.17	0.57	9.9	10.0
PL	0.08	0.08	0.28	0.73	9.7	8.7
SI	0.07	0.06	0.25	0.48	7.9	6.5
HU	0.13	0.08	0.27	0.63	7.8	4.9
IT	0.07	0.10	0.42	0.63	6.4	9.0
SK	0.13	0.10	0.24	0.59	5.9	4.6
PT	0.08	0.12	0.48	0.67	5.7	8.4
LV	0.11	0.11	0.27	0.56	5.3	5.2
LU	0.13	0.17	0.45	0.86	5.2	6.4
AT	0.16	0.14	0.34	0.68	4.9	4.1
EL	0.15	0.17	0.50	0.71	4.1	4.7
LT	0.10	0.17	0.34	0.64	3.9	6.1
CY	0.15	0.22	0.61	0.83	3.8	5.5
IE	-	0.23	0.63	0.77	3.4	-
<b>EU-25</b>	<b>0.14</b>	<b>0.20</b>	<b>0.39</b>	<b>0.68</b>	<b>3.4</b>	<b>4.7</b>
FR	0.06	0.22	0.56	0.74	3.3	12.0
ES	0.18	0.25	0.61	0.76	3.1	4.2
BE	0.20	0.27	0.61	0.83	3.1	4.2
EE	0.15	0.21	0.34	0.58	2.8	3.8
NL	0.23	0.28	0.54	0.72	2.6	3.2
SE	0.22	0.26	0.51	0.62	2.4	2.7
DK	-	0.23	0.35	0.55	2.4	-
UK	-	0.31	0.59	0.71	2.3	-
FI	0.20	0.29	0.44	0.61	2.1	3.0
DE	0.22	0.34	0.42	0.62	1.8	2.9

Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

#### Box 4 Educational attainment — comparison of results from EU-SILC data with LFS data

A special module of the EU Labour Force Survey in 2000 — on the transition of young people from education to work — also investigated the links between the education level of parents and their children. The results for most countries were similar:

##### Comparison of evidence from EU-SILC module, 2005 and LFS module, 2000

	Odds ratio: Those with tertiary education with father with same level relative to those with father with low education	
	EU-SILC	LFS
HU	9,1	16,6
SI	8,0	2,3
IT	7,7	6,9
SK	6,7	7,6
EL	4,1	2,4
AT	3,6	2,9
FR	3,3	2,4
ES	3,3	2,0
BE	3,2	3,0
SE	2,6	1,9
FI	2,2	1,1

Note: The results reported for the LFS module in the Eurostat database state only that the calculation is based on the parent's education level without specifying whether this refers to the father or mother or both. The EU-SILC results shown relate to the father's education level but they would be much the same if the mother's education level was taken instead.

The main exception is Slovenia, which is reported by the LFS module to have a relatively low odds ratio but by the EU-SILC to have a relatively high one. Greece is also recorded as having a lower odds ratio by the LFS than by the EU-SILC, as is Finland (where the LFS indicated an odds ratio of close to 1 rather than 2). On the other hand, the odds ratio in Hungary was reported by the LFS to be substantially higher than calculated from EU-SILC data, though since the relative number with low education is small, a minor difference in this can lead to a big difference in the odds ratio.

#### *Occupational links*

The same kind of analysis can be made for occupations. The EU-SILC module makes it possible to examine the closeness of the link between the occupations of men and women and those of their parents. This is as relevant as the link between education levels since the kind of job which a person has tends to determine both their status in society and their level of income and living standards.

There tends to be a relatively close correlation between education levels and occupations, implying that the conclusions reached above as regards the link between education levels of children and their parents should also apply to occupations. However, the correlation is not perfect. It is therefore of interest to examine the occupation link separately, not least because it gives a guide to the relative earnings of the parents and, accordingly, to the income of the household when the people surveyed were young. The focus is on the influence of the father's occupation rather than the mother's since in many countries a substantial proportion of the mothers were not in paid employment during the period when the people surveyed were young teenagers (which is up to some 50 years ago).

The focus is also on the highest level of occupation in the ISCO classification, that of managers, professionals and technicians, which are considered together as one group, both to allow for differences in the classification of particular jobs between countries and for the fact that earnings levels in many cases do not differ markedly between the various sub-groups. The link between the probability of someone being employed in these jobs and the occupation of their fathers is examined, first, for men and women aged 25-64 taken together and secondly, for men and women considered separately.

*The occupations of men and women and those of their fathers*

The proportion of those aged 25-64 who are employed as managers, professionals and technicians varied markedly across the EU, from 25 % in Portugal to 51-52 % in Germany and the Netherlands. The proportion in this occupational group whose father was also in such a job, however, varies much less widely. In all Member States without exception, the proportion is over 50 %, and in 15 of the 24 countries for which data are available over 60 % (Table 17). There is, moreover, in all Member States a much greater chance of someone being employed in such jobs if their father had the same kind of job than if he had a lower-level occupation, though the scale of this chance differs significantly between countries.

**Table 17 Probability of having jobs as manager, professional or technician for women and men aged 25-65 by occupation of father**

Country	Father not present	Man+Prof +Tech	Clerks	Sales +Serv	Skilled manual	Main occupation of father		Odds ratio
						Unskilled manual	Total	
PT	0.22	0.61	0.43	0.38	0.19	0.14	0.25	3.07
PL	0.21	0.63	0.39	0.31	0.28	0.16	0.29	2.71
ES	0.22	0.54	0.41	0.29	0.23	0.15	0.26	2.57
CY	0.18	0.61	0.50	0.36	0.25	0.19	0.29	2.46
HU	0.28	0.63	0.43	0.35	0.28	0.18	0.32	2.41
CZ	0.29	0.62	0.36	0.30	0.28	0.23	0.35	2.25
SI	0.29	0.63	0.38	0.40	0.31	0.18	0.33	2.24
LT	0.23	0.60	0.40	0.39	0.29	0.26	0.32	2.22
LU	0.35	0.67	0.56	0.35	0.30	0.26	0.42	2.12
EL	0.26	0.54	0.47	0.32	0.29	0.20	0.30	2.12
LV	0.23	0.55	0.39	0.34	0.29	0.24	0.31	2.07
IT	0.29	0.61	0.46	0.37	0.31	0.24	0.36	2.06
FR	0.25	0.62	0.49	0.37	0.32	0.23	0.39	2.05
AT	0.27	0.51	0.41	0.27	0.26	0.19	0.30	2.05
<b>EU-25</b>	<b>0.31</b>	<b>0.62</b>	<b>0.50</b>	<b>0.38</b>	<b>0.33</b>	<b>0.23</b>	<b>0.38</b>	<b>1.99</b>
SK	0.32	0.60	0.50	0.36	0.32	0.26	0.37	1.93
BE	0.21	0.57	0.43	0.39	0.28	0.24	0.38	1.93
EE	0.30	0.58	0.38	0.32	0.34	0.27	0.37	1.84
SE	0.34	0.60	0.47	0.54	0.28	0.32	0.39	1.84
DK	-	0.62	0.50	0.45	0.37	0.31	0.44	1.73
FI	0.38	0.65	0.53	0.59	0.41	0.30	0.44	1.70
IE	-	0.52	0.52	0.43	0.34	0.19	0.40	1.66
UK	-	0.61	0.54	0.38	0.30	0.27	0.42	1.62
NL	0.44	0.65	0.56	0.48	0.42	0.40	0.52	1.48
DE	0.41	0.65	0.56	0.50	0.44	0.40	0.51	1.46

Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

The odds ratio, therefore, is around two in the EU as a whole, signifying that someone whose father had a job in this occupational group was over twice as likely as other people to have such a job themselves.

The countries in which the odds ratio is highest include many of the new Member States — Poland, Cyprus, Hungary, the Czech Republic, Slovenia and Latvia. They also include Portugal, Spain, Luxembourg and Greece. Most of the countries — the exception is Spain — are also those where the odds ratio for education levels was high. Similarly, the countries where the odds ratio is lowest — Germany, the Netherlands, the UK, Ireland, Finland and Denmark — and where there is a greater chance than elsewhere in the EU of securing a high-level job without having a father with such a job, are also the countries where the odds ratio for education levels was lowest. Nevertheless, even in these countries having a father with a high-level job significantly increases the chances of also having this kind of job (i.e. they are around 50 % higher or more).

#### *The occupations of fathers, sons and daughters*

The father's occupation has a significant influence on the kind of job that both the sons and daughters do, though there is some tendency for the influence to be greater in respect of sons than daughters (Tables 18 and 19).

**Table 18 Probability of having jobs as manager, professional or technician for men aged 25-65 by occupation of father**

Country	Main occupation of father							Odds ratio
	Father not present	Man+Prof+Tech	Clerks	Sales+Serv	Skilled manual	Unskilled manual	Total	
PL	0.15	0.58	0.35	0.29	0.21	0.12	0.23	3.25
PT	0.24	0.66	0.42	0.41	0.20	0.15	0.27	3.20
ES	0.26	0.59	0.46	0.30	0.23	0.15	0.28	2.76
LV	0.17	0.50	0.28	0.22	0.20	0.18	0.24	2.65
HU	0.27	0.58	0.37	0.35	0.23	0.14	0.28	2.63
CZ	0.22	0.61	0.33	0.22	0.24	0.22	0.32	2.56
LT	0.18	0.53	0.37	0.31	0.22	0.18	0.25	2.55
SI	0.25	0.61	0.40	0.34	0.27	0.17	0.30	2.44
CY	0.25	0.68	0.58	0.36	0.29	0.23	0.32	2.43
EL	0.21	0.55	0.48	0.30	0.26	0.20	0.29	2.28
IT	0.28	0.62	0.43	0.37	0.29	0.24	0.34	2.21
AT	0.30	0.61	0.50	0.30	0.32	0.21	0.35	2.13
SK	0.27	0.53	0.46	0.26	0.25	0.21	0.31	2.10
<b>EU-25</b>	<b>0.30</b>	<b>0.64</b>	<b>0.52</b>	<b>0.40</b>	<b>0.31</b>	<b>0.22</b>	<b>0.38</b>	<b>2.08</b>
EE	0.26	0.51	0.21	0.21	0.26	0.18	0.30	2.07
LU	0.34	0.74	0.65	0.47	0.36	0.25	0.47	2.06
FR	0.29	0.66	0.52	0.46	0.35	0.25	0.42	1.95
BE	0.23	0.60	0.49	0.35	0.30	0.24	0.39	1.95
SE	0.34	0.61	0.60	0.65	0.29	0.38	0.41	1.76
DK	-	0.62	0.54	0.46	0.36	0.30	0.44	1.74
FI	0.39	0.64	0.62	0.66	0.40	0.31	0.44	1.69
IE	-	0.60	0.63	0.50	0.39	0.23	0.47	1.65
NL	0.44	0.71	0.58	0.51	0.44	0.43	0.56	1.57
UK	-	0.62	0.59	0.43	0.28	0.30	0.45	1.52
DE	0.39	0.67	0.60	0.59	0.44	0.38	0.52	1.50

Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

**Table 19 Probability of having jobs as manager, professional or technician for women aged 25-65 by occupation of father**

Country	Father not present	Main occupation of father						Odds ratio
		Man+Prof+Tech	Clerks	Sales +Serv	Skilled manual	Unskilled manual	Total	
PL	0.26	0.67	0.43	0.34	0.34	0.21	0.34	2.37
PT	0.21	0.56	0.43	0.35	0.19	0.13	0.24	2.91
ES	0.17	0.48	0.35	0.27	0.22	0.16	0.25	2.35
LV	0.28	0.59	0.52	0.46	0.37	0.29	0.37	1.78
HU	0.30	0.68	0.49	0.35	0.34	0.21	0.36	2.26
CZ	0.35	0.63	0.40	0.39	0.31	0.24	0.38	2.03
LT	0.28	0.67	0.43	0.47	0.35	0.32	0.38	2.03
SI	0.33	0.64	0.36	0.46	0.35	0.19	0.36	2.06
CY	0.11	0.54	0.44	0.35	0.21	0.15	0.25	2.57
EL	0.31	0.53	0.46	0.35	0.33	0.20	0.32	1.95
IT	0.29	0.60	0.50	0.36	0.34	0.26	0.37	1.90
AT	0.23	0.37	0.30	0.23	0.18	0.17	0.23	1.90
SK	0.35	0.66	0.54	0.43	0.38	0.30	0.42	1.83
<b>EU-25</b>	<b>0.33</b>	<b>0.60</b>	<b>0.47</b>	<b>0.35</b>	<b>0.34</b>	<b>0.24</b>	<b>0.38</b>	<b>1.90</b>
EE	0.33	0.63	0.53	0.41	0.40	0.34	0.43	1.70
LU	0.35	0.60	0.47	0.18	0.24	0.26	0.37	2.24
FR	0.21	0.59	0.46	0.28	0.29	0.20	0.35	2.18
BE	0.19	0.54	0.37	0.44	0.27	0.23	0.36	1.92
SE	0.33	0.59	0.38	0.42	0.27	0.26	0.37	1.96
DK	-	0.63	0.46	0.44	0.37	0.33	0.45	1.72
FI	0.38	0.66	0.45	0.53	0.43	0.30	0.44	1.72
IE	-	0.45	0.46	0.36	0.30	0.16	0.34	1.63
NL	0.45	0.58	0.55	0.43	0.40	0.38	0.49	1.36
UK	-	0.60	0.49	0.34	0.31	0.24	0.40	1.74
DE	0.44	0.64	0.52	0.41	0.44	0.43	0.51	1.44

Note: countries are ranked in the same order as in Table 18  
Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

This is the case both across the EU as a whole and in most countries. The exceptions are Cyprus, Luxembourg, France, Sweden and the UK, where the influence on daughters is greater than the influence on sons — though in each case the difference is relatively small — and Belgium, Denmark, Finland, Ireland and Germany, where the influence is much the same. The influence on sons as compared with daughters is particularly large in Poland, Latvia, the Czech Republic and Lithuania. Indeed, although there are a few exceptions, the influence of the father's occupation on the jobs held by men in particular tends to be larger in the new Member States and in the southern countries than in the rest of the EU.

#### *Concluding remarks*

It is evident that the education level attained by both men and women is very much influenced by that of the father in all EU Member States. At the same time, the influence of the mother's education level is no less significant, which partly reflects the relatively close correlation between the education levels of mothers and fathers, making it difficult to disentangle the relative importance of one as opposed to the other.

There are, however, marked differences in the scale of the influence between countries whichever parent is considered. It seems particularly large in a number of the new Member

States — the Czech Republic, Hungary, Poland, Slovenia, Slovakia and Cyprus — and also relatively significant in Greece, Italy and Portugal. On the other hand, the influence of the parent's level of education on the education level of their children appears to be smaller in Finland, Germany and Estonia, in particular, than in other countries

At the same time, the influence of parents' education levels on that of their children seems to have diminished over the long term in most countries, though this is less clear-cut in a number of Member States where the influence seems to be strongest — in the Czech Republic, Hungary and Poland, in particular.

It is equally true that both men and women have a significantly better chance in all countries of obtaining a high-level job, as a manager, professional or technician, if their father had the same kind of job than if they were in any other occupation. In most countries, however, the influence on sons is greater than on daughters, especially in the new Member States and the southern EU countries.

### **3.2. Children from a migration background and equal opportunities**

Evidence suggests that children face a higher risk of poverty than adults in many EU countries. There is also evidence that ethnic minorities and people with migrant background face a greater risk of poverty and thus a greater threat of social exclusion. A combination of these characteristics can of course add up to a greater risk of social exclusion. The focus in this section is therefore on those falling into both groups, namely children in migrant families or ethnic minority families.

The available data limit the possibility to analyse the situation of these groups, and in EU-SILC neither ethnic minorities nor migrant background are explicitly reported. Instead, a proxy is used in the analysis which compares children of parents who were born outside the EU with children of parents born in the EU country in which they live. For ease of presentation, children whose parents were born outside the EU are termed 'migrant' children and those whose parents were born in the country of residence 'home' children. For the situation of children in ethnic minority families the Social Situation Report relates findings from a national study on the income situation among some ethnic groups in the UK.

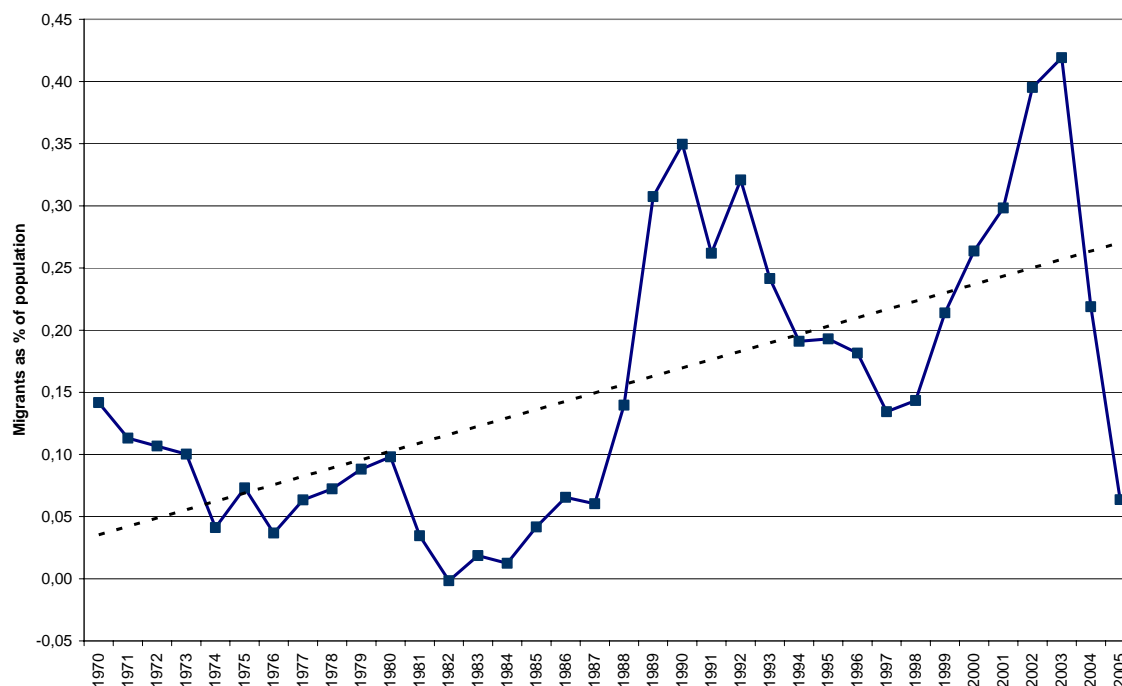
First, however, an indication is given of the relative importance of ethnic diversity across the EU, of the upward trend, and of the extent to which it differs across countries.

#### *Increasing ethnic diversity in the EU*

A significant number of people from different ethnic backgrounds live in the EU, and nearly all Member States are home to a wide diversity of people. Moreover, this ethnic diversity is tending to increase in most parts of the EU as a result of continuing inward migration at a relatively high rate. Over the 6-year period 2000-2005 net inward migration is estimated to have added, on average, almost 0.3 % a year to the EU population, and was the main reason for population growth over this period (Figure 15, which is based on OECD estimates for 19 EU countries: the 25 which were members in 2005 less Cyprus, Malta, the three Baltic States and Slovenia, the inclusion of which would change the picture only marginally, if at all).



**Figure 15 Net migration into 19 countries of the EU, 1970-2005**



Source: Figures calculated on the basis of OECD Migration Outlook, 2007

Note: Data only include the 19 EU Member States which are also members of the OECD

The figures for inward migration, however, give only a very partial insight into the number of people from different ethnic backgrounds living in the EU, since they simply record new arrivals. They take no account, therefore, of the number of migrants already resident in the EU or the descendants of migrants who may have arrived decades ago. The number of such people is largely unknown in most EU countries. In view of the sensitive nature of data on ethnicity, only a few Member States routinely collect such information.

Two proxies can be used to obtain an indication of ethnic diversity in EU Member States: one is citizenship — i.e. the number of people who do not have citizenship of the country in which they live or of any other EU Member State — and the other is country of birth. The country of birth tends to be more difficult to collect information on, though it is perhaps more indicative of the population from different ethnic backgrounds than citizenship, insofar as citizenship can usually be obtained in most countries after a period of residence. The number of people born outside the EU living in Member States will, therefore, tend to be larger than the number of non-EU citizens, the more so the quicker it is to obtain citizenship in the country in question. Neither, however, are likely to give anywhere near a full picture of ethnic diversity in the EU.

Nevertheless, there is another measure which could be used to give a fuller picture of ethnic diversity across the EU and which largely avoids the problems associated with collecting information on ethnic origin. This is the concept of ‘foreign descent’, defined as either being born outside the EU or having at least one parent who was born outside the EU, which would pick up second as well as first-generation migrants. Data on this concept, however, exist for only two Member States, Denmark and the Netherlands. These show that, even if the measure is not entirely satisfactory as an indicator of the number of people of different ethnic origin living in a country, since it still leaves out of account third or

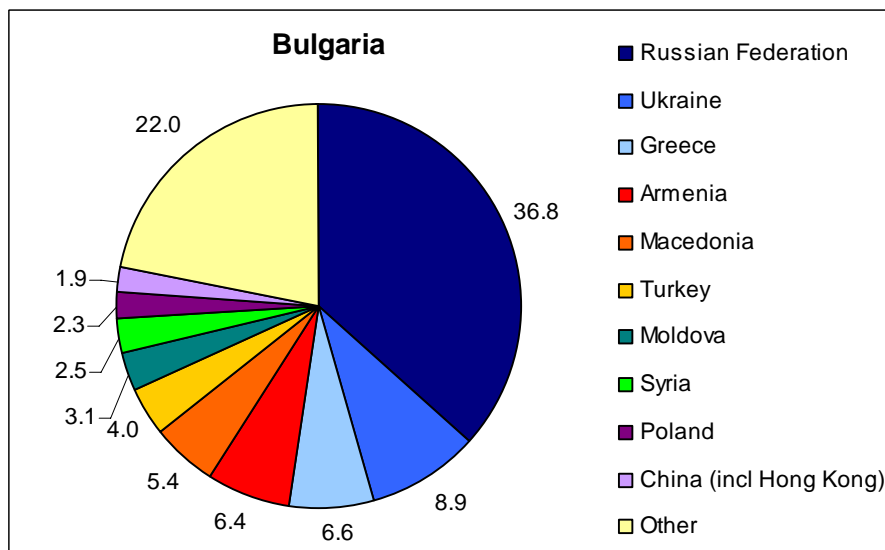
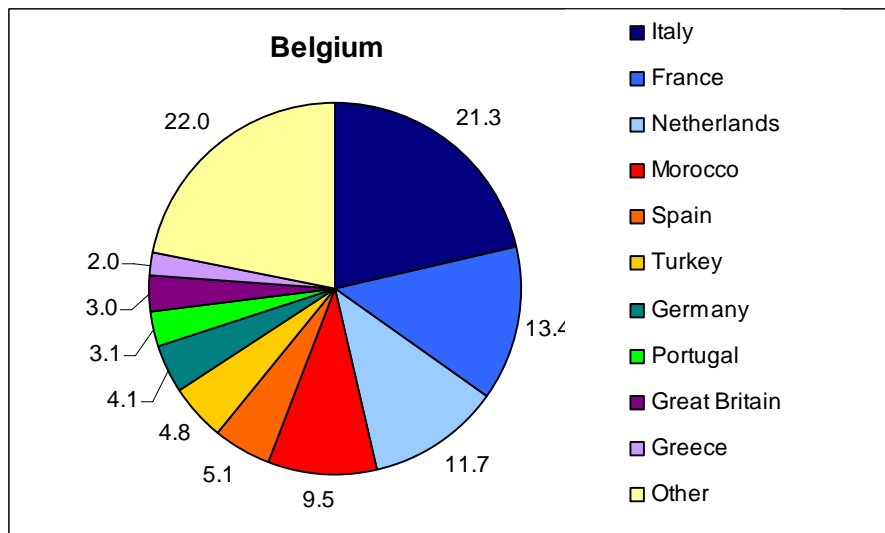
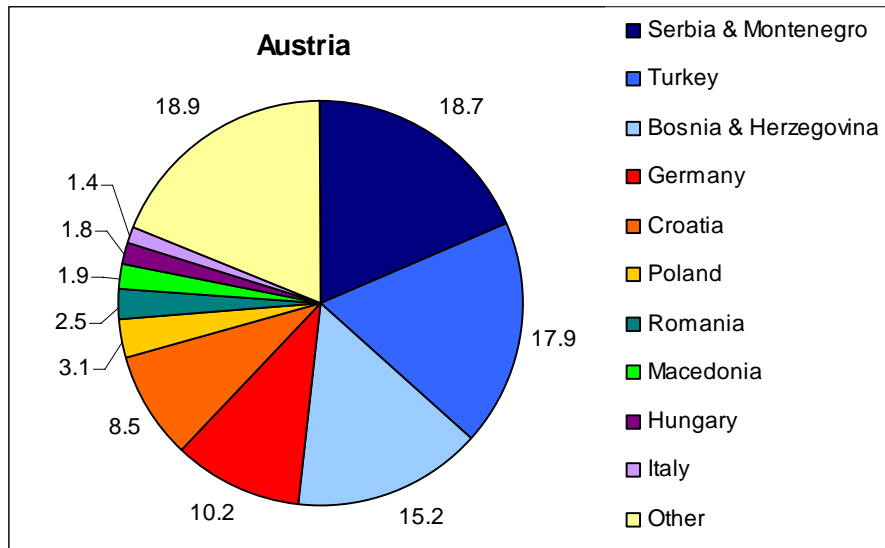
subsequent-generation descendants of migrants, it does represent a significant improvement over country of birth as an indicator, and still more over citizenship. In Denmark, therefore, the measures indicate that 25 % of people of foreign descent were born in the country and in the Netherlands, almost 50 %.

*The composition of non-nationals in EU countries*

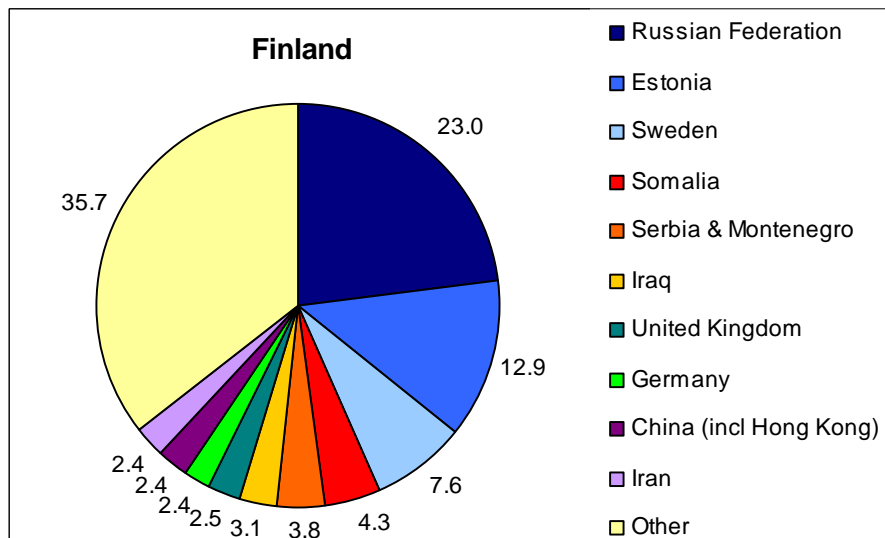
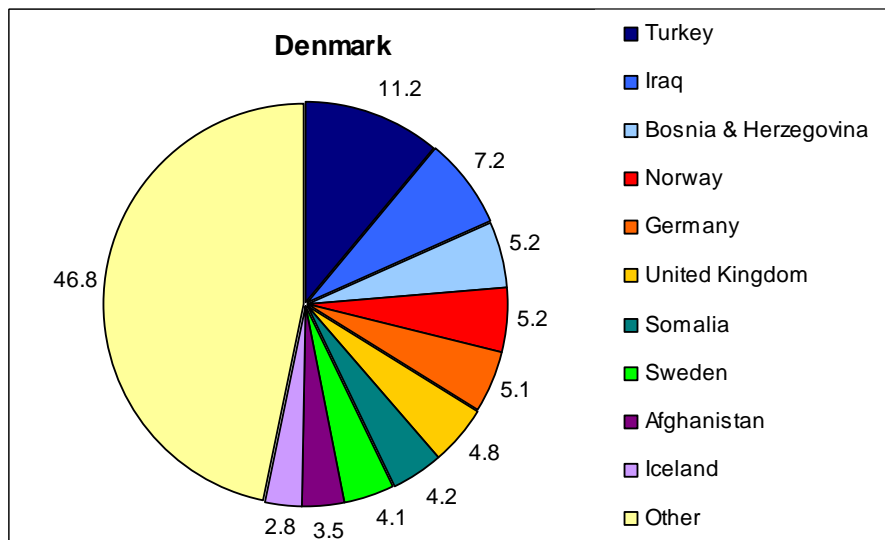
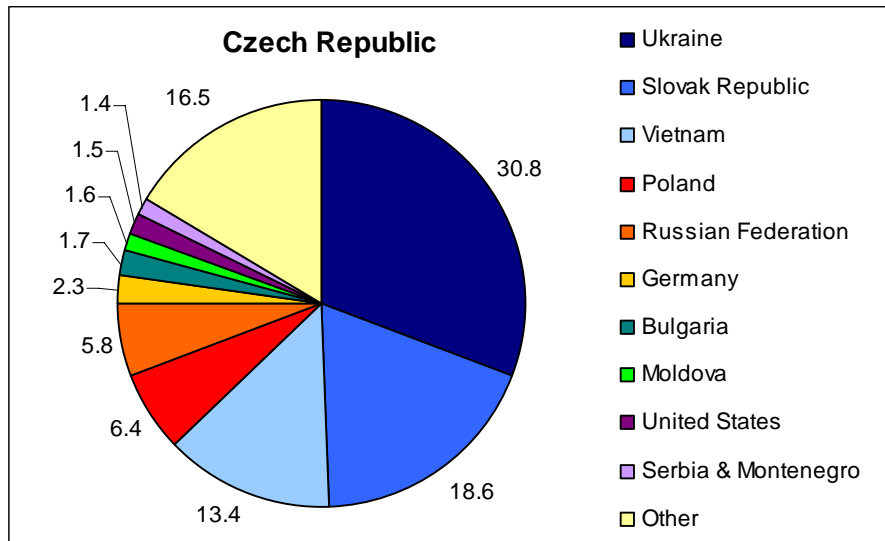
Despite their limitations, data on citizenship provide the main indication of the number of different ethnic groups living in the EU, of the relative importance of the various groups in individual countries and of the way that this differs between countries. They show, first, that in all EU Member States, citizens from other parts of the EU and the rest of Europe account for most of the people without domestic citizenship; secondly, most of the people with non-European citizenship are from relatively near-by countries, e.g. the Middle East and North Africa; and, thirdly, that the relative importance of people with citizenship of non-EU countries varies markedly across the EU, as do the particular countries which they are citizens of, partly reflecting colonial and historical links in the past (see pie charts).

People with Turkish citizenship, therefore, account for a relatively large proportion of non-nationals in Germany (24 %), Austria (18 %), the Netherlands (14 %) and Denmark (11 %) but are less important elsewhere. Those from Morocco make up a significant proportion of non-nationals in France (around 15 %) — as do those from Algeria (also 15 %) — Spain (14 %), the Netherlands (13 %) and Italy (12 %). However, a far greater number of people of North African descent living in France and Spain in particular are likely to have acquired French or Spanish citizenship. Similarly, in the UK, people with Indian citizenship represent some 6 % of non-nationals and from Pakistan, just 3 %; in both cases the number involved is likely to be very much smaller than the number of persons of Indian and Pakistani descent living in the country.

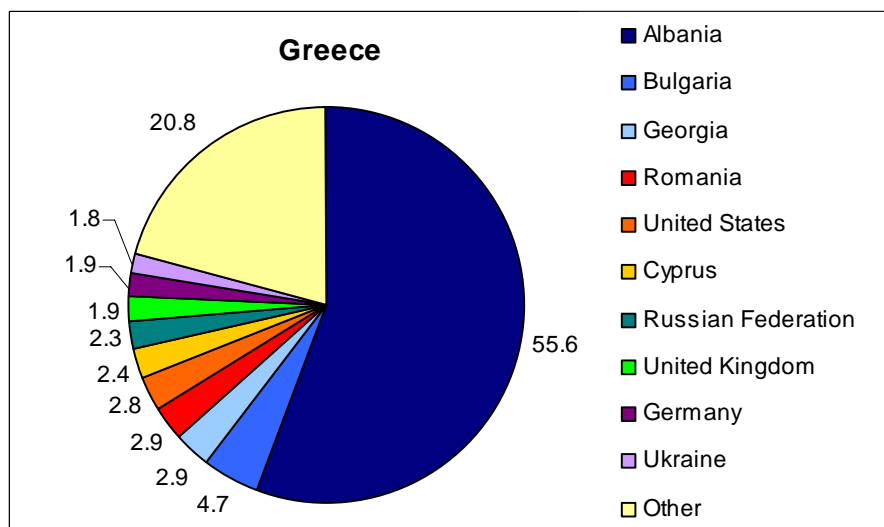
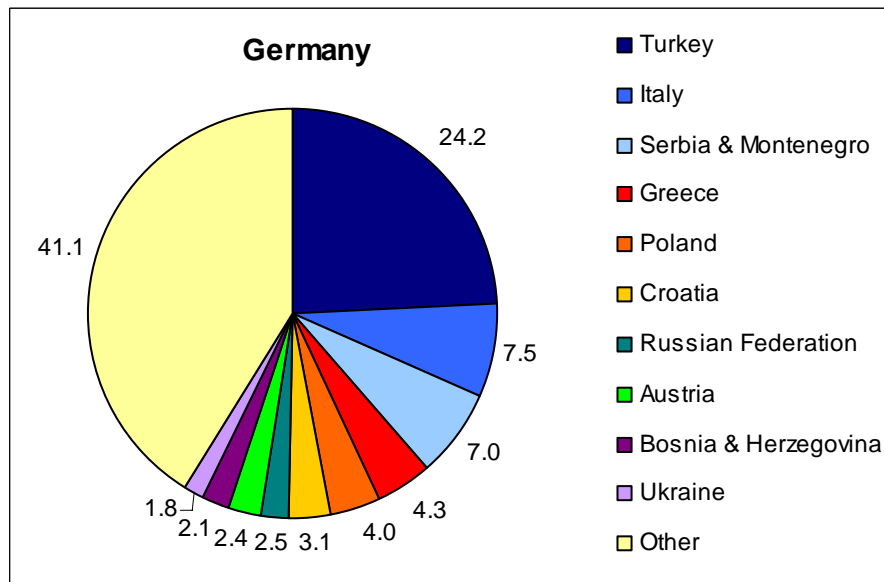
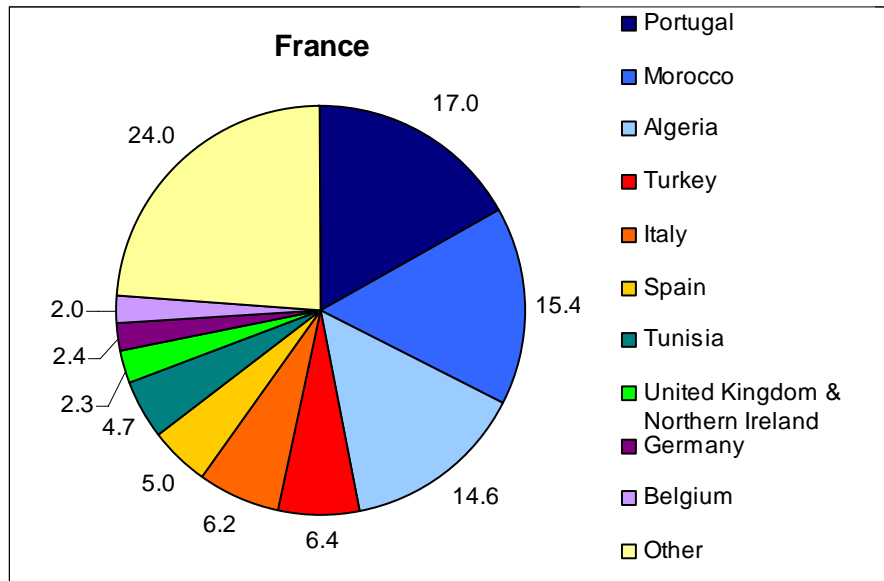
Figures 16 Foreign population by country of nationality, 2005



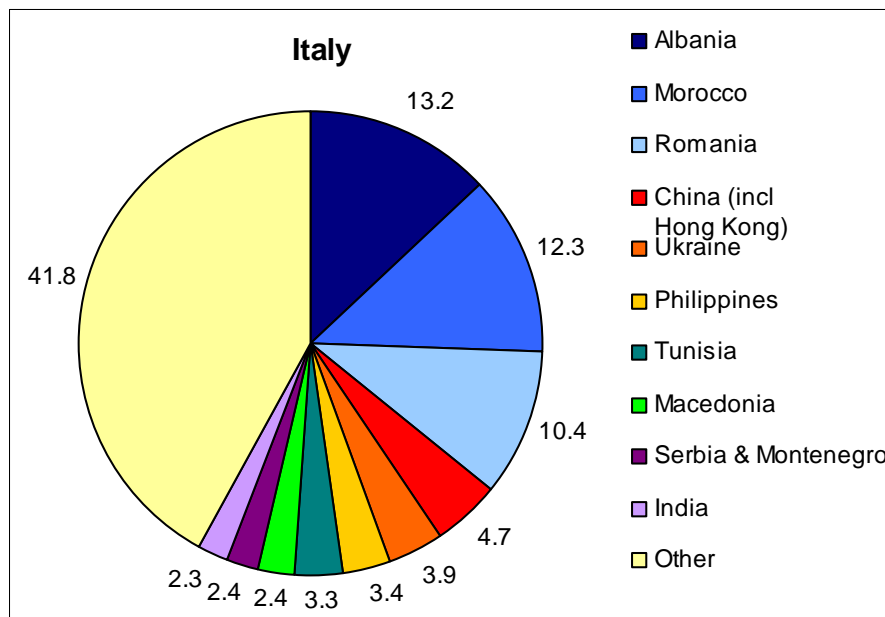
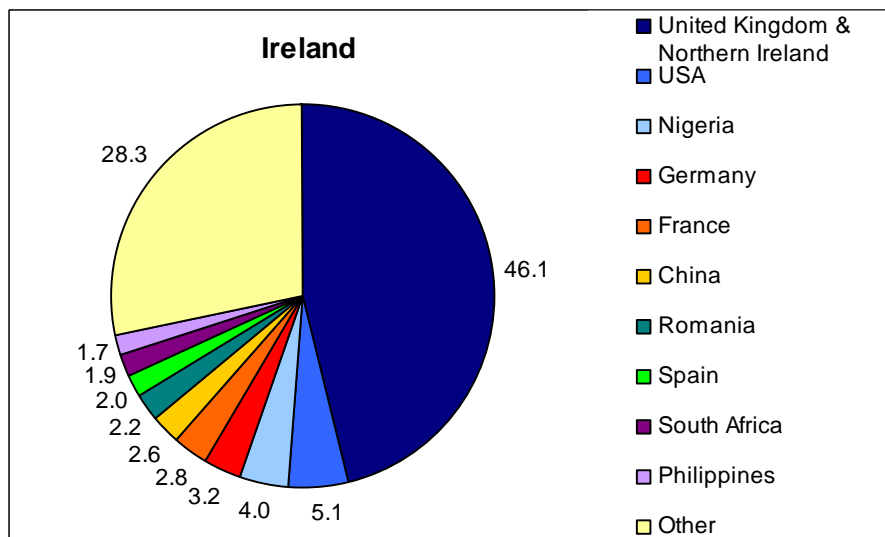
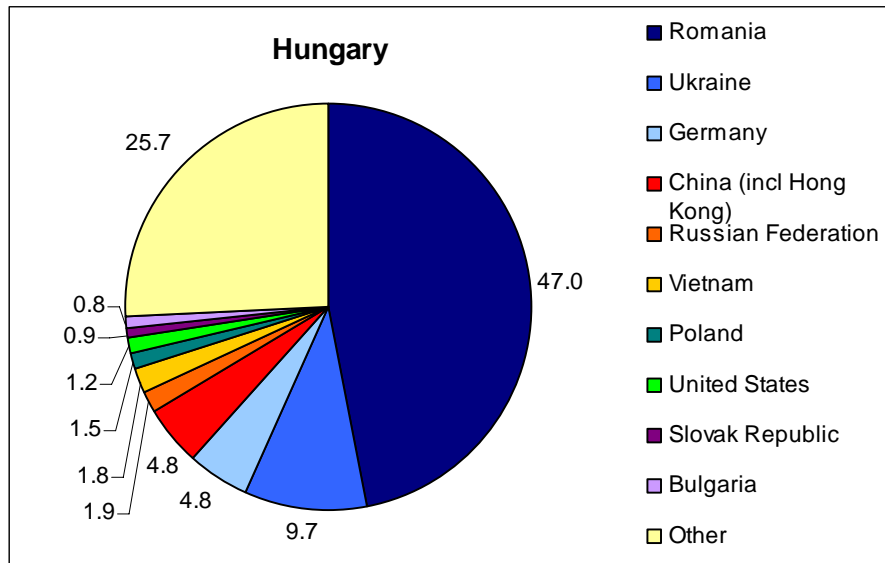
Figures 16 Foreign population by country of nationality, 2005 (continued)



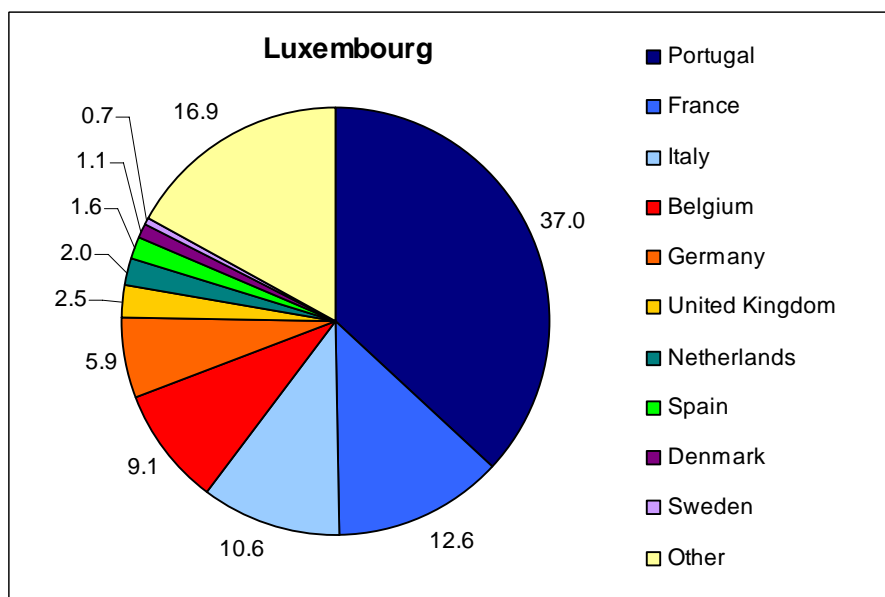
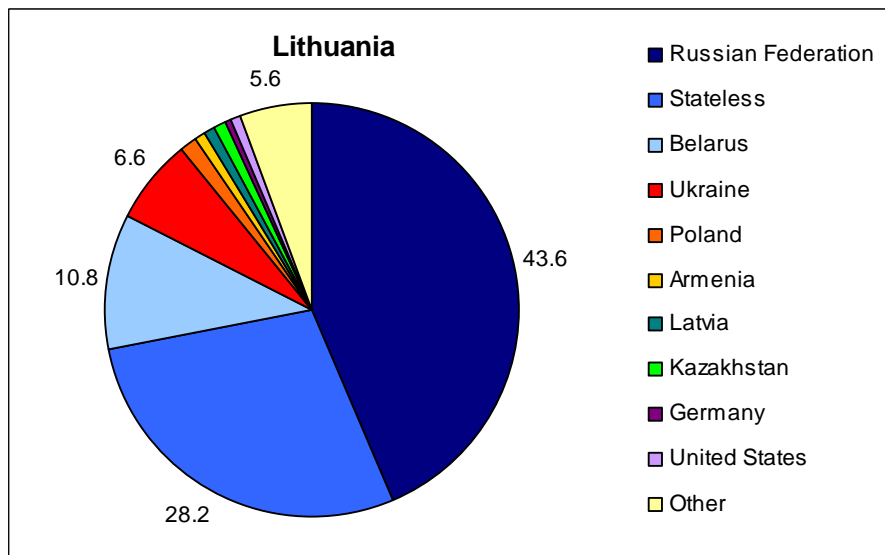
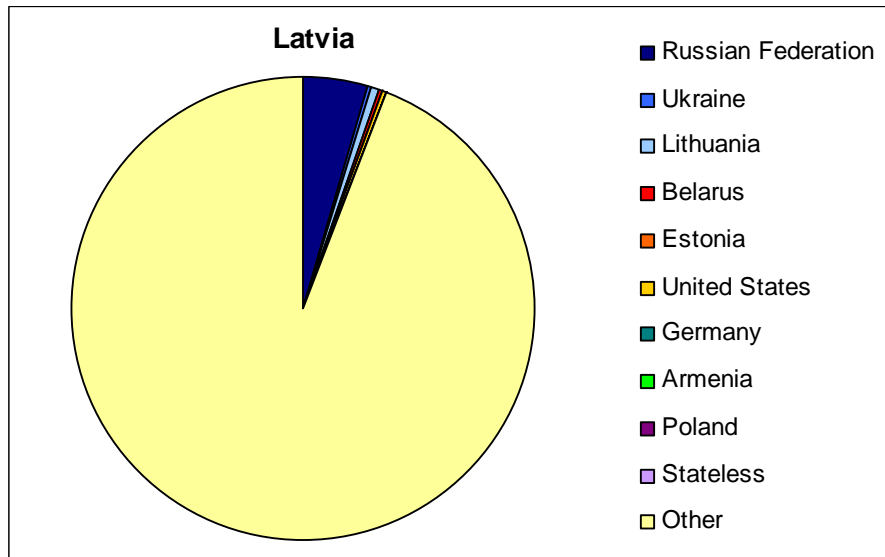
Figures 16 Foreign population by country of nationality, 2005 (continued)



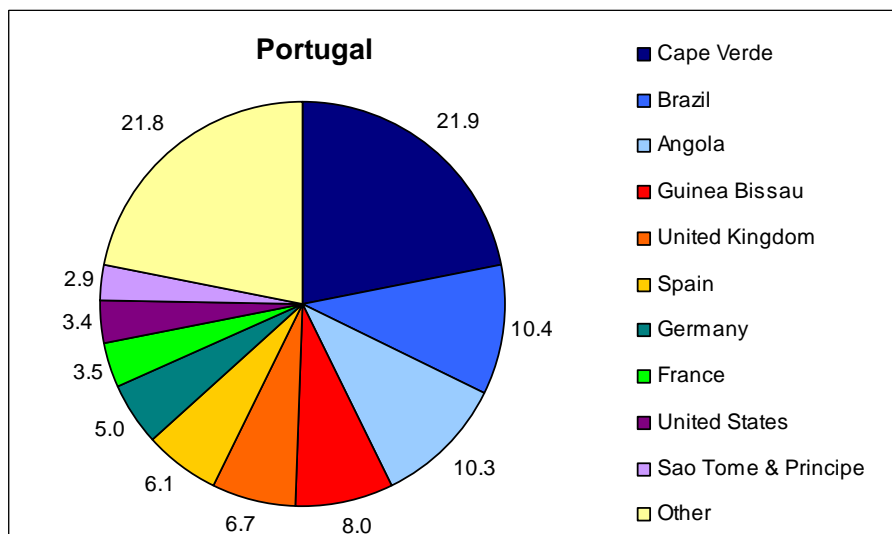
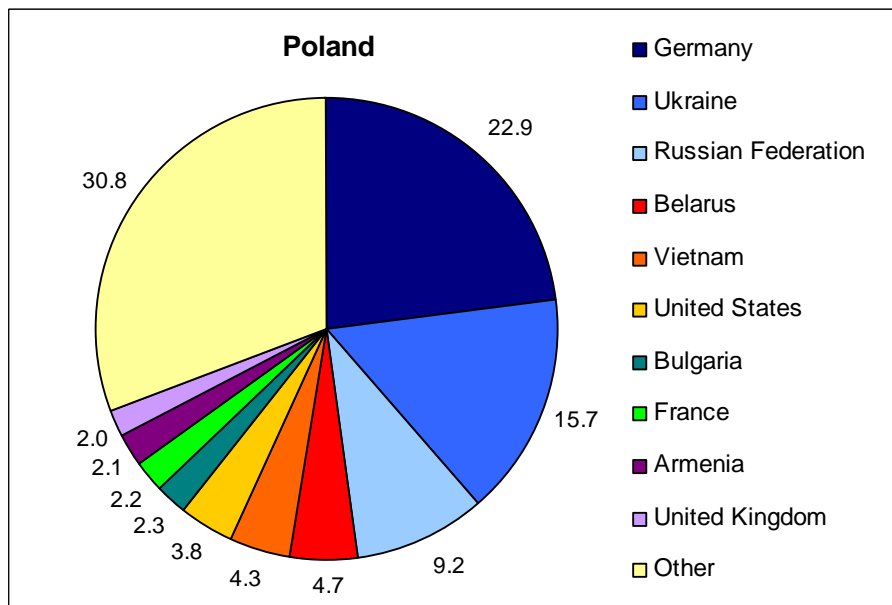
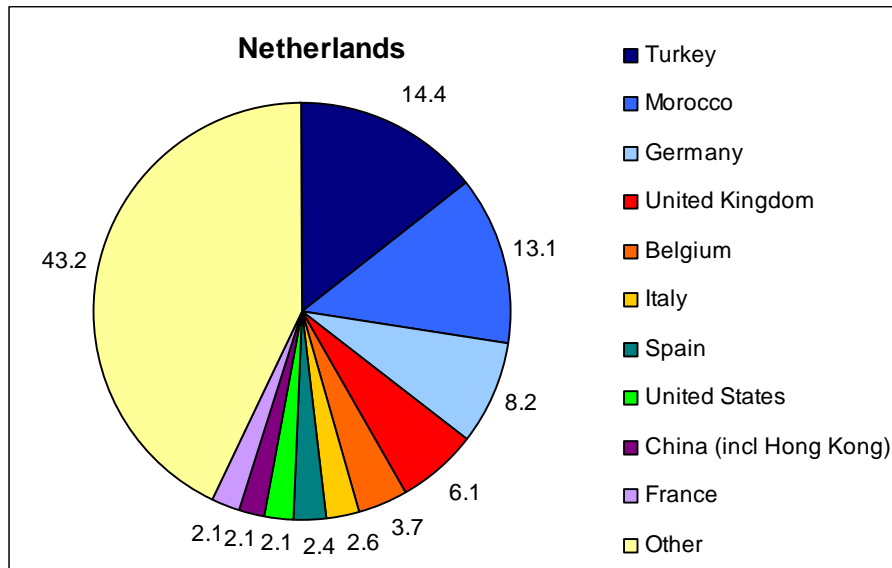
Figures 16 Foreign population by country of nationality, 2005 (continued)



Figures 16 Foreign population by country of nationality, 2005 (continued)

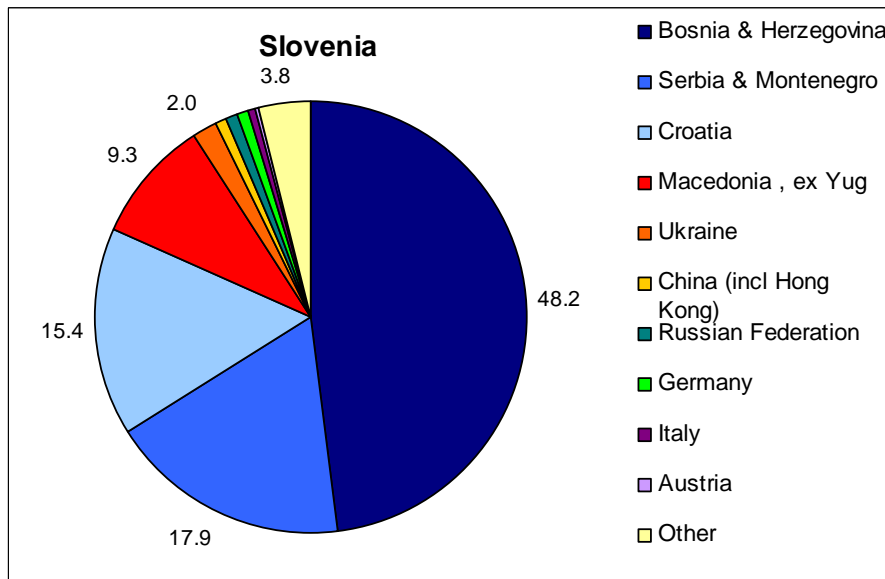
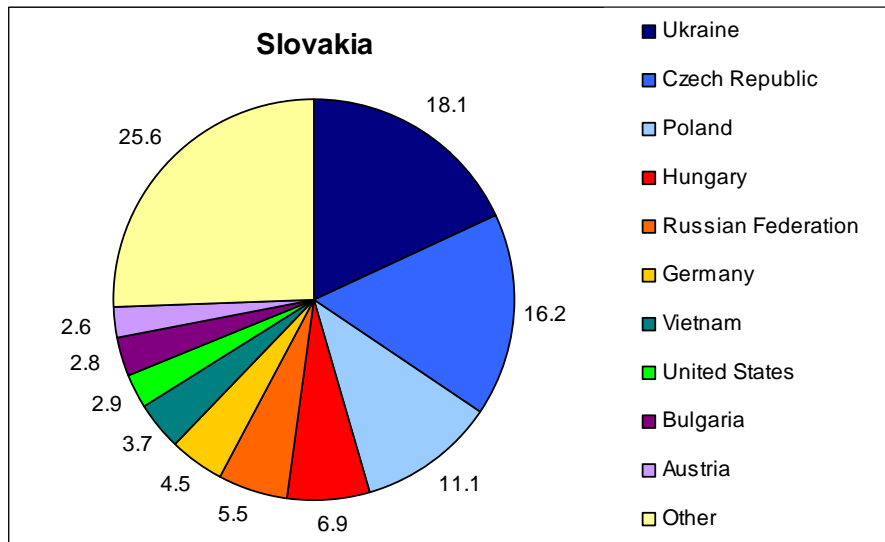
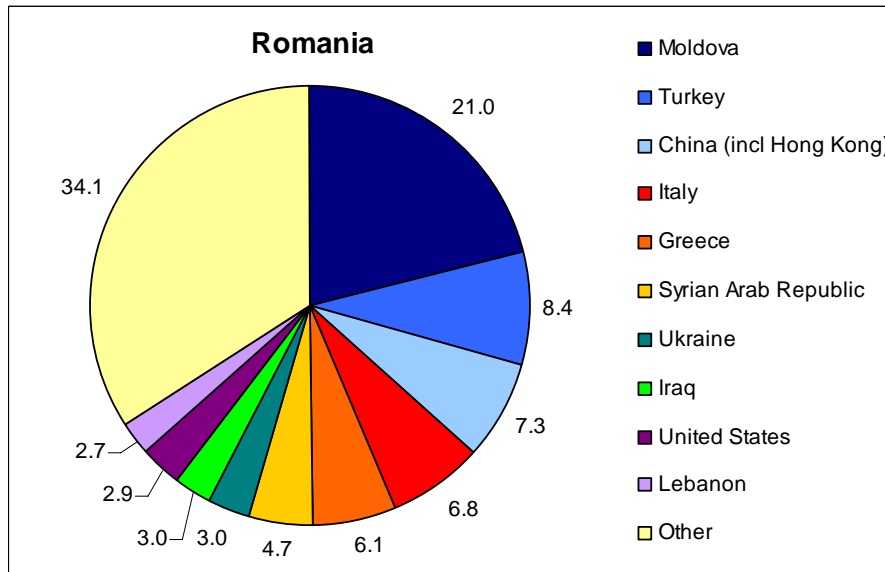


Figures 16 Foreign population by country of nationality, 2005 (continued)

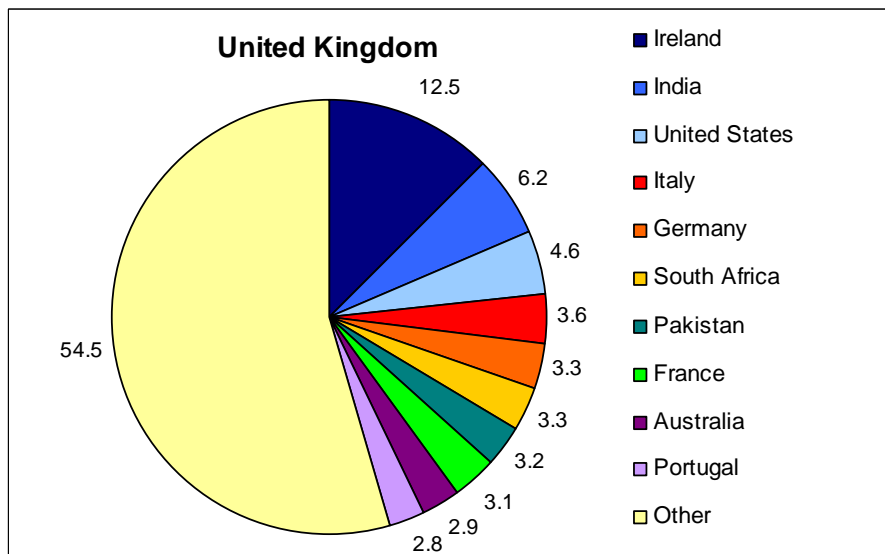
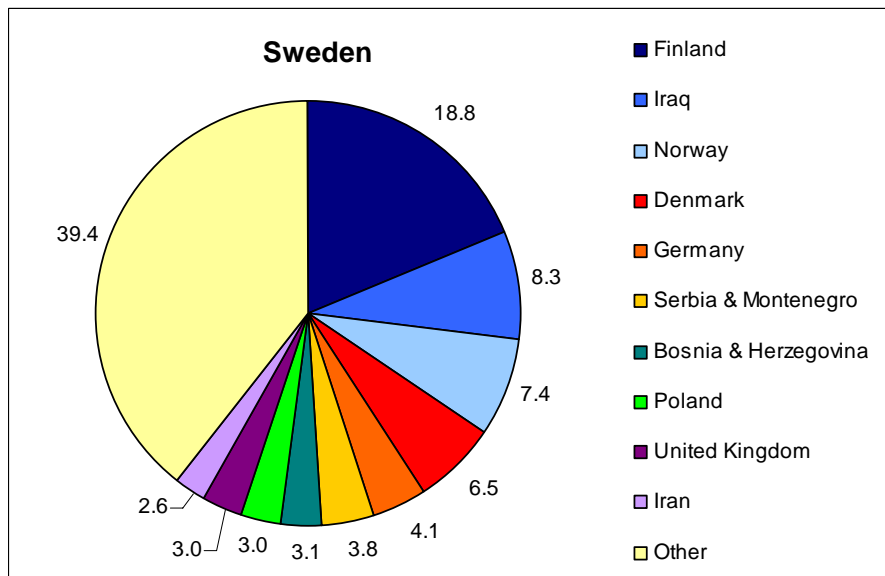
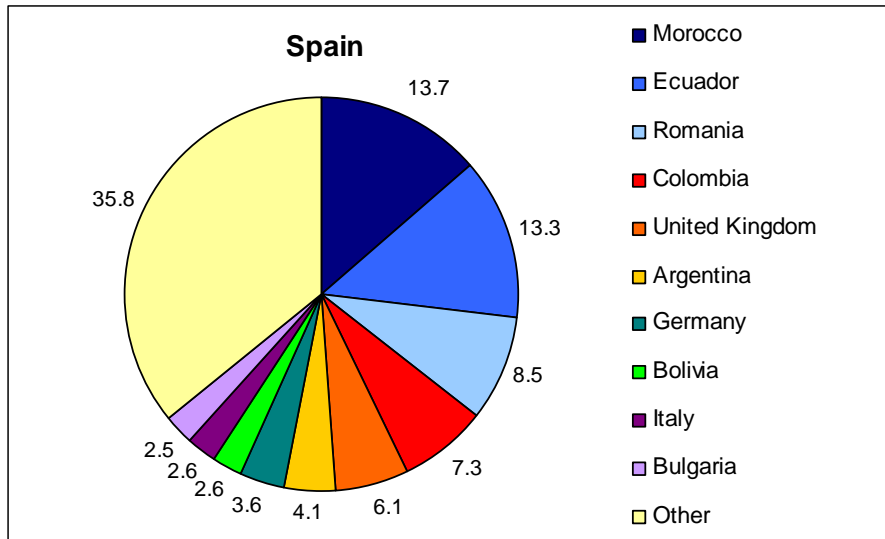




Figures 16 Foreign population by country of nationality, 2005 (continued)



Figures 16 Foreign population by country of nationality, 2005 (continued)



Note: Data not available for CY and EE. For FR, 1999; AT, BG and EL: 2001; IE, PL, 2002; PT, 2003; BE, LV, UK, 2004. Data on Latvia do not include a group defined as 'non-citizens of Latvia'. Source: OECD 2004/2005.

## Box 5 Roma

One of the most numerous ethnic minority groups in the EU, and certainly in the new Member States, is the Roma community. Although exact numbers are not known, estimates do exist, suggesting that people of Roma origin make up between 5 % and 10 % of the population in Romania, Bulgaria, Slovakia and Hungary, and in these four countries alone amount to some 3-4 million people.

### Roma population in the new Member States

Country	Roma population from Censuses ('000s) <sup>a)</sup>	Estimates of Roma population ('000s) <sup>b)</sup>	Roma population as % of total based on estimates <sup>b)</sup>
RO	535	1500–2000	7–9
BG	371	550–800	5–10
HU	190	520–650	5–8
SK	90	480–520	8–10
CZ	12	175–200	1.7–2

Sources:

a) UNDP 2005, except for Slovakia (UNDP 2002). Census data relate to 2001 for Bulgaria, Czech Republic, Hungary and Slovakia and to 2002 for Romania.

b) Needs Assessment: Roma Education Fund (2005); except Slovakia (UNDP 2002).

### *Children in ethnic minority families*

There are no data available at EU level to enable the link between ethnic origin and the income and other circumstances of households to be examined. The EU-SILC, however, contains data which can be used to throw some light on this. In particular, it includes two questions, one on the country of birth of respondents and the other one on their citizenship. It is therefore possible to distinguish, within the EU-SILC sample, those born outside the EU from those who do not have citizenship of an EU Member State — i.e. non-EU nationals.

It is important to recognise, however, that neither set of data is entirely satisfactory as a proxy for people belonging to ethnic minority groups. A significant number of these are likely to have been born in the EU country in which they live — and may be descendants of people who could have moved to the country several generations before — and have citizenship of the country in question. Accordingly, although there will be an overlap between each set of data and ethnic minorities properly defined, the overlap is by no means complete, and its extent is likely to vary between countries depending on the rules governing citizenship and the eligibility of migrants to acquire this, as well as to the relative number of first-generation migrants (i.e. those born outside the EU) as compared with second, third and so on generations. The latter will depend partly on the rate of growth of inward migration, but also on the proportion of migrants who return home.

So the two sets of data will tend to vary in terms of how far the results are indicative of the relative situation of ethnic minorities in particular countries. The data on non-EU nationals are likely to reflect more the situation of migrants who have arrived relatively recently and have not yet qualified for citizenship, while the data on those born outside the EU will give a stronger picture of those who have been in the EU for a longer period of time. The focus of the analysis below is on the latter group, but the results are similar for non-EU nationals.

Irrespective of how well the relative situation of those born outside the EU reflects that of ethnic minorities, the results are interesting in their own right as indicators of the situation of migrants in EU Member States.

There are data, however, on ethnic origin for a few countries, and for the UK at least an analysis is possible, which is presented below, of the relative situation of children in ethnic minority families. These data distinguish children of different ethnic origins, thereby drawing attention to the fact that ethnic minorities ought not to be treated as a homogeneous group and that the internal differences can be at least as important as those between the group and the ethnic majority living in a country.

#### *The EU-SILC data used in the analysis*

Although the data on which the analysis is based come from the EU-SILC for 2005, which covers 25 EU Member States, excluding Bulgaria and Romania, the relatively small number of people in most of the new Member States born outside the EU means that the sample size is not large enough to provide reliable data for these countries. Equally, for the other countries, it is not possible to distinguish reliably between those born in different parts of the world outside the EU — for example, those born in North Africa as opposed to those born in India or China — which, as the evidence for the UK demonstrates, is a serious limitation.

The analysis compares children where both parents were born outside the EU with children of parents born in the EU country in which they live. It focuses on the income they have access to, income being defined as the disposable income of households, equivalised for differences in their size and composition<sup>36</sup>. For ease of presentation, children whose parents were born outside the EU are termed ‘migrant’ children and those whose parents were born in the country of residence ‘home’ children.

#### *The risk of poverty among children of parents born outside the EU*

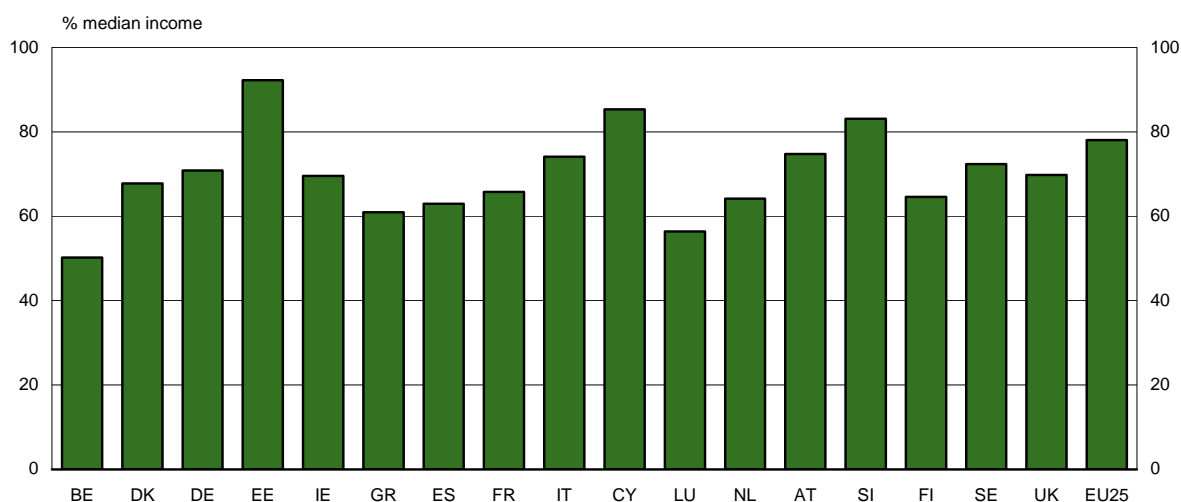
‘Migrant’ children represent around 5-6 % of all children under 16 in the EU, the proportion ranging from 12-13 % in Austria and Luxembourg and 8-9 % in Belgium and the UK to below 1 % in Portugal, Poland and Slovakia. Such children tend to have both a lower level of income and a higher risk of poverty than those of ‘home’ children. This is universally the case throughout the EU.

In 2004, the median income of ‘migrant’ children was less than 80 % of the median income of ‘home’ children, except for the three new Member States — Estonia, Cyprus and Slovenia — for which data can be analysed (in the sense that the number born outside the EU included in the sample is large enough to be representative) (Figure 17). In Belgium and Luxembourg the median income of such children was less than 60 % of the income of ‘home’ children.

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<sup>36</sup> It should be noted that the relative number of households in which both parents were born abroad included in the EU-SILC survey may well understate the true number in the countries concerned to the extent that the sampling method used does not include these characteristics when seeking to ensure that the households surveyed are representative of the population as a whole. In practice, since the sample tends to be selected from household registers which are unlikely to be fully up to date, they may not include recent arrivals. Added to this, there may be a natural reluctance among migrants to be involved in the survey.

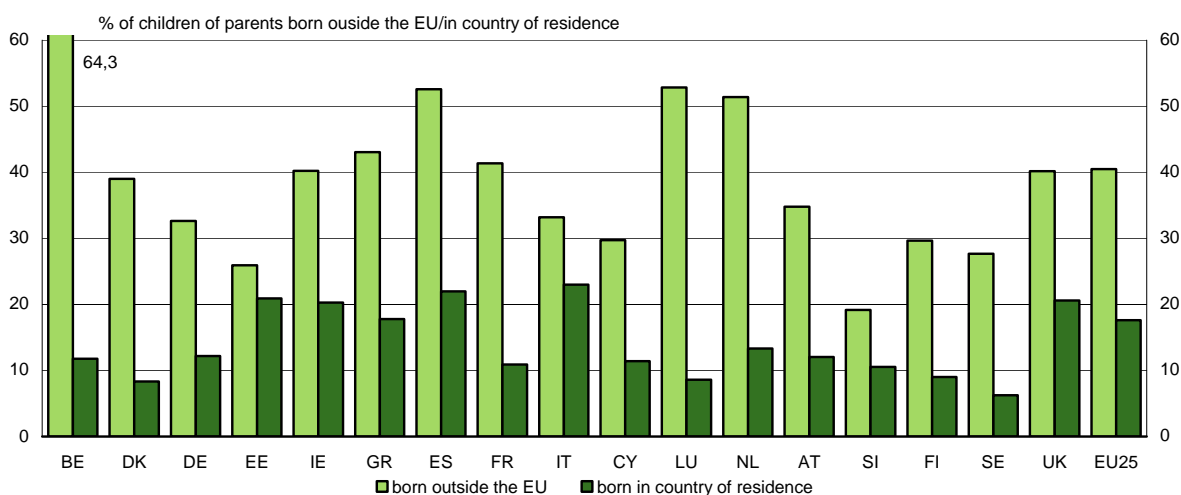
**Figure 17 Median income of children of parents born outside the EU relative to that of those with parents born in the country of residence, 2004**



Source: EU-SILC, 2005

Equally, in all countries without exception, the proportion of children with income below the at-risk-of-poverty threshold — defined as below 60 % of the national median — was much larger among ‘migrant’ children than among ‘home’ children (Figure 18). Apart from in Estonia and (marginally) in Slovenia, moreover, the difference was greater than 10 percentage points. In Belgium, some 64 % of ‘migrant’ children had levels of equivalised income below the at-risk-of-poverty threshold, in Spain, the Netherlands and Luxembourg over 50 %, while in Ireland, Greece, France and the UK, the figure was over 40 %.

**Figure 18 Proportion of children with income below the at-risk-of-poverty threshold, parents born outside the EU and parents born in the country of residence, 2004**



Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

These figures imply, together with the relatively large number of ‘migrant’ children in some cases, that such children account for a significant proportion of all children at risk of poverty in a number of EU Member States. In the EU as whole, therefore, ‘migrant’ children make up 11-12 % of all children at risk of poverty, while in France, they make up

around 23 %, in Austria and Sweden 25-28 %, in Belgium almost a third and in Luxembourg just over a third.

*The risk of poverty among households with and without children*

The presence of children in the household, or family size, does not seem to be the main reason for the high risk of poverty among those whose parents were born outside the EU, although it does seem to be a contributory factor in a number of countries. People born outside the EU living in households without children also tend to be exposed to a higher risk of poverty than those living in childless households where all members were born in the country of residence. This is the case in all Member States without exception (Table 20).

The difference was particularly large (20 percentage points or more) in Belgium, France, Luxembourg and the three Nordic Member States. In Finland, the gap at risk of poverty between those born in the country of residence and those born abroad was greater in households without children than for households with children. However, Finland and Estonia are the only EU countries where this was the case. In all other Member States, therefore, the presence of children in households seems to increase the risk of poverty among those born outside the EU relative to those born in the country, in many cases markedly so (in Belgium, Ireland, Greece, Spain, Cyprus, the Netherlands and the UK, especially).

**Table 20 Risk of poverty of those in households with and without children by place of birth, 2004 (% with income below the at-risk-of-poverty threshold)**

	Those born in country of residence		Those born outside EU		% point difference: born outside EU minus born in country	
	With children	Without children	With children	Without children	With children	Without children
<b>BE</b>	12	12	64	37	53	25
<b>DK</b>	8	15	39	42	31	28
<b>DE</b>	12	14	33	24	20	10
<b>EE</b>	21	19	26	25	5	6
<b>IE</b>	20	21	40	28	20	7
<b>EL</b>	18	19	43	23	25	4
<b>ES</b>	22	19	53	21	31	2
<b>FR</b>	11	12	41	32	30	21
<b>IT</b>	23	16	33	21	10	6
<b>CY</b>	11	27	30	33	18	6
<b>LU</b>	9	5	53	34	44	29
<b>NL</b>	13	8	51	16	38	8
<b>AT</b>	12	10	35	29	23	19
<b>SI</b>	11	16	19	23	9	7
<b>FI</b>	9	14	30	45	21	31
<b>SE</b>	6	10	28	30	21	20
<b>UK</b>	21	18	40	26	20	8
<b>EU-25</b>	18	15	40	25	23	10

Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

### *The household situation of 'migrant' children*

The relatively high risk of poverty among migrant children might be due to their specific household circumstances, to their coming from families with large numbers of children or, alternatively, being brought up by a lone parent. To throw some light on this, the household circumstances of such children can be compared with those of children whose parents were born in the country in which they live.

In most Member States, the household circumstances of 'migrant' children differ from those of 'home' children in that more of them either live with a single parent or in families with a large number of children or, in some cases, both. In the EU as a whole, therefore, there are both a higher proportion of 'migrant' children being brought up by a single parent (21 % as opposed to 12 %) and a higher proportion living in families with three or more children (30 % as opposed to 21 %) (Table 21). In some Member States, 'migrant' children are much more likely to live with a single parent (almost invariably their mother) than 'home' children, which is the case in Cyprus, the Netherlands and the UK. In others, they are far more likely to be one of three or more children, as in Belgium, Denmark, Ireland, Spain, Luxembourg and Austria. In yet others, they are more likely to be living in both types of household than 'home' children, which is the case in Germany, France and Finland. In Greece, Italy, Slovenia and Sweden, on the other hand, there is not much difference in these respects between 'migrant' and 'home' children.

In all of these countries, around half or more (over 65 % in Denmark, Germany and Luxembourg) of the children below the at-risk-of-poverty threshold with parents born outside the EU lived in households with at least three children, which was also the case in the Netherlands, while in Ireland and France, the proportion was over 40 %. By contrast, for children with at-risk-of-poverty-level income whose parents were born locally, the

proportion was over 40 % in only two countries (the Netherlands and Finland) and below 30 % in all but another two (Ireland and Cyprus).

**Table 21 Children by place of parents' birth and household type, 2004**

	% Division of children between each category							
	Parents born in country of residence				Parents born outside the EU			
	Lone parent	2 adults, 1 or 2 children	2 adults, 3 children	3 or more adults with children	Lone parent	2 adults, 1 or 2 children	2 adults, 3 children	3 or more adults with children
<b>BE</b>	14	50	31	6	14	25	50	11
<b>DK</b>	16	56	25	2	15	34	45	6
<b>DE</b>	20	54	22	4	31	32	34	4
<b>IE</b>	15	40	32	13	20	35	41	4
<b>EL</b>	4	84	6	6	7	73	8	12
<b>ES</b>	4	68	15	13	6	36	30	28
<b>FR</b>	11	64	22	3	19	40	38	3
<b>IT</b>	6	68	15	11	8	62	17	13
<b>CY</b>	5	61	27	8	12	62	5	22
<b>LU</b>	7	58	27	8	9	31	46	14
<b>NL</b>	9	56	33	3	20	39	38	2
<b>AT</b>	10	54	22	13	3	48	38	10
<b>SI</b>	6	57	18	20	10	74	10	6
<b>FI</b>	12	51	34	3	28	26	43	3
<b>SE</b>	18	52	28	2	21	43	34	2
<b>UK</b>	26	49	20	5	38	29	24	9
<b>EU-25</b>	12	58	21	9	21	40	30	9

Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

There are a number of countries where household circumstances are much the same for children whose parents were born outside the EU and where the parents were born locally. This is the case in Italy and the UK and to a lesser extent in Greece. In these countries, therefore, differences in household circumstances do not seem to be a significant poverty-risk factor.

#### *Children whose parents were born abroad and household work intensity*

In 15 of the 17 Member States in which the number of people born outside the EU is large enough for the data to be meaningful — i.e. all except Greece and Luxembourg — the proportion of children living in households in which no-one was working was larger for 'migrant' children than for 'home' children (Figure 19). Moreover, in all the countries apart from Estonia, the work intensity of the households in which they lived was less, on average, than those in which 'home' children lived<sup>37</sup>.

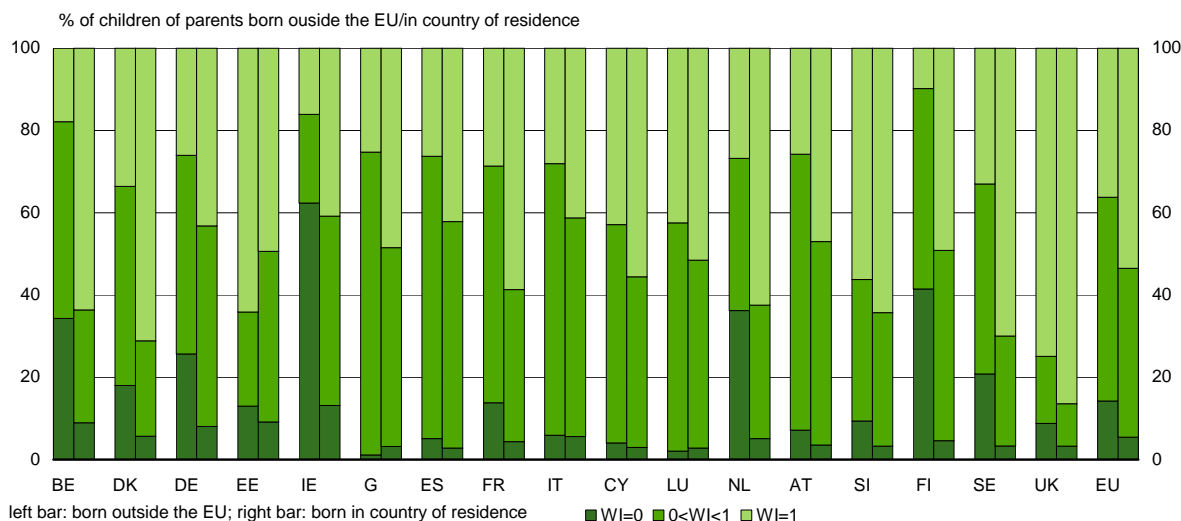
<sup>37</sup> Work intensity is measured as the number of people of working age in employment in a household, weighted by the relative number of months during the year in which they worked (with a weight of one for those who worked throughout the year and a weight of 0.5 if they worked for 6 months), relative to the total number of working age in the household. No account is taken of whether someone works part-time or full-time, in the sense that both have a weight of one.



In 12 of the 17 countries, therefore, the work intensity of the households of ‘migrant’ children was less than one (i.e. signalling that not everyone of working age was in employment throughout the year) for over 60 % of such children — in Belgium, Ireland and Finland, for over 80 % of children. In stark contrast, the majority of ‘home’ children lived in households with a work intensity of one.

The relatively low level of employment among people born outside the EU as compared with those born inside therefore seems to be a significant factor underlying the relatively high risk of poverty among their children.

**Figure 19 Children of parents born outside the EU and in country of residence by work intensity (WI) of households in which they live, 2004**



Source: Eurostat – EU-SILC Users' Data Base, version 27 June 2007.

### *Children at risk of poverty and household work intensity*

The issue can be further investigated by examining the work intensity of the households in which ‘migrant’ children at risk of poverty live. The picture which emerges is by no means common across countries, especially as compared with the work intensity of similarly at-risk households of ‘home’ children.

The proportion of ‘migrant’ children whose income was below the at-risk-of-poverty threshold in 2004 and who lived in households where no-one was working varies widely across the EU. In Ireland, the proportion was some 78 %, in Germany, the Netherlands and Finland 55-60 %, and in Belgium and Sweden 45-50 % (Table 22). In these countries, therefore, the risk of poverty affecting these children seems to be attributable to a large extent to a lack of income from employment. In Belgium and Sweden, moreover, as well as in Finland, a significant proportion of migrant children lived in households where, even though someone was working, the work intensity index was less than 0.5 (signifying that less than half the people of working age were in employment throughout the year).

In both Ireland and Belgium, the corresponding proportion for ‘home’ children was also over a half, suggesting perhaps that lack of employment income was also a major cause of low income among this group as well, whereas in the other countries, a much smaller proportion of these children lived in workless households.

At the same time, in other countries (in 9 of the 17), a low level of work intensity does not seem to be a major explanation of the low income of ‘migrant’ children — as in the case of ‘home’ children. In Greece and Spain less than 20 % of ‘migrant’ children with income below the threshold lived in households with a work intensity of less than 0.5. In Italy, Cyprus, Luxembourg and the UK, the proportion was under 30 %, in Austria, France and Denmark 30-35 %.

**Table 22 Children below the at-risk-of-poverty threshold by place of parents’ birth and household work intensity, 2004**

	<i>% Division of children between each category</i>							
	Parents born in country of residence				Parents born outside the EU			
	Work intensity				Work intensity			
	0	0-0.5	0.5-1	1	0	0-0.5	0.5-1	1
<b>BE</b>	55	5	23	17	46	27	23	4
<b>DK</b>	44	12	24	20	30	5	57	8
<b>DE</b>	35	2	12	51	59	8	33	0
<b>EE</b>	39	15	27	20	31	17	13	38
<b>IE</b>	50	16	25	8	78	3	19	0
<b>EL</b>	14	13	54	19	3	7	79	11
<b>ES</b>	10	15	58	17	9	10	65	16
<b>FR</b>	24	13	43	20	21	12	47	20
<b>IT</b>	19	17	55	10	16	11	63	10
<b>CY</b>	21	9	62	8	3	25	39	32
<b>LU</b>	9	11	47	33	4	20	41	36
<b>NL</b>	17	6	46	31	57	2	25	16
<b>AT</b>	16	10	47	27	15	15	67	2
<b>SI</b>	25	18	40	18	41	0	43	16
<b>FI</b>	29	16	40	16	58	24	17	0
<b>SE</b>	21	11	26	42	46	18	25	11
<b>UK</b>	14	3	16	67	17	10	10	62
<b>EU-25</b>	22	13	40	25	26	12	41	21

Source: Eurostat – EU-SILC Users’ Data Base, version 27 June 2007.

In most of these countries, however — all except Cyprus, Luxembourg and the UK — the proportion of ‘migrant’ children with income below the threshold living in households with a work intensity of one (all members of working age in employment) was relatively small, only 20 % or less. This was much the same as in households with children whose parents were born locally.

The implication is that the chances of having income below the threshold are relatively small for children living in households where both parents are working. A further implication is that having only one parent in work significantly raises the risk of poverty for children — of parents born inside the EU as well as outside. However, employment alone is not sufficient to protect against the risk of poverty. In the UK, well over 60 % of children of both backgrounds with income below the threshold live in households where everyone is working (though it should be noted that many of the parents concerned might be bringing up their children alone or working part-time).

### *Ethnic minorities and child poverty risks in the UK*

Ethnic minorities are far from being a homogeneous group with similar characteristics and facing the same kinds of problem. In practice, the term covers a number of different sections of the population with varying legal rights and in differing circumstances depending in part on whether or not they have citizenship of the country in which they live and the time they have been resident there. In some cases, the people concerned may be newly arrived migrants; in others, they may be the descendants of people who moved to the country several generations before or even many centuries before, as in the case of the Roma in many parts of Europe.

Circumstances can vary, moreover, even between ethnic groups who have been in the country for similar periods of time, depending on, for instance, their cultural and social ties to the country in question or the colour of their skin, as well as, of course, between individuals within groups, according to their education level, their familiarity with the local language and social norms, the job they do and so on.

As emphasised at the outset, however, there is a lack of data at EU level and in most Member States to enable different ethnic minorities to be distinguished from each other. The UK is an exception. Here data are routinely collected on ethnicity, in large measure to inform policy-making and to serve as a basis for assessing the policies in place. It is therefore possible to examine the position of different ethnic groups in terms of their household circumstances, income and risk of poverty.

At the same time, it is open to question how far the conclusions from these data can be generalised to other EU Member States, since circumstances in the UK are not the same as elsewhere. In particular, there are relatively large numbers of people from minority groups who have been in the country for several generations. Legislation against discrimination has also been in place for longer than in most other Member States.

According to the Census of Population, in 2001, non-white ethnic minorities made up around 8 % of the UK population. Around half of these people were born in the UK. Overall, the children of minority groups make up 12 % of the population of children in the UK but 20 % of those at risk of poverty. These figures, however, conceal major differences between children in different ethnic groups. Recent figures (from the British Family Resources Survey) indicate that the risk of poverty among Black African, Pakistani and Bangladeshi children, measured in these terms, is more than double the rate for white children (Table 23).

**Table 23 At risk of poverty rates among children after housing costs, Great Britain 2002/03-2004/05**

At risk of poverty rates, children	
<b>White groups</b>	25.1
<b>Black Caribbean</b>	36.8
<b>Black African</b>	55.7
<b>Indian</b>	31.9
<b>Pakistani</b>	60.0
<b>Bangladeshi</b>	72.0

Notes: Ethnic group is that of the household reference person. The at-risk-of-poverty threshold is defined as 60 % of median equivalised income.

Source: Department of Work and Pensions.

These proportions, however, vary between children living in different types of household. For white children, therefore, children with a lone parent make up the largest proportion of the total living in households with income below the threshold, but the risk is highest among those with two parents, neither of whom is in full-time work (Table 24). Conversely the risk of poverty is relatively low for children living in a household in which there is at least one wage-earner; but because such households make up the majority of those with white children, they still account for nearly half of all white children at risk of poverty.

**Table 24 Risk of poverty among children by family type and household employment status: % at risk of poverty and % division of those at risk by household type**

Ethnic Group	Risk of poverty/ division of children at risk	Household type			Employment status
		Lone parents	Couple: at least 1 in full-time work	Couple: neither in full-time work	Households with one or more earners
White groups	Risk	48	12	62	15
	Division	46	32	22	49
Indian	Risk	55	19	86	24
	Division	20	44	36	64
Pakistani/ Bangladeshi	Risk	63	46	83	54
	Division	14	32	54	54
Black Caribbean /Black African	Risk	59	19	82	25
	Division	69	15	16	35

Source: Department of Work and Pensions.

By contrast, lone-parent families account for only a small share of Indian, Pakistani and Bangladeshi children at risk of poverty, but they make up over two-thirds of Black Caribbean and Black African children at risk. The risk for all the ethnic minority groups is high for children in these circumstances (the proportion varying between 55 % and 63 %); but again the risk is not as high as for those living with two parents neither of whom is in full-time employment, which is over 80 % for Indian, Pakistani, Bangladeshi and Black Caribbean children.

For Pakistani and Bangladeshi children, however, the risk of poverty for those living with two parents with at least one of them in full-time work is also relatively high (46 %), and even among Indian children, it is over 2½ times higher than among white children, highlighting the low earnings of these parents. Indeed, in all households with one or more earners, including those not in full-time work, the risk of poverty is over 50 % for Pakistani and Bangladeshi children, while for Indian children, it is much lower (24 %); but such households account for nearly two-thirds of Indian children with income below the threshold.

The risk of poverty also varies between households with different numbers of children (Table 25). Whereas the majority of white, Indian, Black Caribbean and Black African children at risk of poverty live in families with one or two children, over two-thirds of poor Pakistani and Bangladeshi children at risk live in families with three or more children. For all ethnic groups, the risk of poverty from living in a larger family is higher than if they lived in a smaller family; but for Pakistani, Bangladeshi, Black Caribbean and Black African children the risk of poverty in a smaller family is still higher than for white children living in a large family.

**Table 25 Risk of poverty among children by family size: risk of poverty and % division of those at risk by family size**

Ethnic Group	Risk of poverty/ division of children at risk	Family size	
		1 or 2 children	3+ children
White groups	Risk	22	32
	Division	62	38
Indian	Risk	26	46
	Division	55	45
Pakistani	Risk	51	66
	Division	32	68
Bangladeshi	Risk	59	79
	Division	29	71
Black Caribbean/ Black African	Risk	41	54
	Division	53	47

Source: Department of Work and Pensions.

In order to reduce the risk of poverty for children from ethnic minorities, there is a need to focus on situations in which the risk is disproportionately high (such as children living in households with no-one in full-time work) and situations accounting for the greatest proportion of children at risk (e.g. Black Caribbean and Black African children living with a lone parent).

### *Conclusions*

Children whose parents were born outside the EU have both access to a lower median income and a higher risk of poverty than those whose parents were born in the country concerned. As such, the evidence seems indicative of the disadvantage in terms of income and the greater risk of social exclusion which migrants and ethnic minorities seem to experience.

This disadvantage does not seem to be wholly linked to the presence of children themselves in such households, since a similar disadvantage is evident for households where all members were born outside the EU but where there are no children. Nevertheless, the presence of children seems to compound the disadvantage. In the EU as a whole, therefore, while children whose parents were born outside the EU represented 5-6 % of all children in the EU, they make up 11-12 % of all children whose income is below the at-risk-of-poverty threshold. In France, they make up over 20 % of children at risk of poverty, in Austria and Sweden over 25 % and in Belgium and Luxembourg around a third. The relatively large number of children growing up in families with income below the threshold is of particular concern not only in itself but because of its implications for their future life chances.

The disadvantage does, however, seem to be linked to employment, in that children whose parents were born outside the EU are far more likely in most parts of the EU to live in households where no-one of working-age is employed and much less likely to live in households where everyone is in full-time employment. At the same time, it also seems to be linked to low wage levels in that in many countries a large proportion of the children concerned live in households where one or more of their parents are in work.

In the UK, which is one of the few EU Member States in which it is possible to examine the relative income level and household circumstances of children from different ethnic backgrounds, the evidence indicates that there are marked differences in both of these within the ethnic minority group. The risk of poverty is, therefore, much higher for children from some ethnic backgrounds than others (those in Bangladeshi or Pakistani

families, for example, as compared with those in Indian families), which seems partly attributable to differences in family size.

#### Box 6 — Educational performance of students from a migration background

Schools have a central role in addressing the challenges posed by migration flows, given the close correlation between education and a successful working life. The recently published OECD report<sup>38</sup> explores performance and school achievement of students with a migration family background. The report relies on the results of the OECD Programme for International Student Assessment (PISA) 2003, an internationally standardised assessment of performances in reading and mathematics administered on the part of 15-year-olds in schools.

Only in 14 OECD countries (8 European Union Member States)<sup>39</sup> was the immigrant population big enough to be considered significant (>3 % of 15-year-olds). In these countries, foreign-born students show a marked deficit in comparison with native students: 48 points on the PISA mathematics scale, i.e. more than one average school year's progress<sup>40</sup>. The gap is reduced to 30 points when socio-economic factors such as the occupation and education of parents are taken into account. The performance deficit of immigrant students varies widely across countries: from almost insignificant in Australia, Canada and New Zealand to more than 90 PISA points in Belgium and Germany, even for second-generation immigrant children.

The performance gap remains high (40 points) also for second-generation students. However, normally they perform better than first-generation students as they do not face the same linguistic and cultural problems. Here again there are major variations: in Canada, Luxembourg, Sweden and Switzerland second-generation students perform significantly better than first-generation ones, while in Germany and New Zealand it is the other way round. The immigration background also partly explains the performance variation between schools. Immigrant students tend *de facto* to be more or less directed towards schools with lower performance expectations. In general they are clustered in the same schools, which often present a more disadvantaged socio-economic student background and, in some countries, poorer learning conditions. However, the distribution of immigrant students across schools does not seem to account for international variations in performance gaps between immigrant and native students, even if high proportions of immigrant students in schools may impact on the performance levels. Literature on the latter point however presents mixed evidence<sup>41</sup>.

Interestingly enough, data show no negative relationship between the size of immigrant populations and overall performance. Countries with a large immigrant population in many cases also have good overall performances, which contradicts the idea that a large share of immigrants in the population could be an obstacle to integration. Another interesting result of the OECD analysis is that, despite lower performance and a generally worse socio-economic background, immigrant students are very motivated learners with a positive attitude to school. The indication, in all countries assessed, is of higher levels of interest and motivation in mathematics and a more positive attitude to school in general than among native and second-generation peers. They claim they expect to complete a university course more often than native students. Finally, they report belief in their own ability in mathematics but then show higher levels of anxiety when performing specific tasks.

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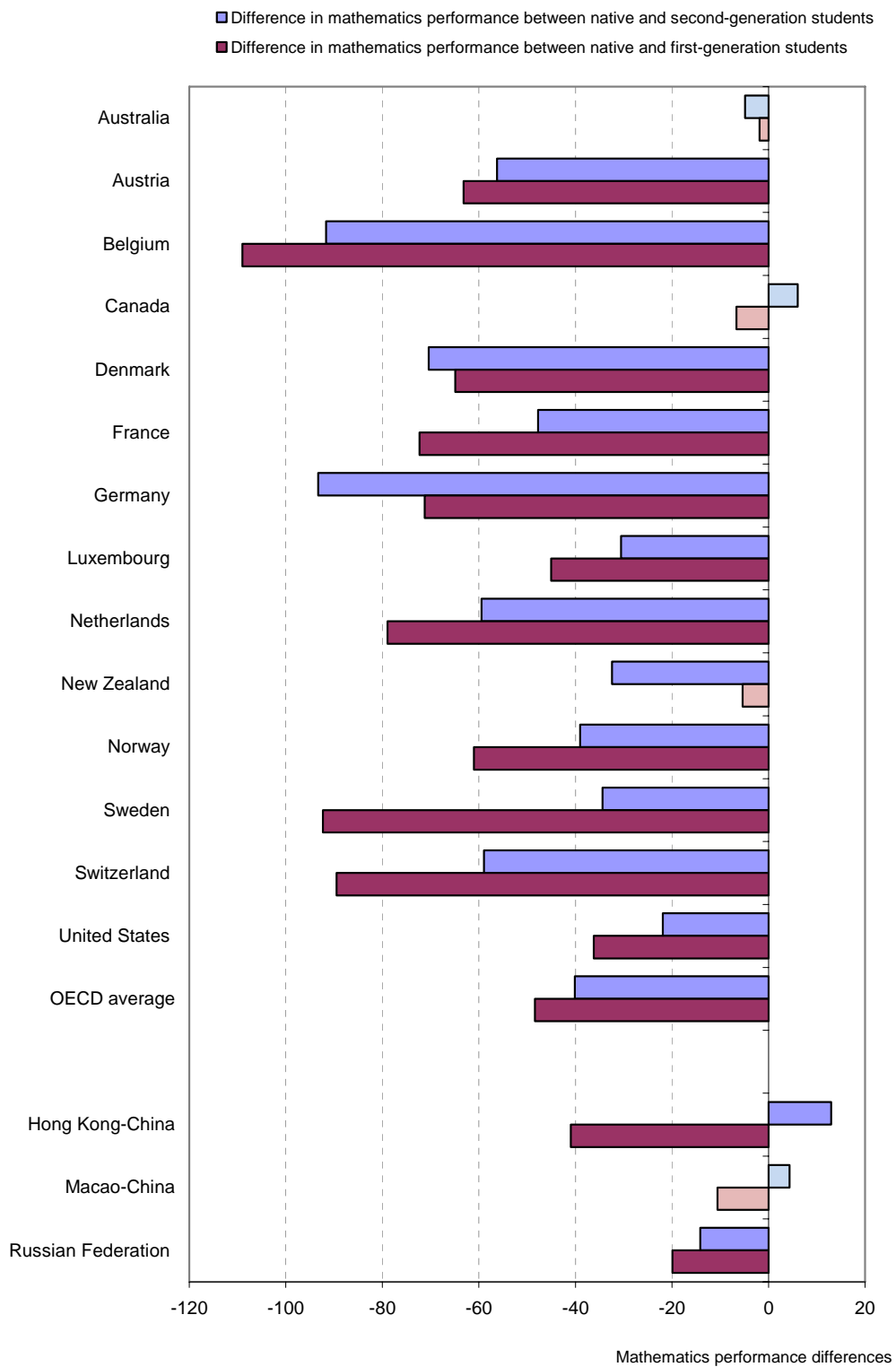
<sup>38</sup> Education at glance, OECD 2007.

<sup>39</sup> They are: Australia, Austria, Belgium (with separate data for the Flemish and French Communities), Canada, Denmark, France, Germany, Luxembourg, the Netherlands, New Zealand, Norway, Sweden, Switzerland, United States. Overall, 41 countries participated in the PISA 2003 assessment.

<sup>40</sup> For the 26 OECD countries in which a sizeable number of 15-year-olds in the PISA samples were enrolled in at least two different grades, the difference between students in the two grades implies that one school year corresponds to an average of 41 score points on the PISA mathematics scale (for details on the methodology see OECD, The PISA 2003 Assessment Framework — Mathematics, Reading, Science and Problem Solving Knowledge and Skills, Paris, 2003).

<sup>41</sup> Where immigrant students succeed — A comparative review of performance and engagement in PISA 2003, OECD 2006

**Figure 20 Differences in mathematics performance by immigrant status (2003)**



Note: Statistically significant differences are marked in darker tones.

Source: OECD PISA 2003. Table A6.1a

## PART 2 — AREAS OF SOCIAL POLICY CONCERN: STATISTICAL PORTRAITS

**The structure of the Part Two:** Part Two presents a series of statistical portraits that address a range of social policy concerns for the European Union. Virtually all the main European social policy domains are covered: population; education and training; labour market; social protection; income, social inclusion and living conditions; gender equality and health and safety. The annexes present additional tables and explain terminology.

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

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

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

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

**The Structural Indicators:** Sixteen of the chosen twenty-six key indicators are among the Structural Indicators, which are used in order to monitor the progress towards the agreed targets based on the Lisbon Strategy focusing on growth and jobs (More about the Lisbon Strategy can be found in the web address: [http://europa.eu.int/growthandjobs/index\\_en.htm](http://europa.eu.int/growthandjobs/index_en.htm)).

**Annexes:** A summary of the key indicators with the most recent data for each geopolitical entity, i.e. a country or a group of countries (EU-27, EU-25 and EA-13), can be found in Annex 1.1. Annex 1.2 consists of key indicator tables with time series for each geopolitical entity (mainly around the latest 10 available years). Detailed other statistical data covering the whole report can be found in Annex 1.3. Symbols, country codes, country groupings, other abbreviations and acronyms are explained in Annex 2.

**Data used:** The portraits in Section 2 and annexes 1.1, 1.2, and 1.3 are based mainly on data that were available in the end of September 2007. In some parts it has been possible to



use data that became available later. An effort has been made to use the most recent data available and to present coherent data. However, since this publication is a result of contributions of tens of specialists, inconsistencies of data may have remained within it.

**Sources of additional data:** Additional or more recent data can be found in the Eurostat website <http://europa.eu.int/comm/eurostat/>, where one also can download free pdf files of Eurostat publications. Printed versions of Eurostat publications are sold by the worldwide network of sales agents of the Publications Office (Office for Official Publications of the European Communities, which is the publishing house of the institutions and other bodies of the European Union). The priced publications are available from EU Bookshop website <http://bookshop.europa.eu>, where you can place an order with the sales agent of your choice. A list of these sales agents' contact details can be found in the website [http://publications.europa.eu/others/agents/index\\_en.htm](http://publications.europa.eu/others/agents/index_en.htm) or you can ask a paper copy by sending a fax to +352 2929-42758.

<b>Domain</b>		<b>Statistical Portrait</b>	<b>Selected key indicator(s)</b> <i>Structural Indicators are written in italics (see the previous page)</i>
<b>Economy</b>	1	Economic situation	<i>Real GDP growth rate</i>
<b>Population</b>	2	Demography, households and families	Total population
	3	Ageing of the population	Old age dependency ratio
	4	International migration and asylum	Crude rate of net migration including adjustments and corrections
<b>Education and training</b>	5	Education and its outcomes	<i>Youth education attainment level</i>
	6	Lifelong learning	<i>Lifelong learning</i>
<b>Labour market</b> (see also the portrait nr. 16)	7	Employment	<i>Employment rate</i> and <i>Employment rate of older workers</i>
	8	Unemployment	<i>Unemployment rate</i> and <i>Long-term unemployment rate</i>
	9	Labour Market Policy expenditure	Public expenditure on LMP measures (categories 2-7) as a percentage of GDP
<b>Social protection</b>	10	Social protection expenditure and receipts	Expenditure on social protection as a percentage of GDP
	11	Social benefits	Old age and survivors benefits as a percentage of total social benefits and Sickness and health care benefits as a percentage of total social benefits
<b>Income, social inclusion and living conditions</b>	12	Income distribution	<i>Inequality of income distribution</i>
	13	Low-income households	<i>At-risk-of-poverty rate before social transfers</i> <i>At-risk-of-poverty rate after social transfers</i>
	14	Jobless households and low wages	<i>People aged 18-59 living in jobless households</i> <i>Children aged 0-17 living in jobless households</i>
<b>Gender equality</b>	15	Women and men in decision making	Percentage of women in the lower or single House of the national or federal Parliament and Percentage of women in the European Parliament
	16	Earnings of women and men	<i>Gender pay gap in unadjusted form</i>
<b>Health and safety</b>	17	Life and health expectancies	Life expectancy at birth and <i>Healthy Life Years at birth</i>
	18	Accidents and work-related health problems	<i>Serious accidents at work</i> and <i>Fatal accidents at work</i>

## 1. ECONOMIC SITUATION

*Economic growth in 2006 in the EU-27 reached 3.0% after the moderate growth of 1.8% in 2005. In general, the new Member States and Candidate Countries outgrow the EU-15 Member States. Between 2005 and 2006 government debt fell as a percentage of GDP in both the euro area and the EU-27, to 69.0% and 61.7% respectively at end-2006.*

### **Economic growth moderate in 2005 but gathered speed in 2006**

In 2006, the European Union's (EU-27) gross domestic product rose by 3.0%, improving considerably the moderate growth rate observed in 2005 (+1.8%). Different growth patterns can be identified when looking at the performance of individual Member States in 2006. A first group is composed mainly by the biggest Member States that registered GDP growth lower than the EU-27 average or grew with the EU-27 average rate: Portugal (1.3%), Italy (1.9%), France (2.0%), the United Kingdom (2.8%), Germany (2.9%) and the Netherlands (3.0%). A second group comprises Member States that attained robust growth rates: Belgium (3.2%), Malta (3.2%), Denmark (3.5%), Cyprus (3.8%), Hungary (3.9%), Spain (3.9%), Sweden (4.2%) and Greece (4.3%). A third group is formed by Member States that experienced high growth rates: Finland (5.5%), Ireland (5.7%), Slovenia (5.7%), Bulgaria (6.1%), Poland (6.1%), Luxembourg (6.2%), the Czech Republic (6.4%), Lithuania (7.5%), Romania (7.7%), Slovakia (8.3%), Estonia (11.2%) and Latvia (11.9%).

Preliminary results for 2007 indicate that EU-27 GDP grew by 3.4% in the first quarter of 2007 and by 2.5% in the second quarter (growth rates compared to the same quarter of the previous year). For the euro area (EA-13) the corresponding results were 3.0% and 2.5%, respectively. For the whole of the year 2007, GDP is projected to expand at rates of 2.9% for EU-27 and 2.6% for the euro area.

### **GDP per head varies widely between Member States, but the gap tends to decrease**

In 2006, GDP per capita in the EU-27 amounted to 23 500 Euro, some 12% below the 26 600 Euro per capita for the euro area. The highest figures occurred in Luxembourg (71 500 Euro), Ireland (41 100) and Denmark (40 500 Euro), the lowest in Bulgaria (3 300 Euro), Romania (4 500 Euro) and Poland (7 100 Euro).

To make comparisons among Member States more meaningful, GDP per capita can be expressed in Purchasing Power Standards (PPS), thus eliminating the effect of different price levels. PPS are constructed in a way that renders one PPS equal to one Euro for the EU-27. GDP per head in the EU-27 thus is 23 500 PPS, while for the euro area, the figure of 25 800 PPS, although still ahead of the EU-27 figure, is somewhat lower than the respective value expressed in Euro, indicating that the purchasing power of one Euro is slightly lower in the euro area than in the European Union as a whole. For easier comparison, GDP per head in PPS is given relative to the EU-27 average. This figure for Luxembourg is a remarkable 178% above the EU-27 average. The second highest figure is that of Ireland, still 44% above the average. Denmark, Austria and the Netherlands all are around 30% above the average. The biggest differences for figures below the EU-27 average are in Bulgaria, Romania, Poland, Lithuania and Latvia which have values between 37% and 58% of the average. However, their values in Euro are only about 14% to 30% of the average. Obviously, lower price levels tend to partly compensate for the lower GDP per head. Compared to the situation in 1995, it can be seen that the positions at the extremes remain more or less unchanged, but almost all countries with relative values below 100 have moved somewhat closer to the EU-27 average. The most obvious changes were for Estonia, which passed from roughly on third of the average in 1995 to two thirds in 2006, and for Ireland, which recorded a figure for per capita GDP that was only slightly

higher than the EU-27 average in 1995, while in 2006 it was 38% above, placing Ireland second among all Member States.

Turning to Candidate Countries, GDP per head in PPS in Macedonia and Turkey is about one quarter lower than the lowest value observed among Member States, at around 30% of the EU-27 value. Croatia, at 50% of the average, has a significantly higher GDP per head.

### **Moderate inflation**

In July 2007, the annual inflation rate was 2.0% in the EU-27, down from 2.2% in June 2007. For the euro area a slightly lower annual inflation rate of 1.8% has been observed in July 2007, down from 1.9% in June 2007. A year earlier, slightly higher rates had been observed for the EU-27 (2.5%) and the euro area (2.4%). Among the Member States, the highest annual rates in July 2007 were observed in Latvia (9.5%), Hungary (8.3%) and Bulgaria (6.8%); while the lowest rates were observed in Malta (-0.2%), Denmark (1.1%), France and Slovakia (1.2% each). Compared with July 2006, annual inflation fell in seventeen of the Member States and rose in 9 countries, remaining at the same level in one of them. The highest increases were registered in Hungary (from 3.2% to 8.3%), Latvia (from 6.9% to 9.5%) and Slovenia (from 1.9% to 4.0%). The biggest falls were those in Malta (from 3.6% to -0.2%), Slovakia (from 5.0% to 1.2%) and Romania (from 6.2% to 4.1%). During the first part of 2007 the annual rate of euro area inflation was below the 2.0% medium-term stability threshold defined by the ECB. The 12-month average rate of change in consumer prices, which is less sensitive to transient effects, stood at 2.1% for the EU and 1.9% for the euro area in July 2007.

### **Interest rates increased from a low level**

Long-term interest rates in the euro area increased during the first six months of 2007 up to 4.64%, now no longer close to their historical lows of 3.14% in September 2005. In August 2007 the aggregate interest rate for the euro area, as measured by 10-year government bond yields, stood at 4.42% (monthly average), compared with an annual average of 3.84% in 2006 and 3.42% in 2005. The most distinguishing feature still is the high degree of convergence achieved. Up to the start of 1999, when the third phase of monetary union began, the yield differentials on 10-year bonds among euro area members narrowed sharply and almost disappeared. Since then, yields have been at broadly similar levels throughout the euro area. In August 2007 the differential between Germany (the euro area member which usually has the lowest interest rates) and Slovenia (which has the highest rates) was a mere 40 basis points.

For the other EU Member States not participating in the single currency interest rates have been slightly higher in 2006, except for Denmark and Sweden. Regarding the interest rate differential with respect to the euro area, no clear tendency can be observed.

### **Public deficit and debt decrease as percentage of GDP**

Public deficit is defined in the Maastricht Treaty as general government net borrowing according to the European system of accounts. In 2006, the government deficit of the euro area and the EU-27 improved compared to 2005. In the euro area, the government deficit decreased from 2.5% of GDP in 2005 to 1.5% in 2006, and in the EU-27 it fell from 2.4% in 2005 to 1.6% in 2006. In 2006 the largest government deficits in percentage of GDP were recorded by Hungary (-9.2%), Italy (-4.4%), Portugal (-3.9%), Poland (-3.8%) and Slovakia (-3.7%). Ten Member States registered a government surplus in 2006, with the largest surpluses in Denmark (+4.6%), Finland (+3.8%) and Estonia (+3.6%). In all, twenty-one Member States recorded an improved public balance relative to GDP, while five Member States registered a worsening and one remained unchanged.

Regarding Candidate Countries, Croatia registered a deficit of 2.2% of GDP in 2006 (an improvement on the 3.8% deficit in 2005). Turkey recorded a surplus (+0.4%) in 2006, compared with a deficit of 0.3% in 2005.

Public debt is defined in the Maastricht Treaty as consolidated general government gross debt at nominal value, outstanding at the end of the year. Between 2005 and 2006 government debt fell as a percentage of GDP in both the euro area and the EU-27, to 68.6% and 61.4% respectively at end-2006. The lowest ratios of government debt to GDP at end-2006 were recorded in Estonia (4.0%), Luxembourg (6.6%), Latvia (10.6%) and Romania (12.4%). Ten Member States had a government debt ratio higher than 60% of GDP in 2006 — Italy (106.8%), Greece (95.3%), Belgium (88.2%), Germany (67.5%), Malta (64.7%), Hungary (65.6%), Cyprus (65.2%), Portugal (64.8%), France (64.2%), and Austria (61.7%).

Croatia and Turkey have reduced their relative government debt levels during recent years, at 40.8% and 60.7% respectively at end-2006.

### **Policy Context**

In March 2005, the European Council re-launched the **Lisbon Strategy** for Growth and Jobs by focusing on jobs and growth in Europe and invited the Commission to present a programme setting out the necessary actions at Community level to help delivering the Lisbon Agenda. The European Council reaffirmed that the renewed Lisbon strategy should be seen in the wider context of sustainable development. On 20th July 2005, the Commission presented the Community Lisbon Programme (CLP) which aims at contributing to the overall economic and employment policy agenda by implementing Community policies that support and complement national policies. However, the CLP is not only the Commission's responsibility. The Council and the European Parliament are responsible for ensuring that the legislative actions outlined in the CLP are adopted.

The re-launch entailed a new governance architecture for the European economic reform process clarifying the responsibility for implementing individual actions of the revised Strategy between the national (Member States) or the Community level. While Member States have outlined their economic reform efforts at the national level in national reform programmes (NRPs), the Community Lisbon Programme covers policy actions at Community-level.

In 'A year of delivery' The European Commission's 2006 Annual Progress Report on Growth and Jobs, the Commission has looked at the progress made in National Reform Programmes and is proposing some country-specific recommendations to guide Member States.

The policy actions contained in the CLP cover areas where purely national action is insufficient because important cross-border externalities or economies of scale are concerned (e.g. investment in R&D). The actions are undertaken because of their important potential to contribute to growth and jobs in the three key areas: 1) Making Europe a more attractive place to invest and work; 2) Knowledge and Innovation; 3) More and better Jobs.

The EU's medium-term economic policy strategy focuses on the contribution that economic policies can make to achieve the strategic Lisbon goal. This economic policy is laid down in the **Broad Economic Policy Guidelines** (BEPGs), which make both general and country-specific recommendations.

On 12 April 2005, the European Commission adopted the **Integrated Guidelines 2005 – 2008**, thus bringing together for the first time the Broad Economic Policy Guidelines

(BEPGs) and the Employment Guidelines in one single document. The integrated policy guidelines underline the link between the Lisbon programme and sustainable development. They highlight that long-term growth depends on addressing a range of resource and environmental challenges which, if left unchecked, will act as a brake on future growth. The guidelines lay out a comprehensive strategy of macroeconomic, microeconomic and employment policies to redress Europe's weak growth performance and insufficient job creation. This integration of guidelines follows the move from annual to multi-annual BEPGs in 2003. The 2003-05 BEPGs had been subject to two implementation reports whose findings fed into the Integrated Guidelines.

In order to participate in the **euro area**, Member States must fulfil legal convergence and the **convergence criteria** on price stability, government budgetary position, exchange rate and interest rate. At least once every two years, or at the request of a Member State with a derogation, the Commission and the European Central Bank (ECB) shall report to the Council on the progress made in the fulfilment by the Member States of their obligations regarding the achievement of economic and monetary union. Among those Member States not participating in the euro area, Denmark and the United Kingdom, negotiated opt-out clauses before the adoption of the Maastricht Treaty, and are not subject to regular convergence reports.

A specific convergence report, drawn up by the Commission in May 2006 in response to a request by Slovenia and Lithuania, concluded that Slovenia met all the conditions and could adopt the euro on 1 January 2007, while Lithuania retained its present status. The Council endorsed the Commission's assessments in July 2006.

The 'regular' Convergence Report was adopted by the European Commission on 5. December 2006. Progress with convergence towards the requirements of EMU is assessed in the Czech Republic, Estonia, Cyprus, Latvia, Hungary, Malta, Poland, Slovakia and Sweden. The report examines whether the Member States without an opt-out meet the convergence criteria on price stability, the government budgetary position, exchange rates and interest rates and whether they ensure compatibility of their legislation with that required for euro membership. The report indicates that none of the countries examined fulfils all conditions for adopting the euro at this stage. In this light, the Commission concludes that there should be no change in the status of the nine countries assessed as a 'Member State with derogation'.

The European Commission adopted in May 2007 in response to a request by Cyprus and Malta specific convergence reports on these countries with a clear verdict: both countries meet the necessary economic and legal conditions for joining the euro area and could adopt the euro on 1 January 2008. The Council endorsed the Commission's assessments in June 2007.

For the Candidate Countries the so-called Pre-Accession Fiscal Surveillance Procedure has been established, aiming at preparing countries for the participation in the multilateral surveillance and economic policy co-ordination procedures currently in place in the EU as part of the Economic and Monetary Union. The Pre-Accession Economic Programmes (PEPs) are part of this procedure.

### **Methodological Notes**

National Accounts figures are compiled according to the European System of National and Regional Accounts in the Community (ESA95). ESA95 is the subject of Council regulation No 2223/96 of June 25, 1996.

Recent important methodological improvements to national accounts include the allocation of FISIM (Financial Intermediation Services Indirectly Measured) to user sectors/industries, and the introduction of chained volume measures to replace fixed-base volume measures. Most Member States have fully implemented the new methods by now. However, some outstanding implementations still impact on the comparability of data and on the availability of time series.

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

Consumer price inflation is best compared at international level by the 'harmonised indices of consumer prices' (HICPs). They are calculated in each Member State of the European Union, Iceland and Norway. The EICP (European Index of Consumer Prices) as defined in Council Regulation (EC) No 2494/95 of 23 October 1995 is the official EU aggregate. It covers 15 Member States until April 2004, 25 Member States starting from May 2004 until December 2006 and 27 Member States starting from January 2007. The 10 new Member States are integrated into the EICP starting from May 2004 using a chain index formula. This means, for example, that the annual rate of change in October 2004 is the change from October 2003 to April 2004 of the 15 old Member States combined with the change from April 2004 to October 2004 of the 25 Member States. The 2 new Member States – Bulgaria and Romania – are integrated into the EICP from January 2007 using a chain index formula. HICPs are used by the European Central Bank (ECB) for monitoring inflation in the economic and monetary union and the assessment of inflation convergence. As required by the Treaty, the maintenance of price stability is the primary objective of the ECB which defined price stability 'as a year-on-year increase in the harmonised index of consumer prices for the euro area of below 2%, to be maintained over the medium term'. A more stable measure of inflation is given by the 12-month average change that is the average index for the latest 12 months compared with the average index for the previous 12 months. It is less sensitive to transient changes in prices but it requires a longer time series of indices.

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

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

European Union, Protocol on the Excessive Deficit Procedure (EDP), and Council Regulation 3605/93 (as amended).

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

Employment (2.7), Unemployment (2.8) and Economy (Annex 1.3.1).

### **Further reading**

- European Economy No 7/2007, *Economic Forecasts, Autumn 2007*, DG Economic and Financial Affairs. (scheduled for November 2007)
- European Economy No 8/2007, *The EU Economy, 2007 Review*, DG Economic and Financial Affairs. (scheduled for November 2007)
- European Economy, No 4/2005, *Integrated Guidelines 2005-2008 including a Commission Recommendation on the Broad Economic Policy Guidelines*, DG Economic and Financial Affairs.

Publications and additional or updated data on national accounts, public debt and deficit, consumer prices and interest rates are available from Eurostat's web-site (<http://europa.eu.int/comm/eurostat>).



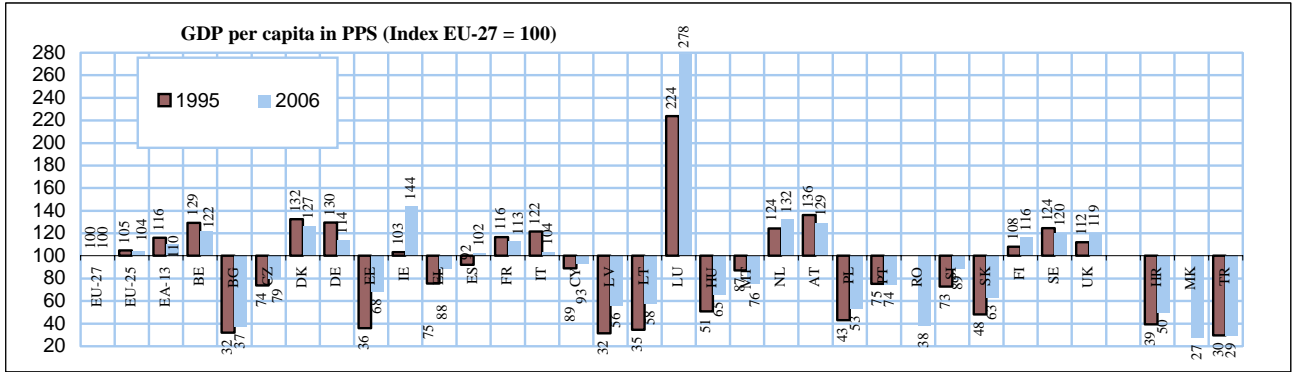
EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
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**Key indicator 1**

**Real GDP growth rate, 2006 (Growth rate of GDP volume)**

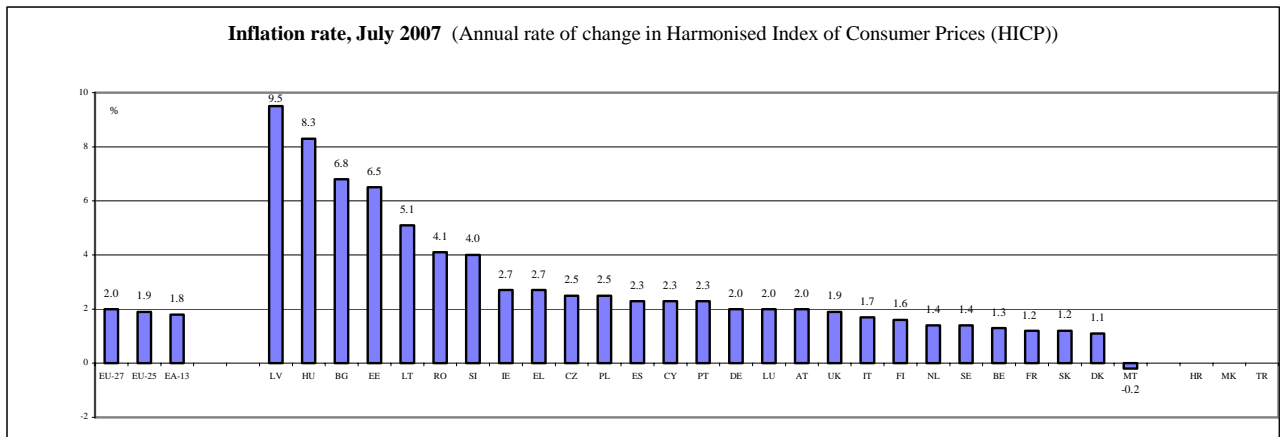
3.0	3.0	2.8	3.2	6.1	6.4	3.5	2.9	11.2	5.7	4.3	3.9	2.0	1.9	3.8	11.9	7.5	6.2	3.9	3.2	3.0	3.3	6.1	1.3	7.7	5.7	8.3	5.5	4.2	2.8	4.8f	3.1f	6.1
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Source: Eurostat - National Accounts. "f" denotes a forecast by the Commission services.



Note: Figures for 2006 are based on preliminary purchasing power parities. Figures for the United Kingdom, Croatia, FYROM and Turkey do not yet include the allocation of "financial intermediation services indirectly measured" (FISIM) to user sectors. Therefore comparability across countries is reduced.

Source: Eurostat - National Accounts



Source: Eurostat - Price statistics

## **2. DEMOGRAPHY, HOUSEHOLDS AND FAMILIES**

*On 1st January 2005 the population of the EU-27 stood at about 491 million. The trend is towards having fewer children and having them later in life, fewer and later marriages, a higher proportion of births outside marriage and smaller households.*

*According to the trend scenario of Eurostat's 2004-based population projections the EU-27 population will continue to rise until around 2020, after which it will begin to fall. The working age population is expected to decrease substantially by 2050.*

### **491 million inhabitants in the EU-27**

On 1st January 2005 the population of the EU-27 stood at about 491 million. For comparison: The United Nations estimate that, at the beginning of 2005, the world's population stood at over 6 514 million person, of which over 1 312 million (20%) lived in China, 1 134 million in India (17%) and 300 million (5%) in the United States of America. The share of the EU's population in the world population was below 8%. Within the EU-27, Germany has the largest population. Its around 83 million inhabitants make up 17% of the Union's population while the United Kingdom, France and Italy each account for around 12-13% of the total.

### **Rising number of older people**

Around 16% of the EU-27 population are less than 15 years of age. Persons of working age (between 15 and 64 years old) account for 67% of the EU-27 total. The remaining 17% are aged 65 and over. The number of elderly people has increased rapidly in recent decades. This trend is expected to continue in the coming decades, with important implications for the age structure of both the overall population and the working age population (See the portrait 'Ageing of the population' (2.3)).

### **Slowdown in population growth preceding decline in population post-2025**

There has been a gradual slowing down of population growth in the Union over the last three decades. Over the period 1995-2003, the population increased on average by about 3 per 1000 population per year compared with an annual average of around 8 per 1000 population per year in the 1960s. Since the mid-1980s, international migration has rapidly gained importance as a major determinant of population growth (See the portrait 'International migration and asylum' (2.4)).

According to Eurostat's 2004-based baseline population projection, the total population of the EU-27 is expected to increase by more than 5 million inhabitants over the next two decades. This population growth will mainly be a result of migration flows. Afterwards, the population will start to decline gradually because net migration will no longer outweigh the 'natural decline' (i.e. more deaths than live births). The population will fall to around 472 million by 2050.

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

The fertility of post war generations has been steadily declining since the mid-1960s, but in recent years the total fertility rate has remained relatively stable at around 1.5 children per woman. The proportion of births outside marriage continues to increase, reflecting the growing popularity of cohabitation: from 6% of all births in 1970 to around 30% in 2003. In Sweden and Estonia, more than half of the children born in 2003 had unmarried parents. The proportion is around 40% in several other countries (Denmark, France, Latvia, Finland, Slovenia and the United Kingdom). In contrast, lower levels, albeit increasing ones, are seen in many southern European countries like Greece, Italy and Spain.

### **Trend towards smaller households**

The result of these and other trends (such as the increasing number of people living alone) is that households are becoming smaller and alternative family forms and non-family households are becoming more widespread. Although this pattern can be observed throughout the Union, there are significant variations between Member States. On average there were 2.4 people per private household in EU-25 in 2003. [It would be useful to include a comparison to a historical figure here to show the trend]

### **Methodological notes**

Sources: Eurostat — Demographic Statistics. 2004-based Eurostat population projections and European Union Labour Force Survey (LFS).

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

Ageing of the population (2.3), Migration and asylum (2.4) and Population (Annex 1.3.2)

### **Further reading**

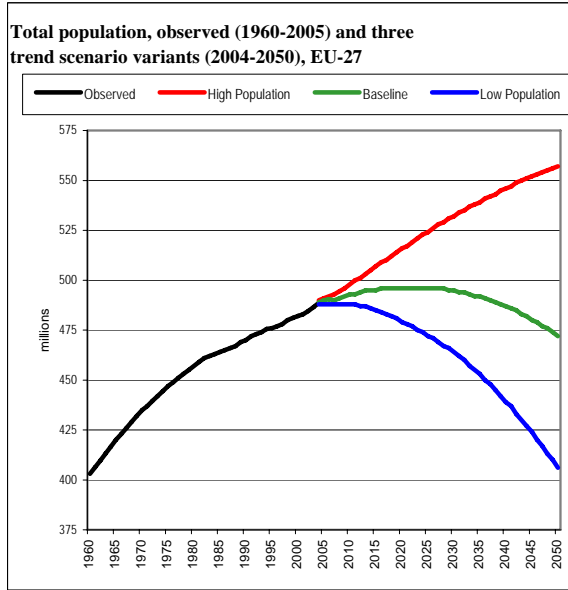
- Population statistics, 2004 edition. Eurostat.
- Demographic outlook — National reports on the demographic developments in 2005, Eurostat, 2007:  
[http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-RA-07-001/EN/KS-RA-07-001-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-07-001/EN/KS-RA-07-001-EN.PDF)
- Statistics in Focus (Theme 3 — Population and social conditions), Eurostat:
  - First demographic estimates for 2006, No 41/2007.
  - Long-term population projections at national level, No 3/2006.
  - Long-term population projections at regional level, No 28/2007[http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-SF-07-028/EN/KS-SF-07-028-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-07-028/EN/KS-SF-07-028-EN.PDF)

EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
490 898	461 479	314 888	10 446	7 761	10 221	5 411	82 501	1 348	4 109	11 083	43 038	60 702	58 462	749	2 306	3 425	455	10 098	403	16 306	8 207	38 174	10 529	21 659	1 998	5 385	5 237	9 011	60 062	4 444	2 035	71 616

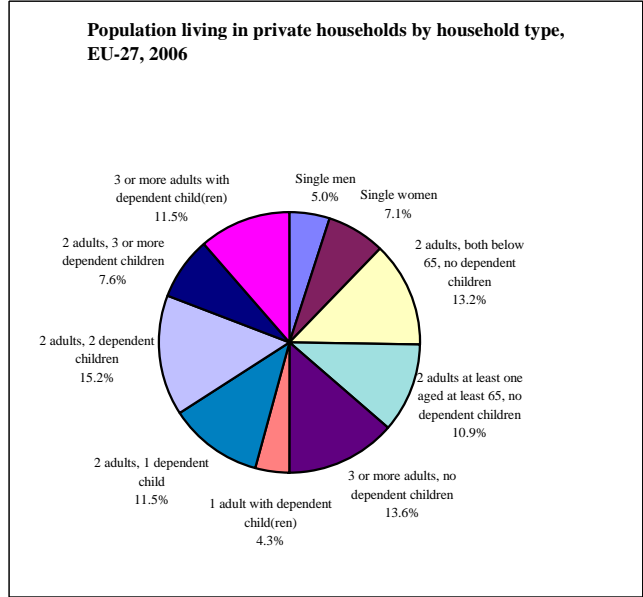
**Key indicator 2**

**Total population, 1.1.2005** (The number of inhabitants of the area on 1st January (or on 31st December of the previous year) in 1000 inhabitants)

Notes: 1) *De jure* population, except for DE, EL, IE, HU, SI, FI, BG, HR and TR *de facto* population. 2) CY: Government controlled area.  
Source: Eurostat - Demographic Statistics.



Sources: Eurostat - Demographic statistics and 2004-based Eurostat population projections, trend scenario (baseline, high and low population variants).



Notes: 1) EU-25 without DK, IE and SE. 2) Data for FI extracted from a special household sample. 3) Dependent children are all children aged 14 or less and people aged 15-24 who are a) children of the reference person of the household and b) inactive, i.e. neither employed nor unemployed, e.g. full-time students. Other people are classified here as adults.

Source: Eurostat - European Union Labour Force Survey, annual result.

### 3. AGEING OF THE POPULATION

*In 2005, there were around 81 million elderly people aged 65 and over in the EU-27, compared with 38 million in 1960. Today there is one elderly person for every four people of working age (15-64). By 2050, the ratio is expected to be one elderly for every two people of working age. The proportion of very old people (aged 80 and more) is expected to almost triple in the EU-27, from 4% in 2004 to over 11% in 2050.*

#### **Low fertility levels, extended longevity and baby-boomers' ageing mean that the EU-27 population is ageing**

Three driving forces are behind the ageing of the population: fertility below replacement levels, a fall in mortality and the approach of the baby-boomers to the retirement age. The total fertility rate in the EU seems to have reached its lowest point at the end of the 1990s (1.4) and has remained close to the level of 1.5 children per woman ever since. It is still low compared to 2.6 in 1960. Countries with the highest fertility at the beginning of the 1980s (Greece, Spain, Ireland, Poland, Portugal and Slovakia) are those where it has subsequently fallen the most. In 2005, total fertility was below the level of 1.3 children per woman in the Czech Republic, Latvia, Poland, Slovenia and Slovakia. It was above 1.8 children per woman in Denmark, Ireland, France, and Finland. Life expectancy has increased over the last 50 years by about 10 years in total, due to improved socio-economic and environmental conditions and better medical treatment and care (See portrait 'Life and health expectancies' (2.17)).

Between 1960 and 2005, the proportion of older people (65 years and over) in the population has risen from 10% to almost 17% in the EU-27. All the signs are that this trend will continue well into the new century although in the course of this decade, the rate of change will be somewhat slower due to the drop in fertility during World War II. The proportion of people aged 65 and more in the total population is expected to rise in the period to 2050. In the EU-27 it is expected to increase from 17% in 2005 to 30% in 2050, reflecting an underlying increase in the number of older persons from 81.0 million in 2005 to 141.3 million in 2050. The largest shares of elderly people in 2050 are expected in Spain (2050: 36%), Italy (35%), Bulgaria (34%) and Greece (33%), and the lowest in Luxembourg (22%), the Netherlands (24%) and Denmark (24%).

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

The growth of the population aged 80 or more will be even more pronounced in the future as more people are expected to survive to higher ages. The proportion of very old people (aged 80 and more) is expected to almost triple in the EU-27, from 4% in 2005 to 11% in 2050, with the highest proportions expected in Italy, Germany and Spain. It is worth noting that the population aged 55 to 64 will also grow considerably over the next fifteen years.

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

In 1970, the EU-27 population aged 65 and over corresponded to 18% of what is considered to be the working age population (15-64 years). In 2005, this old age dependency ratio has risen to almost 25%. All Member States are expected to see an increase in this ratio between now and 2010 (to an EU average of 26%) although the extent of the rise will vary considerably between Member States. In the long run, the old age dependency ratio in the EU-27 is expected to rise to 53% in 2050, while the young dependency ratio would remain more or less constant throughout the projection period 2005 to 2050. The total dependency ratio in the EU-25 is projected to increase from around 50% in 2004 to 77% in 2050. This means that, in 2004, for every four persons of working

age, there were two persons of non-working age (i.e. young or elderly persons) — the ratio will increase to over three young or elderly persons for every 4 people of working age by 2050.

### **Policy context**

In its communication on the green paper 'Faced with demographic change, a new solidarity between the generations' (COM(2005) 94 final) the Commission concluded that 'in order to face up to demographic change, Europe should pursue three essential priorities:

- **Return to demographic growth. We must ask two simple questions: What value do we attach to children? Do we want to give families, whatever their structure, their due place in European society?** Thanks to the determined implementation of the Lisbon agenda (modernisation of social protection systems, increasing the rate of female employment and the employment of older workers), innovative measures to support the birth rate and judicious use of immigration, Europe can create new opportunities for investment, consumption and the creation of wealth.
- **Ensure a balance between the generations**, in the sharing of time throughout life, in the distribution of the benefits of growth, and in that of funding needs stemming from pensions and health-related expenditure.
- **Find new bridges between the stages of life.** Young people still find it difficult to get into employment. An increasing number of 'young retirees' want to participate in social and economic life. Study time is getting longer and young working people want to spend time with their children. These changes alter the frontiers and the bridges between activity and inactivity.'

### **Methodological notes**

Sources: Eurostat — Demographic Statistics, 2004-based (baseline) population projections.

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

The Eurostat set of population projections is just one among several scenarios of population evolution based on assumptions of fertility, mortality and migration. The current trend scenario does not take into account any future measures that could influence demographic trends and comprises seven variants: the 'Baseline' variant as well as 'High population', 'Low population', 'No migration', 'High fertility', 'Younger age profile population' and 'Older age profile population' variants, all available on the Eurostat's website. It should be noted that the assumptions adopted by Eurostat may differ from those adopted by National Statistical Institutes. Therefore, results can be different from those published by Member States.

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

Demography, households and families (2.2), Social benefits (2.11), Life and health expectancies (2.17) and Population (Annex 1.3.2).

### **Further reading**

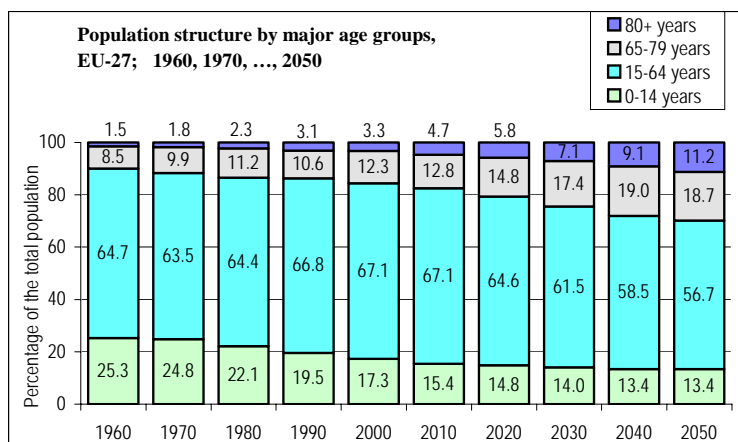
- *Population statistics*, 2004 edition. Eurostat.

**Key indicator 3 Old age dependency ratio, 2005** (Population aged 65 and over as a percentage of the working age population (15-64) on 1st January)

24.6 24.8 26.1 26.3 24.8 19.8 22.7 27.8 24.3 16.4 26.8 24.4 24.9 29.3 17.3 24.1 22.3 21.3 22.7 19.3 20.8 23.5 18.7 25.2 21.1 21.8 16.3 23.8 26.5 24.3 24.9 15.8 8.9

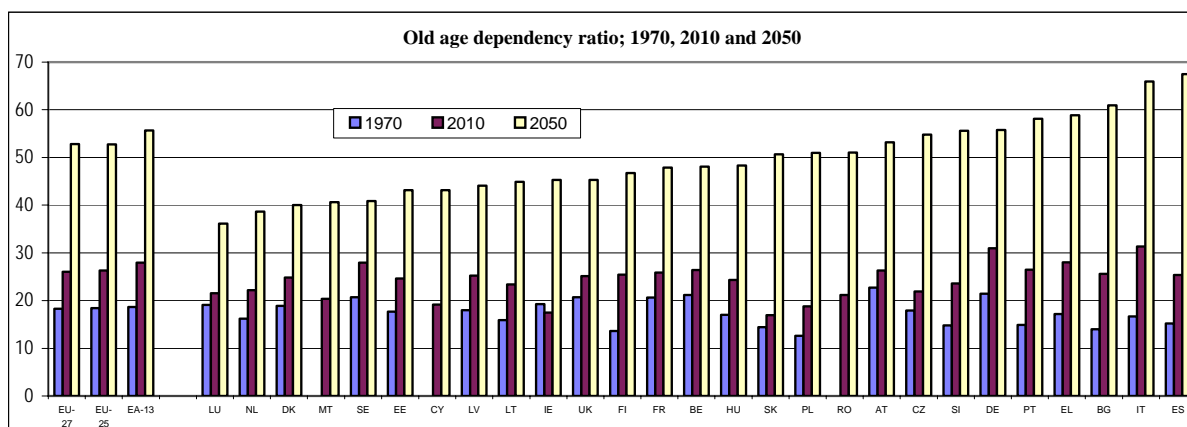
Notes: 1) FR: Data for France refer to metropolitan France. 2) CY: Government controlled area.

Source: Eurostat - Demographic Statistics, 2004-based Eurostat population projections, trend scenario, baseline variant.



Note: 1960, 1970 and 1980 EU-25 instead of EU-27.

Sources: Eurostat - Demographic statistics (1960-2000) and 2004-based Eurostat population projections, trend scenario, baseline variant (2010-2050).



Notes: 1) The bars within the three groups are in the ascending order of the year 2050. 2) FR: Data for France refer to metropolitan France. 3) CY: Government controlled area. 4) HR, MK and TR: No data.

Sources: Eurostat - Demographic statistics (1970) and 2004-based Eurostat population projections, trend scenario, baseline variant (2010 and 2050).

#### 4. INTERNATIONAL MIGRATION AND ASYLUM

*Net migration is the main component of annual population change in the EU. In 2005, the annual net migration rate was 3.6 per 1 000 population in the 27 Member States of the EU, representing around 86% of total population growth. In 2006 there were 192 700 asylum requests in the EU-27.*

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

In most of the EU Member States international migration plays an important role in population growth. Between 2001 and 2005 net migration ranged between 1.35 and 2.01 million. In absolute numbers the net migration in countries such as Spain, Italy, France and United Kingdom reached the level of several hundred thousands (in Spain more than 600 000 recorded as highest) in 2005. In relative terms, net migration was highest in Cyprus (1.92%), Ireland (1.61%) and Spain (1.49%). In 2005 only five of the EU-27 Member States reported a negative crude net migration rate – Latvia, Lithuania, the Netherlands, Poland and Romania. Indirect sources including flows registered by other Member States indicate the same tendency for Bulgaria and Estonia where the data are currently not available. In addition, due to positive net migration, the Czech Republic, Italy, and Slovenia had a positive population increase despite negative natural growth. Even though they experienced positive net migration, the populations of Germany and Hungary declined due to higher negative natural increase.

The estimated total annual number of immigrants to EU-27 Member States is over 3 millions while the number of emigrants is around half this. When expressed in relation to the total population, immigration in 2005 accounted for 0.36 percent of the total number of inhabitants in the EU-27. The highest numbers of immigrants including short-term migrants were reported by Germany and Spain (more than 700 000). In the United Kingdom, the number of immigrants who entered for a stay of at least one year was nearly 500 thousand according to national statistics. In recent years, available statistics in Italy indicate annual flows of more 300 000 immigrants per year.

As a result of long-standing positive net migration, in several Member States there are considerable populations of non-national citizens; that is, persons who are not citizens of their country of residence. According to official national statistics and Eurostat estimates, the total number of non-nationals living in the European Union Member States in 2005 was around 28 million, representing 5.7 percent of the total population. In absolute terms, the largest numbers of foreign citizens reside in Germany, France, Spain, the United Kingdom and Italy.

The non-national population varied from less than 1 percent of the total population in Romania, Bulgaria and Slovakia to 39 percent in Luxembourg in 2005. In addition to Luxembourg, according to Eurostat estimates, the proportion of non-nationals also exceeds 10 percent in Latvia, Estonia and Cyprus. Figures for Latvia and Estonia include persons who have been resident in the country since before break-up of the Soviet Union but have not yet acquired citizenship of Latvia or Estonia. In half of the Member States, the proportion of non-nationals was between 5 and 10 percent. In all EU Member States, except Luxembourg, Belgium, Ireland, Malta, Cyprus, Hungary and Slovakia, the majority of non-nationals are citizens of non-EU-27 countries.

The citizenship structures of foreign populations in the EU Member States vary greatly. As well as geographical proximity, the composition of the non-national population in each country strongly reflects their history, labour migration, recent political developments and historical links. For example, the largest non-national groups include Turkish citizens in



Germany, Denmark and the Netherlands; citizens of former colonies in Portugal (citizens of Cape Verde, Brazil and Angola) and in Spain (Ecuadorians and Moroccans); migrants from Albania in Greece; citizens from other parts of the former Yugoslavia in Slovenia; Czech citizens in Slovakia; and citizens from CIS countries (particularly from Russia, Ukraine and Belarus) in Estonia, Latvia and Lithuania.

### **192 700 asylum requests in the EU-27 in 2006**

In 2006 nearly 193 thousand requests for asylum were received in the EU-27. With this figure the level of requests is lower than in the five previous years. Compared to 2002, the number of new asylum applications in 2006 has fallen by more than half.

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

The largest decreases (in absolute terms between 2005 and 2006) were recorded in France (-16 300), Austria (-9 100), and Germany (-7 900). At the same time we observe the largest increases in Sweden (+6 800), Greece (+3 200) and Netherlands (+2 100).

In 2006, the United Kingdom received the largest number of applications: 28,320 (30 840 in 2005) followed by France (26 300), Sweden (24 300), Germany (21 000). However, as UK and Sweden are not able to distinguish between first and repeat applications, these figures are not fully comparable and should be interpreted with caution. In terms of overall population, Cyprus (5.9 applicants per 1 000 inhabitants), Malta (3.1), Sweden (2.7) and Austria (1.6) had the highest rates of asylum requests.

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

### **Policy context**

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

The Treaty of Amsterdam thus established Community competence in the fields of immigration and asylum and transferred these areas from the intergovernmental third pillar to the community first pillar, with decisions in these fields being shaped in Community instruments such as directives. The European Council at its meeting in Tampere in October 1999 called for the development in the following 5 years of a common EU policy in these areas including the following elements: partnership with countries of origin, a common European asylum system, fair treatment of third country nationals and management of migration flows. The Hague Programme of 4-5 November 2004 set the priorities for the current period (2005-2010) and stressed the importance of having an open debate on

economic migration at EU level, which – together with the best practices in Member States and their relevance for the implementation of the Lisbon strategy – should be the basis for 'a policy plan on legal migration including admission procedures capable of responding promptly to fluctuating demands for migrant labour in the labour market'. This Policy Plan was adopted by the Commission in December 2005 and is currently being implemented: the Commission presented in November 2007 proposals for two directives on the rights of third-country nationals and on the admission of highly-skilled migrants. In parallel, measures aiming at reducing illegal immigration are also being presented, like the proposals to establish sanctions for the employers of illegally staying immigrants, presented in May 2007, and to establish common standards for the return of illegally staying immigrants.

Asylum policy is also an important priority. After the adoption between 1999 and 2005 of a number of legislative instruments in this area, the Commission launched a debate about the future direction of the European asylum policy with the presentation of a Green Paper in June 2007. The results of the Green Paper consultation will inform a Policy Plan on Asylum to be presented in 2008.

### **Methodological notes**

Source: Eurostat — Migration Statistics.

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

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

Some countries record only permanent residents when counting the number of non-nationals, resulting in an underestimation of foreign (de facto) residents.

Some countries include some dependents in their figures for asylum applications, other countries do not. The same applies to repeat applications. The details are given in the table 'Asylum applications' in the part '2 Population' in Annex 1.3.

A further valuable source on international migration and the foreign population in the EU is the EU Labour Force Survey (LFS). The LFS provides breakdowns by nationality according to various social-demographic variables such as, e.g. gender, age, employment status, educational attainment.

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

Demography, households and families (2.2) and Population (Annex 1.3.2)

### **Further reading**

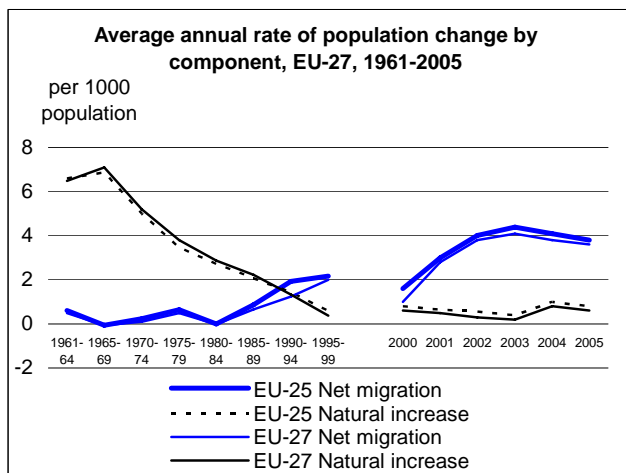
- *Population statistics*, 2004 edition. Eurostat.
- Statistics in Focus (Population and social conditions): *First results of the demographic data collection for 2003 in Europe*, No 13/2004 and *Acquisition of citizenship* No 3/2004. Eurostat.

- *Patterns and trends in international migration in Western Europe, 2000.* Eurostat.
- *Statistics in Focus (Population and social conditions): Non-national populations in the EU Member States, No 8/2006,* Eurostat.
- *The social situation in the European Union 2002,* pages 16-51, 2002. European Commission, DG for Employment and Social Affairs and Eurostat.
- *Statistics in Focus (Population and social conditions): Asylum applications in the European Union, No 110/2007,* Eurostat.

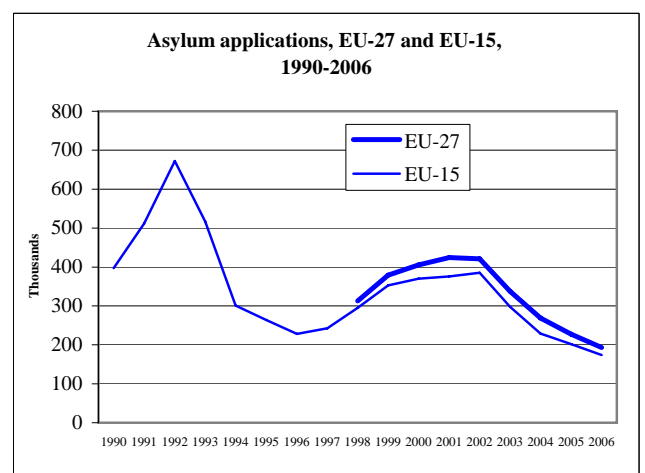
EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
<b>Crude rate of net migration including adjustments and corrections, 2005</b> (The difference between population change and natural increase (the latter is the surplus or deficit of live births over deaths) during the year per 1000 population. It has a positive value if there are more immigrants than emigrants and a negative one in the opposite case.)																																
3.6	3.8	4.7	4.9	0.0	3.5	1.2	1.0	0.1	15.9	3.6	14.8	3.3	5.5	19.0	-0.2	-2.6	6.0	1.7	2.4	-1.4	6.8	-0.3	3.6	-0.3	3.2	0.6	1.7	3.0	3.2	1.9	-0.4	0.0

Notes: 1) Conceptually net migration is the surplus or deficit of immigration into over emigration from a given area during the year and the crude rate of net migration is net migration per 1000 population. Since many countries either do not have accurate figures on immigration and emigration or have no figures at all, net migration is calculated indirectly as the difference between total population change and natural increase (the surplus or deficit of live births over deaths) between two dates. It then includes adjustments and corrections, i.e. all changes in the population size that cannot be classified as births, deaths, immigration or emigration. It is then used for the calculation of the crude rate of net net migration, which also consequently includes adjustments and corrections.  
 2) CY: Government-controlled area only.

Source: Eurostat - Population Statistics



Source: Eurostat - Demographic Statistics



Source: Eurostat - Migration Statistics

## 5. EDUCATION AND ITS OUTCOMES

*Educational attainment levels of the population have improved significantly over the last thirty years, particularly among women. In 2006, 78% of young people aged 20-24 in the EU-27 had at least an upper secondary qualification. At the same time, however, 15% of people aged 18-24 left the education system with only lower secondary education at best.*

### **Younger generation is better educated**

By comparing those currently leaving the education system with older generations, it is possible to monitor the trends in educational attainment over a long time-period of around forty years. In 2006, 81% of the younger generation aged 25-29 had completed at least upper secondary education compared with only 60% of people aged 55-59. This increase of the educational attainment level is particularly observable for women: 83% of young women aged 25-29 years had completed at least upper secondary education, comparing with 55% characterising generation of their mothers (here: women aged 55-59 years). For men, these proportions get respectively 79% and 65%. Today, educational attainment level is higher among the young women than among young men in all EU-Member States.

### **Almost one in six Europeans leaves school with a low educational attainment level**

Although educational attainment levels continue to improve, 15% of 18-24 year-olds in the Union are not in education or training even though they have not completed a qualification beyond lower secondary schooling. Malta, Portugal and Spain have the highest proportions (30% or more) of low-qualified young people who are not any more in the educational or training system. In virtually all Member States, women (EU-27 average of 13%) are less likely than men (EU-27 average of 18%) to be in this situation.

### **Higher education tends to reduce the risk of unemployment...**

In general, higher education seems to reduce, albeit to differing degrees, the risks of unemployment in all Member States. In EU-27, the unemployment rate of 25-64 years old with tertiary education stood at 4.1% in 2006 compared with 7.3% for people who had completed at best upper secondary education and 10.1% among those who had not gone beyond lower secondary schooling.

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

The 2005<sup>42</sup> data for EU-25 show also that a person's income is likely to be considerably higher if he/she is better qualified. On average for the EU-25 overall, the median equivalised net income of highly educated persons (i.e. completed tertiary education) was 143% of the national median whereas it was 83% for those with a low-level education (i.e. completed at most lower-secondary schooling) and 102% for those with medium level of education (i.e. completed upper secondary or postsecondary, not tertiary education). The ratio of the incomes between the well and low educated workers was largest in Portugal (2.72) and smallest in Germany and Sweden (1.36). The 2005 data also show that the at-risk-of-poverty rate among the highly educated was only 7% compared with 22% among those with a low-level education. For individuals with a medium level of education the at-risk-of-poverty rate was 13%.

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

Throughout the Union, the higher the educational level of adults, the greater the training opportunities afforded to them. See also Lifelong learning (2.6).

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<sup>42</sup> EU-SILC survey year 2005, income reference year mainly 2004.

## **Policy context**

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

At the Lisbon European Council held in March 2000, the Heads of State and Government set the Union a major strategic goal for 2010 '*to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion*'. In March 2001, the European Council adopted three strategic goals (and 13 associated concrete objectives) to be attained by 2010: education and training systems should be organised around quality, access, and openness to the world. A year later, it approved a detailed work programme ('Education & Training 2010') for the attainment of these goals and supported the ambition of the Ministers for Education to make education and training systems in Europe '*a worldwide quality reference by 2010*'.

In its Communication on the success of the Lisbon strategy (COM (2003)685) the Commission outlined that Education and training policies are central to the creation and transmission of knowledge and are a determining factor in each society's potential for innovation. Nevertheless the Union as a whole is currently under-performing in the knowledge-driven economy in relation to some of its main competitors. Efforts are being made in all the European countries to adapt the education and training systems to the knowledge-driven society and economy, but the reforms undertaken are not up to the challenges and their current pace will not enable the Union to attain the objectives set. The benchmarks adopted by the (Education) Council in May 2003 will for the most part be difficult to achieve by 2010. In particular, the level of take-up by Europeans of lifelong learning is low and the levels of failure at school and of social exclusion, which have a high individual, social and economic cost, remain too high.

## **Methodological notes**

Sources: Eurostat — European Union Labour Force Survey (LFS) and Community Statistics on Income and Living Conditions (EU-SILC).

The levels of education are defined according to ISCED (International Standard Classification of Education — UNESCO 1997 version). Less than upper secondary corresponds to ISCED 0-2, upper secondary level to ISCED 3-4 (including thus post-secondary non-tertiary education) and tertiary education to ISCED 5-6.

The structural indicator on early school leavers shows the percentage of the population aged 18-24 with at most lower secondary education and not in further education or training.

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

Lifelong learning (2.6), Employment (2.7), Unemployment (2.8) and Education and training (Annex 1.3.3).

## **Further reading**

- *Education across Europe 2003, 2004*, Eurostat.

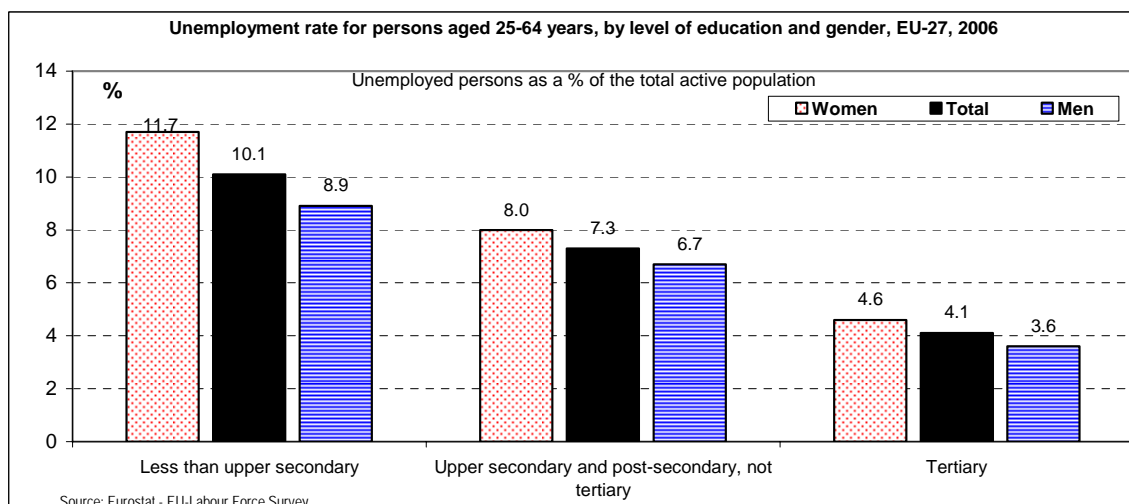
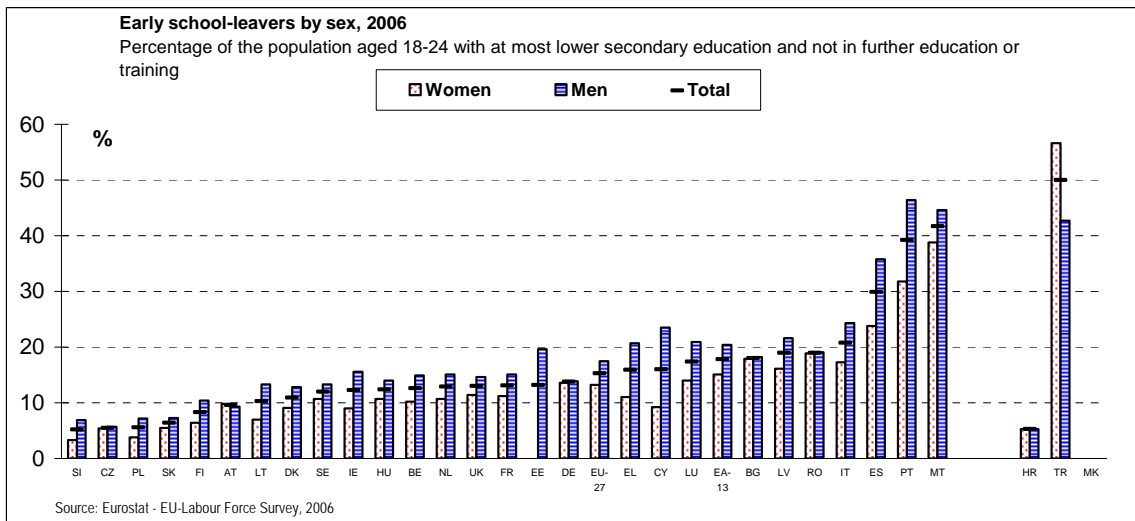
- *Key data on higher education in Europe — 2007 edition*, 2007, DG Education and Culture, Eurostat and Eurydice (Information network on education in Europe).  
[http://www.eurydice.org/ressources/eurydice/pdf/0\\_integral/088EN.pdf](http://www.eurydice.org/ressources/eurydice/pdf/0_integral/088EN.pdf)
- *The transition from education to working life: Key data on vocational training in the European Union*, 2001, DG Education and Culture, Eurostat and Cedefop (European Centre for the development of Vocational Training).
- *Education and training 2010. The success of the Lisbon strategy hinges on urgent reforms*. European Commission, DG Education and Culture
- *Education at a glance 2006*, 2006, OECD.
- *Education for all – An international strategy to put the Dakar Framework for Action on Education for All into operation*, 2002, UNESCO,  
<http://www.unesco.org/education/efa/index.shtml>.
- Statistics in Focus on education (Theme 3 — Population and social conditions), Eurostat:
  - Education in Europe, No 13/2003.
  - General indicators on transition from school to work, No 4/2003.
  - School leavers in Europe and labour market effects of job mismatches, No 5/2003.
  - Youth transitions from education to working life in Europe, No 6/2003.
  - Education in Europe, Key statistics 2002/2003, No 10/2005
  - 17 million tertiary students in the EU, No 19/2005

**Key indicator 5**

**Youth education attainment level, 2006** (Percentage of the population aged 20 to 24 having completed at least upper secondary education)

Total	77.8	77.7	73.8	82.4	80.5	91.8	77.4	71.6	82.0	85.4	81.0	61.6	82.1	75.5	83.7	81.0	88.2	96.3	82.9	50.4	74.7	85.8	91.7	49.6	77.2	89.4	91.5	84.7	86.5	78.8	93.8	44.7
Women	80.7	80.9	77.6	85.6	81.1	92.4	81.5	73.5	89.8	89.1	86.6	69.0	84.3	79.4	90.7	86.2	91.2	74.5	84.7	52.8	79.6	86.7	93.8	58.6	77.8	91.4	91.7	87.0	88.6	80.3	94.9	51.7
Men	74.8	74.7	70.1	79.1	80.0	91.1	73.4	69.8	74.1	81.8	75.5	54.6	80.0	71.7	76.1	75.9	85.3	64.0	81.2	48.1	69.9	84.9	89.6	40.8	76.6	87.7	91.2	82.3	84.5	77.3	92.8	38.9

Source: Eurostat - European Union Labour Force Survey



## 6. LIFELONG LEARNING

*In the Union (EU-27), 10% of the population aged 25-64 participated in education/training (over the four weeks prior to the survey) in 2006. Such learning activities are more prevalent (between 20 and 33%) in Denmark, Finland, Sweden and the United Kingdom. On the other hand, in many countries this proportion of people participating in lifelong learning is very small, lower than 10% of the 25-64 age-group.*

### **Women, the young and the qualified participate more in education and training**

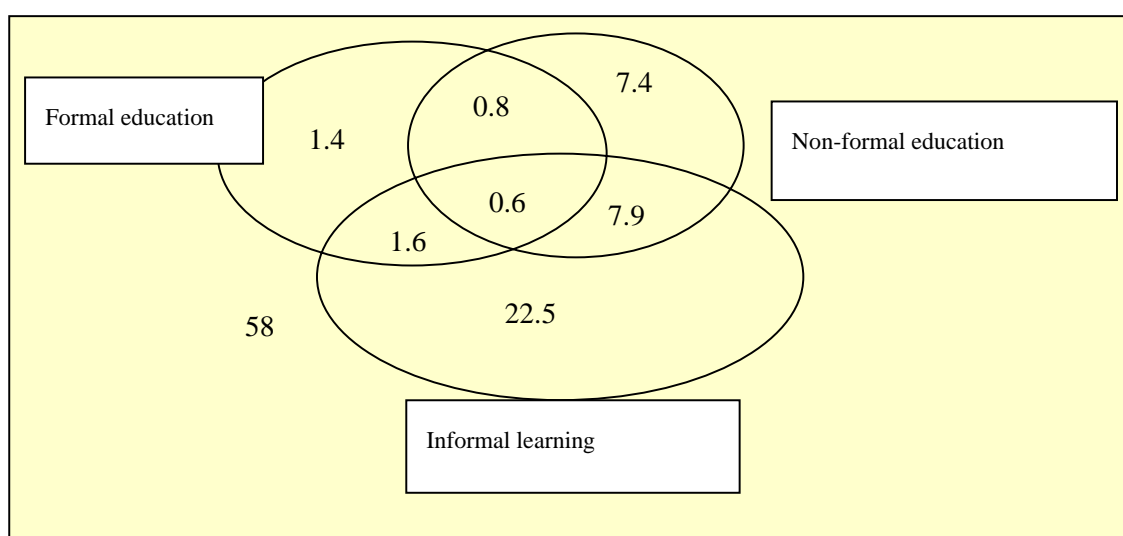
The annual figures on participation in lifelong learning correspond to the number of people interviewed during the Labour Force Survey who answer positively to the question whether they have participated in formal or non-formal education or training *during the 4 weeks preceding the survey*. According to these figures for the Union as a whole, the level of participation in such activities decreases with age: from 16% among those aged 25-34 to 5% for the 55-64 age group.

Moreover, the level of education attained also influences the chances of participation in 'lifelong learning' for people aged 25-64: in 2006, 19% of those with a tertiary qualification participated in education or training, compared to just 4% of those with low educational level.

On the other hand, there were slightly more women (10.4%) than men (8.8%) participate in education and training. The gap in favour of women is particularly large in Baltic countries in the United Kingdom.

### **Almost 6 out of 10 Europeans have not participated in lifelong learning during a whole year.**

An ad hoc survey on participation in lifelong learning over the 12 months preceding the survey was attached to the LFS in 2003. When asked whether they had participated in any kind of education and training, including self-learning, 4.4% of the respondents said that they had participated in formal education, typically leading to a recognised qualification, while 22.5% said that they had only used self-learning methods (including visiting libraries, using computers, self-study and broadcasting). However 58% answered that they had not taken any action to learn something during that year. The level of non participation is 70% or more in Poland (70%), Czech Republic (71%), Lithuania (72%), Spain (75%), Greece (83%) and Hungary (88%).





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

Continuing vocational training provided by enterprises is a crucial part of lifelong learning: it benefits not only the enterprises in improving competitiveness but also benefits employees by keeping up their employability and enhancing their quality of working life.

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

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

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

At the EU-level, participation rate in CVT is a spot higher for men (41%) than for women (38%), however, this pattern is not observed for all countries, there being a significant bias in favour of men in the Czech Republic and in the Netherlands.

Planning for the next Continuing Vocational Training Survey CVTS3 is currently underway and an underpinning regulation is in preparation. The CVTS3 survey will be implemented in 2006 with reference year 2005, and first results will be available towards the end of 2007.

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

An alternative way of measuring 'lifelong learning' is to look at the proportion of students who are aged 30 or over in formal education. In tertiary education (i.e. education which focuses on university or equivalent post-secondary education), around 2.8 million students in the Union (EU-25) were aged 30 or over in 2002/03. About 1.5 millions were studying full-time, 1.3 millions were studying part-time. This age group accounted for 11% of all full-time students and for 16.7% of all students, part-time as well as full-time. In some countries, the proportion of students 30 years old or older was considerably above average. That was the case in Sweden (36%), the United Kingdom (35%), Finland (27%) and Denmark and Latvia (25%). In for example Greece (1%), Cyprus (3%), Ireland and France (9%) the percentage was below the average.

Many adults are as well enrolled in formal education on upper secondary and post-secondary–non-tertiary levels of education. In 2002/03, 4.6 million students on these levels were aged 30 or above. Most of these students were studying part-time, only 0.5 millions were studying full-time. The age group 30 years and above accounted for 14% of all upper secondary and post-secondary–non-tertiary students in 2002/03. Also this percentage

varies between countries. In the United Kingdom (41%), Sweden and Belgium (22%), and Finland (18%) the percentage was above the EU average. In Ireland, Malta, Lithuania, Germany, Cyprus, Greece and Latvia the percentage was 0.5% or below.

### **Total public expenditure on education: 5.09% of EU-27 GDP in 2004**

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

In 2004, total public resources allocated to the funding of all levels of education — including direct public expenditure for educational institutions and public transfers for education to private entities — represented on average 5.09% of EU-27 GDP.

In EU-27, primary education accounted on average for 1.16% of GDP in 2002, secondary education accounted for 2.31%, while tertiary education accounted for 1.13%. The remaining 0.49% includes the allocation for pre-primary education and allocation for education, which has not been allocated by level.

In EU-27, a government's contribution to education varied greatly in 2004 from 3.29% of GDP in Romania, 3.93% in Luxembourg and 4.21% in Slovakia to 6.71% in Cyprus, 7.35% in Sweden and 8.47% in Denmark.

### **Policy context**

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

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

A Communication on *Making a European Area of Lifelong Learning a Reality* (COM(2001) 678 final of 21.11.2001) adopted by the Commission sets out proposals for improving the participation of Europeans in lifelong learning activities. In this communication lifelong learning is defined as 'all learning activity undertaken throughout life, with the aim of improving knowledge, skills and competences within a personal, civic, social and/or employment-related perspective'. A Report from the Education Council to the European Council on 'The concrete future objectives of education and training systems' was presented in Stockholm in 2001. In this the Ministers of Education adopted the following concrete strategic objectives: increasing the quality and effectiveness of education and training systems in the European Union; facilitating the access of all to the education and training systems; opening up education and training systems to the wider world. These common objectives provide a basis for Member States to work together at European level over the next ten years, following the 'Detailed work programme on the follow-up of the objectives of Education and training systems in Europe' (Official Journal

of the European Communities 2002/C 142/1), to contribute to the achievement of the goals set out by Lisbon, especially in the context of the Luxembourg and Cardiff processes. The Education/Youth Council of 30 May 2002 adopted a resolution on education and lifelong learning (Official Journal C 163 of 9 July 2002), reaffirming the need for a convergence of the Commission's Communication entitled Making a European area of lifelong learning a reality with the work programme on the follow-up of the objectives of the education and training systems, in order to achieve a comprehensive and coherent strategy for education and training. On 30 November 2002 the education Ministers of 31 European countries and the European Commission adopted the Copenhagen Declaration on enhanced cooperation in European vocational education and training ([http://europa.eu.int/comm/education/copenhagen/index\\_en.html](http://europa.eu.int/comm/education/copenhagen/index_en.html)). The Commission Communication *Investing efficiently in education and training: an imperative for Europe* (COM(2002) 779 final, 10.01.2003) sets out the Commission's view on the new investment paradigm in education and training in the enlarged EU within the framework of the ambitious strategic goal set by the Lisbon European Council in March 2000. In view of this goal, Ministers in charge of education adopted in February 2002 the 'Detailed work programme on the objectives of education and training systems', including its objective 1.5: 'Making the most efficient use of resources'.

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

In the Communication 'Mobilising the brainpower of Europe: enabling universities to make their full contribution to the Lisbon Strategy (COM(2005) 152 of 20.4.2005) the Commission identifies a funding gap in higher education between the EU and the US and calls for more resources for higher education. It estimates that a total annual investment of some 2% of GDP in higher education (compared to 1.3% currently) as the minimum.

### **Methodological notes**

Sources: Eurostat — European Union Labour Force Survey (EU-LFS) — standard questionnaire 2004 and ad hoc module 2003 on lifelong learning), Continuing Vocational and Training Survey (CVTS2 1999) and UOE (UNESCO, OECD and Eurostat) questionnaires on education statistics.

For the annual monitoring of progress towards lifelong learning for all the results from the standard LFS are used which refer to persons who had received education or training during the four weeks preceding the interview. Due to the implementation of harmonised concepts and definitions in the survey, information on lifelong learning notices some breaks of series for several countries.

EU Adult Education Survey (EU AES) has been developed between 2003 and 2005 and was implemented in EU countries in 2006 or 2007 The EU AES is expected to be repeated every 5 years, its target population are 25 to 64 year olds and the reference year is the 12 months.

The EU AES has been also drawn on the experience of the implementation of an ad hoc module on lifelong learning in the EU LFS in 2003. Results released in 2005 enhance information on participation of adult population (aged 25-64 years) in formal education and training as well as in non- formal education and training and informal learning. First global results on participation over the past year have been included in the present report.

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

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

Education and its outcomes (2.5), Employment (2.7), Unemployment (2.8), Education and training (Annex 1.3)

### **Further reading**

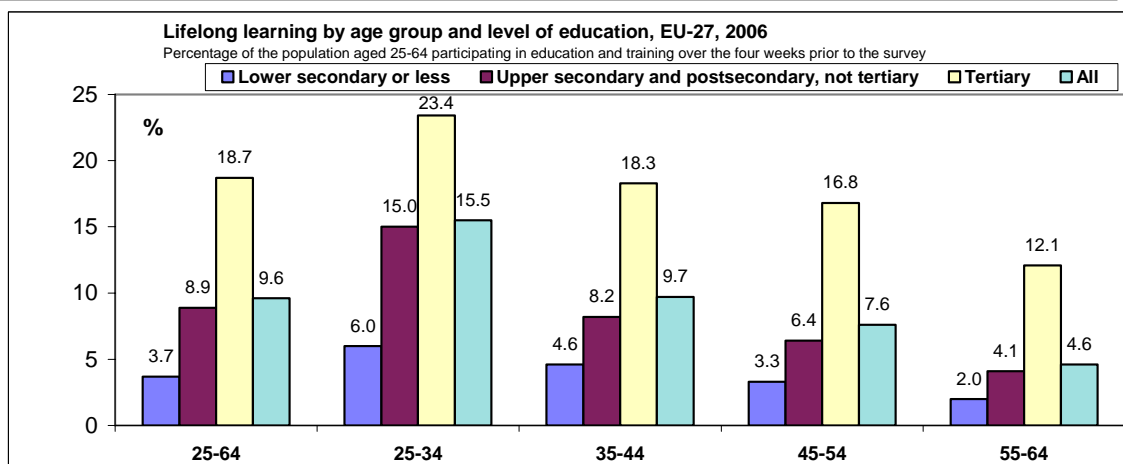
- *Education across Europe 2003, 2004*, Eurostat.
- *Key data on higher education in Europe — 2007 edition*, 2007, DG Education and Culture, Eurostat and Eurydice (Information network on education in Europe).  
[http://www.eurydice.org/ressources/eurydice/pdf/0\\_integral/088EN.pdf](http://www.eurydice.org/ressources/eurydice/pdf/0_integral/088EN.pdf)
- *European Social Statistics — Continuing Vocational Training Survey (CVTS2) – Data 1999*, Eurostat, 2002.
- *Education at a glance 2006*, 2006, OECD.
- Statistics in Focus on education (Theme 3 — Population and social conditions), Eurostat:
  - Education in Europe, Key statistics, 2002/2003, No 10/2005
  - 17 million tertiary students in the EU, No 19/2005
  - Lifelong learning in Europe, No 8/2005
- Statistics in Focus on finance of education (Theme 3 — Population and social conditions), Eurostat:
  - Public expenditure on education in the EU-15 in 1999, No 22/2003- Public expenditure on education in the ACC countries in 1999, No 23/2003
  - Spending on tertiary education in 2002, No 18/2005
- Statistics in focus on CVTS2 (Theme 3 — Population and social conditions), Eurostat:
  - First survey on continuing vocational training in enterprises in candidate countries, No 2/2002.
  - Continuing vocational training in enterprises in the European Union and Norway, No 3/2002.
  - Costs and funding of continuing vocational training in enterprises in Europe, No 8/2002.
  - Providers and fields of continuing vocational training in enterprises in Europe, No 10/2002.
  - Disparities in access to continuing vocational training in enterprises in Europe, No 22/2002.

– Working time spent on continuing vocational training in enterprises in Europe, No 1/2003.

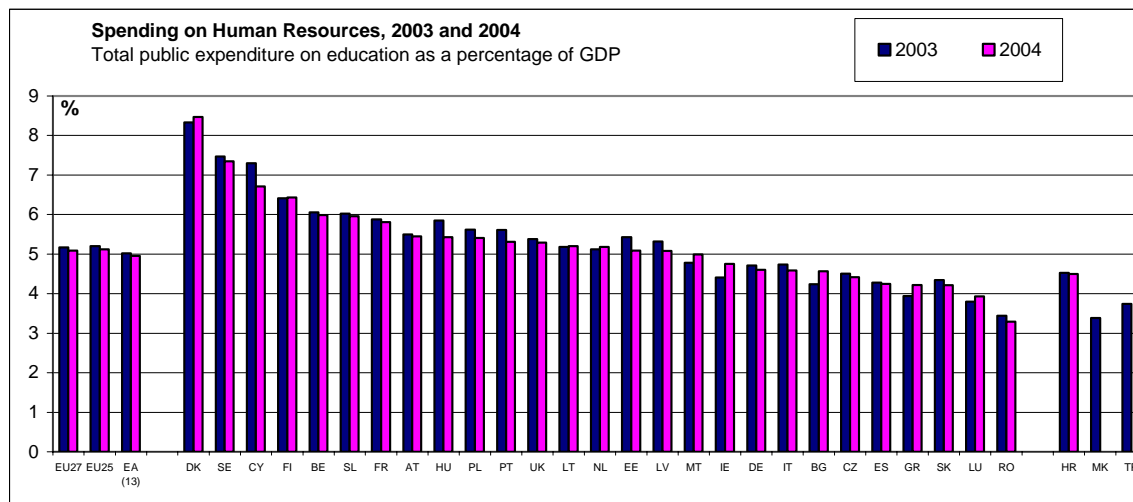
- *Making a European Area of Lifelong Learning a Reality*, COM(2001) 678 final of 21.11.2001.
- *Education and training 2010. The success of the Lisbon strategy hinges on urgent reforms*. European Commission.

	EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
<b>Key indicator 6</b>	<b>Lifelong learning (adult participation in education and training), 2006</b>																																
	(Percentage of the population aged 25-64 participating in education and training over the four weeks prior to the survey)																																
Total	9.6	10.1	8.2	7.5	1.3	5.6	29.2	7.5	6.5	7.5	1.9	10.4	7.5	6.1	7.1	6.9	4.9	8.2	3.8	5.5	15.6	13.1	4.7	3.8	1.3	15.0	4.3	23.1	32.1	26.6	2.1	:	2.0
Women	10.4	11.0	8.6	7.6	1.3	5.9	33.8	7.3	8.6	8.9	1.8	11.5	7.8	6.5	7.8	9.3	6.6	8.7	4.4	5.6	15.9	14.0	5.1	4.0	1.3	16.3	4.6	27.0	36.5	31.2	2.1	:	2.4
Men	8.8	9.2	7.9	7.4	1.3	5.4	24.6	7.8	4.2	6.1	2.0	9.3	7.2	5.7	6.5	4.1	2.9	7.6	3.1	5.5	15.3	12.2	4.3	3.7	1.3	13.8	4.0	19.3	27.9	22.0	2.0	:	1.6

Source: Eurostat - EU-Labour Force Survey.



Source: Eurostat - EU-Labour Force Survey.



Source: Eurostat - Education Statistics

## 7. EMPLOYMENT

*In 2006, employment growth of the EU-27 picked up to 1.6%, its highest level since 2000. After a rise of 0.9 point over 3 years from 2002 to 2005, average employment rate increased in 2006 by 1 percentage point, to reach 64.4%. The share of part-time employment and temporary contracts keep on rising in 2006.*

### **Acceleration of employment growth in 2006**

In 2006, about 219 million people were in employment in the Union of 27 Member States, a rise of 7 million since 2001. From 2001 to 2006, the largest increase in the number of persons in employment in absolute terms was in Spain (+ 2.9 million in five years), in Italy and in the United Kingdom (+ 1.3 million).

Employment growth has been accelerating since 2002 in the EU-27. Compared to the year before, employment increased by 1.6% in the Union in 2006, after +0.7% in 2004 and +0.9% in 2005. In 2006, employment growth was positive in all 27 Member States. In Estonia, Latvia, Ireland, Luxembourg, Spain and Poland, employment growth was 3% or more. In contrast, employment growth was less than 1% in Germany, France, Hungary; Malta Portugal, and United Kingdom. However Germany, Portugal and in particular the Netherlands, saw their employment grow again in 2006 after a bad performance in 2005.

### **EU total employment rate rose by 1 percentage point in 2006**

In 2006, the employment rate for the population aged 15-64 ranged from 54.5% in Poland to 77.4% in Denmark. Denmark, the Netherlands, Austria, Sweden and United Kingdom have already reached the EU collective overall employment rate Lisbon target of 70% for 2010. In contrast, Bulgaria, Italy, Hungary, Malta, Poland, Romania and Slovakia showed employment rates below 60%.

Compared to the previous years, EU-27 average employment rate rose in 2006 by 1.0 percentage point to reach 64.4%, after a rise of 0.9 point from 2002 to 2005.

### **Positive trends in employment rate for women**

In 2006, the employment rate of women in the Union stood at 57.2%, up by 1.0 percentage point in one year. It ranged from 34.9% in Malta to 73.4% in Denmark. Twelve Member States have already reached the EU collective female employment rate Lisbon target of more than 60% for 2010, but some of them are far from it: Greece, Italy, Malta and Poland had less than half of their women aged 15-64 in employment.

### **Slight decrease in the gender gap in employment**

In 2006, the gender gap in employment rates in the Union went on narrowing, standing at 14.4 percentage points, compared to 14.6 in 2005 and 16.6 in 2001. This decrease of gender gap reflects a great rise in employment rate for women (from 54.3% in 2001 to 57.2% in 2006) as well as a slight increase for men (from 70.9% in 2001 to 71.6% in 2006). In Bulgaria, Denmark, Finland, the three Baltic countries, Slovenia and Sweden, the gender gap was less than 10 percentage points. In Malta, where the employment gender gap was the highest, the female employment rate was less than half of the male employment rate in 2006. In addition to the female employment rate being systematically lower than the male rate, many women work part-time.

### **Part-time work and temporary employment continued to rise**

The share of part-time employment has increased from 16.2% in 2001 to 18.1% in 2006. In Belgium, Denmark, Germany, Austria, Sweden and the United Kingdom, more than 20%

of employment, and in the Netherlands 46.2%, is part-time. At the other end of the scale, in Bulgaria, Hungary and Slovakia, part-time employment was less than 5%.

In the EU-27, 31.2% of women in employment were working part-time in 2006 against only 7.7% of men. Compared to one year before, the share of part-time employment rose by 0.3 percentage point both for women and men. Female part-time work is particularly prevalent in the Netherlands, where it accounts for almost three quarters of female employment, and in Germany (45.6%).

EU-wide, the share of temporary employment increased in 2006: 14.3% of the employees hold a limited duration contract, up by 0.4 percentage point in one year, and 1.9 percentage points from 2001. Unlike part-time work, the share of temporary employment shows no huge difference for men and women (14.9% for women, 13.9% for men).

### **36.3% of young people (15-24 years old) and 43.5% of people aged 55-64 are employed in the EU**

EU-wide 36.3% of the young people (aged 15-24) were employed in 2006, up by 0.4 percentage point a year earlier (33.3% of the young women and 39.3% of the young men) varying from 21.7% in Hungary to 66.2% in the Netherlands. However, since 2001 the youth employment rate has decreased by 1.2 percentage points. The differences between Member States and the decreasing trend may in part be explained by the proportion of people in this age group which remain in education.

EU-wide, 43.5% of the people around the retirement age (55-64 years) were in employment in 2006, an increase by 0.8 percentage points between 2005 and 2006, after an increase by 1.2 percentage points between 2005 and 2006. Denmark, Estonia, Ireland, Cyprus, Latvia, Portugal, Finland, Sweden and the United Kingdom have already reached the EU collective older people's employment rate Stockholm target of 50% by 2010. At the other end of the scale, less than 30% of older people are working in Poland.

In the EU-27, the employment rate of older people increased by 5.8 percentage points since 2001, considerably more than in the case of prime age adults. The employment rate of women aged 55-64 increased more than the male employment rate for this age group. Despite this trend, the rate for males (52.6%) remained higher than that of females (34.8%).

Looking at more detailed age groups: the employment rate of people aged 55-59 stood at 55.9% while it was 28.0% among those aged 60-64. Beyond the age of 65, the employment rate decreases sharply. In the EU-27, less than 5% of those aged 65 and over were in employment.

### **Exit from the labour force at the age of 60.9**

In the EU-25, the average exit age from the labour force in 2005 was at the age 60.9. This exit age mirrors the trend of labour participation of older workers. In Ireland, Portugal, Romania, and Sweden, the average exit age reached 63 years or more. Men leave the labour force on average at the age of 61.4 while women do so about one year earlier.

### **Policy context**

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

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

The Lisbon European Council in March 2000 concluded that 'the employment rate is too low and is characterised by insufficient participation in the labour market by women and older workers'. The Lisbon European Council defined a strategic goal for the next decade 'to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion. (...) the overall aim should be to raise the employment rate to as close as possible to 70% by 2010 and to increase the number of women in employment to more than 60% by 2010'.

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

The recent 2005-2008 Employment Guidelines (as a part of Integrated Guidelines) specify that Member States should implement policies aiming at achieving full employment, quality and productivity at work and social cohesion and inclusion (Guideline No 17).

Besides these overarching objectives, specific guidelines are agreed to attract and retain more people in employment, increase labour supply and modernize social protection systems.

In particular, Member States should promote a lifecycle approach (Guideline No 18) through a renewed endeavour to build employment pathways for young people and to reduce youth unemployment; resolute action to increase female participation and reduce gender gaps in employment, unemployment and pay; better reconciliation of work and private life and provision of accessible and affordable childcare facilities and care for other dependants; and support for active aging, including appropriate working conditions, improved (occupational) health status and adequate incentives to work and discouragement of early retirement; modern social protection systems.

Furthermore, Member States should improve matching of labour market needs (Guideline No 20) and improve adaptability of workers and enterprises, through promoting flexibility combined with employment security and reducing labour market segmentation (Guideline No 21) and ensuring employment-friendly labour cost developments and wage-setting mechanisms (Guideline No 22).

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

Following the Mid-term review, the Commission presented a Communication on growth and jobs of February 2005 which proposed a new start for the Lisbon strategy refocusing efforts on two goals: delivering a stronger, lasting growth and more and better jobs. This included a complete revision of the EES governance so as to maximise the synergies and efficiency between national measures and Community action.



The Spring European Council on 22 and 23 March 2005 adopted the European Youth Pact (7619/1/05, conclusion 37 and Annex I). A part of this Pact is the sustained integration of young people into the labour market. The European Youth pact is discussed in the Commission communication of 30 May 2005 *Addressing the concerns of young people in Europe – implementing the European Youth pact and promoting active citizenship* (COM(2005) 206 final).

### **Methodological notes**

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

Quarterly LFS data are available since the first quarter of 2005 in all EU countries, except Luxembourg. Data for France refer to metropolitan France (excluding overseas departments). French data for 2006 and German data for 2005 and 2006 are provisional.

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

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

Education and its outcomes (2.5), Lifelong learning (2.6), Unemployment (2.8), Labour Market Policy expenditure (2.9) and Labour market (Annex 1.3.4).

### **Further reading**

- *Employment in Europe 2006*, European Commission, Employment and Social Affairs DG.
- Data in focus (Population and social conditions), n° 5/2007 *Labour market latest trends – 4th quarter 2004 data*, Eurostat.
- Data in Focus (Population and social conditions) Theme 3, n° 14/2006 *European Union Labour Force Survey- Annual Results 2006*, Eurostat.
- Economic Policy Committee *Key structural challenges in the acceding countries: the integration* of the acceding countries into the Community's economic policy co-ordination processes, European Commission, Economic and Financial Affairs DG, July 2003.
- *Employment precarity, unemployment and social exclusion and Inclusion through participation*, European Commission DG Research reports 2000.
- *Increasing labour force participation and promoting active ageing* Joint report from the Commission and the Council to the Barcelona Council, 2002
- *Improving quality in work: a review of recent progress*, COM (2003) 728 of 26.11.2003
- Statistics in Focus (Population and social conditions), n° 20/2006 *The employment of seniors in the European Union*, Eurostat.

EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
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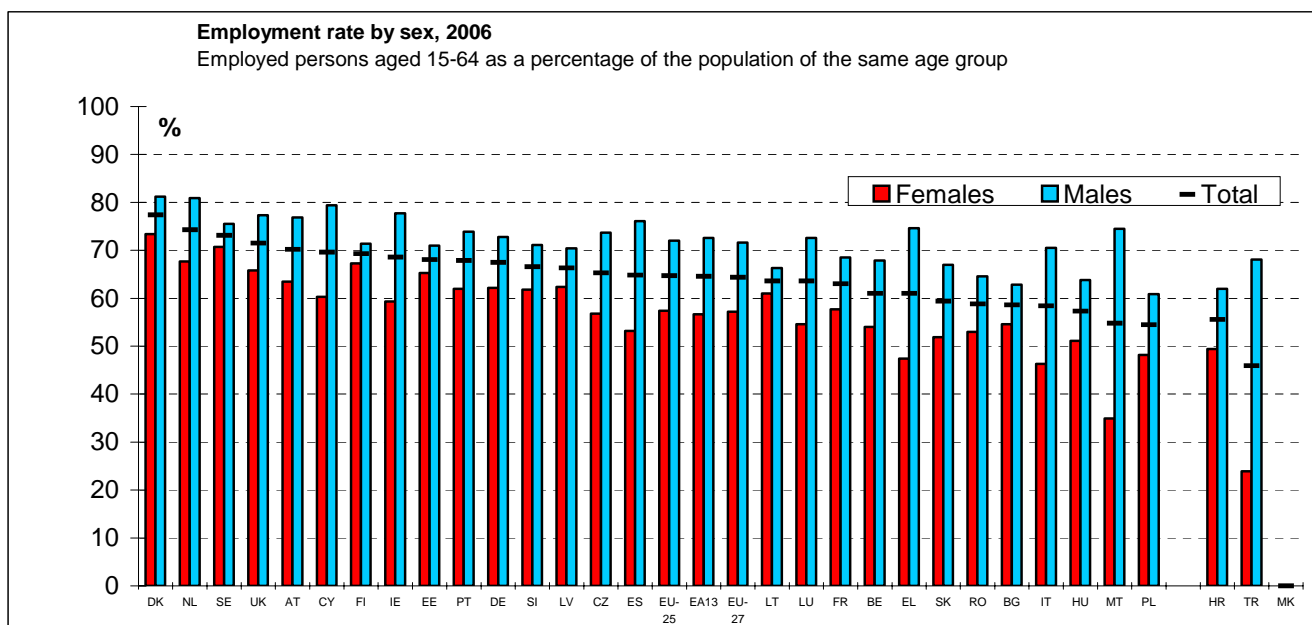
**Key indicator 7a** Employment rate, 2006 (Employed persons aged 15-64 as a percentage of the population of the same age group)

Total	64.4	64.7	64.6	61.0	58.6	65.3	77.4	67.5	68.1	68.6	61.0	64.8	63.0	58.4	69.6	66.3	63.6	63.6	57.3	54.8	74.3	70.2	54.5	67.9	58.8	66.6	59.4	69.3	73.1	71.5	55.6	45.9
Females	57.2	57.4	56.7	54.0	54.6	56.8	73.4	62.2	65.3	59.3	47.4	53.2	57.7	46.3	60.3	62.4	61.0	54.6	51.1	34.9	67.7	63.5	48.2	62.0	53.0	61.8	51.9	67.3	70.7	65.8	49.4	23.9
Males	71.6	72.0	72.6	67.9	62.8	73.7	81.2	72.8	71.0	77.7	74.6	76.1	68.5	70.5	79.4	70.4	66.3	72.6	63.8	74.5	80.9	76.9	60.9	73.9	64.6	71.1	67.0	71.4	75.5	77.3	62.0	68.1

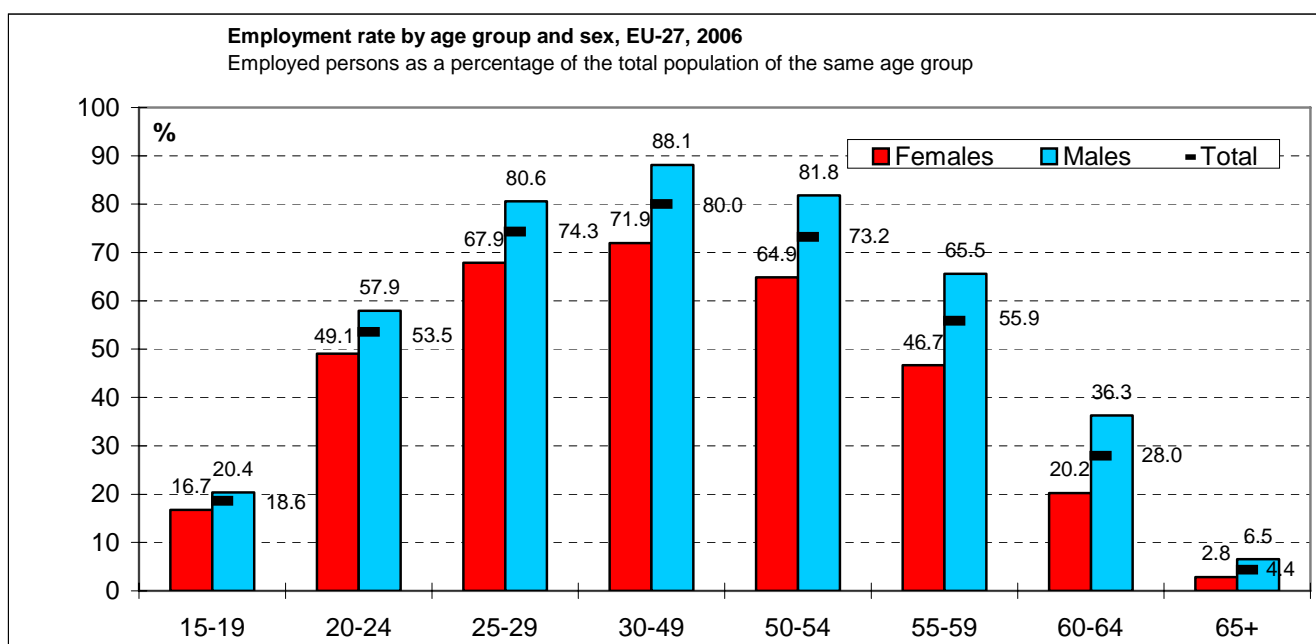
**Key indicator 7b** Employment rate of older workers, 2006 (Employed persons aged 55-64 as a percentage of the population of the same age group)

Total	43.5	43.6	41.7	32.0	39.6	45.2	60.7	48.4	58.5	53.1	42.3	44.1	37.6	32.5	53.6	53.3	49.6	33.2	33.6	30.0	47.7	35.5	28.1	50.1	41.7	32.6	33.1	54.5	69.6	57.4	34.3	30.1
Females	34.8	34.9	32.9	23.2	31.1	32.1	54.3	40.6	59.2	39.1	26.6	28.7	35.2	21.9	36.6	48.7	45.1	27.8	27.1	11.2	37.2	26.3	19.0	42.8	34.5	21.0	18.9	54.3	66.9	49.1	25.7	16.7
Males	52.6	52.8	50.8	40.9	49.5	59.5	67.1	56.4	57.5	67.0	59.2	60.4	40.1	43.7	71.6	59.5	55.7	38.7	41.4	50.4	58.0	45.3	38.4	58.2	50.0	44.5	49.8	54.8	72.3	66.0	44.4	44.1

Source: Eurostat - Quarterly Labour Force Data (QLFD)



Source: Eurostat - Labour Force Survey (EU-LFS)



Source: Eurostat - Labour Force Survey (EU-LFS)

## **8. UNEMPLOYMENT**

*In 2006, the unemployment rate went down to 7.9% in the EU-27. Women remained more concerned than males by unemployment, although the gap has been narrowing.*

### **EU-27 unemployment rate down in 2006**

In 2006, the total number of unemployed people in the EU-27 stood at 18.4 million, leaving the unemployment rate (as a percentage of labour force) at 7.9%. Compared to 2005, the unemployment rate decreased by 0.8 point, after no change in 2005 and decrease of 0.3 percentage points in 2005. In 2006 the unemployment rate went down in all countries but Ireland, Luxembourg, Hungary, Malta, Portugal, Romania and the United Kingdom. In Denmark, Ireland, Cyprus, Luxembourg, the Netherlands, Austria, and the United Kingdom the unemployment rate remained below or around 5%. The unemployment rate was highest in Poland (13.8%) and in Slovakia (13.4%), despite remarkable decreases in a year by 3.9 and 2.9 percentage points, respectively.

### **Women more likely than men to be unemployed in most Member States**

The female unemployment rate (8.8%) in the EU-27 remained higher than the male unemployment rate (7.2%) in 2006, although this gap has been on a declining trend. The unemployment rate for women is higher than that for men in most Member States, except Ireland, Estonia, Latvia, Lithuania, Romania, and the United Kingdom. The unemployment gender gap remained high above 3 percentage points in Greece, Italy and Spain.

### **Less people in long-term unemployment in 2006 compared to 2005**

In 2006, 3.6% of the labour force in the EU-27 had been unemployed for at least one year. The long-term unemployment rate in the EU-27 decreased in 2006 by 0.4 point compared to 2005, the highest decrease since 2000. In Denmark and Cyprus, less than 1% of the labour force was affected. In contrast, 7.8% of the active population in Poland and 10.2% in Slovakia had been unemployed for at least one year. At close to 5% it also remains high in Germany, Greece and Bulgaria.

### **Women more affected than men by long-term unemployment**

Unemployment among women remained much higher than for men. While women formed 45% of the EU-27 labour force, they accounted for half of the unemployed. In the EU-27, similar to overall unemployment rates, long-term unemployment was more prevalent among women than men (respectively 4.0% and 3.3%), with the largest gender differences being found in the Czech Republic, Spain, Italy, Poland, Slovakia, and, above all Greece.

### **High variations by country for the unemployment rate of young people**

The unemployment rate among young people (15-24 years old) in the EU-27 was 17.5% varying from 6.6% in the Netherlands to 29.8% in Poland. Compared to 2005, it decreased by 0.9 percentage point. It went down from 18.6% in 2005 to 18% in 2006 for young women and from 16.4% to 15.2% for young men.

## **Policy context**

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

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

The recent 2005-2008 Employment Guidelines (as a part of Integrated Guidelines) continue stressing that Member States should implement policies aiming at achieving full employment, quality and productivity at work and social cohesion and inclusion (Guideline No 17).

Besides these overarching objectives, specific guidelines are agreed to attract and retain more people in employment, increase labour supply and modernize social protection systems.

In particular, Member States will promote a lifecycle approach (Guideline No 18) through a renewed endeavour to reduce youth unemployment; resolute action to reduce gender gaps in unemployment; and better reconciliation of work and private life.

Additionally, Member States should ensure inclusive labour markets, enhance work attractiveness, and make work pay for job seekers, including disadvantaged people and the inactive (Guideline No 19) through active and preventive labour market measures including early identification of needs, job search assistance, guidance and training, provision of necessary social services; continual review of incentives and disincentives from the tax and benefit systems; and development of new sources of jobs in services for individuals and businesses.

Furthermore, Member States should increase investment in human capital through better education and skills. In particular, Member States should expand and improve investment in human capital (Guideline No 23) and adapt education and training systems in response to new competence requirements (Guideline No 24).

The Spring European Council on 22 and 23 March 2005 adopted the European Youth Pact (7619/1/05, conclusion 37 and Annex I). A part of this Pact is the sustained integration of young people into the labour market. The European Youth pact is discussed in the Commission communication of 30 May 2005 *Addressing the concerns of young people in Europe – implementing the European Youth pact and promoting active citizenship* (COM(2005) 206 final).

## **Methodological notes**

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

Unemployed people — according to the Commission Regulation n° 1897/2000 and International Labour Organisation (ILO) standards — are those persons aged 15-74 who i) are without work, ii) are available to start work within the next two weeks and iii) have

actively sought employment at some time during the previous four weeks or have found a job to start later, i.e. within a period of at most 3 months. Unemployment rates represent unemployed persons as a percentage of the active population of the same age. The active population (or labour force) comprises employed and unemployed persons.

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

Education and its outcomes (2.5), Employment (2.7), Labour Market Policy expenditure (2.9) and Labour market (Annex 1.3.4).

### **Further reading**

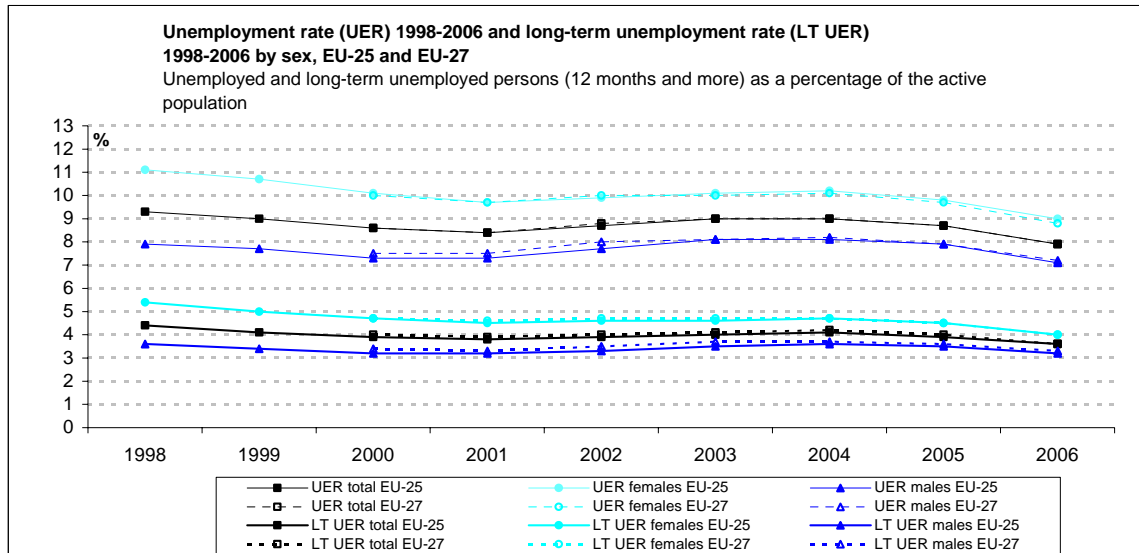
- *Employment in Europe 2006*, European Commission, Employment and Social Affairs DG.
- Data in Focus (Population and social conditions) Theme 3, n° 14/2006 *European Union Labour Force Survey- Annual Results 2006*, Eurostat.

	EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
<b>Key indicator 8a</b>	<b>Unemployment rate, 2006</b> (Unemployed persons as a percentage of the active population)																																
Total	7.9	7.9	7.9	8.2	9.0	7.1	3.9	8.4	5.9	4.4	8.9	8.5	9.5	6.8	4.6	6.8	5.6	4.7	7.5	7.3	3.9	4.7	13.8	7.7	7.3	6.0	13.4	7.7	7.1	5.3	11.1	:	9.9
Females	8.8	9.0	9.3	9.3	9.3	8.8	4.5	9.2	5.6	4.1	13.6	11.6	10.4	8.8	5.4	6.2	5.4	6.2	7.8	8.9	4.4	5.2	14.9	9.0	6.1	7.2	14.7	8.1	7.2	4.9	12.7	:	10.3
Males	7.2	7.1	6.8	7.4	8.6	5.8	3.3	7.7	6.2	4.6	5.6	6.3	8.7	5.4	4.0	7.4	5.8	3.5	7.2	6.5	3.5	4.4	13.0	6.5	8.2	4.9	12.3	7.4	6.9	5.7	9.8	:	9.7

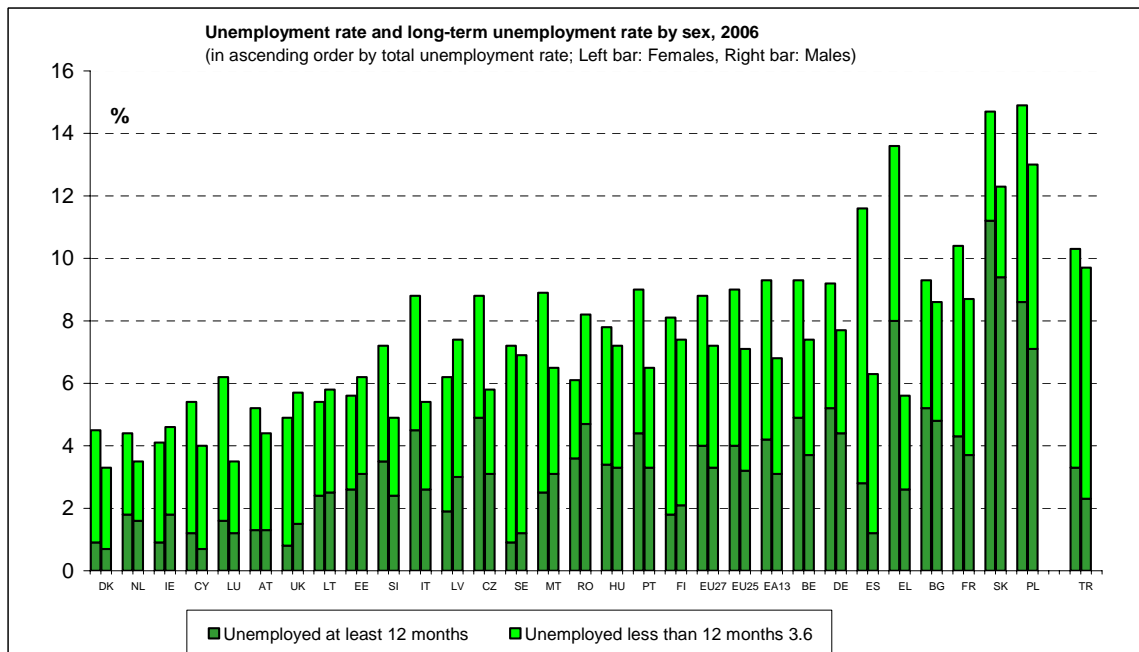
Source: Eurostat - Unemployment rates (ILO definition)

	<b>Long-term unemployment rate, 2006</b> (Long-term unemployed persons (12 months and more) as a percentage of the active population)																																
Total	3.6	3.6	3.6	4.2	5.0	3.9	0.8	4.7	2.8	1.4	4.8	1.8	4.0	3.4	0.9	2.5	2.5	1.4	3.4	2.9	1.7	1.3	7.8	3.8	4.2	2.9	10.2	1.9	1.1	1.2	6.7	:	2.5
Females	4.0	4.0	4.2	4.9	5.2	4.9	0.9	5.2	2.6	0.9	8.0	2.8	4.3	4.5	1.2	1.9	2.4	1.6	3.4	2.5	1.8	1.3	8.6	4.4	3.6	3.5	11.2	1.8	0.9	0.8	7.7	:	3.3
Males	3.3	3.2	3.1	3.7	4.8	3.1	0.7	4.4	3.1	1.8	2.6	1.2	3.7	2.6	0.7	3.0	2.5	1.2	3.3	3.1	1.6	1.3	7.1	3.3	4.7	2.4	9.4	2.1	1.2	1.5	5.8	:	2.3

Source: Eurostat - Quarterly Labour Force Data (QLFD)



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



Source: Eurostat - Labour Force Survey (EU-LFS)

## 9. LABOUR MARKET POLICY EXPENDITURE

*In 2005, Labour Market Policy (LMP) expenditure accounted for 2.2% of GDP on average among the fourteen countries that provided data within EU-15. Expenditure on LMP measures (or Active Labour Market Policies) amounted to 0.55% (0.52% for the EU-27), expenditure on labour market supports (essentially unemployment benefits) to 1.41% (1.36% for the EU-27), and expenditure in labour market policy services (Public Employment Services, PES) to 0.24%. Figures for 2005 confirm the existence of considerable heterogeneity across Member States: LMP expenditure ranged from 4.1% in Denmark to 0.2% in Estonia. This variation is linked to the extent of non-targeted support in some countries (i.e. policies which do not target exclusively unemployed and other groups with weak labour market attachment and, for this reason, are not included in the coverage of the LMP data collection).*

### **Targeted policies**

Labour market policies are by definition restricted in scope and only cover those interventions which are targeted to the unemployed and other groups with particular difficulties in entering or remaining in the labour market. Primary target groups in all countries (with the exception of Italy) are the unemployed who are registered with the public employment services. However, the size and structure of expenditure on LMP are not exclusively driven by the political commitment to combat unemployment. Other factors, such as the demographic situation and the income level, may affect cross-country variation.

### **Expenditure on services, measures and supports**

The LMP database distinguishes three main types of intervention which are broken down into nine different categories by type of action.

LMP services (category 1) covers ad hoc information services and more formalised programmes of individual assistance to jobseekers, together with all other activities of the PES not specifically covered in other categories. Note that the functions undertaken by the PES vary between countries and this is reflected in expenditure differentials. In 2005, expenditure on LMP services accounted for just over 25 billion euro amongst the EU-15 countries – 11% of total LMP expenditure.

LMP measures (categories 2-7) cover targeted programmes such as training, job rotation/job-sharing, employment incentives, supported employment and rehabilitation, direct job creation and start-up incentives. These are commonly referred to as 'active' expenditures. However, it should be taken into account that the distinction between active and passive (i.e. unemployment benefits) measures is increasingly blurred by the tendency to establish closer links between eligibility to the latter and participation to the former, in the form of individualised job-search assistance and early intervention by the public employment service. This move reflects the increasing attention to the notion of flexicurity (see below) in the setting of labour market policies. In the EU-15 countries, expenditure on LMP measures has fallen from a peak of 69 billion euro in 2002 to 56 billion in 2005, just under 25% of the total expenditure on LMP.

LMP supports (categories 8-9) cover expenditure on out-of-work income maintenance (mostly unemployment benefits) and on early retirement and account for the largest share of LMP expenditure – on average 64% of the total in the EU-15, in 2005.

### **Distribution of expenditure on LMP measures by type of action**

Concerning the 'ranking' of the categories in 2005, expenditure is highest on training programmes, as in previous years, accounting for 39.0% of expenditure on active measures. However, 'Direct job creation' which was in 2002 the second most important category, accounts in 2005 for only 13.8% of total expenditures on active measures, much less than expenditure on employment incentives (23.9%, which includes not only subsidies but also reduction in taxes and social contributions to employers). Expenditure in the integration of the disabled increased significantly, reaching 16.6% of the total. This increase is even more striking in view of the fact that most countries also undertake general employment measures which partly go to the benefit of disabled people. Start-up incentives represent nearly 6% of active expenditures, which also implies a sizable increase with respect to 1998 (2.2%). Job rotation/job sharing remains the smallest category in terms of expenditure, accounting for only 0.6% the total.

### **Policy context**

The LMP data collection was developed as an instrument to monitor the evolution of targeted employment policies across the EU, following on the 'Jobs Summit' held in Luxembourg in November 1997, which had launched the European Employment Strategy. More recently, the notion of flexicurity has come to the forefront of the EU employment agenda (see COM 2007(359)), specifically including the provision of effective Active and Passive Labour Market Policies among the key instruments aimed at reconciling flexibility and security in the EU labour markets. The LMP database has been developed over the past years by Eurostat in close co-operation with DG Employment and Social Affairs, the EU-15 Member States and Norway, as well as the OECD. In 2005 the project has been extended to all New Member States as well as to Candidate Countries. Additionally, an agreement for a joint data collection has been concluded with the OECD, coming into effect with the 2004 wave of LMP data (launched in June 2005). Data for all New Member States and EU27 should be available as of 2008.



## Methodological notes

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

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

### LMP services — category 1:

**1 – Labour Market Services:** all services and activities undertaken by the PES (Public Employment Services) together with services provided by other public agencies or any other bodies contracted under public finance, which facilitate the integration of the unemployed and other jobseekers in the labour market or which assist employers in recruiting and selecting staff.

### LMP measures — categories 2-7:

**2 - Training:** measures that aim to improve the employability of LMP target groups through training, and which are financed by public bodies. All training measures should include some evidence of classroom teaching, or if in the workplace, supervision specifically for the purpose of instruction.

**3 - Job rotation and job sharing:** measures that facilitate the insertion of an unemployed person or a person from another target group into a work placement by substituting hours worked by an existing employee.

**4 - Employment incentives:** measures that facilitate the recruitment of unemployed persons and other target groups, or help to ensure the continued employment of persons at risk of involuntary job loss. Employment incentives refer to subsidies for open market jobs where the public money represents a contribution to the labour costs of the person employed and, typically, the majority of the labour costs are still covered by the employer.

**5 - Supported employment and rehabilitation:** measures that aim to promote the labour market integration of persons with reduced working capacity through supported employment and rehabilitation.

**6 - Direct job creation:** measures that create additional jobs, usually of community benefit or socially useful, in order to find employment for the long-term unemployed or persons otherwise difficult to place. Direct job creation refers to subsidies for temporary, non-market jobs which would not exist or be created without public intervention and where the majority of the labour cost is normally covered by the public finance.

**7 - Start-up incentives:** Programmes that promote entrepreneurship by encouraging the unemployed and target groups to start their own business or to become self-employed.

### LMP supports - categories 8-9:

**8 - Out-of-work income maintenance:** Programmes which aim to compensate individuals for loss of wage or salary through the provision of cash benefits when:

- A person is capable of working and available for work but is unable to find suitable employment.
- A person is on lay-off or enforced short-time work or is otherwise temporarily idle for economic or other reasons (including seasonal effects).

- A person has lost his/her job due to restructuring or similar (redundancy compensation).

**9 - Early retirement:** Programmes which facilitate the full or partial early retirement of older workers who are assumed to have little chance of finding a job or whose retirement facilitates the placement of an unemployed person or a person from another target group.

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

Unemployment (2.8), Social benefits (2.11) and Social protection (Annex 1.3.5)

### **Further reading**

- Labour Market Policy Database — Methodology, Revision of June 2006 — Eurostat methodologies and working Papers
- [Labour Market Policy Seminar](#) of October 2006, Eurostat [methodologies and working papers](#)
- European Social Statistics — Labour Market Policy — Expenditure and Participants — Data 1998 — Detailed Tables. Eurostat.
- European Social Statistics — Labour Market Policy — Expenditure and Participants — Data 1999 — Detailed Tables. Eurostat.
- European Social Statistics — Labour Market Policy — Expenditure and Participants — Data 2000 — Detailed Tables. Eurostat.
- European Social Statistics — Labour Market Policy — Expenditure and Participants — Data 2001 — Detailed Tables. Eurostat.
- European Social Statistics — Labour Market Policy — Expenditure and Participants — Data 2002 — Detailed Tables. Eurostat.
- European Social Statistics — Labour Market Policy — Expenditure and Participants — Data 2003 — Detailed Tables. Eurostat
- European Social Statistics — Labour Market Policy — Expenditure and Participants — Data 2004 — Detailed Tables. Eurostat
- European Social Statistics — Labour Market Policy — Expenditure and Participants — Data 2005 — Statistical book
- [Men and women participating in Labour Market Policies, 2004](#), [Statistics in focus 66/2007](#)
- [Expenditure on Labour Market Policies in 2004](#), Statistics in focus 12/2006
- Employment in Europe 2006 report – chapter 2 (flexicurity) and chapter 3 (active labour market policies).

**Key indicator 9**

**Public expenditure on LMP measures (categories 2-7) as a percentage of GDP, 2005**

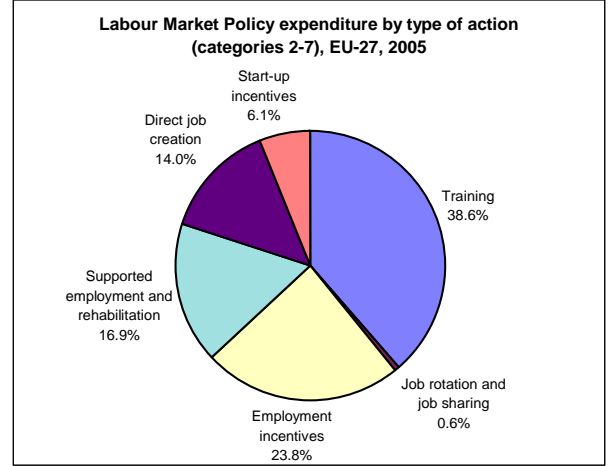
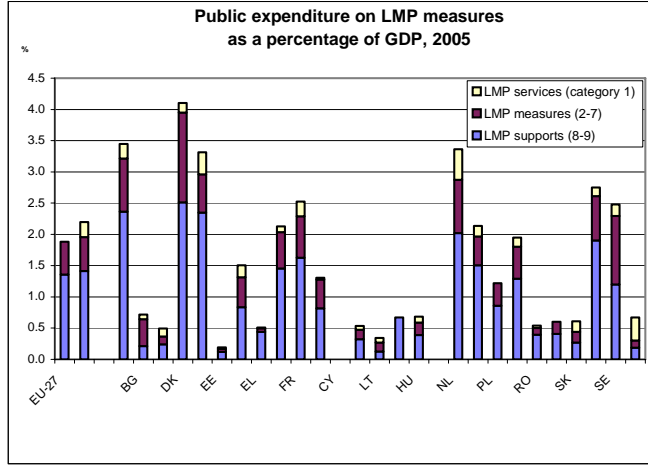
0.5255	0.5444	0.8522	0.4315	0.1221	1.4327	0.6162	0.047	0.4807	0.0611	0.5826	0.6641	0.4605	0.1483	0.1475	0.197	0.8524	0.458	0.3593	0.517	0.1076	0.1958	0.1701518	0.7113	1.0973	0.1156
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Notes: Category 1: Labour Market Services.

Categories 2-7: Training - Job rotation and job sharing - Employment incentives - Supported employment and rehabilitation - Direct job creation - Start-up incentives.

Categories 8-9: Out of work income maintenance and support - Early retirement. Estimates for EU-27, EU-15, BE, DK, DE, IE, EL, FR, NL, AT, PT, FI, UK

Source: Eurostat - Labour Market Policy Database (LMP)



Notes: 1) No data for CY, MT

2) Estimates for EU-27, EU-15, BE, DK, DE, IE, EL, ES, FR, HU, NL, AT, PT, FI, SE, UK.

3) LU, PL, SI, EU-27: Expenditure data on category 1 is not available.

Source: Eurostat - Labour Market Policy Database (LMP)

Source: Eurostat - Labour Market Policy Database (LMP)

## 10. SOCIAL PROTECTION EXPENDITURE AND RECEIPTS

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

### **The weight of social protection expenditure as a percentage of GDP in the European Union shows major disparities between Member States**

In 2004 the EU-25 countries devoted on average 27.3% of their GDP to social protection gross (see methodological notes in portrait 11 'Social benefits') expenditure. In the same year this percentage was higher (27.7%) for the aggregate EA-13<sup>43</sup>, including this area five out of the seven EU countries having ratios above the average (Belgium, Germany, France, the Netherlands and Austria and, out of EA, Sweden and Denmark all had percentages between 28.5% and 33%) and excluding the countries occupying the lowest positions in ranked EU figures; those last are the Baltic countries devoting to the social protection a part of their GDP that is less than half as much as done by the countries with the highest ratios: Latvia with 12.6%, Lithuania with 13.3% and Estonia with 13.4%.

For EU-25, the value of social protection expenditure as a percentage of GDP in 2004 represented a stop after 4 years, dating back at 2000, of an increasing pattern. For the time series of the ratio concerning EA-13 a roughly parallel-increasing movement over the period 2002-2004 (in countertendency with the downwards pattern between 1996 and 2000). These patterns are the result of the combined evolutions of social protection expenditures and GDP, so that the resulting percentages were affected by the gradual contraction in the growth rate of GDP registered between 2000 and 2003 and its new upwards movement in 2004.

From a country-specific perspective, there are differences within EU member states and exceptions to this general situation that have to be taken into account. The general performance in 2004, characterized all through EU by larger GDP's growth rates than in the previous year, was particularly affecting the share of social protection expenditure in those countries where the GDP growth was quite strong: Czech Republic, Cyprus, Latvia, Hungary, Poland and Slovakia registered between 2003 and 2004 a reduction of the ratio.

Between the European countries for which longer time series are available, the patterns of social protection expenditure as a percentage of GDP showed wide disparities. For the majority of these countries (BE, DK, IE, ES, FR, LU, MT, NL, FI, SE and UK) the period 2000-2001 was the turning point, ending the decline characterizing the data since 1995-1996. The tendency was opposite, even if over a shorter period, in Slovakia, Latvia and Lithuania, which showed an increasing pattern before 2000 followed by a contraction along the subsequent five years. Just an increasing tendency characterized almost steadily all the years of the series in Slovenia (until 2002), Czech Republic (until 2003) and Portugal (until 2004). There was a less regular tendency in the remaining countries.

The increase of the ratio between 2000 and 2004 was marked in Malta (2.5 percentage points), Luxembourg (3 percentage points) and Portugal (3.2 percentage points), with an overall growth over the period levelled off at 15% and, even more, at 20%, in Ireland (2.9 percentage points) and Cyprus (3 percentage points); the fall in Latvia and Slovakia led to losing between a 10-18% of their ratio value with a reduction between 2.1 and 2.7 in terms of percentage points. It is worth noting that often these changes in the ratio can, to a

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<sup>43</sup> EA-13: All through the text what indicated as EA-13 refers to EA-12; data for Slovenia are not available.

large extent, be related to strong changes in the speed of growth of GDP: for the five years considered, this is the case of Ireland, Luxembourg and Malta, on one hand, and, in Latvia on the other.

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

When expressing the expenditure on social protection in terms of per capita PPSs (purchasing power standards), a different picture is obtained with respect to the previous analysis (expenditure as percentage of GDP) in the extent the 'distance' between countries is somewhat more pronounced. The 2004 value for expenditure was set at 6188 for the EU-25 countries, and at 6877 for the EA-13.

Luxembourg<sup>44</sup> gains positions with respect to the previous analysis and, with a value (12180 PPS per capita) roughly as twice as the average for EU-25, clearly cut off all the other countries with high ranks, Sweden and Denmark (extra EA-13) in the first place. At the other extreme, again, the Baltic countries, whose values were around one fourth than EU-25's. The disparities between countries are partly related to differing levels of wealth and also reflect differences in social protection systems, demographic trends, unemployment rates and other social, institutional and economic factors.

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

In 2004, the main sources of financing for social protection at EU-25 level were the social contributions, representing 59.5% of all receipts; of the two flows composing social contribution the wider contribute was derived from the employer's contributions (38.6%); the remaining one, determined by contributions originating from protected persons<sup>45</sup> (20.9%), ranked as the third financing source, following general government contributions (37.3%), i.e. contributions derived from taxes. The incidence of social contributions rose to 63% for the countries in EA-13. Comparing the years 2000 and 2004 (see annex 1.3), the funding share between the above mentioned categories is quite steady for both the aggregates.

The structure of funding is, rather, widely varying between countries, depending strongly on country-specific rules and on the institutional reasoning behind social protection systems ('Beveridgian' or 'Bismarckian' tradition). Countries like the Czech Republic, Estonia and Belgium were characterized by higher social contributions (more than 70%). Conversely, Denmark's and Ireland's systems relied for the 60% of their total receipts on government funding; Cyprus, the United Kingdom and Sweden followed with a taxes-related financing set over 45%.

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

The proportion of general government contributions in total funding rose between 2000 and 2004 by 1.9 percentage points for EU-25 and by 2.1 for EA-13.

Most of the time, the evolution in the share accounted for by general government is the result of a decline in social contributions. On average, the largest changes (as absolute value) within the social contribution interested the share accounted for by protected persons in EU-25 and, rather, that by employers' social contribution in EA-13.

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<sup>44</sup> Luxembourg is a special case insofar as a significant proportion of benefits (primarily expenditure on health care, pensions and family benefits) are paid to persons living outside the country; if this particular feature is left out of the calculation, expenditure falls to approximately 10200 PPS per capita.

<sup>45</sup> Employees, self-employed, pensioners and other persons.

In these five years Cyprus, the Netherlands, United Kingdom, Latvia and Portugal's general government contributions increased by more than 3 percentage points while in the Czech Republic, Luxembourg and Slovakia their share in total receipts fell substantially.

For a few countries there were over the period 2000-2004 significant evolutions concerning both the components of social contribution. Along these five years, the Czech Republic raised both the components (altogether 5.4 percentage points), while, on the contrary, in Portugal there was a contraction of the two (altogether -5.5 percentage points); a compensation, rather, took place in Hungary (employers' -4.2, protected persons +3.4) and, with opposite direction, in the Netherlands (employers' +4.6, protected persons -3.4).

For information on the structure of expenditure on social benefits, see next portrait.

### **Policy context**

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

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

Subsequent European Councils, in particular Stockholm, Gothenburg and Laeken, decided to apply the Open Method of Coordination in specific sectors of social protection, in the field of pensions and health and long term care. Besides, the Commission presented its point of view on strengthening the social dimension of the Lisbon strategy by streamlining the open method of coordination in the field of social protection (COM(2003) 261 final).

The 2005 Communication providing contribution to the Hampton Court summit highlights that the responsibility for determining most aspects of financing of social protection remains firmly with Member States, but it is highly relevant to enhance exchanges and mutual knowledge on how Member States adapt to the various pressures that their social protection systems are facing. The 2005 Commission working document, Sustainable Financing of Social Policies in the European Union (SEC (2005) 1774), states that *'it is clear that financing arrangements are critical to ensuring that social policies contribute to growth and employment while preserving overall budgetary sustainability'*.

### **Methodological notes**

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

Social protection encompasses all interventions from public or private bodies intended to relieve households and individuals of the burden of a defined set of risks or needs, provided that there is neither a simultaneous reciprocal nor an individual arrangement involved. The risks or needs that may give rise to social protection are classified by convention under eight 'social protection functions'. See Social benefits (2.11). Excluded are all insurance policies taken out on the private initiative of individuals or households solely in their own interest.

The 2004 data are provisional for CZ, DE, ES, FR, IT, LV, LT, NL, PL, PT, RO, SI, SK, SE and UK. The 2004 data for EU-25 are estimates.

The GDP, PPS and population data were extracted in November 2006. This might explain any differences from national publications.

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

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

Labour Market Policy expenditure (2.9), Social benefits (2.11), Income distribution (2.12) and Social protection (Annex 1.3.5).

### **Further reading**

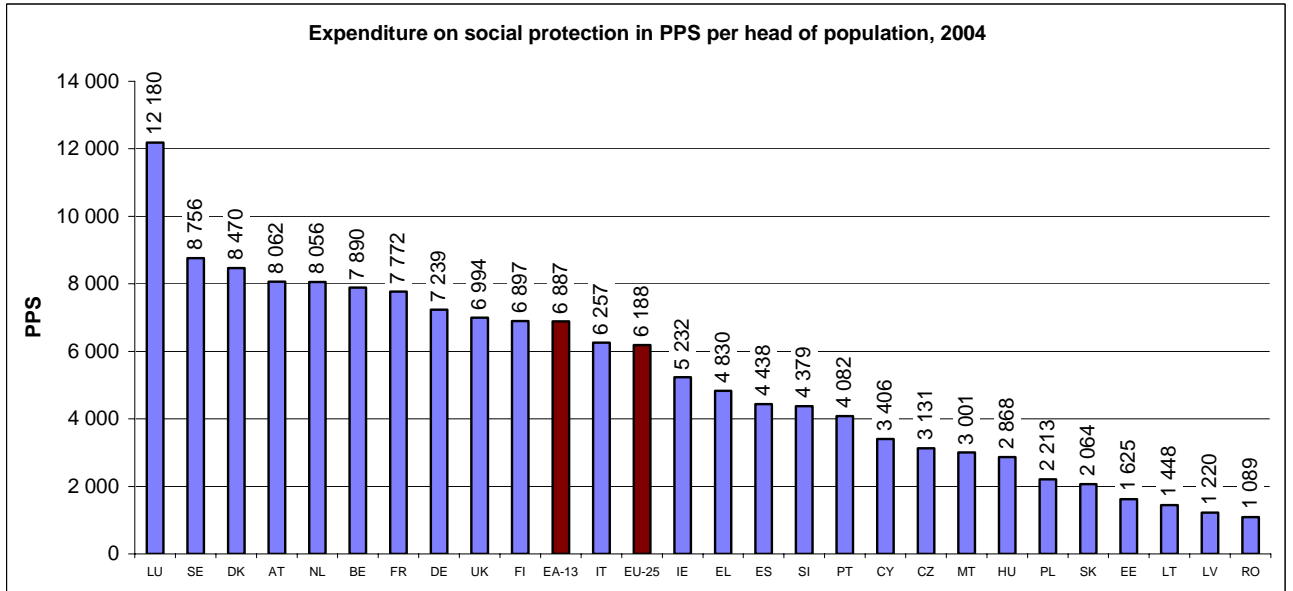
- Methodology: *ESSPROS Manual 1996*, Eurostat.
- *European Social Statistics — Social protection — Expenditure and receipts 1996-2004*, 2007, Eurostat.
- Statistics in Focus (Population and social conditions): *Social Protection in the European Union*, No 99/2007, Eurostat.

### Key indicator 10 Expenditure on social protection as a percentage of GDP, 2004

2004 | : 27.3 27.7 29.3 : 19.6 30.7 29.5 13.4 17.0 26.0 20.0 31.2 26.1 17.8 12.6 13.3 22.6 20.7 18.8 28.5 29.1 20.0 24.9 14.9 24.3 17.2 26.7 32.9 26.3 | : : :

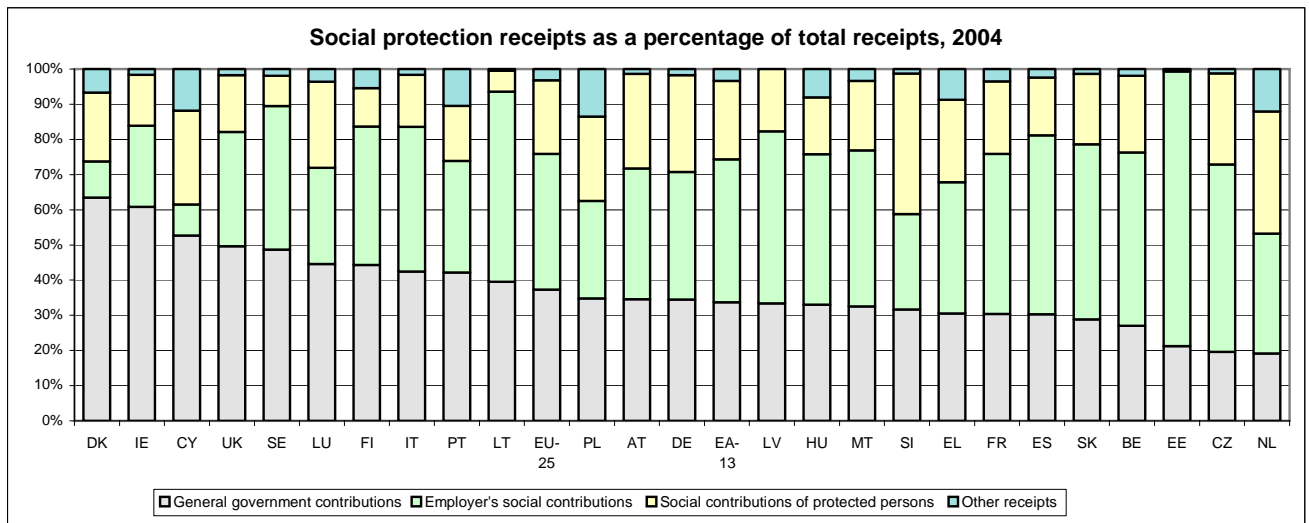
Note: EA-13 is calculated without the Slovenian data.

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



Notes: 1) EU-27, BG, HR, MK and TR: Not available. 2) EA-13 is calculated without the Slovenian data.

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



Notes: 1) EU-27, BG, RO, HR, MK and TR: Not available. 2) EA-13 is calculated without the Slovenian data.

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



## 11. SOCIAL BENEFITS

*In most Member States the largest share of social protection expenditure was assigned to the old age and survivors functions, followed by the sickness and health care function. The other functions accounted for less than 30% of the total.*

Social benefits are for social protection schemes the most considerable part of expenditure. In 2004 out of the total EU-25 expenditure on social protection, social benefits accounted for 96.2%, administration costs 3.1% and other expenditure 0.7%.

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

Among the risks covered by social protection benefits, 'old-age' and 'survivors' received in EU-25 the largest part of expenditure: 45.9% of total benefits (12.0% of GDP). Countries in EA-13<sup>46</sup> performed on average quite closely (46.5% of total benefits and 12.3% of GDP) to the EU globally considered; the time tendency in the period 2000-2004 for both the aggregates was a slow decline.

Differences in countries' distributions for this category of benefits should be read in parallel with the most important contributory factor: the age composition of the population. In Italy<sup>47</sup>, historically (see the time series back to 1995), the benefits linked to old age and survivors' functions reach the highest levels in EU: in 2004 they accounted for 61.3% of the total expenditure for benefits and for the highest level (15.4%) as a percentage of GDP (in January 2004, 25.1% of the population aged 60 or over, while in EU-25 the percentage was 21.7%); nevertheless, the tendency for the share in the last 5 years was downwards. In Poland the increasing tendency since 2000 brought the share of old age and survivors' benefits to end up in 2004 as the second highest value in EU (60.1% of all benefits). Malta (51.2%), Greece (50.9%) and Latvia (50.0%) were also set fairly above the European average. Ireland<sup>48</sup>, with an age distribution stronger for young people than the European one (in January 2004, 28.4% of the population aged 20 or less while in EU-25 the percentage was 22.6%) and an incidence for those over 60 of the 15.2%, is in 2004 the country set to the lowest level in EU for benefits related to old age and survivors' not only in terms of the total expenditure for benefits but also in terms of GDP (3.8%); in addition, less and less expenditure in time were addressed to age-related benefits (from 26.5% of total benefits in 1995 to 23.3% in 2004).

Analyzing the situation back in time to the first year available from 1995 onwards for the remaining countries, the share of the functions old age and survivor's developed differently in direction and speed through the Member States, with the strongest relative increases in Portugal, Finland and the Netherlands, and an important decline in Luxembourg.

### **Sickness and health care benefits gained importance in most of the countries with respect to the other functions**

In 2004, the expenditure for sickness/health care made up, both in EU-25 and EA-13, a percentage slightly greater than 28% of all benefits (respectively 7.4% and 7.5% of the GDP). For both the aggregates, such values were the result of an increasing tendency, which for the EA-13 started back in 1996.

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<sup>46</sup> EA-13: All through the text what indicated as EA-13 refers to EA-12; data for Slovenia are not available.

<sup>47</sup> In Italy such benefits also include severance allowances (TFR-trattamento di fine rapporto), which partly come under unemployment expenditure. These benefits add up to some 4.1% of total social benefits.

<sup>48</sup> For Ireland no data are available on (funded) occupational pension schemes for private-sector employees (by an estimate for 2004 missing amount was about 1.3% of GDP).

This class of benefits was the one with the highest relative importance in Ireland (42.1% of total benefits and 6.9% of GDP), with an increase from 1995 to 2004 of 5.9 percentage points. The Czech Republic spent on sickness/health care more than one third of its 2004 expenditure for benefits (and 6.7% of the GDP) but still, in spite of the increasing tendency started in 2000, the level was 1.9 percentage points below that recorded in 1995. The lowest shares were in Poland (19.5 %) and Denmark (20.6 %). In Denmark this share, however, slowly increasing in time, corresponded in 2004 to 6.1% of its GDP, far apart from the 3.8% recorded in Poland.

The measures to cope with health needs absorbed less than 4 % of GDP in Lithuania, Poland and Latvia, although in Latvia the increase of the share in terms of the overall benefits' expenditure was more sustained (6.5 percentage points from 1997). The share of sickness and health care benefits of GDP was highest in France (8.8%), the Netherlands (8.1%) and Sweden (8.0 %).

The share of sickness and health care expenditure as a percentage of the expenditure for all the benefits was increasing in most countries during 1995-2004, especially in the United Kingdom, Finland and Sweden. The most important exceptions were Portugal and Germany, where the share decreased by 12 % and 16 %, respectively.

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

At an overall level, the third type of benefits for relative importance was the one including measures covering against the burden of disability (8.1% of total benefits, 2.1% of GDP). In the area EA-13 this percentage went down to the 7.3% (1.9%). If on one hand, the share of disability expenditure was pretty much higher than the average in countries like Sweden (14.8%), Denmark (13.9%), Luxembourg<sup>49</sup> (13.5%) and Finland (13.2%), on the other, it stood quite below the European level in Cyprus, Greece, Ireland and France (all less than 6%).

Nearly the same relative importance as the previous function characterizes in EU-25 the function family/children. The share of 7.8% in terms of total expenditure for benefits (2.1% of GDP) is close but smaller than the portion of resource dedicated in EA-13. From a country-specific perspective there is rather a greater variability, with a range reaching the upper limit with the 17.4% of Luxembourg and the lower limit with Spain, Italy, Poland and the Netherlands well below the 5%.

The function unemployment accounted for the 6.5% of all benefits in EU-25. The high figures found in Spain (12.9%) and Belgium (12.5%) set the share for EA-13 at a higher level, 7.4%. Expenditure on this function was less than the 3% of the total in Estonia, Lithuania, Italy, the United Kingdom and Hungary. It is worth noting that the spending on of unemployment benefits does not always correlate with the level of unemployment in the various countries, as there are substantial differences in coverage, the duration of benefits and the level of unemployment benefit.

See also the previous portrait 'Social protection expenditure and receipts'.

### **Policy context**

In recent years the cooperation on the European level in the field of social protection, in particular pensions, health and long term care, has made considerable progress. This

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<sup>49</sup> In Luxembourg a new 'dependence insurance' scheme was introduced in 1999. These benefits accounted for 4.5% of total social benefits in 2004. According to the 1996 ESSPROS Manual, most of these benefits should be recorded under old-age benefits.

development was characterised by the creation of the 'Social Protection Committee' bringing together senior officials from Member States and the Commission and by the introduction of the Open Method of Coordination in the field of pensions and in the field of health care and care for the elderly.

This evolution was initiated by the European Council of Lisbon in March 2000, which mandated the preparation, on the basis of a Commission Communication, of a study on the future evolution of social protection systems. The Commission adopted in October 2000 a Communication (COM (2000) 622 final) on the 'Future Evolution of Social Protection from a Long-Term Point of View: Safe and Sustainable Pensions'. The European Council highlighted the need for a 'comprehensive approach' to the challenge of an ageing society and stressed the importance of both social policy and financial objectives. The 2001 Laeken European Council endorsed the proposition of objectives and working methods in order to apply the Open Method of Coordination in the domain of pension policy. Member States presented a first round of National Strategy Reports in 2002 and a second in 2005. These have been synthesized by the Commission in the Joint Report on Social Protection and Social Inclusion, endorsed by the European Council in 2006 and in a Commission Services Paper (SEC(2006)304), Synthesis Report on Adequate and Sustainable Pensions (and its annexes including country summaries and horizontal analysis).

In the area of health care, the Gothenburg European Council of 2001 asked the Council, in conformity with the Open Method of Coordination, to prepare an initial report for the Spring European Council in 2002 on orientations in the field of health care and care for the elderly. This report based on a Communication from the Commission (COM (2001) 723) stressed that health care and long-term care systems in the European Union face the challenge of ensuring at the same time the following three key objectives: accessibility, quality and financial viability of health and care systems. These three broad goals were endorsed by the Council in an initial orientation report on health care and care for the elderly to the Barcelona European Council in March 2002. The 2003 Spring European Council highlighted the need to intensify the cooperative exchange in the field and in April 2004 the Commission presented a [communication \(COM\(2004\) 304\), which proposed to extend the Open Method of Coordination to the area of health and long term care.](#)

Indeed, in a communication from December 2005 (COM 2005 (706)) the Commission proposed to create from Autumn 2006 a streamlined framework for further development of the Open Method of Coordination for social protection and social inclusion. It took account of experience gained to date in the development of the OMC and of wider developments, notably the revision of the Lisbon Strategy. It aimed to create a stronger, more visible OMC with a heightened focus on policy implementation, which will interact positively with the revised Lisbon Strategy, while simplifying reporting and expanding opportunities for policy exchange. In March 2006, the European Council adopted a new framework for the social protection and social inclusion process, with a new set of common objectives. These include three overarching objectives and objectives for each of the three policy areas of social inclusion, pensions and health and long-term care.

In June 2006, the Social Protection Committee adopted a set of common indicators in the newly streamlined social protection and social inclusion process, including indicators for the fields of pensions and health. These indicators are meant to show the evolution as regards the objectives. The whole list consists of a portfolio of 14 overarching indicators (+11 context indicators) meant to reflect the newly adopted overarching objectives and of three strand portfolios for social inclusion, pensions, and health and long-term care. In its report, the Indicators Group working under the auspices of the Social Protection Committee has identified a number of dimensions for which indicators need to be further

developed, notably in the areas of social inclusion (child well-being, material deprivation, housing), pensions (employment of older workers and private pensions) and health and long term care for which the list of indicators adopted is only preliminary.

A key feature of the [Open Method of Coordination \(OMC\)](#) is the joint analysis and assessment by the European Commission and the Council of the National Action Plans submitted by the Member States. The Joint Reports assess progress made in the implementation of the OMC, set key priorities and identify good practice and innovative approaches of common interest to the Member States. Member States submitted for the first time integrated National Reports on strategies for social inclusion, pensions, healthcare and long-term care in the autumn 2006. These were synthesised in the 2007 Joint Report on Social Protection and Social Inclusion and its supporting documents on horizontal analysis (SEC(2007)329) and country analysis (SEC(2007)272).

### **Methodological notes**

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

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

The 2004 data are provisional for CZ, DE, ES, FR, IT, LV, LT, NL, PL, PT, RO, SI, SK, SE and UK. The 2004 data for EU-25 are estimates.

The GDP and population data were extracted in November 2006. This might explain any differences from national publications.

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

Ageing of the population (2.3), Social protection expenditure and receipts (2.10) and Social protection (Annex 1.3.5).

### **Further reading**

- Methodology: *ESSPROS Manual 1996*, Eurostat.
- *European Social Statistics — Social protection — Expenditure and receipts 1996-2004, 2007*, Eurostat.
- Statistics in Focus (Population and social conditions): *Social Protection in the European Union*, No 99/2007, Eurostat.

**Key indicator 11a Old age and survivors benefits as a percentage of total social benefits, 2004**

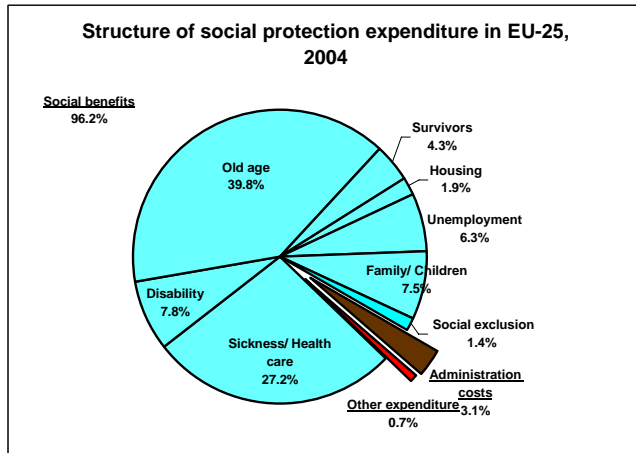
2004 | : 45.9 46.5 44.1 : 41.1 37.2 43.5 43.7 23.3 50.9 43.7 43.6 61.3 48.3 50.0 47.3 36.5 42.5 51.2 41.6 48.2 60.1 47.2 37.9 44.7 40.1 36.9 40.1 44.6 | : : : |

**Key indicator 11b Sickness and health care benefits as a percentage of total social benefits, 2004**

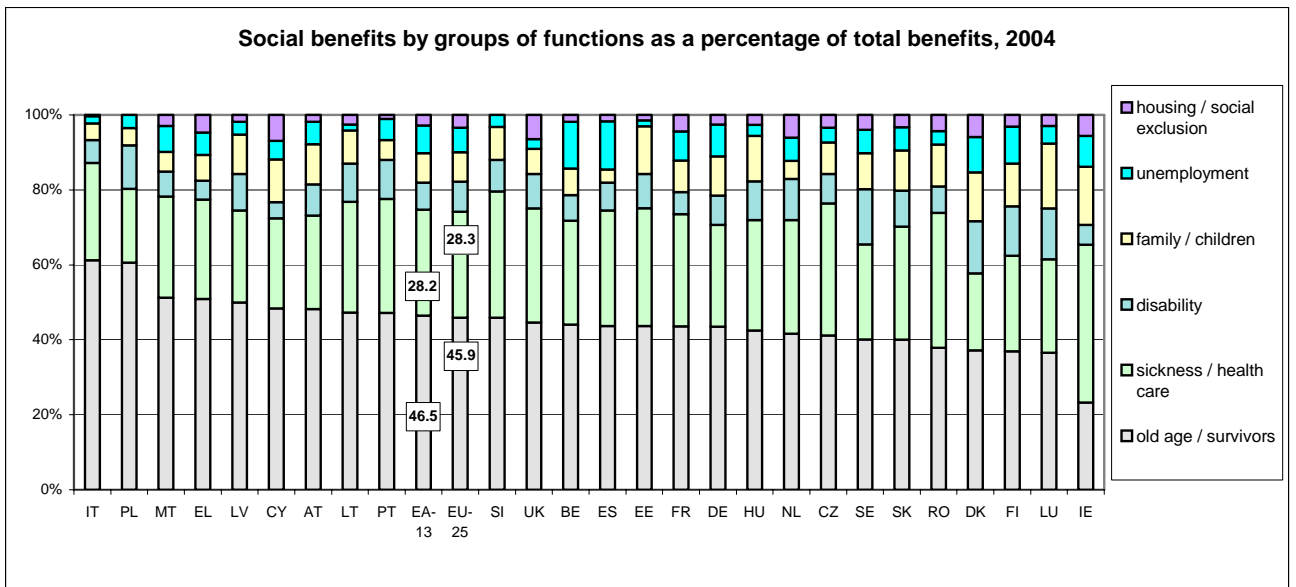
2004 | : 28.3 28.2 27.7 : 35.3 20.6 27.2 31.5 42.1 26.5 30.8 30.0 25.9 24.1 24.5 29.5 25.0 29.5 27.0 30.4 25.0 19.5 30.4 35.9 32.7 30.1 25.5 25.4 30.4 | : : : |

Note: EA-13 is calculated without the Slovenian data.

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



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



Notes: 1) EU-27, BG, HR, MK and TR: Not available. 2) EA-13 is calculated without the Slovenian data.

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

## 12. INCOME DISTRIBUTION

*As a population-weighted average for EU-27 Member States in survey year 2005 (income reference year 2004) the top (highest income) 20% of a Member State's population received 4.9 times as much of the Member State's total income as the bottom (poorest) 20% of the Member State's population. This gap between the most and least well-off people is smallest in Sweden (3.3), Slovenia (3.4), and Denmark (3.5). It is widest in Portugal (6.9), Lithuania (6.9), Latvia (6.7) and Poland (6.6).*

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

In 2005<sup>50</sup>, the median<sup>51</sup> equivalised disposable annual income for thirteen out of the EU-25 countries, including Germany, France and UK, was over 13 000 PPS. Luxembourg is an outlier with 27 298 PPS, followed by United Kingdom with 17 792 PPS. A north/south divide remains apparent amongst former EU-15 countries, with income levels in Portugal, Greece and Spain ranging between 8 347 and 11 726 PPS. Italy differentiates itself from its Mediterranean neighbours with an average annual disposable income of 13 730 PPS. An east/west, old/new divide is also apparent, although Cyprus (14 646 PPS), Malta (11 021 PPS) and Slovenia (11 745 PPS) have median incomes similar to those of 'old' Member States. Median incomes are lowest in some of the Baltic States (less than 5 000 PPS).

Income distribution can be measured by looking at how total equivalised disposable income is shared among different strata of the population according to the level of income. As a population-weighted average amongst the Member States in survey year 2005 (income reference year 2004) the top (highest income) 20% of the population received 4.9 times as much of the total income as the bottom (lowest income) 20% of the population. This indicator, the inequality of income distribution (S80/S20 income quintile share ratio), is generally higher in the southern and non-continental Member States (Portugal and Lithuania being the highest with 6.9 — although Estonia, Greece, Spain, Ireland, Italy, Latvia, Poland, Lithuania and the UK also find themselves above the average). At the other extreme are Sweden (3.3), Slovenia (3.4) and Denmark (3.5).

Another way of looking at income inequality is to compare the Lorenz curve of actual income distribution to the line of perfectly equal income distribution<sup>52</sup>. Amongst the EU-25 member states, the country closest to equality was Sweden (coefficient 23) and the most unequal was Portugal (38). The EU-25 average coefficient was 30.

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<sup>50</sup> From 2005, cross country comparable data from EU-SILC is available for all EU-25 countries. For EU-15 countries except Germany, the United Kingdom and the Netherlands, EU-SILC data was also available for 2004. For Belgium, Denmark, Greece, Ireland, Luxembourg, Austria and Norway, data is available from a 2003 preliminary version of EU-SILC. Bulgaria, Romania and Turkey have launched EU-SILC in 2006. In this edition the data for the two new Member States (Bulgaria and Romania) and for Croatia and Turkey are obtained from national sources which are not fully comparable with EU-SILC. Trends in transition years cannot be interpreted reliably. Due to differences between these underlying sources, the indicators cannot be considered to be fully comparable either between themselves or with EU aggregates or with data reported in earlier years.

<sup>51</sup> The median value is generally preferred as the measure of central tendency of incomes since it is less affected by values at the extremes of the distribution (rich and poor).

<sup>52</sup> This can be expressed mathematically as the Gini coefficient (a mathematical expression of the ratio of the amount of graph between the line of perfectly-equal distribution and the curve of actual distribution to the total amount of graph below the line of perfectly-equal distribution).

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

### **Policy context**

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

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

The Lisbon Strategy was relaunched in 2005 focussing on growth and jobs. Summit presidency conclusions reaffirmed that the Open Method of Coordination in the field of social inclusion would continue in parallel, 'feeding-in' to the Lisbon Strategy and Sustainable Development Strategy (and vice versa).

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

In March 2006 the Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council adopted streamlined objectives across the Open Method of Coordination in social inclusion, pensions and healthcare.

A list of statistical 'structural indicators' was agreed at the Nice summit in December 2000, including 7 indicators in the field of social cohesion. This list has been updated for the Synthesis Report from the Commission to the Barcelona Council in March 2002. This approach has been further developed by the Indicators Sub-Group of the Social Protection Committee, who proposed a list of 'cohesion indicators' which was adopted by the Laeken summit in December 2001. The Indicators Sub Group continues to refine and extend this list. In May 2006, the Social Protection Committee endorsed new best practice criteria for indicator design and adopted proposals for a portfolio of overarching indicators and for streamlining the social inclusion, pensions and health portfolios, setting the framework for the monitoring of national strategy reports which covered the period 2006-2008.

### **Methodological notes**

Sources:

- Eurostat — European Community Household Panel (ECHP), Users' Data Base version December 2003; for data until 2001
- national data in the transition period

For EU-25 Eurostat – Community Statistics on Income and Living Conditions EU-SILC (2005) income data 2004; except for UK, income year 2005 and for IE moving income reference period (2004-2005).

New member states: For Bulgaria and Romania data is derived from the national Household Budget Survey (HBS), 2005, income data 2005.

Candidate countries: For Croatia data is derived from the national Household Budget Survey (HBS) 2004, income data 2004, for Turkey data is derived from the national Household Income, Consumption and Expenditure (HICE) survey 2004, income data 2004.

EU aggregates are Eurostat estimates are obtained as a population size weighted average of national data.

In EU-SILC the total income of each household (net or gross — from 2007 all countries using EU-SILC will supply gross data) is calculated by adding together the income received by all the members of the household from all component sources in the year preceding the survey year for most participant countries<sup>53</sup>. This includes income from work, private income (e.g. from investments or property), as well as pensions and other social transfers directly received. During the transition period to full implementation, no account is taken of indirect social transfers, imputed rent for owner-occupied accommodation, mortgage interest payments, receipts in kind (for former EU-15 Member States: it is taken into account for the new member states). These income components will be mandatory only from 2007. As the weight of these income components varies between countries, there is some limitation on the full comparability of income statistics. Moreover, due to the practical differences in the underlying national data sources during the transition period, derived indicators cannot be considered to fully comparable either between countries or over time.

In order to take account of differences in household size and composition in the comparison of income levels, the household's total income is divided by its 'equivalent size', computed using the modified OECD equivalence scale. This scale gives a weight of 1.0 to the first person aged 14 and over, 0.5 to the second and each subsequent person aged 14 and over, and 0.3 to each child aged under 14 in the household.

To calculate the income quintile share ratio, persons are first ranked according to their equivalised income and then divided into 5 groups of equal size known as quintiles. S80/S20 income quintile share ratio represents the sum of the income received by the 20% of the population with the highest income (top quintile) to that received by the 20% of the population with the lowest income (lowest quintile).

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

Social protection expenditure and receipts (2.10), Low-income households (2.13), Jobless households and low wages (2.14) and Income, social inclusion and living conditions (Annex 1.3.6).

### **Further reading**

- *European social statistics: Income, Poverty and Social Exclusion 2<sup>nd</sup> report*, 2003 edition.
- Statistics in Focus (Population and social conditions): *Poverty and social exclusion in the EU after Laeken – part 1*, No 8/2003. Eurostat.
- Statistics in Focus (Population and social conditions): *Poverty and social exclusion in the EU after Laeken – part 2*, No 9/2003. Eurostat.
- Statistics in Focus (Population and social conditions): *Monetary poverty in EU Acceding and Candidate Countries*, No 21/2003. Eurostat.

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<sup>53</sup> In EU-SILC 2005 income data is from 2004; except for UK, income year 2005 and for IE, moving income reference period (2004-2005).



- Statistics in Focus (Population and social conditions): *Social protection: cash family benefits in Europe*, No 19/2003. Eurostat.
- Statistics in Focus (Population and social conditions): *The social protection in Europe*, No 3/2003. Eurostat.
- Statistics in Focus (Population and social conditions): *Monetary poverty in new Member States and Candidate Countries*, No 12/2004. Eurostat.
- Statistics in Focus (Population and social conditions): *Poverty and social exclusion in the EU*, No 16/2004. Eurostat.
- Statistics in Focus (Population and social conditions): *In Work Poverty*, No 5/2005. Eurostat.
- Statistics in Focus (Population and social conditions): *Income poverty and social exclusion in EU-25*, No 13/2005. Eurostat.
- Statistics in Focus (Population and social conditions): *Material Deprivation in the EU*, No 21/2005. Eurostat.
- *Joint Report on Social Protection and Social Inclusion 2007*, 2007, European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities.
- *A new partnership for cohesion – Third report on Economic and Social Cohesion*, 2004. European Commission, Regional Affairs DG.

**Key indicator 12**

**Inequality of income distribution (S80/S20 income quintile share ratio), 2005** (The ratio of total income received by the 20% of the population with the highest income (top quintile) to that received by the 20% of the population with the lowest income (lowest quintile). Income must be understood as disposable equivalised income.)

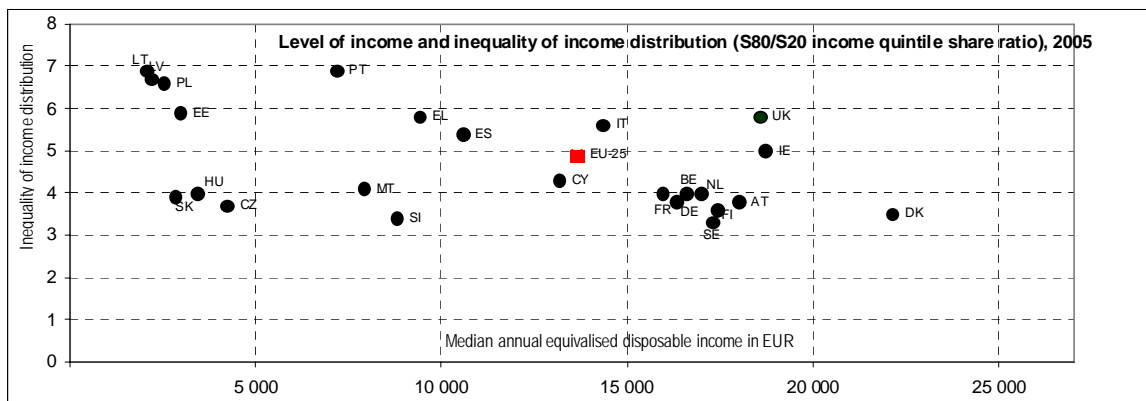
4.9 s 4.9 s 4.6 s 4.0 3.7 i 3.7 b 3.5 3.8 b 5.9 5.0 5.8 5.4 4.0 5.6 4.3 b 6.7 b 6.9 b 3.8 4.0 b 4.1 b 4.0 b 3.8 6.6 b 6.9 b 4.9 i 3.4 b 3.9 b 3.6 3.3 5.8 b 4.8 i : 10.0 i

Source: SILC(2005) income data 2004; except for UK, income year 2005 and for IE moving income reference period (2004-2005).

(1) BG and RO National HBS 2005, income data 2005.

(2) HR National HBS 2004, income data 2004, TR National HICE survey 2004, income data 2004.

EU Aggregates: Eurostat estimates are obtained as a population size weighted average of national data.

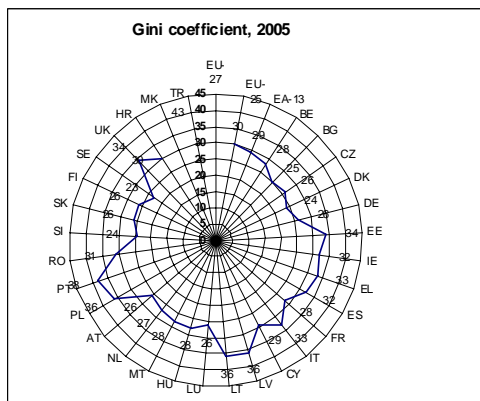


Source: SILC(2005) income data 2004; except for UK, income year 2005 and for IE moving income reference period (2004-2005).

(1) BG and RO National HBS 2005, income data 2005.

(2) HR National HBS 2004, income data 2004, TR National HICE survey 2004, income data 2004.

EU Aggregates: Eurostat estimates are obtained as a population size weighted average of national data.



Source: SILC(2005) income data 2004; except for UK, income year 2005 and for IE moving income reference period (2004-2005).

(1) BG and RO National HBS 2005, income data 2005.

(2) HR National HBS 2004, income data 2004, TR National HICE survey 2004, income data 2004.

EU Aggregates: Eurostat estimates are obtained as a population size weighted average of national data.

### 13. LOW-INCOME HOUSEHOLDS

*In 2005 around 16% of households in the EU-27 had an equivalised disposable income that was less than 60% of their respective national median in 2005 – these citizens are considered to be at risk of poverty<sup>54</sup>. Using 60% of the national median equivalised income as a cut-off threshold, the proportion of people at-risk-of-poverty after social transfers had been taken into account was highest in Lithuania and Poland, followed by Ireland, Greece, and Spain. It was lowest in Sweden (9%), followed by the Czech Republic (10%) and the Netherlands (11%). The proportion of people being at-risk-of-poverty was still relatively low (12%) in Denmark, Austria and Finland. In this context it should be remembered that with the at-risk-of-poverty rates we are analysing relative poverty within each country and relative to median income and not absolute poverty by reference to an independent or common cut-off threshold. When analysing the hypothetical case of the complete absence of social transfers (except pensions), in EU-27 countries an average of 26% of the population would be at-risk-of-poverty. In the majority of countries, social benefits reduce the proportion of people at risk of poverty between 25% and 50%.*

**The household types most at-risk-of-poverty are single parents with dependent children, single elderly people and single females**

While the overall at-risk-of-poverty rate for EU-27 is 16% using income data for 2004-5 (survey data 2005), some household types are exposed to a much greater poverty risk than others. In EU-25 countries single parents with dependent children have the highest poverty risk – 31% have an equivalised disposable income lower than 60% of national median equivalised income.

Households composed of a single adult older than 65 had an at-risk-of-poverty rate of 25% (EU-25) using 2005 figures. The poverty risk of single adults aged 65 and over is very unevenly distributed across member states, with values ranging from 7% in Luxembourg, the Netherlands and Poland, to 62% in Ireland and 70% in Cyprus.

A quarter (25%) of single females was at risk of poverty in EU-25 countries in 2005. In Ireland (53%) and Cyprus (59%) well over half of single females were at risk of poverty in 2005. In only six EU-25 countries (Czech Republic 16%, Hungary 15%, Luxembourg 13%, the Netherlands 12%, Poland 12% and Slovakia 16%) the at-risk-of-poverty rate for single females was equal to or below the EU-25 average at-risk-of-poverty rate for all household types (16%). Poland seems to be atypical in this respect as it is the only country where the poverty risk of single females is lower than the national average (and also lower than that of single male households).

**The poverty risk of single parents and their dependent children varies much between countries**

In Malta (49%) and Lithuania (48%) almost half of households composed of single parents and their dependent children were at-risk-of poverty. Ireland (45%) and Greece (44%) also record a comparatively high proportion of those households at-risk-of-poverty. The poverty risk of single parent households is lowest in the Nordic Member States. Within the EU, the lowest poverty risk for this household type is in Sweden (18%), followed by Finland (20%) and Denmark (21%).<sup>55</sup>

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<sup>54</sup> See the first footnote in the portrait nr. 12 'Income distribution'.

<sup>55</sup> The EFTA countries among Scandinavian countries also record a low risk of poverty with 14% for Iceland and 19% for Norway.

### **Uneven poverty risk between generations**

The distribution of poverty risk among different age groups follows a U-shaped curve in most countries. In 2005 19% of young people under 24 lived in low income households in EU-25 member states. For working age adults (aged 24-64) the risk of living in a low income household was lowest (14%). 19% of people aged 65 and over lived at risk of poverty in EU-25 countries in 2005.

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

In the survey used for compiling the risk of poverty, no information can be obtained about the allocation of income within a household, and in particular, between people of different gender living in one household, so some caution is necessary in interpreting these figures. In a household composed of more than one individual, we cannot automatically assume that all household members have equal access to money, and therefore cannot know whether they should be considered as 'poor' or 'not poor'. What we can say, is that certain types of households are more at risk of poverty than others.

Throughout Europe in 2005, the probability of living in a household which can be considered to be at risk-of-poverty is slightly more prevalent among women than among men (EU-25 average of 17% versus 15%), although in Denmark, Luxembourg, the Netherlands, Romania and Slovakia there is parity, whilst for Hungary and Poland, it is men who are very slightly more at risk.

Among household types composed of a single individual, where questions of intra-household allocation are irrelevant, 25% of single women households were at risk of poverty in the EU-25 in 2005, compared to 22% of single men households. However, there is no uniform picture of this across countries: While Ireland (53% of single women at risk of poverty compared to 45% of men) and Cyprus (59% of single women at risk of poverty compared to 29% of men) had a very high poverty risk for single women in 2005, this does not hold for all countries. Indeed, in eight EU-27 countries, the poverty risk was higher for single men than for single women, with the difference in poverty rates being particularly marked (5 percentage points or more difference) in Lithuania, Hungary, the Netherlands and Poland.

In 2005 (EU-25), the proportion of children (under the age of 18) living in a household with low income (19%) is higher than for the adult population (15%). The proportion of children living in a low income household is highest in Spain (24%), Italy (24%), Lithuania (27%), Poland (29%) and Portugal (24%). By contrast, in 2005, children in Denmark, Cyprus and Finland were less likely to live in 'poor' households than adults. In this context, it also has to be noted, that households composed of two adults and three or more dependent children were 50% more likely to be at-risk-of-poverty than other household types (24% compared to 16% for all household types).

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

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

In 2005, the average at-risk-of-poverty rate in EU-27 countries was 26% before social transfers other than pensions were taken into account and 16% when calculated after social transfers were taken into account. So social transfers were successful in lifting 38% of persons with low income above the poverty line.

Social benefits other than pensions reduce the percentage of people at risk of poverty in all the countries, but to very disparate degrees. The reduction is smallest (less than 25%) in some Mediterranean States (Greece, Spain, Italy, Cyprus, Malta and Portugal), Latvia, Estonia, Bulgaria and the candidate country Turkey. The reduction is greatest in Sweden (69%). The Czech Republic, Denmark, France, Hungary, the Netherlands, Austria, Slovenia and Finland also record reductions due to social transfers of 50% or more.

In the absence of social benefits other than pensions, in 2005 in four member states (Denmark, Ireland, Poland and the United Kingdom) 30% or more of the population would have been at-risk-of-poverty.

### **EU poverty gap over one fifth of threshold value**

Looking at income below the poverty line identifies those people at risk of income poverty, but does not show how whether these persons can really be considered as poor<sup>56</sup>. The relative median at-risk-of-poverty gap measures the difference between the at-risk-of-poverty threshold (60% of national median equivalised income and the median equivalised disposable income of persons below the at-risk-of-poverty threshold, expressed as a percentage of the at-risk-of-poverty threshold. Measuring the gap between the median level of income of the poor and the at-risk-of-poverty threshold provides an insight into the depth of income poverty — the poverty gap. In 2005, the relative median at-risk-poverty gap equalled 23% in EU-25 countries and EU-15 countries. While the average EU-25 at-risk-of-poverty threshold measured 8 275 Euros in the EU-25, this amounts to a relative poverty gap of roughly 1 903 Euros in equivalised disposable income. The at-risk-of-poverty threshold varied between 17 087 Euros in Luxembourg and 726 Euros in Romania. This illustrates the high differences in income in member states and that the poverty risk indicator and other derived from it are measures of relative poverty. It should be noted here that median income levels, whether compared nominally (in Euros or national currency) or with a measure of purchasing power standards (PPS) are markedly lower in most new Member States than in the EU-15 countries.

### **More than 35 million people in EU-15 living in persistent risk of poverty**

In 2001, 9% of the EU-15 population were living in a low-income household and had been in this situation for at least two of the three preceding years. This figure suggests that more than half of all people in low income households are living at-persistent-risk-of-poverty. In 2001, the at-persistent-risk-of-income-poverty rate ranged from around 6% in Germany, Denmark, Netherlands and Finland up to 15% in Portugal. No data is currently available for New Member States for this indicator<sup>57</sup>.

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<sup>56</sup> The at-risk-of-poverty rate measures low income, not wealth. Households may have low income for a certain year, but still not be 'poor' because they have some wealth to draw on.

<sup>57</sup> During the transition to data collection under the EU-SILC regulations, statistics are currently neither available for the 'new' Member States, in the absence of a comparable national source of longitudinal panel data nor for more recent years. As the majority of countries have launched EU-SILC in 2005 and it requires four years of survey data to produce the 'persistent risk of poverty' indicator, results covering all EU-25 member states will first be available for the survey year 2008. First results for countries which have launched an advance version of EU-SILC in 2003 will be available for the survey year 2006.

Low income does not necessarily by itself imply low living standards, and in the short term consumption expenditure can sometimes be maintained in a number of ways, including use of accumulated savings, asset sales and access to credit. Typically it is the cumulative negative impact of persistent and/or multiple disadvantages, which may lead to poverty and social exclusion. The high levels of persistent risk reported for certain countries are consequently a source of particular concern.

### **Policy context**

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

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

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

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

Key elements of the Open Method of Coordination are the definition of commonly agreed objectives for the European Union (EU) as a whole, the development of appropriate national action plans to meet these objectives, and the periodic reporting and monitoring of progress made.

Similar approaches were subsequently adopted in many other areas, including economic policy, employment, education, sustainable development, social inclusion, social protection, etc.

Efforts were made since 2003 to create better links between separate processes (notably between social inclusion and social protection themes on the one hand and Broad Economic Policy Guidelines and European Employment Strategy on the other), and these links came under intense scrutiny during the mid-term review of the Lisbon Strategy. It was eventually decided to continue in parallel, with each policy 'pair' feeding-in to the other.

In March 2006 the Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council adopted streamlined objectives across the Open Method of Coordination in social inclusion, pensions and healthcare.

Commonly agreed indicators have been developed by the Indicators Sub-Group of the Social Protection Committee. A first set of indicators was adopted at the Laeken European Council in December 2001. In May 2006, the Social Protection Committee endorsed new best practice criteria for indicator design and adopted proposals for a portfolio of overarching indicators and for streamlining the social inclusion, pensions and health portfolios, setting the framework for the monitoring of national strategy reports which cover the period 2006-2008.

### **Methodological notes**

Sources:

For EU-25 Eurostat – Community Statistics on Income and Living Conditions EU-SILC (2005) income data 2004; except for UK, income year 2005 and for IE moving income reference period (2004-2005).

New member states: For Bulgaria and Romania data is derived from the national Household Budget Survey (HBS), 2005, income data 2005.

Candidate countries: For Croatia data is derived from the national Household Budget Survey (HBS) 2004, income data 2004, for Turkey data is derived from the national Household Income, Consumption and Expenditure (HICE) survey 2004, income data 2004.

EU aggregates are Eurostat estimates are obtained as a population size weighted average of national data.

The poverty risk or relative monetary poverty rate (indicator: at-risk-of-poverty rate) is measured in terms of the proportion of the population with an equivalised income below 60% of the median equivalised disposable income in each country. The median income is preferred over the mean income as it is less affected by extreme values of the income distribution.

The relative median at-risk-of-poverty gap is defined the difference between the at-risk-of-poverty threshold (cut-off point: 60% of median equivalised disposable income) and the median equivalised disposable income of persons below the at-risk-of-poverty threshold, expressed as a percentage of the at-risk-of-poverty threshold. See the portrait 'Income distribution' (2.12) for definition of income concepts and notes on data.

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

Employment (2.7), Social protection expenditure and receipts (2.10), Income distribution (2.12), Jobless households and low wages (2.14), and Income, social inclusion and living conditions (Annex 1.3.6).

### **Further reading**

- *European social statistics: Income, Poverty and Social Exclusion 2<sup>nd</sup> Report*, 2003 edition. Eurostat.
- Statistics in Focus (Population and social conditions): *Monetary poverty in EU Acceding and Candidate Countries*, No 21/2003. *Poverty and social exclusion in the EU after Laeken-part1*, No 8/2003. *Social protection: cash family benefits in Europe*, No 19/2003. *Persistent income poverty and social exclusion in the European Union*, No 13/2000. *The social protection in Europe*, No 3/2003. *Income poverty in the*

*European Union: Children, gender and poverty gaps*, No 12/2000. *Social benefits and their redistributive effect in the EU*, No 9/2000. *Social exclusion in the EU Member States*, No 1/2000. *Low income and low pay in a household context (EU-12)*, No 6/1998. Eurostat.

- *Joint Report on Social Protection and Social Inclusion 2007*, European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities.



EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
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**Key indicator 13a**

**At-risk-of-poverty rate before social transfers, 2005** (The percentage of persons with an equivalised disposable income, before social transfers, below the risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income (after social transfers). Retirement and survivor's pensions are counted as income before transfers and not as social transfers.)

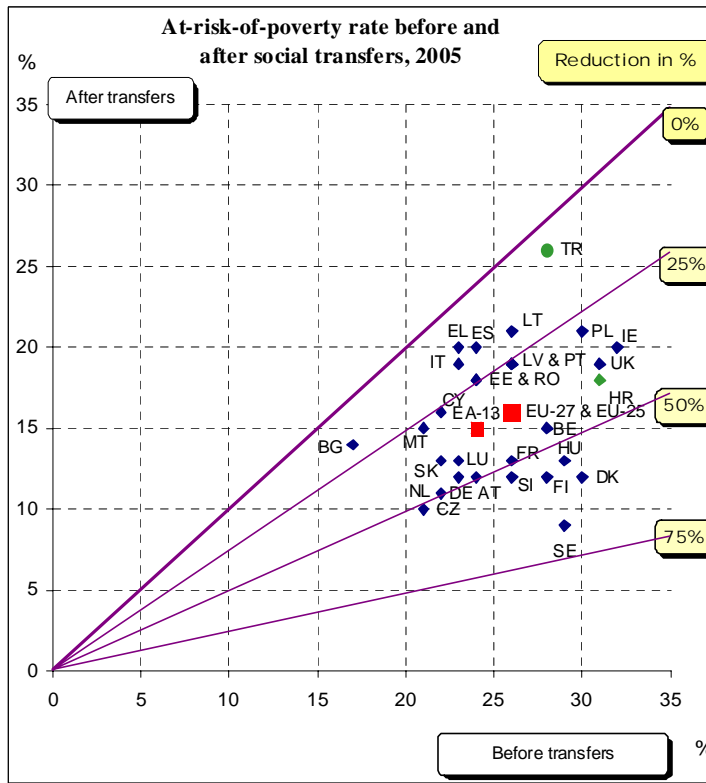
Total	26 s	26 s	24 s	28	17 i	21 b	30	23 b	24	32	23	24	26	23	22 b	26 b	26 b	23	29 b	21 b	22 b	24	30 b	26	24 i	26 b	22 b	28	29	31 b	31 i	28 i
Females	26 s	27 s	25 s	29	19 i	22 b	31	24 b	25	34	24	25	27	25	23 b	27 b	27 b	23	29 b	22 b	22 b	25	29 b	26	24 i	27 b	22 b	29	30	32 b	34 i	29 i
Males	25 s	25 s	23 s	27	15 i	20 b	28	22 b	23	30	21	23	25	22	20 b	24 b	25 b	23	30 b	20 b	21 b	23	31 b	25	23 i	25 b	22 b	27	27	29 b	29 i	26 i

**Key indicator 13b**

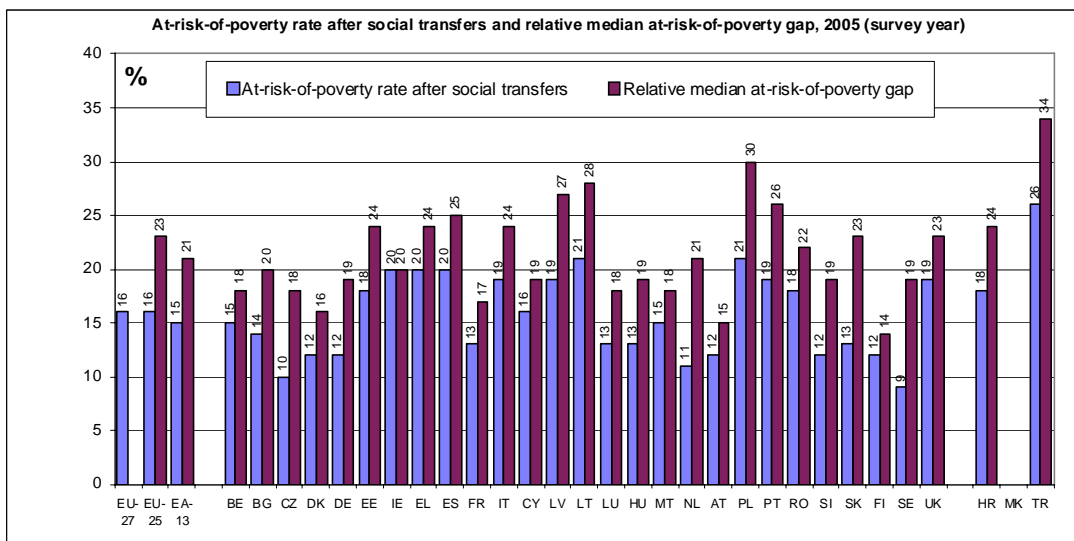
**At-risk-of-poverty rate after social transfers, 2005** (The percentage of persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income.)

Total	16 s	16 s	15 s	15	14 i	10 b	12	12 b	18	20	20	20	13	19	16 b	19 b	21 b	13	13 b	15 b	11 b	12	21 b	19	18 i	12 b	13 b	12	9	19 b	18 i	26 i
Females	17 s	17 s	16 s	15	15 i	11 b	12	13 b	20	21	21	21	14	21	18 b	20 b	21 b	13	13 b	16 b	11 b	13	20 b	20	18 i	14 b	13 b	13	10	19 b	20 i	27 i
Males	15 s	15 s	14 s	14	13 i	10 b	12	11 b	17	19	18	19	12	17	15 b	18 b	20 b	13	14 b	14 b	11 b	11	21 b	19	18 i	11 b	13 b	11	9	19 b	16 i	26 i

Notes: 1) HR: National HBS 2004, income data 2004. 2) BG and RO National HBS 2005, income data 2005. 3) TR National HICE survey 2004, income data 2004. 4) EU Aggregates: Eurostat estimates are obtained as a population size weighted average of national data.  
Source: SILC(2005) income data 2004; except for UK, income year 2005 and for IE moving income reference period (2004-2005).



Notes: 1) HR: National HBS 2004, income data 2004. 2) BG and RO National HBS 2005, income data 2005. 3) TR National HICE survey 2004, income data 2004. 4) EU Aggregates: Eurostat estimates are obtained as a population size weighted average of national data.  
Source: SILC(2005) income data 2004; except for UK, income year 2005 and for IE moving income reference period (2004-2005).



Notes: 1) HR: National HBS 2004, income data 2004. 2) BG and RO National HBS 2005, income data 2005. 3) TR National HICE survey 2004, income data 2004. 4) EU Aggregates: Eurostat estimates are obtained as a population size weighted average of national data.  
Source: SILC(2005) income data 2004; except for UK, income year 2005 and for IE moving income reference period (2004-2005).

#### 14.      **JOBLESS HOUSEHOLDS AND LOW WAGES**

*An important cause of poverty and social exclusion is the lack of a job or low wages from employment. In 2007 9.3% of people aged 18-59 were living in jobless households both in the EU-27 and EU-25 countries. For children aged 0-17 these figures were 9.4% in EU-27 and 9.3 in EU-25.*

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

In 2007 at EU level around 9% of children aged 0-17 and adults aged 18-59 (excluding students aged 18-24 living with other students) were living in jobless households, i.e. households where no member was in employment. Amongst adults, the proportion was lowest in Cyprus (4.5%) and Portugal (5.8%) followed by Estonia, Spain and Slovenia (6.0%). In contrast, Belgium (12.5%), Hungary (11.8%) and Poland (11.7%) record much higher rates. Rates amongst children are generally similar to those for adults, but in Slovenia; Greece, and Luxembourg children live in jobless households much less frequently than adults – whilst in Bulgaria, Ireland, Hungary and the United Kingdom the proportions of children living in jobless households are noticeably higher than for adults.

Amongst the enlarged EU-25 in 2005, persons who are unemployed (40%) or 'other inactive' (25%) have significantly higher risk of living in low income households than those at work (8%). However, having a job is not a sufficient condition to escape the risk of poverty. Having children increases poverty risk from 15% (households without dependent children) to 17% (households with dependent children). The impact of children is least noticeable for households where all persons of working age are working full-time, but is particularly significant for jobless households.

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

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

#### **EU-wide, 6% of employees are poor**

In 2001, for the EU-25, the at-risk-of-poverty rate for employees is about 8%. It is higher in Estonia, Spain, Italy, Latvia (2002 data), Lithuania, Luxembourg, Poland, Portugal and Slovak Republic (2003 data). In all the countries analysed, the at-risk-of-poverty rate among employees is – as might be expected – lower than the at-risk-of-poverty rate among the population as a whole. At EU level and for most countries in 2001, the at-risk-of-poverty rate of employees is less than half that of the total population.

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

### **Policy context**

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

See also Low-income households (2.13)

### **Methodological notes**

Sources: Eurostat – European Union Labour Force Survey (data on population living in jobless households). European Community Household Panel (ECHP) UDB, version December 2003, 2001 data, wave 8, Eurostat – Community Statistics on Income and Living Conditions, advance launch, 2003 and Eurostat – '4<sup>th</sup> round' of data collection from national sources, 2005.

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

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

Employment (2.7), Social protection expenditure and receipts (2.10), Income distribution (2.12), Low-income households (2.13) and Income, social inclusion and living conditions (Annex 1.3.6).

### **Further reading**

- *European social statistics: Income, Poverty and Social Exclusion 2<sup>nd</sup> Report*, 2003 edition. Eurostat.
- *Joint Report on Social Protection and Social Inclusion 2007*, 2007, European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities.
- Statistics in Focus (Population and social conditions): *Monetary poverty in EU Acceding and Candidate Countries*, No 21/2003. *Poverty and social exclusion in the EU after Laeken – part I*, No 8/2003. *Social protection: cash family benefits in Europe*, No 19/2003. *Persistent income poverty and social exclusion in the European Union*, No 13/2000. *The social protection in Europe*, No 3/2003.

EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
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### People aged 18-59 living in jobless households, 2007

#### Key indicator 14a

Share of persons/women/men aged 18-59 who are living in households where no-one works. Students aged 18-24 who live in households composed solely of students of the same age class are counted neither in the numerator nor in the denominator

Total	9.3 e	9.3 e	8.8 e	12.5	10.0	6.5	:	9.5	6.0	7.8	8.0	6.0	10.9 p	9.1	4.5	7.1	6.3	7.5	11.8	6.9	6.5	7.6	11.7	5.8	9.6	6.0	8.8	:	:	10.9	:	:	:
Females	10.3 e	10.3 e	9.7	14.4	9.9	8.1	:	9.9 p	5.7	5.7	9.1	10.0	12.0 p	10.3	4.9	7.7	6.3	8.6	12.9	8.3	7.7	8.7	12.8	6.1	10.7	6.9	9.6	:	:	12.7	:	:	:
Males	8.3 e	8.2 e	8 e	10.7	10.1	4.9	:	9.2 p	6.3	6.4	6.0	5.6	9.7 p	7.8	4.1	6.4	6.4	6.3	10.7	5.6	5.4	6.5	10.5	5.4	8.6	5.1	8.1	:	:	8.9	:	:	:

Source: Eurostat - European Union Labour Force Survey.

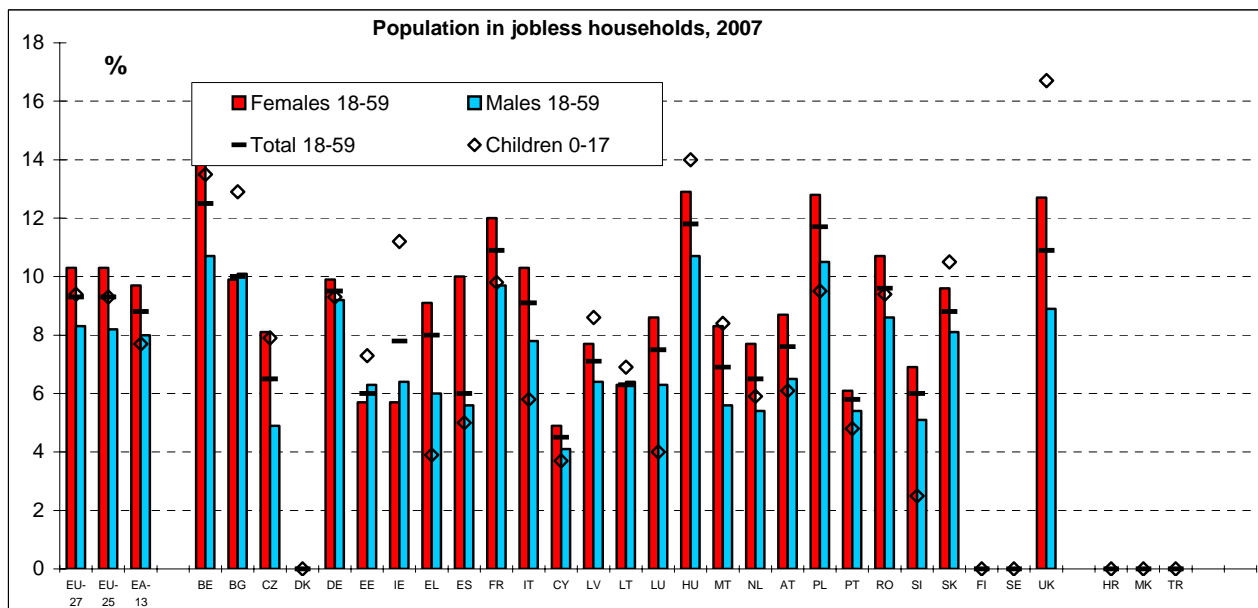
### Children aged 0-17 living in jobless households, 2007

#### Key indicator 14b

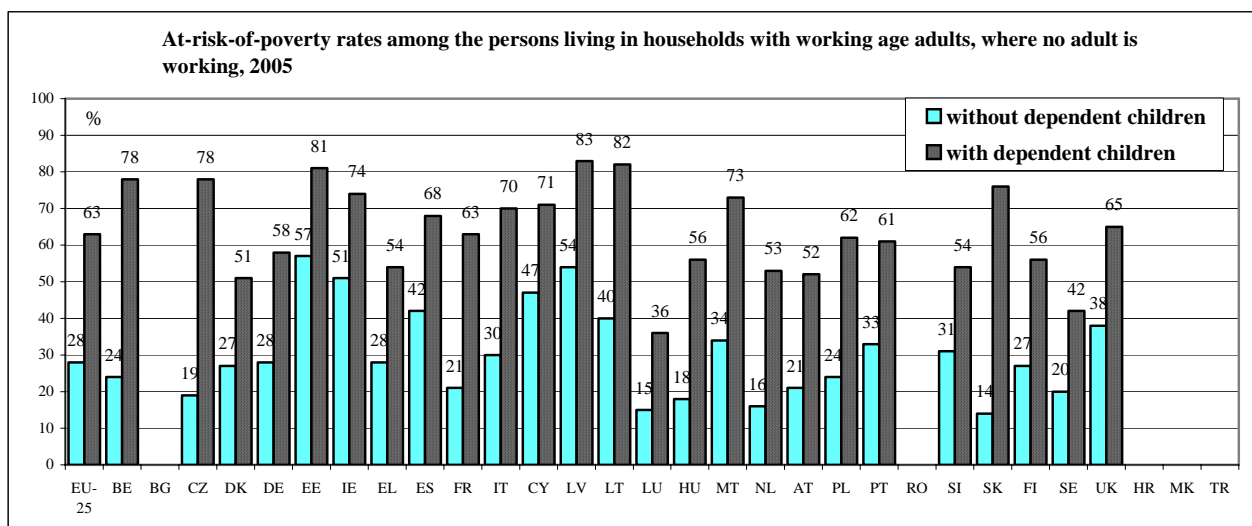
Share of persons aged 0-17 who are living in households where no-one works

	9.4 e	9.3 e	7.7 e	13.5	12.9	7.9	:	9.3 p	7.3	11.2	3.9	5.0	9.8	5.8	3.7	8.6	6.9	4.0	14.0	8.4	5.9	6.1	9.5	4.8	9.4	2.5	10.5	:	:	16.7	:	:	:
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Source: Eurostat - European Union Labour Force Survey.



Source: Eurostat - European Union Labour Force Survey



Notes: 1) BG, HR: National HBS 2004, income data 2004. 2) RO National HBS 2005, income data 2005. 3) TR National HICE survey 2004, income data 2004. 4) EU Aggregates: Eurostat estimates are obtained as a population size weighted average of national data.

Source: SILC(2005) income data 2004; except for UK, income year 2005 and for IE moving income reference period (2004-2005).

## 15. WOMEN AND MEN IN DECISION MAKING

*In the lower or single houses of national parliaments women continue to be under-represented in all Member States as the percentages of seats occupied by women in these bodies ranged in August 2007 from 9.2% in Malta to 47.3% in Sweden. The average of the 27 Member States' percentages is 23.1%. In the European Parliament women's share of the national seats varied from no seats (Cyprus and Malta) to 51.9% (the Netherlands) in October 2007. Women occupied then 31.2% of the seats of the European Parliament.*

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

### **Political decision making**

**European level:** Among the Members of the *European Parliament* there were 31.2% of women in October 2007, varying from no women from Cyprus and Malta to 57.9% (14 of 17) from the Netherlands. Eight of the twenty-seven (29.6%) Commissioners of the *European Commission* were then women.

**National level:** As an average in EU-27 (EU-25) Member States in August 2007, only 23.1% (23.6%) of the seats of the lower or single House of the *national or federal Parliament* were occupied by women. These percentages had risen 6.4 percentage points in nine years. The discrepancies between countries in August 2007 were fairly large, from a minimum share of 9.2% in Malta to a maximum of 47.3% in Sweden. The corresponding percentages of senior minister posts of the *national governments* in April/May 2007 were 23.5% for EU-27 and 24.5% for EU-25. The extremes were Cyprus and Romania with no women in the government and Finland with 60.0%.

**Regional level:** The regional institutions are not necessarily comparable in terms of power level and competency areas given the existing differences between political and administrative systems. Eleven Member States do not have regional councils and seven do not have regional governments<sup>58</sup>.

The *regional council* is the regional legislative assembly which has the legislative power on regional level. According to data collected in autumn 2006, as an average in the 16 of the EU-27 Member States in which there exist regional councils, 26% of the members in and 14% of the presidents of the regional councils were women. The lowest percentages were observed in Hungary (12% women as members and 15% as presidents in *Megyei Közgyűlés*), Italy (12% and 18% in *Consiglio*) and Slovakia (12% and not available in *Zastupitelstvo*) and the highest ones in Sweden (47% and 45% in *Landstingsfullmäktige*), Finland (43% and 21% in *Maakuntavaltuusto*) and partly in France (49% and 4% in *Conseil Régional*).

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<sup>58</sup> In addition in Portugal an UK only a limited part of the country is covered by regional councils and governments.

The *regional government* is the institution that is the governing authority of a regional political unit<sup>59</sup>. It has the highest executive powers at the regional level. According to data collected in autumn 2006, as an average in the 20 of the EU-27 Member States in which there exist regional governments, 24% of the members in and 8% of the presidents of the regional governments were women. The lowest percentages were observed in Portugal (6% women as members and 0% as presidents in *Governo (Madeira/Açores)* and Poland (8% and 0% in *Zarząd województwa*) and the highest ones in Sweden (46% and 30% in *Landstingsstyrelsen*) and Finland (49% and 21% in *Maakuntahallitus*).

**Local level:** For the *local councils* in the countries of the European Union, data are incomplete and not always comparable, due to the large differences in local level political decision-making. Data available for 1997 pointed to a female participation rate near to 20% in the local councils of the EU-15.

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

Reconciliation between work and family life is a key factor in women's accession to decision making posts. A study carried out by the Women's Institute<sup>60</sup> in Spain shows that women who have acceded to managerial posts are more likely to be single than men, and have fewer children than their male counterparts. It further shows that the family may still constitute an important obstacle to the promotion of women to executive posts.

A project co-financed by the Gender Equality programme<sup>61</sup> discussed the status of elected representatives in local councils in Europe and the difficulties met by women in taking up local mandates. It showed that problems with time management are a significant limiting factor. Fulfilling local mandates often implies time schedules not compatible with raising children, if fathers do not share family responsibilities or adequate and affordable childcare services are not available.

### **Policy context**

Equal treatment of women and men is a fundamental principle of Community law. The persistent under-representation of women in all areas of decision-making making represents an important obstacle to the democratic development of the European Union, to its cohesion and globally to its competitiveness, which requires action to be taken at Community level.

Political support was manifested by the Council in recommendation 96/694 of 2nd December 1996 on *the Balanced Participation of Women in the decision-making process*. However, the Commission's report published in March 2000 on the implementation of this recommendation concluded that despite the overall positive outcome of policies applied since 1996, the level of improvement did not match expectations and that further action was required. In this context it is worthwhile noting the efforts and considerable progress made in most Member States to increase the participation of women in decision-making processes in recent years, even if the situation varies significantly between countries. Nevertheless, much remains to be done to improve the overall representation of women in decision-making across the Union.

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<sup>59</sup> In France (*Président du conseil régional*) and Greece (*prefect/nomarchis*) the regional government consists of only one person.

<sup>60</sup> Instituto de la Mujer (An autonomous public body), 'El acceso de las mujeres a los puestos de dirección'. The study 'Access of women to Executive Posts' by Ester Barberà, Professor of Basic Psychology at the Universidad de Valencia.

<sup>61</sup> Why not Women Town Counsellors? <http://perso.orange.fr/ellesaussi/index.htm> (Bibliographie)

Moreover, in the framework of the follow-up of the 1995 Beijing Platform for Action, it was decided to develop benchmarks and indicators at EU level to monitor its implementation. One area of concern of the Platform relates to women in power and decision-making. Therefore, the Council of the European Union adopted on 22 October 1999 conclusions on the subject of gender balance in all decision-making processes and took note of the Union Presidency report on *Indicators and Benchmarking for Women in the Decision-making process* [in the political field](#).

Furthermore, in 2003, the Council of the European Union adopted new conclusions on women and men in economic decision making and took note of the Union Presidency report including nine [indicators](#) on *Representation of Women and Men in Economic Decision-making Centres*.

The Commission's Roadmap for equality between women and men (2006-2010) includes among its six priority areas for action on gender equality the promotion of equal representation of women and men in decision-making.

Alongside policy actions to tackle the under-representation of women in power and decision-making, the European Commission has recognised in a number of reports the need for reliable and comparable data in order to systematically monitor the current situation and the progress that is being made. Consequently, in 2002 the Commission initiated the process to establish a regular collection and publication of data on decision-making across Europe. The resulting database is accessible free on-line<sup>62</sup> and currently covers decision-making positions within the EU institutions, the 27 EU Member States, EEA countries (Iceland, Liechtenstein and Norway) and two candidate countries (Turkey and Croatia). It is an important source of information for policy makers, researchers, students and all those interested in knowing the state of play in decision-making.

### **Methodological notes**

Since Eurostat doesn't collect data in this domain, other sources have been used. They are given in the tables and graphs.

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

Education and its outcomes (2.5), Earnings of women and men (2.16) and Gender equality (Annex 1.3.7).

### **Further reading**

- Database of the European Commission on women and men in decision making : [http://europa.eu.int/comm/employment\\_social/women\\_men\\_stats/index\\_en.htm](http://europa.eu.int/comm/employment_social/women_men_stats/index_en.htm)
- Report on equality between women and men (in the European Union) 2007, European Commission, Catalogue No KE-AJ-07-001-EN-C, ISBN 92-79-03496-0, ISSN 1680-2381; Document drawn up on the basis of COM(2007)49.
- ETAN report on Women and sciences: Promoting excellence through mainstreaming gender equality, 2000.
- Women in science : Report *She Figures*: [http://ec.europa.eu/research/science-society/pdf/she\\_figures\\_2006\\_en.pdf](http://ec.europa.eu/research/science-society/pdf/she_figures_2006_en.pdf)

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<sup>62</sup> The database is hosted on the website of DG-Employment, Social Affairs and Equal Opportunities and can be consulted at [http://ec.europa.eu/employment\\_social/women\\_men\\_stats/index\\_en.htm](http://ec.europa.eu/employment_social/women_men_stats/index_en.htm)

EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
23.1	23.6	25.5	34.7	22.1	15.5	36.9	31.6	21.8	13.3	13.0	36.0	18.5	17.3	14.3	19.0	24.8	23.3	10.4	9.2	36.7	32.2	20.4	21.3	11.2	12.2	19.3	42.0	47.3	19.7	21.7	28.3	9.1

**Key indicator 15a** Percentage of women in the lower or single House of the national or federal Parliament, August 2007

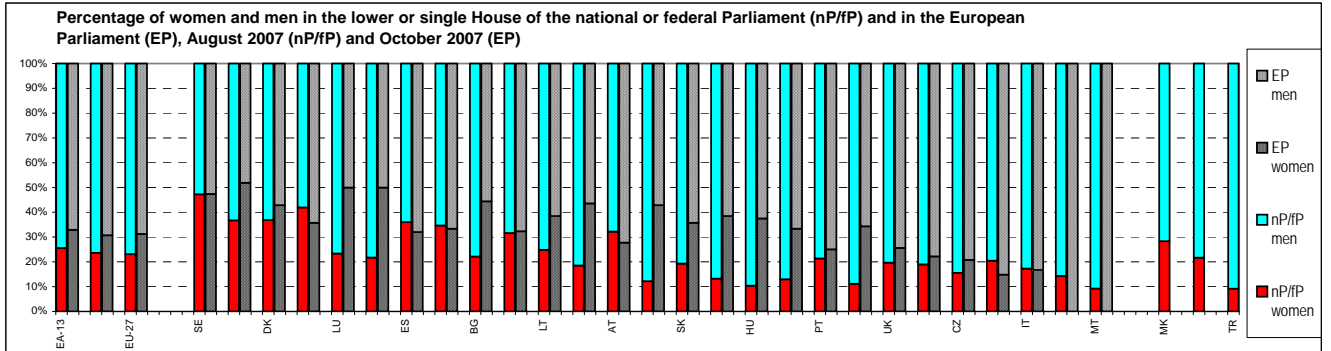
Notes: 1) The data are provided by national or federal Parliaments by 31 August 2007 and extracted on 2 October 2007.  
 2) The most adequate EU-27, EU-25 and EA-13 averages are conceptually different for nPs/FPs from those for the EP reflecting the nPs/FPs' and EP's conceptually different status. For nPs/FPs these are averages of the percentages of the corresponding Member States, whereas for EP they are percentages of women among all MEPs from the corresponding Member States. For the sake of completeness, the for nPs/FPs less adequate averages for are given here: The percentages of women in all the nPs/FPs put together as a whole are 23.3% for EU-27, 23.9% for EU-25 and 24.9% for EA-13.

Source: The Inter-Parliamentary Union (<http://www.ipu.org/wmn-e/classif.htm>)

**Key indicator 15b** Percentage of women in the European Parliament, October 2007

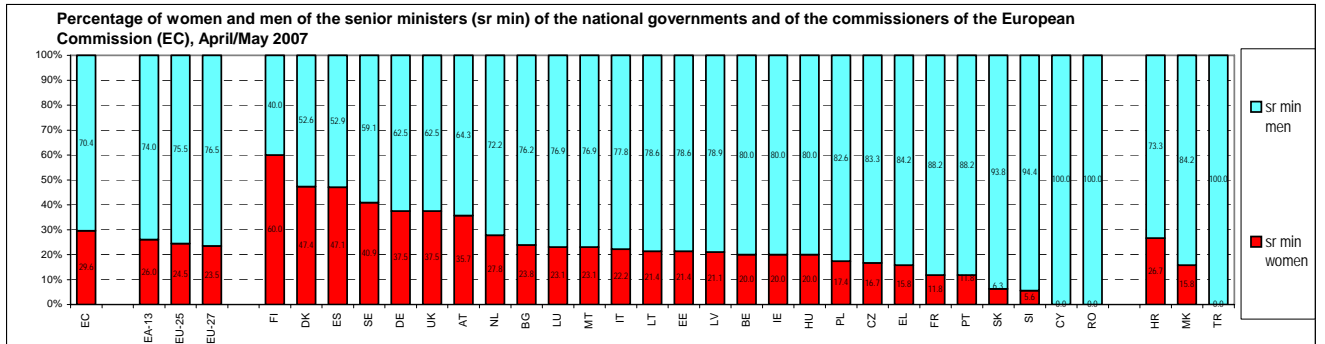
Notes: 1) The data was extracted on 2 October 2007.  
 2) The most adequate EU-27, EU-25 and EA-13 averages are conceptually different for EP from those for the nPs/FPs reflecting the EP's and nPs/FPs' conceptually different status. For EP these are percentages of women among all MEPs from the corresponding Member States, whereas for nPs/FPs they are averages of the percentages of the corresponding Member States. For the sake of completeness, the for EP less adequate averages are given here: For EP the average of the percentages of the corresponding Member States is 32.5% in EU-27, 31.9% in EU-25 and 35.6% in EA-13.

Source: The European Parliament (<http://www.europarl.europa.eu/members/expert/searchForm.do?language=EN>)



Note: The bars within the first two groups are ordered by the average of the percentages of women in nP/FP and EP and within then third group (Candidate Countries) by the percentage of women in nP/FP.

Sources: The Inter-Parliamentary Union (<http://www.ipu.org/wmn-e/classif.htm>) and the European Parliament (<http://www.europarl.europa.eu/members/expert/searchForm.do?language=EN>).



Sources: 1) European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities, Database on women and men in decision-making ([http://europa.eu.int/comm/employment\\_social/women\\_men\\_stats/out/measures\\_out416\\_en.htm](http://europa.eu.int/comm/employment_social/women_men_stats/out/measures_out416_en.htm)),  
 2) European Commission ([http://ec.europa.eu/commission\\_barroso/index\\_en.htm](http://ec.europa.eu/commission_barroso/index_en.htm)),  
 3) MK: National source ([http://www.vlada.mk/english/gov\\_members.htm](http://www.vlada.mk/english/gov_members.htm)), 2 October 2007.



## 16. EARNINGS OF WOMEN AND MEN

*In the EU-27, the average gross hourly earnings of women in 2005 were estimated at 15% less than the gross hourly earnings of men<sup>63</sup>. The smallest differences are found in Belgium, Malta and Slovenia, the biggest in Germany, Estonia, Cyprus, Slovakia, Finland and the United Kingdom. At EU level the difference remains fairly the same since 1994, the first date for which data are available. To reduce gender pay differences both direct pay-related discrimination and indirect discrimination related to labour market participation, occupational choice and career progression have to be addressed.*

**Important pay differences between men and women persist in Europe, with the difference between men's and women's average gross hourly earnings around 15%**

According to national Structure of Earnings Surveys (SES) and other national earnings surveys, Statistics on Income and Living Conditions (EU-SILC: EL, IE and AT for 2003; BE, EL, ES, IE, IT, AT, PT, UK for 2004 and 2005) and the European Community Household Panel (ECHP: BE and IT for 2001), the gender pay gap – difference in average gross hourly earnings as a percentage of men's average gross hourly earnings – varied between 4% and 25% in 2005. Women's earnings remain on average below those of men in all EU countries. The statistics show that development over time varies at country level<sup>64</sup>. Differences decreased in many Member States (BE, EE, IE, GR, CY, LV, LU, HU, MT, NL, RO, SI, UK), but slightly increased in Denmark and Finland. In the remaining countries pay differences were fairly stable over time<sup>65</sup>.

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

Women and men in employment show important differences with respect to their personal and job characteristics, including labour market participation, employment, earnings, the sector and occupational employment structures as well as job status, job type and career progression. The differences in pay are particularly high among older workers, the high-skilled and those employed with supervisory or managerial job status. They also vary between different sectors of activity and different occupations. The statistics on annual gross earnings (full-time workers) from 2005 show gender pay gaps in two sectors of activity, *Industry* and *Wholesale and retail trade; Repair of motor vehicles and personal & household goods*, for which data are available for most countries. Gender pay gaps vary between 10% in Belgium and 35% in Hungary for *Industry* which is a strongly male dominated sector. They vary between 19% in Belgium and 36% in the Slovakia for *Wholesale and retail trade etc.* which is a sector slightly dominated by women. In most countries the gender pay gaps are bigger in *Wholesale and retail trade etc.* than in *Industry*.

Women have managerial responsibilities much less frequently than men in the Member States for which data are available from the European Labour Force Survey. In the EU-25 Member States, 32% of managers are women in 2005, a slight increase since 2000. The

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<sup>63</sup> Sources: Gender Pay Gap statistics are from national sources for CZ, EE, FR, CY, LV, LT, LU, HU, MT, NL, PL, SI, SK, SE and from the European Community Household Panel survey (ECHP) for BE, DK, DE, EL, ES, IE, IT, AT, PT, FI, UK for data until 2001. In 2002, the ECHP source was replaced either by national sources or by the European Survey on Income and Living Conditions (EU-SILC).

<sup>64</sup> Cross national and over time comparisons must be interpreted with caution, due to the multiplicity of data sources and to methodological differences in the national estimates

<sup>65</sup> Apart from changes that can be attributed to breaks in the statistical series.

highest percentages of women among managers are found in Lithuania and Latvia, while the lowest percentages are in Malta and Cyprus.

Women are furthermore often in non-standard employment such as fixed-term and part-time work. In the EU-25, 31.4% of women were working part-time in 2004, against 7% of men. Compared to 2001, the share of part-time employment rose by 3.1 percentage points for women and 1.5 percentage points for men. The share of female part-timers exceeded 30% in France, Denmark and Luxembourg, 40% in Sweden, Austria, Belgium, United Kingdom and Germany and even reached 75% in the Netherlands. Conversely, the share of part-timers among female workers was very low in Bulgaria, Slovakia, Hungary, the Czech Republic and Latvia.. Men are thus not only more concentrated in higher paid sectors and occupations, but within these sectors and occupations they are also more likely than women to hold managerial responsibilities and if they do so the earnings are relatively higher.

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

Both the above differences in the composition of the male and female workforce and differences in the remuneration of the personal and job characteristics between men and women contribute to the overall gender differences in pay. As shown in *Employment in Europe 2005*, in particular differences in the male and female workforce composition related to the sector of employment and the occupational category contribute significantly to the gender differences in pay. Since such compositional differences can be due to various forms of indirect discrimination such as traditions and social norms and constraints on choices related to education, labour market participation, occupation and career progression both types of gender differences and both forms of potential discrimination — direct pay-related one and indirect one related to the above choices – have to be addressed to reduce the differences in pay.

### **Policy context**

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

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

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

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

The 2000 Employment Guidelines (No 19): 'They (Member States) will initiate positive steps to promote equal pay for equal work or work of equal value and to diminish differentials in incomes between women and men.' The 2001 Employment Guidelines

further specified that actions are needed to address gender differences in pay in both the private and public sectors and that the impact of policies on gender differences in pay should be identified and addressed. The 2002 Employment Guidelines also asked to set targets to tackle the differences in pay and to include in the strategy, inter alia, a review of job classification and pay systems to eliminate gender bias, improving statistical and monitoring systems, and awareness-raising and transparency as regards differences in pay. The 2003 Employment Guidelines says that policies will aim to achieve by 2010 a substantial reduction in the gender pay gap in each Member State, through a multi-faceted approach addressing the underlying factors of the gender pay gap, including sectoral and occupational segregation, education and training.

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

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

### **Methodological notes**

The Gender Pay Gap in unadjusted form is given as the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees. The population consists of all paid employees aged 16-64 that are 'at work 15+ hours per week'.

Sources: The gender pay gap is based on several data sources, including the European Community Household Panel (ECHP), the EU Survey on Income and Living Conditions (EU-SILC) and national sources.

Administrative data are used for Luxembourg and the Labour Force Survey is used for France (up to 2002) and Malta. All other sources are national surveys except as follows:

2004, 2005: Statistics on Income and Living Conditions (EU-SILC) – BE, EL, ES, IE, IT, AT, PT and UK (provisional)

2003: Statistics on Income and Living Conditions — EL, IE and AT

2002: European Community Household Panel (ECHP) — EL

2001 and before: European Community Household Panel (ECHP) — BE, DE, IT, DK, IE, UK, EL, ES, PT, AT, FI.

EU-27, EU-25 and EU-15 estimates are population-weighted averages of the latest available national values adjusted, where possible, to take into account a change in the data source.

CZ — Figures are based on median earnings of employees working 30 or more planned hours per week.

DK — A change of data source from 2002 is estimated to have increased the gender pay gap value by 4 percentage points.

DE — From 2002 national earnings surveys and the German Socio-Economic Panel have been used. This change of source is estimated to have increased the gender pay gap value by 1 percentage point.

ES — From 2002 data from tax returns and the labour force survey have been used. This is estimated to have increased the gender pay gap value by 3 percentage points

FR — A change of data source in 2003 is estimated to have decreased the gender pay gap value by 1 percentage point

FI — A change of data source from 2002 is estimated to have increased the gender pay gap value by 4 percentage points

UK — A change of data source from 2002 is estimated to have increased the gender pay gap value by 2 percentage points

The gender pay gap is not adjusted for age, occupation and sector. In May 2002, the ECHP Working Group concluded that an adjusted gender pay gap cannot be calculated on the basis of the ECHP.

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

HU – enterprises employing more than 4 employees

ES – enterprises employing more than 5 employees

BE, LU, UK, CZ, CY and SK – enterprises from all size groups

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

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

Quarterly LFS data are available since the first quarter of 2003 in all EU countries, except Germany (provides quarterly estimates until German LFS becomes quarterly from 2005) and Luxembourg. Data for France refer to metropolitan France (excluding overseas departments).

The classification by part-time full-time job depends on a direct question in the LFS, except for the Netherlands where it depends on a threshold on the basis of the number of hours usually worked.

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

Employment (2.7), Labour market and Gender equality (Annex 1.3.7).

### **Further reading**

- *Tackling the pay gap between women and men* (COM(2007) 424 final), Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, July 2007.
- Link to communication:  
[http://ec.europa.eu/employment\\_social/news/2007/jul/genderpaygap\\_en.pdf](http://ec.europa.eu/employment_social/news/2007/jul/genderpaygap_en.pdf)
- Gender equality policy:  
[http://ec.europa.eu/employment\\_social/gender\\_equality](http://ec.europa.eu/employment_social/gender_equality)
- Study on *The gender pay gap: origins and policy responses*:  
[http://ec.europa.eu/employment\\_social/publications/2006/ke7606200\\_en.pdf](http://ec.europa.eu/employment_social/publications/2006/ke7606200_en.pdf)

- European Year of Equal Opportunities for All:  
<http://equality2007.europa.eu>
- Fourth European Working conditions survey:  
<http://www.eurofound.europa.eu/ewco/surveys/EWCS2005/index.htm>
- *Report on equality between women and men – 2007*, February 2007, European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities, Unit G.1
- *The gender pay gap — Origins and policy responses — A comparative review of 30 European countries*, July 2006, European Commission Directorate-General for Employment, Social Affairs and Equal Opportunities, Unit G.1
- *Gender Equality: a step ahead — A Roadmap for the future*, Report from the conference organised by the European Commission on 4 and 5 May 2006, July 2006, European Commission Directorate-General for Employment, Social Affairs and Equal Opportunities Unit G.1
- *A Roadmap for equality between women and men 2006-2010*, April 2006, European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities, Unit G.1
- *Report on equality between women and men, 2006*, February 2006, European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities, Unit G.1
- *Making work pay* debates from a gender perspective — A comparative review of some recent policy reforms in thirty European countries, September 2005, European Commission Directorate-General for Employment, Social Affairs and Equal Opportunities, Unit G.1
- *Employment in Europe 2005*, European Commission, Employment and Social Affairs DG, September 2005.
- 25th CEIES seminar: Gender statistics — Occupational segregation: extent, causes and consequences, 2004 edition, Stockholm, Monday 21 and Tuesday 22 June 2004, EUROSTAT, ISSN 1725-1338.
- *Employment in Europe 2003*, European Commission, Employment and Social Affairs DG, September 2003.
- Working paper of the Commission services on gender pay gaps in European labour markets (SEC(2003)937)
- *Employment in Europe 2002*, section 'Assessing gender pay gaps in the EU', September 2002. European Commission, Employment and Social Affairs DG.
- Panorama of the European Union (Population and social conditions): *The life of women and men in Europe. A statistical portrait*. Eurostat 2002.
- OECD Employment Outlook 2002 — Chapter 2 *Women at Work: Who are They and How are They Faring?*
- Statistics in Focus (Population and social conditions): *Earnings of men and women in the EU: the gap narrowing but only slowly*, No 5/2001 and *Women's earnings in the E.U: 28% less than men's*, No 6/1999. Eurostat.

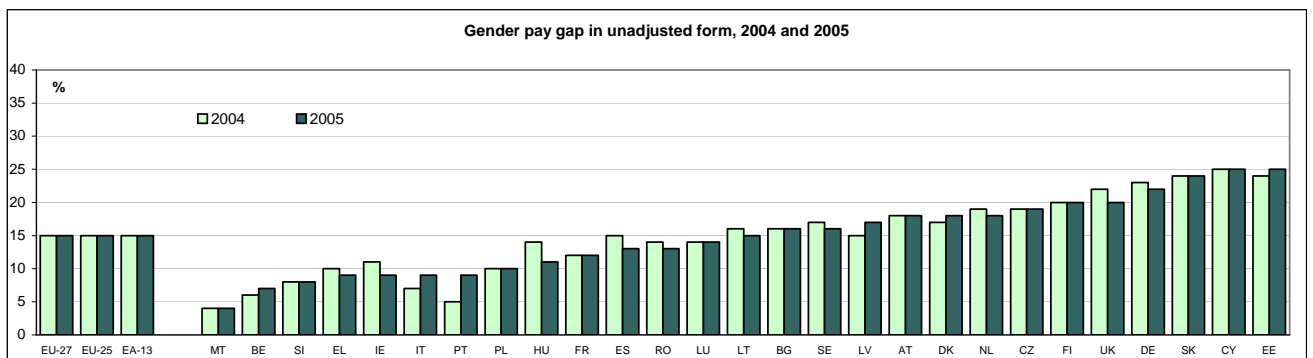
- European Parliament: — Resolution and report on equal pay for work of equal value
- *Industrial Relations in Europe, 2000*. European Commission, Employment and Social Affairs DG.
- *Indicators on gender pay equality*: The Belgian presidency's report, 2001.
- *The adjusted gender pay gap: a critical appraisal of the standard decomposition techniques*. Network of experts on employment and equality between women and men, DG Employment and Social Affairs.
- The gender pay gap and the gender mainstreaming pay policy: synthesis report of the gender pay equality in EU Member States. Network of experts on employment and equality between women and men, DG Employment and Social Affairs.
- *Report on Equality between Women and Men in the European Union, 2005*, COM(2005)44 final.

EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
15s	15s	15s	7	16	19	18	22	25	9p	9p	13p	12	9	25	16	15	14	11	4	18	18	10	9	13	8p	24	20	16	20p	:	:	:

**Key indicator 16** Gender pay gap in unadjusted form, 2005 (Difference between men's and women's average gross hourly earnings as a percentage of men's average gross hourly earnings. The population consists of all paid employees aged 16-64 that are 'at work 15+ hours per week')

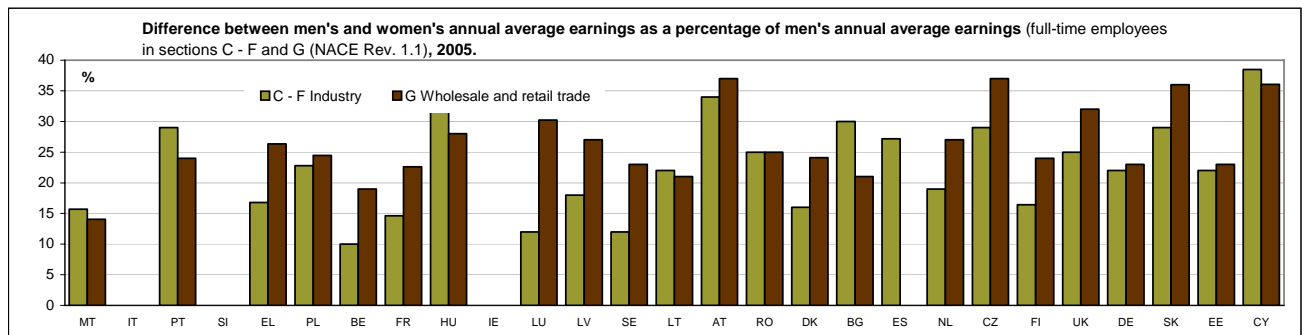
Notes:  
 CZ: Only full-time employees in enterprises with more than 9 employees are included. Figures are based on median earnings.  
 CY, BG: Only full-time employees are included.  
 HU: Only full-time employees in enterprises with more than 5 employees are included.  
 NL: Data are based on annual earnings including overtime pay and non-regular payments.  
 PL: Only employees in enterprises with more than 9 employees are included.  
 SI: 2005 data. Employees in public enterprises and employees in private enterprises with more than 2 employees are included.  
 SE: Data are based on full-time equivalent monthly salaries, not hourly earnings.

Administrative data are used for Luxembourg and the Labour Force Survey is used for France (up to 2002) and Malta.  
 2004, 2005: Statistics on Income and Living Conditions (EU-SILC) - BE, EL, ES, IE, IT, AT, PT and UK (provisional)  
 2003: Statistics on Income and Living Conditions - EL, IE and AT  
 2002: European Community Household Panel (ECHP) - EL  
 2001 and before: European Community Household Panel (ECHP) - BE, DE, IT, DK, IE, UK, EL, ES, PT, AT, FI



Notes: BE, IT: 2000-2001 data. EL, FR: Break in series, due to a change in the data source.

Administrative data are used for Luxembourg and the Labour Force Survey is used for France (up to 2002) and Malta.  
 2004, 2005: Statistics on Income and Living Conditions (EU-SILC) - BE, EL, ES, IE, IT, AT, PT and UK (provisional)  
 2003: Statistics on Income and Living Conditions - EL, IE and AT  
 2002: European Community Household Panel (ECHP) - EL  
 2001 and before: European Community Household Panel (ECHP) - BE, DE, IT, DK, IE, UK, EL, ES, PT, AT, FI



Notes: Reference year ES (sectors C-F); 2000: EL FR CY MT PL (sectors C - F and sector G); 2003: CZ LT RO: expressed in full-time units. The bars are in the order of the bars of previous graph in order make it easy to compare the two graphs.

Source: Eurostat, statistics on annual gross earnings

## **17. LIFE AND HEALTH EXPECTANCIES**

*Life expectancy in EU-27 was 80.8 years for women and 74.6 for men in EU-27 in 2003. In all twenty-seven Member States and Croatia and the former Yugoslav Republic of Macedonia women live longer than men.*

### **Women can expect to live 6.2 years longer than men in EU-27**

From 1960 to 2005, life expectancy of women and men has risen quite steadily in almost all countries. Throughout the Union, women live longer than men. In 2003, the life expectancy of women in EU-27 was 80.8 years while that for men was 74.6 years which makes a difference of 6.2 years. Across the EU, considerable differences can be observed: life expectancy at birth varied for men from less than 66 years in Latvia and Lithuania to 78.5 years in Sweden and for women from around 76 in Bulgaria, Latvia and Romania to almost 84 years in Spain and France.

### **Differences in life expectancy without disability less distinct between women and men**

Health expectancies are a group of health indicators combining data on mortality and disability / morbidity. The structural indicator Healthy Life Years (HLY) measures the number of remaining years that a person of a specific age is still expected to live without any severe or moderate limitation in functioning because of health problems / without any disability. A woman could expect to live 52 years without disability in Estonia and Finland, and up to over 68 years in Denmark and Malta. For men the Healthy Life Years ranged from 48 in Estonia to 68.5, again Denmark and Malta reporting the highest values. In most countries the HLY for women were higher than for men, but the differences were substantially smaller than for life expectancy. And, in five countries, men could expect to live about as long as women without disability (Belgium, Denmark, Germany, Spain and Luxembourg), and in 4 countries even longer than women (Cyprus, the Netherlands, Portugal and Sweden).

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

Mortality patterns differ significantly according to age and sex. As a general rule, mortality is higher among men than women in all age groups. For both men and women in EU-27, circulatory diseases were the major cause of death in 2005, accounting for 38% of deaths for men and 45% for women. The second most frequent cause of death was cancer responsible for 28% of deaths for men and 22% of women in 2005. Amongst the cancers, malignant neoplasm of larynx and trachea/bronchus/lung were the most common cause of death for men (29% of all deaths due to cancer) while for women it was breast cancer (17% of all deaths due to cancer). Considering all ages, diseases of the respiratory system were the 3<sup>rd</sup> most frequent cause of death (8% of all deaths). However, as illustrated by the chart, diseases of the digestive system were far more frequent in the middle age groups. More than 163 000 men died through external causes of injury and poisoning in 2005; that were 7% of all deaths. This cause of death is particularly prominent for younger men (15-39) where almost half of deaths were due to external causes. With less than 4% of all deaths, external causes played a less prominent role for women.

### **Density of health care professionals is getting higher**

Between 1995 and 2005, the density of physicians, dentists and nurses (expressed per 100 000 population) increased in almost all Member States but the figures across Europe vary. For doctors, they ranged from around 400 per 100 000 population in Belgium and Lithuania to less than 240 in Poland, Romania, Slovenia and the United Kingdom. For dentists as many as 95 per 100 000 population were reported for Cyprus but only 37 per

100 000 for Poland. Density of physicians increased strongest in Ireland, Luxembourg and Spain while Italy, Poland and Lithuania reported an overall slight decrease of their density rates (and Hungary with a decrease of 8% even a quite substantial one).

### **Eight Member States discharged over 20,000 in-patients per 100 000 population in 2005**

The number of hospital discharges of in-patients ranged from less than 7,000 in Cyprus and Malta to over 20,000 in the Czech Republic, Germany, Latvia, Lithuania, Hungary, Austria, Romania and Finland. These differences may partly reflect the differences in organisation of healthcare services. Following the International Classification of Diseases (ICD), the highest share of discharges was reported for diseases of the circulatory system (around 14% of discharges for the countries with available data by diagnosis, the number of discharges per 100 000 ranging from less than 1,000 in Cyprus and Malta and 4,475 in Lithuania), followed by discharges for diseases of the digestive system (almost 10% of all discharges, in the Czech Republic, Germany, Austria and Romania, more than 2,000 in-patients are discharged per year due to digestive diseases). Cancers and injuries also played an important role, each accounting for around 9% of all hospital discharges.

### **The number of hospital beds further decreases**

For many years the total number of hospital beds has decreased continuously in the EU. For EU-27, it decreased over 20% between 1995 and 2005. With up to 400 beds per 100 000 inhabitants, Denmark, Spain, Italy, Cyprus, Portugal and the United Kingdom reported the lowest number of beds per 100 000 in EU-27. The Czech Republic reported the highest rate with 850 hospital beds per 100 000 population, followed by Germany (846) and Lithuania (815). All these numbers refer to all available beds in both public and private hospitals. A considerable share of the observed reduction in hospital beds is likely to have been caused by the drop in the length of hospital stay which can be observed all across the EU. Another reason are the financial constraints which arose during the 1990s and which have led to a rationalisation of healthcare services everywhere. The increased demand for healthcare for elderly people, many of whom are suffering from chronic disability and diseases, has in most cases been met by transferring beds for acute or psychiatric care to long-term care, while total numbers are still declining.

### **Policy context**

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

The Commission adopted a White Paper entitled 'Together for Health: A Strategic Approach for the EU 2008-2013' in October 2007. This White Paper establishes a broad cross-policy framework to respond to a wide range of health challenges such as health inequalities, the impact of population ageing on society, globalisation, and communicable diseases in a comprehensive and coherent way. It aims to provide a sense of direction and focus to EU health action and aims to pursue the following three general **objectives**:

- Foster good health in an ageing Europe by promoting good health throughout the lifespan;
- Protect citizens from health threats;



- and Support dynamic health systems and new technologies.

In addition, principles such as solidarity, the need to reduce inequities, to promote investment in health, to mainstream health in all policies, and to strengthen the EU's voice in global health are set out as horizontal issues underpinning all health action under the White Paper.

The White Paper sets out a framework under which actions can be taken and proposes a set of 18 concrete priority actions. The White Paper also foresees the creation of a structured **co-operation mechanism** to implement the objectives of the strategy which would allow the Commission, together with the Member States, to identify priorities, define indicators, foster good practice exchange, produce guidelines and measure progress.

The new programme of Community action in the field of health (2008-2013), will help to support the implementation of this strategy.

On 6 December 2007, the **Council adopted conclusions on the Health Strategy** White Paper that welcome its objectives and principles; emphasise e.g. health in all policies, prevention, threats and health and competitiveness; underline the issues of gender and migration and ask the **Commission to present ideas for the implementation mechanism**.

In October 2004 the Council endorsed the application of the Open Method of Coordination for Social Inclusion and Social Protection also to the health care and long term care field. Member States agreed that the OMC can usefully be applied to this field to stimulate policy development, highlight common challenges and facilitate mutual learning (COM (2005) 706). Member States last reported on the challenges faced by their health care and long-term care systems, current reforms and planned policies, in the National Reports on Strategies for Social Protection and Social Inclusion in the autumn 2006<sup>66</sup>. Common conclusions were drawn in the Joint Report on social protection and social inclusion, adopted by the Council in February 2007.

Member States identified as a priority the need to: ensure equal access for all; reduce health inequalities in outcomes; guarantee safe and high-quality care; and manage the introduction of new technology for health and independent living. More rational use of resources is an essential factor in rendering healthcare systems sustainable and in maintaining high quality, which needs to be exploited by all countries. Some countries may need to expand their financial and human resources to ensure adequate coverage of the whole population. Improved coordination, promotion of healthy life styles and prevention could be win-win strategies, contributing both to improved health status and to reduced expenditure growth. Different policies need to intervene; social protection can contribute by ensuring access to healthcare and prevention for those who need it most but who are also the most difficult to reach.

Given demographic ageing and societal change, Member States consider the needs for long term care as a new social risk that needs to be covered by social protection and they are committed to ensuring near universal access. They search for the right balance between public and private responsibilities and formal and informal care, while recognising the need for enabling support for informal carers. Stronger coordination between healthcare and social services, support for informal carers and exploiting new technology can help people to stay as long as possible in their own home.

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<sup>66</sup> Available at: [http://ec.europa.eu/employment\\_social/social\\_inclusion/naps\\_en.htm](http://ec.europa.eu/employment_social/social_inclusion/naps_en.htm)

The European Commission has been also developing a new framework for 'safe, high-quality and efficient cross-border healthcare'. In the autumn 2006 it has published a Communication 'Consultation regarding Community action on health services' (SEC(2006)1195) and launched a public consultation. The contributions to the consultation were summarised in a Summary Report<sup>67</sup> and on that basis the Commission is developing proposals for a Directive on the application of patients' rights in cross-border healthcare and an accompanying Communication.

As well as setting out relevant legal definitions and general provisions, this new framework will be structured around three main areas:

- common principles in all EU health systems, setting out which Member State shall be responsible for ensuring compliance with the common principles for healthcare and what those responsibilities include, in order to ensure that there is clarity and confidence with regard to which authorities are setting and monitoring healthcare standards throughout the EU;
- a specific framework for cross-border healthcare: the directive will make clear the entitlements of patients to have healthcare in another Member State, including the limits that Member States can place on such healthcare abroad, and the level of financial coverage that is provided for cross-border healthcare, based on the principle that patients are entitled to obtain reimbursement up to the amount that would have been paid had they obtained that treatment at home;
- European cooperation on health services: the directive will establish a framework for European cooperation in border regions and in areas such as recognition of prescriptions issued in other countries, European reference networks, health technology assessment, data collection and quality and safety, in order to enable the potential contribution of such cooperation to be realised effectively and on a sustained basis.

### **Methodological notes**

Life expectancy at birth is the average number of years a person would live if age-specific mortality rates observed for a certain calendar year or period were to continue. Life expectancy without disability (or Healthy Life Years) is calculated by the Sullivan method and uses mortality data from demographic statistics and prevalence figures of persons not being limited in functioning/disability. For the time period 1995-2001, prevalence figures from the European Community Household Panel (ECHP) were used. For 2002 and 2003 the prevalence was estimated on the basis of the trend of the 1995-2001 ECHP data. For 2004 and 2005, the Statistics on Income and Living Conditions survey (SILC) was used for calculating the prevalence. The change of the data source for calculating the prevalence (the SILC question used for calculating the prevalence is not similar to the ECHP one) created a break in series in 2004. To be able to present calculations at birth (ECHP and SILC data covering population 16 years and more), Eurostat has, for all countries and for both genders, considered that the disability rate between the ages 0 and 14 is the half of the prevalence in the next age group (16-19). Data on perceived health are based on a self-evaluation question addressed to persons interviewed in the Statistics on Income and Living Conditions survey (SILC). For the total population (particularly aged 65 and over), the percentages on (very) bad health may be somewhat higher due to the fact that a

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<sup>67</sup> Summary Report is available at [http://ec.europa.eu/health/ph\\_overview/co\\_operation/mobility/results\\_open\\_consultation\\_en.htm](http://ec.europa.eu/health/ph_overview/co_operation/mobility/results_open_consultation_en.htm).

significant number of people suffering important health problems live in homes or institutions for long-term nursing care which are not covered by the surveys. Practising physicians, dentists or nurses provide services directly to patients. Data on practising health care professionals are best used to describe the availability of health care human resources, because all persons included here immediately produce for the final demand. However, not all countries can provide data for practising health care professionals. Please note that the 'professionally active' or 'licensed to practise' data shown for a number of countries are not fully comparable due to the different concepts used. Total hospital beds are all hospital beds which are regularly maintained and staffed and immediately available for the care of admitted patients. Data on the number of beds reported to Eurostat are normally given as an annual average of beds in use during the year of reporting or according to concepts of registration or budgetary or planned approval. A hospital discharge is the formal release of a patient from a hospital after a procedure or course of treatment. Data shown refer to hospital in-patients and to the main diagnosis. Causes of death (COD) data refer to the underlying cause which – according to the World Health Organisation (WHO) – is 'the disease or injury which initiated the train of morbid events leading directly to death, or the circumstances of the accident or violence which produced the fatal injury'. COD data are derived from death certificates. The medical certification of death is an obligation in all Member States.

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

Ageing in the population (2.3) and Health and safety (Annex 1.3.8).

### **Further reading**

- *Health statistics: Key data on Health 2002*, 2002 edition. Eurostat.
- *Health in Europe*, data 1998-2003, pocketbook, 2005 edition. Eurostat
- *Health statistics: Atlas of Mortality*, 2002 edition. Eurostat.
- Eurostat — Demographic Statistics and European Community Household Panel (ECHP) UDB version December 2003.
- OECD Health data 2006.
- *European social statistics – Population statistics*, 2006 edition. Eurostat.
- *The future of healthcare and care for the elderly: guaranteeing accessibility, quality and financial viability* – COM (2001) 723
- *Modernising social protection for the development of high-quality, accessible and sustainable health care and long-term care: support for the national strategies using the 'open method of coordination'* – COM (2004) 304
- Follow-up to the high-level reflection process on patient mobility and healthcare developments in the European Union – COM (2004) 301

**Key indicator 17a**

**Life expectancy at birth, 2005** (The mean number of years that a newborn child is expected to live if subjected throughout her/his life to the mortality conditions (age specific probabilities of dying) of the year of her/his birth)

Females	80.8	81.2	82.0	81.9	76.2	79.3	80.5	82.0	78.2	81.7	81.6	83.7	83.8	82.8	81.1	76.5	77.3	82.2	77.2	81.4	81.7	82.3	79.3	81.3	75.7	80.9	78.1	82.5	82.9	81.1	78.8	75.9
Males	74.6	75.1	76.0	76.2	69.0	72.9	76.0	76.7	67.3	77.3	76.8	77.0	76.7	77.1	76.8	65.4	65.3	76.6	68.7	77.3	77.3	76.7	70.8	74.9	68.7	73.9	70.2	75.6	78.5	77.1	71.8	71.6

Notes: FR: 2004; EU-27, EU-25, EU-15, Euro-zone, IT: 2003 data.

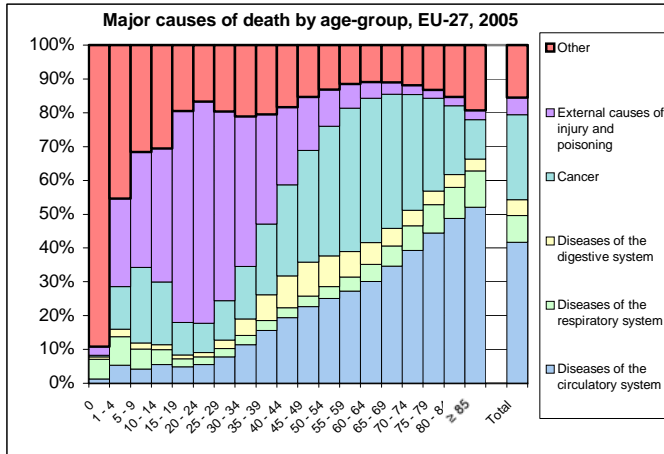
Sources: Eurostat - Demographic statistics

**Key indicator 17b**

**Healthy Life Years at birth, 2005** (The mean number of years that a newborn child is expected to live in healthy condition if subjected throughout her/his life to the current morbidity and mortality conditions (age specific probabilities of becoming sick/dying))

Females	:	:	61.9p	:	59.9p	68.2p	55.1p	52.2p	64.1p	67.2p	63.1p	64.3p	67.0p	57.9p	53.1p	54.3p	62.1p	53.9p	70.1p	63.1p	59.6p	66.6p	56.7p	:	:	:	59.9p	56.4p	52.4p	63.1p	65.0p	:	:	:
Males	:	:	61.7p	:	57.9p	68.4p	55.0p	48.0p	62.9p	65.7p	63.2p	62.0p	65.8p	59.5p	50.6p	51.2p	62.2p	52.0p	68.5p	65.0p	57.8p	61.0p	58.4p	:	:	:	56.3p	54.9p	51.7p	64.2p	63.2p	:	:	:

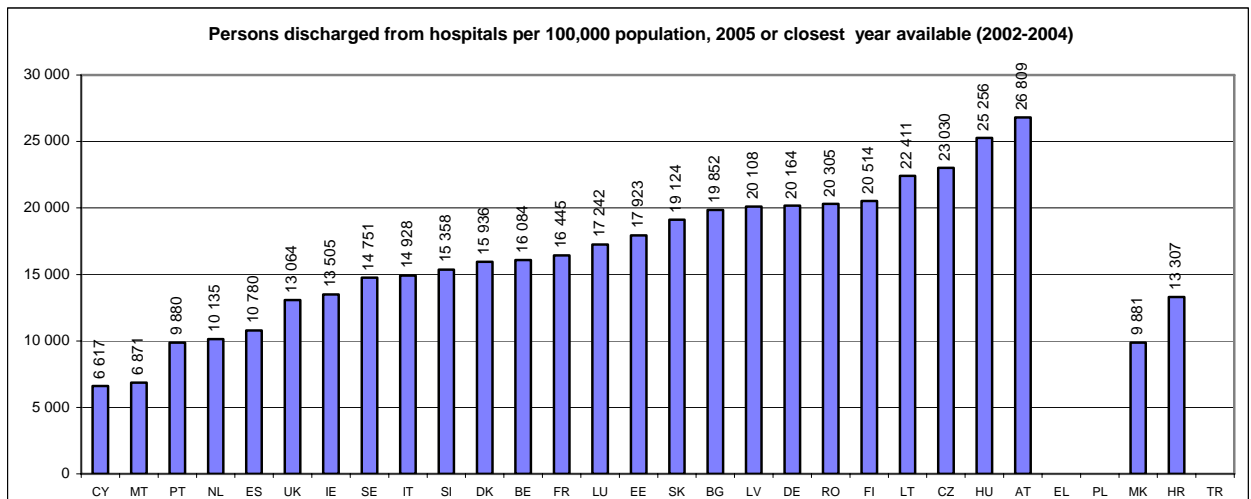
Source: Eurostat - Health Statistics.



Notes: 1) BE: 1997; DK: 2001; IT: 2002; SE: 2004. Source: Eurostat - Mortality Statistics.

2) Cancer = Malignant neoplasms including leukaemias and lymphomas.

3) In the age group 0 (= less than 1 year) the principal causes of death were 'Certain conditions originating in the perinatal period' (48.7%) and 'Congenital malformations and chromosomal abnormalities' (26.5%), which in the graph are included in 'Other'.



Notes: 2005 data, except IT, MT, FI: 2004; DK, SE, UK: 2003; DE, LV, HU, PT: 2002.

Source: Eurostat - Health and safety statistics.

## 18. ACCIDENTS AND WORK-RELATED HEALTH PROBLEMS

*In 2004, around 3.2% of workers in EU-15 were victims of a working accident resulting in more than three days' absence, 5.3% including accidents with no absence from work or an absence of up to 3 days. From 1998, the number of accidents at work with more than three days' absence decreased in by 21% (the value of the index 1998 = 100 was 79 in 2004) in EU-25 and by 22% in EU-15. In 2005 around 500 million working days were lost in as a result of accidents at work and work-related health problems in EU-27. Road transport fatalities decreased 29% from 1995 to 2005 in EU-27, but there were still around 45 000 deaths on EU-27 roads recorded in 2005. During the ten-year period 1996-2005 over 540 000 people lost their lives in road accidents in EU-27.*

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

In 2004, around 4.0 million accidents at work — that resulted in more than three days' absence — were recorded in the 15 old Member States of the EU. Including the accidents with no absence from work or an absence of up to three days, the estimated total number of accidents at work in the EU-15 is 6.4 million in 2004. This represents respectively estimated rates of 3 180 and 5 250 accidents at work per 100 000 employed people, or put another way, 5.3% of all workers were the victims of an accident at work during the year (3.2% for accidents with an absence of more than 3 days). There was a substantial drop in this rate (accidents resulting in more than three days absence) of 22% between 1998 and 2004 (index = 78 in 2004 and 100 in 1998). In addition, 4 366 fatal accidents in the course of work were recorded in 2004 in EU-15, of which 40% were road traffic or transport accidents during work. The incidence rate is 3.8 fatalities per 100 000 employed people against 6.1 in 1994 and 3.9 in 2003 (-38% and -3% respectively). The new Member States and candidate countries are gradually implementing the European Statistics of Accidents at Work (ESAW) data collection methodology. In EU-25, between 1998 and 2004, the incidence rate of fatal accidents at work has decreased by 24% and the incidence rate of non-fatal accidents at work by 21%.

These proportions differ of course on the economic activity and the size of the enterprise, as well as the age, sex and working conditions of the workers. The construction industry has the highest incidence of accidents resulting in more than three days absence, though decreasing since 1994: 6 300 per 100 000 workers in 2004 against 9 000 in 1994. Agriculture has the second highest incidence: 5 100 in 2004 (6 500 in 1994). For fatal accidents agriculture has the highest incidence, around 12 per 100 000 workers in 2004 and construction has the second highest, around 10 per 100 000 workers. In addition one must bear in mind that systematic and annual data are not available for some economic activities, like fishing, which according to ad hoc surveys are at a high risk of accidents. When including accidents up to three days absence (1998-1999 data from the ad hoc module in the European Union Labour Force Survey), the accident rate is particularly high in the fishing industry (where the risk of an accident is 2.4 times greater than the average for all branches in the EU). Taking all economic activities together, the risk of accidents was in 2004 the highest in local units employing 10 to 49 people and those employing 50-249 people. In these size categories the incidence rate of accidents at work was 1.3 and 1.4 times higher, respectively, than in local units employing more than 250 people. For non-fatal accidents at work the incidence rates are the highest among the young workers. Among those aged 18-24 years the incidence rate is 30-70% higher than in the other age category. In contrast, the incidence of fatal accidents tends to increase considerably with age. Men are 2.5 times more likely than women to have an accident — resulting in more than three days absence — and about 12 times more likely to have a fatal accident. This result is a function of men's jobs and sectors of activity which tend to be more high-risk

than those of women. There are also relatively more women who work part-time which reduces their exposure to risk

### **Accidents at work: 138 million days lost to the economy**

In addition to the major impact of these accidents in human terms, they also have a high socio-economic cost: though, according to previous data, for 37% of accidents there was no absence from work or the resulting absence was only up to three days, in 2004 for 30% the absence was more than three days but less than two weeks and for 29% the absence was between two weeks and three months. For the remaining 4% of accidents, the consequence was an absence of three months or more, or permanent partial or total disability. It is estimated that 138 million work days were lost in 2004 in the EU15 owing to accidents at work, i.e. a mean of 22 days per accident for those who had an absence due to an accident at work (33 days per accident with more than three days absence) and the equivalent of one day of work lost per year for every person in employment. Additionally, 5% of the victims say they had to change to a different type of work or another job, or to reduce working hours. Finally, about 14% of the victims of accidents at work suffer more than one accident per year. Accidents at work are estimated to cause annually costs of 55 billion euros in EU-15. Most of these costs are due to lost working time, but on the other hand, reliable data on other type of costs of accidents at work (e.g. health care costs) are difficult to collect and therefore such costs have probably been underestimated in the above figure.

### **460 million working days lost due to work-related health reasons**

According to the results of the Fourth European Survey on Working Conditions, carried out by the European Foundation for the Improvement of Living and Working Conditions in 2005, there was an average of 4.6 annual days off work because of health-related reasons for each worker in the EU-27. Of these, 2.2 days were due an accident at work or a work-related illness. This equals to roughly 460 lost working days due to work-related health reasons. These figures do not include the days lost due to permanent disability as only employed persons were questioned. According to the same survey 35% of the workers of EU-27 say that their work affects their health, ranging from 61% in agriculture to 21% in financial intermediation. The most often reported work-related health problems were backache, muscular pain, fatigue and stress. Physical risk factors like vibration, noise, handling of chemicals, painful and tiring positions as well as repetitive movement continue to affect a significant proportion of the workforce. Meanwhile the occurrence of violence at work appears to be increasing, especially in certain sectors like health and education where 15% and 8% of workers, respectively report violence at work.

### **About 630 000 commuting accidents in EU-15**

The number of commuting accidents (accidents on the way to and from work) resulting in more than three days' absence was estimated at approximately 630 000 in 2003 in EU-15 (in addition to accidents at work). The incidence rate was 430 per 100 000. The number of fatal commuting accidents, which were chiefly road traffic and transport accidents, was around 3 000 for EU-15.

### **EU-27 roads claimed around 45 000 lives in 2005**

For the EU-27 as a whole, the number of road accident fatalities decreased 29% from 1995 to 2005, when around 45 000 deaths were caused by road accidents. During the ten-year period 1996-2005 over 540 000 people lost their lives in road accidents in EU-27. The annual data 1995-2005 per country is given in the annex 1.3.8.

In all Member States and Candidate Countries (no data available Turkey) there died much more men than women in transport accidents (road transport and other transport accidents) in the year 2000. The lowest standardised death rates were observed in Malta (13 women per million women and 62 men per million men), the Netherlands (28 and 77), Sweden (23 and 85) and the United Kingdom (26 and 88) and the highest ones in Cyprus (44 and 281), Lithuania (90 and 410) and Latvia (105 and 345).

### **Home and leisure accidents**

There were an estimated 430 000 home and leisure accidents in the EU-15 in 1995 (men had 240 000, women 190 000). Accidents are most likely to occur at home (32% of the total number of accidents among men, 46% among women) followed by sporting accidents (18% among men, 10% among women).

### **Policy context**

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

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

The lists of indicators of both the Synthesis Report and the Employment Committee Report on Indicators of Quality in Work include the evolution (index 1998=100) of the incidence rate of accidents at work, as defined by the number of accidents at work per 100 000 people in employment.

More recently, on 21.02.2007, the Commission adopted a Communication (COM(2007) 62 final) on 'Improving quality and production at work: Community strategy 2007-2012 on health and safety at work' and on 25.07.2007 the Council adopted a Resolution on 'a new Community strategy on health and safety at work (2007-2012)'. Among other, the Community strategy 2007-2012 identify research priorities including psychosocial issues, musculoskeletal disorders, dangerous substances, knowledge of reproductive risks, occupational health and safety management, risks associated with several cross-factors (e.g. work organisation and workplace design issues, ergonomics, combined exposure to physical and chemical agents) and potential risks associated with nanotechnologies. The Council Resolution states as one of the main objectives: 'to achieve an ongoing, sustainable and consistent reduction in accidents at work and occupational illnesses' and it supports the Commission in seeking to reduce the incidence rate of accidents at work by 25% at Community level. National strategies should seek to establish measurable targets for reducing incidence of occupational accidents and illnesses for relevant categories of worker, types of company and/or sectors.

In its 2001 [Transport White Paper](#), the Commission proposed the ambitious goal to save yearly 25.000 lives on European roads by the target date of 2010. This target has meanwhile been endorsed by the European Parliament and all Member States. In 2003, the



[European Road Safety Action Programme](#) was tabled, containing many concrete measures proposed to achieve this goal. And in February 2006, the Commission has issued a [mid-term review](#) on our common endeavours to halve road fatalities. Summing up, Europe has achieved a lot in the last five years, but we need to do more together to achieve our objective.

The '[CARS21](#)' Report of December 2005 and the mid-term review of the [Transport White paper](#) of June 2006 provide some guidance on the strategic direction of the European Union concerning road safety.

In Europe, the agreed method to more road safety is the principle of 'shared responsibility'. Beyond all institutional rhetoric, each and everyone has a role to play to make Europe's road safer. In this respect, the [European Road Safety Charter](#) is central, inviting all members of society, be they for instance a local school, a rural association or a large multinational company, to make their own measurable contribution to improving road safety.

Finally, road safety initiatives are — or should be — underpinned by solid statistical data on accident causes and other relevant issues. The collection and analysis of data, today in the [European CARE accident data base](#), tomorrow in the [European Road Safety Observatory](#) is essential to devise effective and proportionate measures to improve road safety.

To achieve its objectives, the Commission proposes legislation and political action, but makes also some funding available through the [European Research Framework Programmes](#) and its [Road Safety Subvention Programme](#).

### **Methodological notes**

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

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

The data on working accidents relate to almost 90% of people in employment in the EU-15. The new Member States are in the process of implementing the full ESAW methodology. Only those working accidents that lead to more than three days absence are included in the annual ESAW data but accidents with no absence from work or resulting in an absence from work from one to three days were also covered in the ad hoc module on accidents at work and occupational diseases in the 1999 Labour Force Survey which is being repeated in 2007. The ESAW incidence rates have been calculated for only nine major branches of economic activity (NACE Rev. 1 sections).

The fourth European Survey on Working Conditions was carried out in 2005 by the European Foundation for the Improvement of Living and Working Conditions. The previous surveys were carried out in 1990, 1996 and 2000.

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

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



Health and safety (Annex 1.3.8).

### Further reading

- [http://ec.europa.eu/transport/roadsafety/index\\_en.htm](http://ec.europa.eu/transport/roadsafety/index_en.htm)
- *Work and Health in the EU – A statistical portrait*. Panorama series — 2003 edition — Eurostat.
- *European social statistics – Accidents at work and work-related health problems – Data 1994-2000 – Detailed tables series* — 2002 edition — Eurostat.
- Statistics in Focus (Transport): *EU road safety 2004: Regional differences*, No 14/2007; Eurostat.
- *European Statistics on Accidents at Work — Methodology*, 2001 Edition. Eurostat and DG Employment and social affairs, Health and safety at work series.
- *Panorama of transport* (2007 edition), 2007. Eurostat.
- *Fourth European Survey on Working Conditions* European Foundation for the Improvement of Living and Working Conditions (<http://www.eurofound.europa.eu>).
- *Guidance on work-related stress — Spice of life or kiss of death?*, European Commission, 16 December 2002.
- Communication from the Commission COM(2007) 62 final of 21.2.2007 *Improving quality and productivity at work: Community strategy 2007-2012 on health and safety at work*.
- Council Resolution of 25 June 2007 on a new Community strategy on health and safety at work (2007-2012) [O.J. C145 of 30.06.2007, page 1].

EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
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### Key indicator 18a

**Serious accidents at work, 2004** (Index of the number of serious accidents at work per 100 thousand persons in employment (1998=100))

Total	:	79	:	65	58	81	79	73	124	94	66	92	90	75	103	79	82	94	79	83	73	79	84	75	103	98	54	83	86	88	:	:	82
Females	:	89	:	71	61	94	90	77	126	87	65	98	107	77	100	:	81	96	93	77	95	72	92	84	97	109	62	90	85	81	:	:	:
Males	:	81	:	65	60	77	77	74	132	95	67	95	87	78	104	:	80	97	75	86	72	86	82	75	107	93	52	83	88	89	:	:	:

Source: Eurostat - European Statistics on Accidents at Work (ESAW)

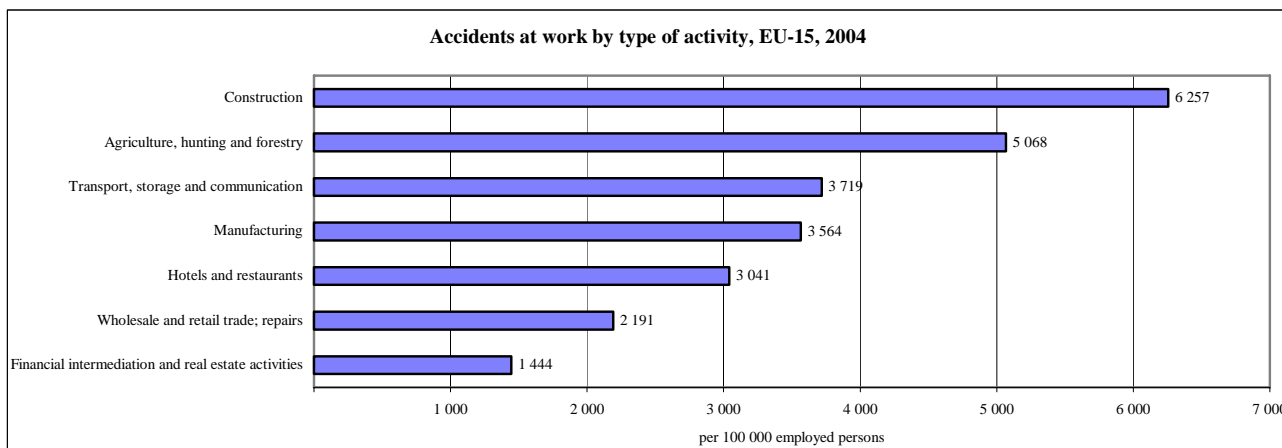
### Key indicator 18b

**Fatal accidents at work, 2004** (Index of the number of fatal accidents at work per 100 thousand persons in employment (1998=100))

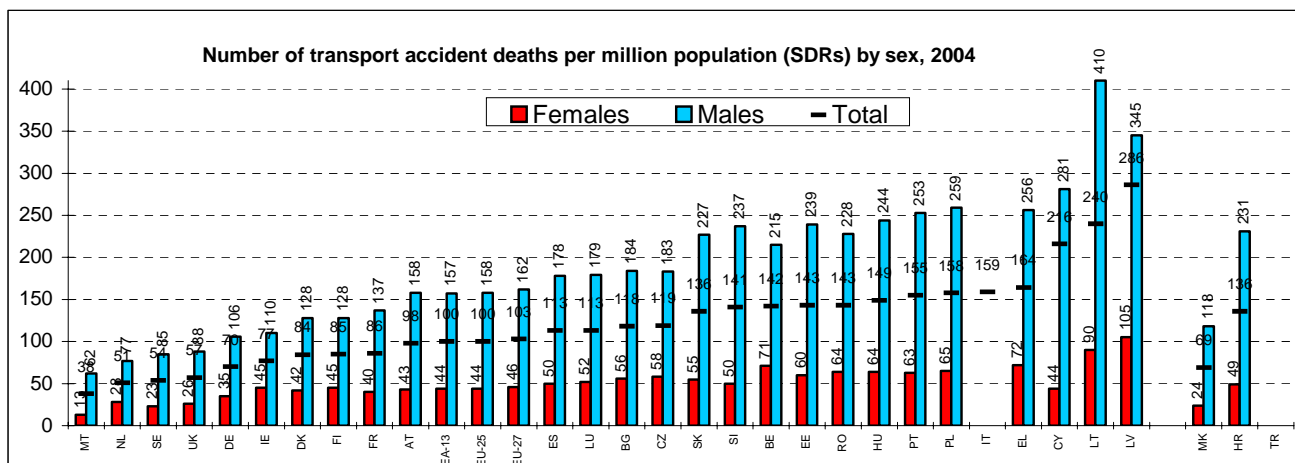
:	76	:	93	84	78	35	100	75	84	67	59	68	50	92	i	98	113	20	i	96	90	i	84	107	86	82	103	77	64	102	81	90	:	:	64
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Note: In CY, LU and MT the values are based on small annual numbers.

Source: Eurostat - European Statistics on Accidents at Work (ESAW)



Source: Eurostat - European Statistics on Accidents at Work (ESAW)



Notes: 1) BE 1997, DK 2001, RO 2003 and HR 2002 data. 2) TR: No data. 3) SDR = Standardised death rate - As most causes of death vary significantly with people's age and sex, the use of SDRs improves comparability over time and between countries, as they aim at measuring death rates independently of different age structures of populations. The SDRs used here are calculated by using the World Health Organisation's standard European population.

Source: Eurostat - Mortality Statistics.

## **ANNEXES TO PART 2**

**Annex 1.1 Key Indicators per Geopolitical Entity\*, Latest Year Available**

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**Annex 1.3 Other Statistical Tables per Geopolitical Entity\***

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\* geopolitical entity = a country or a group of countries (EU-27, EU-25 and EA-13)

**Annex 1.1**

**Key Indicators per Geopolitical Entity**

*Latest Year Available*



Country	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	Sex	Time	Unit	Key indicator	Nr	Domain	
Luxembourg	6.2	3.9	3.2	3.0	6.1	1.3	7.7	5.7	8.3	5.5	4.2	2.8	4.81	3.11	6.1	total	2006	%	Real GDP growth rate	1	Economy	
	455	10 098	403	16 306	8 207	38 174	10 529	21 659	1 998	5 385	5 237	9 011	4 444	2 035	71 610	total	1.1.2005	1 000	Total population	2	Population	
	21.3	22.7	19.3	20.8	23.5	18.7	25.2	21.1	21.8	16.3	23.8	26.5	24.3	15.8	8.9	total	2005	%	Old age dependency ratio	3		
	6.0	1.7	2.4	-1.4	6.8	-0.3	3.6	-0.3	3.2	0.6	1.7	3.0	3.2	-0.4	0.0	total	2005	%	Crude rate of net migration including adjustments and corrections	4		
	96.3	82.9	50.4	74.7	85.8	91.7	49.6	77.2	89.4	91.5	84.7	86.5	78.8	93.8	44.7	total	2006	%	Youth education attainment level	5	Education and training	
	74.5	84.7	52.8	79.6	86.7	93.8	58.6	77.8	91.4	91.7	87.0	88.6	80.3	94.9	51.7	females						
	64.0	81.2	48.1	69.9	84.9	89.6	40.8	76.6	87.7	91.2	82.3	84.5	77.3	92.8	38.9	males						
	8.2	3.8	5.5	15.6	13.1	4.7	3.8	1.3	15.0	4.3	23.1	32.1	26.6	2.1	2.0	total	2006	%	Lifelong learning	6		
	8.7	4.4	5.6	15.9	14.0	5.1	4.0	1.3	16.3	4.6	27.0	36.5	31.2	2.1	2.4	females						
	7.6	3.1	5.5	15.3	12.2	4.3	3.7	1.3	13.8	4.0	19.3	27.9	22.0	2.0	1.6	males						
	63.6	57.3	54.8	74.3	70.2	54.5	67.9	58.8	66.6	59.4	69.3	73.1	71.5	55.6	45.9	total	2006	%	Employment rate	7a	Labour market	
	54.6	51.1	34.9	67.7	63.5	48.2	62.0	53.0	61.8	51.9	67.3	70.7	65.8	49.4	23.9	females						
	72.6	63.8	74.5	80.9	76.9	60.9	73.9	64.6	71.1	67.0	71.4	75.5	77.3	62.0	68.1	males						
	33.2	33.6	30.0	47.7	35.5	28.1	50.1	41.7	32.6	33.1	54.5	69.6	57.4	34.3	30.1	total	2006	%	Employment rate of older workers	7b		
	27.8	27.1	11.2	37.2	26.3	19.0	42.8	34.5	21.0	18.9	54.3	66.9	49.1	25.7	16.7	females						
	38.7	41.4	50.4	58.0	45.3	38.4	58.2	50.0	44.5	49.8	54.8	72.3	66.0	44.4	44.1	males						
	4.7	7.5	7.3	3.9	4.7	13.8	7.7	7.3	6.0	13.4	7.7	7.1	5.3	11.1	9.9	total	2006	%	Unemployment rate	8a		
	6.2	7.8	8.9	4.4	5.2	14.9	9.0	6.1	7.2	14.7	8.1	7.2	4.9	12.7	10.3	females						
	3.5	7.2	6.5	3.5	4.4	13.0	6.5	8.2	4.9	12.3	7.4	6.9	5.7	9.8	9.7	males						
	1.4	3.4	2.9	1.7	1.3	7.8	3.8	4.2	2.9	10.2	1.9	1.1	1.2	6.7	2.5	total	2006	%	Long-term unemployment rate	8b		
	1.6	3.4	2.5	1.8	1.3	8.6	4.4	3.6	3.5	11.2	1.8	0.9	0.8	7.7	3.3	females						
	1.2	3.3	3.1	1.6	1.3	7.1	3.3	4.7	2.4	9.4	2.1	1.2	1.5	5.8	2.3	males						
	0.197	0.187	0.188	0.285	0.291	20.0	24.9	14.9	24.3	17.2	26.7	32.9	26.3	30.4	10.6	total	2005	%	Public expenditure on LMP measures (categories 2.7) as a percentage of GDP	9		
	22.6	20.7	18.8	28.5	29.1	20.0	47.2	37.9	44.7	40.1	36.9	40.1	44.6	30.4	10.6	total	2004	%	Expenditure on social protection as a percentage of GDP	10	Social	
	36.5	42.5	51.2	41.6	48.2	60.1	47.2	37.9	44.7	40.1	36.9	40.1	44.6	30.4	10.6	total	2004	%	Old age and survivors benefits as a percentage of total social benefits	11a	protection	
	25.0	29.5	27.0	30.4	25.0	19.5	30.4	35.9	32.7	30.1	25.5	25.4	30.4	30.4	10.6	total	2004	%	Sickness and health care benefits as a percentage of total social benefits	11b		
	3.8	4.0	4.1	4.0	3.8	6.6	6.9	4.91	3.4	3.9	3.6	3.3	5.8	4.81	10.0	total	2005	Ratio	Inequality of income distribution	12	Income, social	
	23	29	21	22	24	30	26	24	26	28	28	29	31	31	28	total	2005	%	At-risk-of-poverty rate before social transfers	13a	inclusion	
	23	29	22	22	25	29	26	24	27	22	29	30	32	34	29	females						
	23	30	20	21	23	31	25	23	25	22	27	27	29	29	26	males						
	13	13	15	11	12	21	19	18	12	13	12	9	19	18	26	total	2005	%	At-risk-of-poverty rate after social transfers	13b	and living conditions	
	13	13	16	11	13	20	20	18	14	13	13	10	19	20	27	females						
	13	14	14	11	11	21	19	18	11	13	11	9	19	16	26	males						
	7.5	11.8	6.9	6.5	7.6	11.7	5.8	9.6	6.0	8.8	11	9	10.9	10.9	11	total	2007	%	People aged 18-59 living in jobless households	14a		
	8.6	12.9	8.3	7.7	8.7	12.8	6.1	10.7	6.9	9.6	11	12	12.7	12.7	11	females						
	6.3	10.7	5.6	5.4	6.5	10.5	5.4	8.6	5.1	8.1	11	12	12.7	12.7	11	males						
	4.0	14.0	8.4	5.9	6.1	9.5	4.8	9.4	2.5	10.5	11	16.7	16.7	16.7	11	total	2007	%	Children aged 0-17 living in jobless households	14b		
	23.3	10.4	9.2	36.7	32.2	20.4	21.3	11.2	12.2	19.3	42.0	47.3	19.7	21.7	28.3	females	8/2007	%	Percentage of women in the single or lower House of the national or federal Parliament	15a	Gender	
	50.0	37.5	0.0	51.9	27.8	14.8	25.0	34.3	42.9	35.7	35.7	47.4	25.6	25.6	25.6	females	10/2007	%	Percentage of women in the European Parliament	15b	equally	
	14	11	4	18	18	10	9	13	1	24	20	16	20	20	20	females	2003	%	Gender pay gap in unadjusted form	16		
	82.2	77.2	81.4	81.7	82.3	79.3	81.3	75.7	80.9	78.1	82.5	82.9	81.1	78.8	75.9	females	2005	Year	Life expectancy at birth	17a	Health and safety	
	76.6	68.7	77.3	77.3	76.7	70.8	74.9	68.7	73.9	70.2	75.6	78.5	77.1	71.8	71.6	males						
	62.1	53.9	70.1	63.1	59.6	66.6	56.7	59.9	56.4	52.4	63.1	63.1	65.0	64.2	63.2	females	2005	Year	Healthy Life Years at birth	17b		
	62.2	52.0	68.5	65.0	61.0	61.0	58.4	56.3	54.9	51.7	63.2	64.2	63.2	63.2	63.2	males						
	9.4	7.9	8.3	7.3	7.9	8.4	7.5	10.3	9.8	5.4	8.3	8.6	8.8	8.8	8.8	total	2004	Index	Serious accidents at work (1998 = 100)	18a		
	9.6	9.3	7.7	9.5	7.2	9.2	8.4	9.7	10.9	6.2	9.0	8.5	8.1	8.1	8.1	females						
	9.7	7.5	8.6	7.2	8.6	8.2	7.5	10.7	9.3	5.2	8.3	8.8	8.9	8.8	8.8	males						
	20	9.6	9.0	8.4	10.7	8.6	8.2	10.3	7.7	6.4	10.2	8.1	9.0	9.0	9.0	total	2004	Index	Fatal accidents at work (1998 = 100)	18b		
Luxembourg	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	Sex	Time	Unit	Key indicator	Nr	Domain

## READING NOTES FOR THE KEY INDICATORS

- 1 In EU-27 the growth rate of Gross Domestic Product volume was 3.0 % in 2006.
- 2 In EU-27 there were 490 million 898 thousand inhabitants on 1.1.2005.
- 3 In EU-27 the number of persons aged 65 and over is estimated to have corresponded to 24.6 % of what is considered to be the working age population (15-64 years) in 2005.
- 4 In EU-27 the difference between population change and natural increase (the latter is the surplus or deficit of live births over deaths) is estimated to have been + 3.6 per 1000 inhabitants (more immigrants than emigrants) in 2005.
- 5 In EU-27, 77.8 % of the population aged 20 to 24 had completed at least upper secondary education (Baccalauréat, Abitur, apprenticeship or equivalent) in 2006.
- 6 In EU-27, 9.6 % of the population aged 25-64 had participated in education or training over the four weeks prior to the survey in 2006.
- 7a In EU-27, 64.4 % of the population aged 15-64 were in employment in 2006.
- 7b In EU-27, 43.5 % of the population aged 55-64 were in employment in 2006.
- 8a In EU-27, 7.9 % of the active population (i.e. labour force i.e. those at work and those aged 15-74 years seeking work) were unemployed in 2006.
- 8b In EU-27 in 2006 3.6 % of the active population (i.e. labour force i.e. those at work and those aged 15-74 years seeking work) had been unemployed for at least one year.
- 9 In EU-27 public expenditure on Labour Market Policy measures (categories 2-7) represented 0.525 % of Gross Domestic Product in 2005.
- 10 In EU-25 social protection expenditure represented 27.3 % of Gross Domestic Product (GDP) in 2004.
- 11a In EU-25 old-age and survivors benefits made up 45.9 % of total benefits in 2004.
- 11b In EU-25 sickness and health care benefits made up 28.3 % of total benefits in 2004.
- 12 In EU-27 Member States in survey year 2005 (income reference year mainly 2004) as a population-weighted average the top (highest income) 20 % of a Member State's population received 4.9 times as much of the Member State's total income as the bottom (poorest) of the Member State's population.
- 13a In EU-27 in 2005 before social transfers, 26 % of the population would have been living below the risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income (after social transfers). Retirement and survivor's pensions are counted as income before transfers and not as social transfers.
- 13b In EU-27 in 2005 after social transfers, 16 % of the population were actually living below the risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income (after social transfers).
- 14a In EU-27, 9.3 % of the population aged 18-59 were living in households where no-one works in 2007. Students aged 18-24 who live in households composed solely of students of the same age class are counted neither in numerator nor in denominator.
- 14b In EU-27, 9.4 % of the children aged 0-17 were living in households where no-one works in 2007.
- 15a In EU-27 Member States in August 2007 as an average, 23.1 % of the seats (president and members) of the single or lower houses of the national or federal Parliaments were occupied by women. For example, in Sweden 47.3 % of the seats in the single house of the national parliament were occupied by women in August 2007.
- 15b In the European Parliament 31.2 % of the seats were occupied by women in October 2007.
- 16 In EU-27 women's average gross hourly earnings were 15 % less than the men's average gross hourly earnings in 2005. The population consists of all paid employees aged 16-64 that are 'at work 15+ hours per week'.
- 17a In EU-27 the mean number of years that a newborn girl/boy is expected to live if subjected throughout her/his life to the mortality conditions of the year 2003 (age specific probabilities of dying) is 80.8/74.6 years. (The EU-27 figures refer indeed to the year 2003, not to 2005).
- 17b In Belgium the mean number of years that a newborn girl/boy is expected to live in healthy condition if subjected throughout her/his life to the morbidity and mortality conditions of the year 2005 (age specific probabilities of becoming sick/dying) is 61.9/61.7 years.
- 18a In EU-25, the number of serious working accidents (resulting in more than three days' absence) per 100 000 persons in employment, went down by 21 % from 1998 to 2004.
- 18b In EU-25, the number of fatal working accidents per 100 000 persons in employment, went down by 24 % from 1998 to 2004.

### NOTES:

- 1) Reference year: For each key social indicator the data of latest year sufficiently available is given. If data for this year is missing for some geopolitical entity, but data of a close year exists, this data is given and written in italics.
- 2) Flag codes: The letters ('flag codes') added to data (e.g. the 'f' in the HR value '4.8f' of the first key indicator in this table) indicate the following specific characteristics: 'b' = "break in the series", 'e' = "estimated value", 'f' = "forecast", 'i' = "more information in corresponding portrait or in the Eurostat web site <http://epp.eurostat.ec.europa.eu>", 'p' = "provisional value" and 's' = "Eurostat estimate".
- 3) Special values: The two special values used have the meaning: '.' = "not available" and '-' = "not applicable".
- 4) FYROM = The former Yugoslav Republic of Macedonia.

## **Annex 1.2**

### **Key Indicators per Geopolitical Entity**

*Time Series (mainly latest 10 years, when available)*



	EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
<b>Key indicator 1</b>	<b>Real GDP growth rate (Growth rate of GDP volume, annual and year-on-year quarterly growth rates)</b>																																	
1996	1.8	1.8	1.5	1.2	-9.4	4.0	2.8	1.0	4.4	8.3	2.4	2.4	1.1	0.7	1.9	3.9	5.1	1.5	1.3	:	:	3.4	2.6	6.2	3.6	3.9c	3.7	6.9	3.7	1.3	2.8	6.0	0.0	7.0
1997	2.7	2.7	2.6	3.5	-5.6	-0.7	3.2	1.8	11.1	11.3	3.6	3.9	2.2	1.9	2.3	8.4	8.5	5.9	4.6	:	:	4.3	1.8	7.1	4.2	-6.1c	4.8	5.7	6.1	2.3	3.1	6.8	1.4	7.5
1998	2.9	3.0	2.8	1.7	4.0	-0.8	2.2	2.0	4.4	8.2	3.4	4.5	3.5	1.4	5.0	4.7	7.5	6.5	4.9	:	:	3.9	3.6	5.0	4.8	-4.8c	3.9	3.7	5.2	3.7	3.4	2.5	3.4	3.1
1999	3.0	3.1	3.0	3.4	2.3	1.3	2.6	2.0	0.3	10.7	3.4	4.7	3.3	1.9	4.8	3.3	-1.5	8.4	4.2	:	:	4.7	3.3	4.5	3.9	-1.2	5.4	0.3	3.9	4.5	3.0	-0.9	4.3	-4.7
2000	3.9	3.9	3.8	3.7	5.4	3.6	3.5	3.2	10.8	9.0	4.5	5.0	3.9	3.6	5.0	6.9	4.1	8.4	5.2	:	:	3.9	3.4	4.3	3.9	2.1	4.1	0.7	5.0	4.3	3.8	2.9	4.5	7.4
2001	2.0	2.0	1.9	0.8	4.1	2.5	0.7	1.2	7.7	5.1	3.6	1.9	1.8	4.0	8.0	6.6	2.5	4.1	-1.6	-1.6	-1.6	1.9	0.8	1.2	2.0	5.7	3.1	3.2	2.6	1.1	2.4	4.4	-4.5	-7.5
2002	1.2	1.2	0.9	1.5	4.5	1.9	0.5	0.0	8.0	6.1	3.8	2.7	1.0	0.3	2.0	6.5	6.9	3.8	4.4	2.6	0.1	0.9	1.4	0.8	5.1	3.7	4.1	1.6	2.0	2.1	5.6	0.9	7.9	5.8
2003	1.3	1.3	0.8	1.0	5.0	3.6	0.4	-0.2	7.2	4.3	4.8	3.1	1.1	0.0	1.8	7.2	10.3	1.3	4.2	-0.3	-0.3	1.2	3.9	-0.7	5.2	2.8	4.2	1.8	1.7	2.8	5.3	2.8	5.8	5.8
2004	2.5	2.4	2.0	3.0	6.6	4.5	2.1	1.1	8.3	4.4	4.7	3.3	2.5	1.2	4.2	8.7	7.3	3.6	4.8	0.1	0.1	2.2	2.3	5.3	1.5	8.5	4.4	5.4	3.7	4.1	3.3	3.8	4.1	8.9
2005	1.8	1.8	1.5	1.1	6.2	6.4	3.1	0.8	10.2	6.0	3.7	3.6	1.7	0.1	3.9	10.6	7.6	4.0	4.1	3.1	1.5	2.0	3.6	0.5	4.1	4.1	4.1	6.0	2.9	2.9	1.8	4.3	3.8f	7.4
2006	3.0	3.0	2.8	3.2	6.1	6.4	3.5	2.9	11.2	5.7	4.3	3.9	2.0	1.9	3.8	11.9	7.5	6.2	3.9	3.2	3.0	3.3	6.1	1.3	7.7	5.7	8.3	5.5	4.2	2.8	4.8f	3.1f	6.1	6.1
2006Q3	2.9	2.8	2.5	2.5	6.3	3.0	2.7	11.1	8.1	4.5	3.5	2.0	1.3	3.5	11.9	6.4	6.2	3.9	2.8	2.8	3.0	3.0	6.3	1.5	8.3	5.6	9.8	3.2	3.6	3.2	4.7	:	4.8	4.8
2006Q4	3.5	3.5	3.3	3.7	5.7	6.1	3.5	3.7	11.0	4.6	4.4	4.1	2.1	2.7	3.7	11.7	6.9	5.9	3.3	3.4	2.7	3.4	7.2	1.6	7.7	5.5	9.6	7.4	3.8	2.9	4.8	:	5.2	5.2
2007Q1	3.4	3.4	3.0	3.1	6.2	6.4	2.7	3.3	10.1	8.1	4.6	4.3	1.9	2.3	4.0	11.2	8.3	7.3	2.7	3.5	2.5	3.5	6.9	2.0	6.0	7.2	9.0	5.5	3.0	4.2	7.0	:	6.9	6.9
2007Q2	2.5	2.6	2.5	2.3	6.6	6.0	0.6	2.5	7.6	5.4	4.1	3.9	1.2	2.0	3.7	11.0	8.0	:	1.2	3.7	2.6	3.5	6.8	1.6	5.6	5.9	9.4	4.4	3.4	1.9	6.6	:	3.9	3.9

Notes: Quarterly growth rates are in comparison to the same quarter of the previous year and are based on raw, i.e. not seasonally adjusted data, except for Greece and Portugal.

"f": forecast by the Commission Services.

Source: Eurostat - National Accounts.



	EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR		
<b>Key indicator 3a</b>																																			
<b>Old age dependency ratio (Population aged 65 and over as a percentage of the working age population (15-64) on 1st January (or on 31st December of the previous year)), Observed</b>																																			
1950	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	
1960	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	
1970	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	
1980	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	
1990	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	
1995	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	
1996	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	
1997	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	
1998	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	
1999	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	
2000	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2
2001	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6	23.6
2002	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8
2003	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1
2004	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3

Notes: 1) FR: Data for France refer to metropolitan France. 2) CY: Government controlled area.

Source: Eurostat - Demographic Statistics

	EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
<b>Key indicator 3b</b>																																	
<b>Old age dependency ratio (Population aged 65 and over as a percentage of the working age population (15-64) on 1st January (or on 31st December of the previous year)), Eurostat 2004-based population projections, trend scenario, baseline variant</b>																																	
2005	24.6	24.8	26.1	26.3	24.8	19.8	22.7	27.8	24.3	16.4	26.6	24.4	24.9	29.3	17.3	24.1	22.3	21.3	22.7	19.3	20.8	23.5	18.7	25.2	21.1	21.8	16.3	23.8	26.5	24.3	24.9	15.8	8.9
2010	26.0	26.3	27.9	26.4	25.6	21.9	24.8	31.0	24.7	17.5	28.0	25.4	25.9	31.3	19.1	25.2	23.4	21.6	24.3	20.4	22.2	26.3	18.8	26.5	21.2	23.6	16.9	25.4	28.0	25.1	25.3	15.8	9.2
2020	31.8	32.1	33.3	32.2	33.0	31.8	31.2	35.1	28.7	22.5	32.5	30.0	33.2	36.6	25.5	28.0	26.0	24.7	31.2	30.0	29.0	30.3	27.1	31.5	25.1	30.8	23.5	37.0	34.4	30.3	30.1	11.1	
2030	39.8	40.3	42.1	41.3	40.4	37.1	37.1	46.0	33.4	28.3	39.1	38.9	40.7	45.2	32.9	33.4	33.4	31.5	35.1	36.0	36.7	40.8	35.7	39.0	29.6	40.4	31.7	45.0	38.5	37.4	35.3	15.6	
2040	48.1	48.5	51.8	47.2	48.8	43.8	42.1	54.6	36.6	35.9	49.8	54.3	46.9	59.8	36.1	37.4	39.3	36.7	40.3	35.9	41.6	50.4	39.7	48.9	39.6	47.7	38.1	46.1	41.5	43.8	38.1	21.6	
2050	52.8	52.8	55.6	48.1	60.9	54.8	40.0	55.8	43.1	45.3	58.8	67.5	47.9	66.0	43.2	44.1	44.9	36.1	48.3	40.6	38.6	53.2	51.0	58.1	51.1	55.6	50.6	46.7	40.9	45.3	42.4	28.3	

Notes: 1) FR: Data for France refer to metropolitan France. 2) CY: Government controlled area.

Sources: 1) Eurostat - 2004-based population projections, trend scenario, baseline variant, except

2) HR and TR: United Nations, Population Division - Population Estimates and Projections, Medium variant projection ([http://unstats.un.org/unsd/cdb\\_series\\_xxxx.asp?series\\_code=13640](http://unstats.un.org/unsd/cdb_series_xxxx.asp?series_code=13640)).

	EU-	EU-	EA+13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
	27	25																															
<b>Key indicator 4</b>																																	
<b>Crude rate of net migration including adjustments and corrections (The difference between population change and natural increase (the surplus or deficit of live births over deaths) during the year per 1000 population)</b>																																	
1994	1.2	1.3	1.8	1.7	0.0	1.0	2.0	3.9	-14.2	-0.8	7.4	1.4	-0.1	2.7	11.0	-9.0	-6.6	9.4	1.7	2.4	1.3	0.4	-0.5	2.0	-0.7	0.0	0.9	0.7	5.8	1.4	4.4	1.4	:
1995	1.4	1.5	2.0	0.2	0.0	1.0	5.5	4.9	-10.9	1.6	7.3	1.5	-0.3	1.7	10.3	-5.5	-6.5	10.5	1.7	-0.5	1.0	0.3	-0.5	2.5	-0.9	0.4	0.5	0.8	1.3	2.0	:	-0.7	1.7
1996	1.2	1.4	1.9	1.5	0.1	1.0	3.3	3.4	-9.5	3.6	6.6	1.9	-0.3	2.7	9.1	-4.1	-6.5	8.5	1.7	1.6	1.4	0.5	-0.3	2.5	-0.9	-1.7	0.4	0.8	0.7	1.8	:	2.2	1.7
1997	4.3	4.6	6.6	1.0	0.0	1.2	2.3	1.1	-4.9	5.6	5.7	2.1	-0.2	2.2	8.2	-3.9	-6.3	8.6	1.7	1.6	1.9	0.2	-0.3	3.0	-0.6	-0.7	0.3	0.9	0.7	1.5	:	-1.0	1.8
1998	1.1	1.2	1.4	1.1	0.0	0.9	2.1	0.6	-4.8	5.0	5.1	3.8	-0.1	1.9	6.2	-2.4	-6.2	8.9	1.7	1.1	2.8	1.1	-0.3	3.5	-0.2	-2.7	0.2	0.9	1.2	3.6	:	-1.0	1.6
1999	2.0	2.1	2.6	1.6	0.0	0.9	1.8	2.5	-0.8	5.4	4.1	5.7	0.8	1.7	6.1	-1.7	-5.9	10.4	1.6	23.7	2.8	2.5	-0.4	3.9	-0.1	5.4	0.3	0.7	1.5	2.8	:	-0.8	1.1
2000	1.0	1.6	3.1	1.3	0.0	0.6	1.9	2.0	0.2	6.9	2.7	9.4	0.8	3.1	5.7	-2.3	-5.8	7.9	1.6	3.4	3.6	2.2	-0.5	4.9	-0.2	1.4	0.3	0.5	2.7	2.8	0.5	-1.2	-0.2
2001	2.8	3.0	3.9	3.5	0.9	-0.8	2.2	3.3	0.1	11.8	3.1	10.6p	1.0	2.2	6.6	-2.2	-0.7	7.5	1.0	5.9	3.5	2.2	-0.4	5.7	0.0	2.5	0.2	1.2	3.2	3.1	3.4	-1.3	-0.9
2002	3.8	4.0	5.3	3.9	0.0	1.2	1.8	2.7	0.1	8.3	3.5	15.8	1.1	6.1	9.7	-0.8	-0.5	5.8	0.3	5.1	1.7	4.3	-0.5	6.8	-0.1	1.1	0.2	1.0	3.5	2.1	1.9	-12.2	-0.9
2003	4.1	4.4	5.7	3.4	0.0	2.5	1.3	1.7	0.1	7.8	3.2	14.9	2.7	10.6	17.1	-0.4	-1.8	4.6	1.5	4.2	0.4	4.7	-0.4	6.1	-0.3	1.8	0.3	1.1	3.2	3.0	2.8	-1.4	-0.8
2004	3.8	4.1	5.1	3.4	0.0	1.8	0.9	1.0	0.1	11.7	3.7	14.3	1.7	9.6	21.3	-0.5	-2.8	3.4	1.8	4.8	-0.6	7.6	-0.2	4.5	-0.5	0.9	0.5	1.3	2.8	3.8	2.6	-0.1	0.0
2005	3.6	3.8	4.7	4.9	0.0	3.5	1.2	1.0	0.1	15.9	3.6	14.8	3.3	5.5	19.0	-0.2	-2.6	6.0	1.7	2.4	-1.4	6.8	-0.3	3.6	-0.3	3.2	0.6	1.7	3.0	3.2	1.9	-0.4	0.0
2006	:	:	:	:	0.0	3.4	1.9	0.3	0.1	:	3.6	13.9	1.5	6.4	11.0	-1.1	-1.4	:	1.9	2.5	-1.6	3.5	-0.9	2.5	-0.3	3.1	0.7	2.0	5.6	2.6	:	-0.3	0.0

Notes: 1) Conceptually net migration is the surplus or deficit of immigration into over emigration from a given area during the year and the crude rate of net migration is net migration per 1000 population.

Since many countries either do not have accurate figures on immigration and emigration or have no figures at all, net migration is calculated indirectly as the difference between total population change and natural increase (the surplus or deficit of live births over deaths) between two dates. It then includes adjustments and corrections, i.e. all changes in the population size that cannot be classified as births, deaths, immigration or emigration. It is then used for the calculation of the crude rate of net migration, which also consequently includes adjustments and corrections.

2) CY: Government-controlled area only. 1998 break in series - before 1988 France metropolitan, from 1988 - whole France.

Source: Eurostat - Population Statistics



EU-27	EU-13	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
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### Key indicator 6

Life-long learning (adult participation in education and training) (Percentage of the population aged 25-64 participating in education and training over the four weeks prior to the survey)

Year	EU-27	EU-13	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR								
1995	7.5 e	7.5 e	7.5 e	2.8					4.3	0.9	4.3	2.9	3.8		2.9		2.9			13.1	7.7		3.3																		
1996	6.8	6.8	6.8	2.9					4.4	0.9	4.4	2.7	4.1		2.9		2.9			12.5	7.9		3.4						16.3	26.5											
1997	6.5	6.5	6.5	3.0					5.2	0.9	5.2	4.4	4.6		2.8		2.8			12.6	7.8		3.5						15.8	25.0											
1998	6.4	6.4	6.4	2.9					5.0	1.3	5.0	2.6	4.5		2.9		2.9			13.6	9.1		3.4						17.6	25.8	19.2										
1999	6.3	6.3	6.3	2.8					4.1 b	1.0	4.1 b	2.8	4.8 b		2.8		2.8			15.5	8.3		3.4						17.5 b	21.6	20.5 b										
2000	7.1 e	7.5 e	7.5 e	6.4	1.2				5.4	1.2	5.4	4.7	4.5	3.4	3.5	5.3	3.3	2.7	4.6	15.9	8.2	4.3	3.3	1.0	7.3			17.2	17.5 b	20.9											
2001	7.2	7.6	5.9 e	6.0	1.2	5.6	18.0	5.8	5.4	1.1	4.4	2.7	4.4	3.7	7.3	3.0 b	4.2	2.9	1.0	17.3	8.4	2.9	3.2	1.1	13.3 b			22.4 b	31.8 b	26.8 b	1.8										
2002	8.5 b	9.0 b	6.5 b	7.0	1.3	5.1 b	24.2 b	6.0	6.7	2.6 b	4.7	7.0 b	4.5	7.9 b	8.8	3.8	6.5 b	4.5 b	4.0	16.4 b	8.6 b	4.4	3.2	1.1	13.3 b			3.7 b	32.1 b	29.4	1.9										
2003	9.3	9.3	7.4	8.6 b	1.3	5.8	25.6	7.1	6.1	1.8	4.7	7.0	6.3 b	9.3	8.4	5.9 b	9.8	4.0	4.3 b	16.4	11.6	5.0 b	4.3 b	1.4 p	16.2	4.3		22.8	32.1	28.4	1.9										
2004	9.7	10.2	8.2	8.3	1.3	5.6	27.4	7.7	5.9	1.9	10.5 b	7.0	5.8	5.9 b	7.9	6.0	8.5	3.9	5.3	15.9	12.9	4.9	4.1	1.6	15.3	4.6		22.5	32.1	27.5	2.1										
2005	9.6	10.1	8.2	7.5 p	1.3	5.6	28.2	7.5	6.5	1.9	10.4	7.1	6.1	7.1	6.9 p	8.2	3.8	3.8	5.5	15.6	13.1	4.7	3.8 p	1.3	15.0	4.3		26.6 p													
2006	10.4	11.0	8.6	7.6 p	1.3	5.9	33.8	7.3	8.6	1.8	11.4 b	7.8	6.5	7.8	9.3 p	8.7	4.4	4.4	5.6	15.9	14.0	5.1	4.2	1.3	16.3	4.6		31.2 p													
1995				3.3					4.4	1.0	3.8	2.8	4.0		3.5		3.5			13.9	9.2		3.0																		
1996				3.4					4.8	1.1	3.9	2.5	4.2		3.9		3.9			13.2	9.7		3.2						15.2	24.7											
1997				3.4					5.2	1.1	4.0	2.8	4.6		3.6		2.7			13.8	9.0		3.7	1.1					14.3	22.8											
1998				5.0					4.6	1.0	3.8	2.5	5.0		5.4 b		3.0			13.9	9.1		3.0 b	1.1					15.3												
1999				7.8 b					4.4	1.2	4.5	2.4	5.9	3.1	2.4	6.2	2.6	2.6		14.5	9.8		3.2	1.0					16.2	23.2	16.3										
2000	6.7 e	7.1 e	5.3 e	6.7	1.3				4.5 b	1.0	3.7 b	2.6	4.8 b	3.1	1.9	5.7	2.4	2.4	2.2	16.5	10.3		3.2	0.9					15.5 b	19.2	17.5 b										
2001	6.6 e	6.9 e	5.2 e	6.9	1.3				3.8	1.2	4.0	2.5	4.4	3.4	2.3	5.9	2.2	2.2	5.8	16.5	8.7	3.7	2.9	1.1	6.7			14.7	15.4 b	17.5											
2002	6.6	6.9	5.2	5.9	1.2	5.8	15.6	6.1	3.6	4.7	4.0	2.4	4.2	3.6	5.1	1.9 b	8.9	2.6	4.9	16.0	7.6	3.6	2.6	1.0	7.9	8.2		14.5	15.7	17.8	2.0										
2003	7.9 b	8.3 b	6.4 b	7.0	1.1	4.8 b	21.0 b	6.4	5.0	1.8	4.2	7.0 b	4.2	7.1 b	5.4	2.8	6.8 b	4.0 b	4.7	16.1 b	8.6 b	3.9	3.0	1.1	12.0 b	3.5 b		18.6 b	28.4 b	22.7 b	1.8 u										
2004	8.6	8.1	7.2	8.7 b	1.2	5.5	22.1	7.8	4.1	1.8	4.2	6.0	5.9 b	6.0	5.7	4.2 b	8.5	3.4	4.8 b	16.1	10.9	4.3 b	4.1 b	1.3 p	14.8	3.8		18.2	27.9	25.0	1.8 u										
2005	8.3	8.1	8.1	8.2	1.3	5.2	24.6	7.8	6.2	1.9	9.0	6.7	5.7	6.4 b	5.9	4.2	8.5	3.2	5.1	16.4 b	10.3	4.3	4.3	1.5	13.8	4.3		19.8	28.0	26.0	1.8 u										
2006	8.8	9.2	7.9	7.4 p	1.3	5.4	24.6	7.8	4.2 u	2.0	9.3	7.2	5.7	6.5	4.1 p	2.9 u	7.6	3.1	5.5	15.3	12.2	4.3	3.7 p	1.3	13.8	4.0		22.0 p													

Notes: 1) Reference period: From 27 October 2006, this indicator is based on quarterly data instead of one unique reference quarter in spring. This improves both the accuracy and reliability of the results thanks to a better coverage of all weeks of the year and an increased sample size. Annual averages are used from 2005 onwards for all countries. Spring data are used between 2000 and 2002 for DE, FR, LU, CY, MT and SE, and for 2003-2004 for DE and CY. The average of the two semi-annual surveys is used for LV and LT for 2000-2001 and from 2002 for HR. Before 2000, all results are based on the spring survey.  
 2) Estimations are performed by Eurostat in case of outliers or missing information in the quarterly series.  
 3) Changes in survey characteristics: Due to the implementation of harmonised concepts and definitions in the survey, information on education and training lack comparability with former years: a) from 2003 in CZ, DK, EL, IE, CY, HU, NL, AT, SI, FI, SE, NO, CH, from 2004 in BE, LT, IT, IS, MT, PL, PT, UK, and from 2005 in ES due to wider coverage of taught activities; b) from 2003 in SK, due to restrictions for self-learning; c) in 2003 and 2004 in DE due to the exclusion of personal interest courses; d) in 2001 and 2002 in SI due to the exclusion of certain vocational training; e) 1999 in NL 2000 in PT, 2003 in CH due to changes in the reference period (formerly one week, preceding the survey; addit due to changes in the survey characteristics, data lack comparability with former years in IT (from 1993), DK and DE (from 1998), PT (from 1998), BE and UK (from 1999), PL (from 1999), LV and LT (from 2001), and LU (from 2002), DK and HU (from 2003), AT (from 2004), DE (from 2005).  
 4) FR data do not cover the overseas departments (DOM). TR (youth education attainment level): national data.  
 5) In case of missing country data, the EU aggregates are provided using the closest available year result.

Source: Eurostat - European Union Labour Force Survey.







	EU27	EU15	BE	BG	CZ	DK	DE	EE	IE	GR	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SK	SI	FI	SE	UK	HR	MK	TR
<b>Key indicator 9</b>	<b>Public expenditure on LMP measures (categories 2-7) as a percentage of GDP</b>																															
1998	:	:	1.074	:	:	1.643	0.955	:	0.928	:	0.488	0.985	0.483	:	:	:	:	:	:	0.923	0.325	:	0.384	:	:	:	:	2.222	:	:	:	:
1999	:	0.801	0.996	:	:	1.831	1.070	:	0.957	0.269	0.632	1.046	0.538	:	:	:	:	:	:	0.922	0.408	:	0.317	:	:	:	0.910	1.978	0.198	:	:	:
2000	:	0.758	0.972	:	:	1.666	0.988	:	0.787	0.258	0.659	1.013	0.546	:	:	:	:	:	:	1.083	0.385	:	0.354	:	:	:	0.746	1.532	0.199	:	:	:
2001	:	0.736	0.966	:	:	1.629	0.957	:	0.722	0.274	0.605	0.956	0.608	:	:	:	:	:	:	1.119	0.427	:	0.466	:	:	:	0.675	1.440	0.161	:	:	:
2002	:	0.738	0.869	:	:	1.650	1.037	:	0.636	0.186	0.562	0.901	0.643	:	:	:	:	:	:	1.137	0.407	:	0.427	:	:	:	0.692	1.368	0.160	:	:	:
2003	:	0.705	0.990	:	:	1.116	1.517	0.048	0.589	0.098	0.561	0.819	0.665	:	0.085	0.152	:	:	:	1.153	0.450	:	0.510	0.109	:	:	0.735	1.033	0.157	:	:	:
2004	:	0.628	0.916	0.472	0.132	1.524	0.857	0.041	0.495	0.155	0.550	0.722	0.532	:	0.076	0.154	0.204	:	:	0.907	0.433	:	0.545	0.103	0.071	:	0.767	1.005	0.154	:	:	:
2005	0.525	0.544	0.852	0.432	0.122	1.433	0.616	0.047	0.481	0.061	0.583	0.664	0.461	:	0.148	0.147	0.197	:	:	0.852	0.458	0.359	0.517	0.108	0.196	0.170	0.711	1.097	0.116	:	:	:

Notes: Category 1: Labour Market Services.

Categories 2-7: Training - Job rotation and job sharing - Employment incentives - Supported employment and rehabilitation - Direct job creation - Start-up incentives.

Categories 8-9: Out of work income maintenance and support - Early retirement. 2005: estimates for EU-27, EU-15, BE, DK, DE, IE, EL, FR, NL, AT, PT, FI, UK

Source: Eurostat - Labour Market Policy Database (LMP)

	EU-27	EU-13	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	
<b>Key indicator 10</b>	<b>Expenditure on social protection as a percentage of GDP</b>																																	
1995	:	:	27.3	27.4	:	17.4	31.9	28.2	:	18.8	22.3	21.6	30.3	24.2	:	:	:	20.7	:	:	30.6	28.7	:	21.0	:	:	:	18.4	31.5	34.3	28.2	:	:	:
1996	:	27.6	28.0	27.4	:	17.6	31.2	29.3	:	17.6	22.9	21.5	30.6	24.3	:	13.4	21.2	:	20.7	:	16.5	29.6	28.6	:	20.2	:	24.0	19.3	31.4	33.6	28.0	:	:	:
1997	:	27.3	27.4	27.4	:	18.6	30.1	28.9	:	16.4	23.3	20.8	30.4	24.9	:	15.3	13.8	21.5	:	17.2	28.7	28.6	:	20.3	:	24.5	19.6	29.1	32.7	27.5	:	:	:	:
1998	:	27.0	27.1	27.1	:	18.5	30.0	28.8	:	15.2	24.2	20.2	30.0	24.6	:	16.1	15.2	21.2	:	17.1	27.8	28.3	:	20.9	:	24.8	20.0	27.0	32.0	26.9	:	:	:	:
1999	:	27.0	27.0	27.0	:	19.2	29.8	29.2	:	14.6	25.5	19.8	29.9	24.8	:	17.2	16.4	20.5	20.7	17.0	27.1	28.7	:	21.4	:	24.7	20.0	26.2	31.7	26.4	:	:	:	:
2000	:	26.6	26.7	26.5	:	19.5	28.9	29.2	14.0	14.1	25.7	19.7	29.5	24.7	14.8	15.3	15.8	19.6	19.3	16.3	26.4	28.2	19.5	21.7	13.2	24.9	19.3	25.1	30.7	27.1	:	:	:	:
2001	:	26.8	26.8	27.3	:	19.4	29.2	29.3	13.1	15.0	26.7	19.5	29.6	24.9	14.9	14.3	14.7	20.8	19.3	17.1	26.5	28.6	20.8	22.7	13.2	25.3	18.9	24.9	31.3	27.5	:	:	:	:
2002	:	27.0	27.4	28.0	:	20.2	29.7	29.9	12.7	16.0	26.2	19.8	30.4	25.3	16.3	13.9	14.1	21.4	20.3	17.1	27.6	29.1	21.2	23.7	13.4	25.3	19.0	25.6	32.3	26.4	:	:	:	:
2003	:	27.4	27.8	29.1	:	20.2	30.7	30.2	12.9	16.5	26.0	19.9	30.9	25.8	18.5	13.4	13.6	22.2	21.1	17.9	28.3	29.5	20.9	24.2	12.6	24.6	18.2	26.5	33.3	26.4	:	:	:	:
2004	:	27.3	27.7	29.3	:	19.6	30.7	29.5	13.4	17.0	26.0	20.0	31.2	26.1	17.8	12.6	13.3	22.6	20.7	18.8	28.5	29.1	20.0	24.9	14.9	24.3	17.2	26.7	32.9	26.3	:	:	:	:

Note: EA-13 is calculated without the Slovenian data.

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

	EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR						
<b>Old age and survivors benefits as a percentage of total social benefits</b>																																							
1995	45.5	43.1	42.7	26.5	52.1	43.9	43.5	63.4	47.2	43.6	43.7	45.1	51.4	38.0	46.9	41.1	32.8	37.4	43.1	38.1	32.8	37.4	43.1	38.1	32.8	37.4	43.1	38.1	32.8	37.4	43.1	38.1	32.8	37.4	43.1	38.1	32.8	37.4	43.1
1996	45.7	42.5	41.7	25.7	53.2	44.7	43.6	63.2	47.2	43.6	43.7	45.1	51.7	39.5	47.3	44.4	33.8	39.2	44.0	36.4	33.8	39.2	44.0	36.4	33.8	39.2	44.0	36.4	33.8	39.2	44.0	36.4	33.8	39.2	44.0	36.4	33.8	39.2	44.0
1997	46.4	43.4	42.1	25.4	52.7	45.6	43.8	63.9	47.6	43.7	43.7	45.1	50.5	40.6	47.9	44.3	33.8	39.6	45.8	36.4	33.8	39.6	45.8	36.4	33.8	39.6	45.8	36.4	33.8	39.6	45.8	36.4	33.8	39.6	45.8	36.4	33.8	39.6	45.8
1998	46.6	44.0	42.4	25.8	53.9	45.5	43.9	64.0	46.6	43.2	43.2	45.1	51.0	41.0	48.0	44.1	33.8	39.9	45.2	36.3	34.4	39.9	45.2	36.3	34.4	39.9	45.2	36.3	34.4	39.9	45.2	36.3	34.4	39.9	45.2	36.3	34.4	39.9	45.2
1999	46.6	44.0	42.2	25.1	52.0	45.4	44.2	64.2	46.4	43.2	43.2	45.1	52.1	41.8	47.6	44.9	33.8	39.5	46.4	36.5	35.2	39.5	46.4	36.5	35.2	39.5	46.4	36.5	35.2	39.5	46.4	36.5	35.2	39.5	46.4	36.5	35.2	39.5	46.4
2000	46.7	44.1	42.4	25.1	49.7	46.2	44.4	63.2	48.8	48.8	48.8	48.8	48.8	41.4	48.4	45.8	33.8	39.4	48.8	36.6	39.4	48.8	36.6	39.4	48.8	36.6	39.4	48.8	36.6	39.4	48.8	36.6	39.4	48.8	36.6	39.4	48.8	36.6	39.4
2001	46.4	46.7	44.1	24.4	51.4	45.1	44.4	62.3	46.9	55.1	47.6	42.4	54.0	41.9	48.6	45.8	33.8	39.8	46.3	36.6	39.8	46.3	36.6	39.8	46.3	36.6	39.8	46.3	36.6	39.8	46.3	36.6	39.8	46.3	36.6	39.8	46.3	36.6	39.8
2002	45.9	46.4	44.9	23.5	50.5	44.7	43.8	62.1	49.5	55.0	47.5	43.2	53.1	41.6	48.4	45.4	33.8	39.4	45.3	36.9	39.4	45.3	36.9	39.4	45.3	36.9	39.4	45.3	36.9	39.4	45.3	36.9	39.4	45.3	36.9	39.4	45.3	36.9	
2003	45.8	46.3	44.3	23.1	50.8	44.0	43.5	62.1	47.0	51.9	47.6	43.2	52.4	40.7	48.0	46.2	33.8	39.2	44.7	37.0	37.0	44.7	37.0	44.7	37.0	37.0	44.7	37.0	44.7	37.0	44.7	37.0	44.7	37.0	44.7	37.0	44.7	37.0	
2004	45.9	46.5	44.1	23.3	50.9	43.7	43.6	61.3	48.3	50.0	47.3	36.5	51.2	41.6	48.2	47.2	36.9	40.1	44.6	36.9	40.1	44.6	36.9	40.1	44.6	36.9	40.1	44.6	36.9	40.1	44.6	36.9	40.1	44.6	36.9	40.1	44.6	36.9	

Note: EA-13 is calculated without the Slovenian data.

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

	EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR				
<b>Sickness and health care benefits as a percentage of total social benefits</b>																																					
1995	28.3	23.6	31.0	36.2	26.0	28.6	28.3	23.2	30.3	26.1	24.9	24.4	28.5	25.6	36.2	33.0	20.9	22.0	24.0	33.0	20.9	22.0	24.0	33.0	20.9	22.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
1996	27.6	24.6	29.6	35.2	25.1	28.9	28.2	23.2	30.3	26.1	24.9	24.4	28.5	25.1	31.5	30.8	21.4	22.1	24.0	33.0	21.4	22.1	24.0	33.0	21.4	22.1	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
1997	27.0	23.8	28.4	36.6	25.2	28.7	27.9	23.3	31.4	25.5	24.3	25.1	27.4	25.6	31.8	30.7	21.9	22.9	24.0	33.0	21.9	22.9	24.0	33.0	21.9	22.9	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
1998	27.2	24.0	28.1	37.8	24.2	28.8	28.2	23.6	31.4	25.5	24.3	25.2	27.4	25.9	32.0	30.9	22.7	24.4	25.3	33.0	22.7	24.4	25.3	33.0	22.7	24.4	25.3	25.3	25.3	25.3	25.3	25.3	25.3	25.3	25.3	25.3	25.3
1999	27.4	24.4	28.2	40.0	24.5	29.6	28.1	23.6	30.4	25.8	27.4	24.0	29.2	26.3	32.4	30.7	22.9	25.3	25.5	33.0	22.9	25.3	25.5	33.0	22.9	25.3	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5
2000	27.1	27.8	24.2	32.1	41.0	26.5	29.4	28.8	25.1	27.2	16.7	29.8	25.4	25.4	32.0	30.7	23.8	27.0	27.6	33.0	23.8	27.0	27.6	33.0	23.8	27.0	27.6	27.6	27.6	27.6	27.6	27.6	27.6	27.6	27.6	27.6	27.6
2001	27.8	24.2	28.5	31.9	42.2	25.8	30.0	29.1	26.1	26.6	19.4	25.3	27.6	25.4	31.3	31.4	24.5	26.8	27.6	33.0	24.5	26.8	27.6	33.0	24.5	26.8	27.6	27.6	27.6	27.6	27.6	27.6	27.6	27.6	27.6	27.6	27.6
2002	27.9	28.1	23.9	31.1	41.6	26.2	29.9	29.4	25.2	19.9	30.0	25.3	27.9	25.4	30.9	31.3	24.8	28.5	28.5	33.0	24.8	28.5	28.5	33.0	24.8	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5
2003	28.1	28.2	27.0	31.8	41.8	26.5	30.1	29.7	25.0	25.8	24.7	29.7	25.9	25.4	31.1	31.3	24.9	28.8	29.9	33.0	24.9	28.8	29.9	31.1	28.8	32.4	32.9	25.1	26.0	29.9	29.9	29.9	29.9	29.9	29.9	29.9	
2004	28.3	28.2	27.2	31.5	42.1	26.5	30.8	30.0	25.9	24.1	24.5	29.5	27.0	25.0	30.4	30.4	25.0	28.8	30.4	33.0	25.0	28.8	30.4	30.4	35.9	32.7	30.1	25.5	25.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4

Note: EA-13 is calculated without the Slovenian data.

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

	EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
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## Key indicator 12

**Inequality of income distribution (S80/S20 income quintile share ratio)** (The ratio of total income received by the 20% of the population with the highest income (top quintile) to that received by the 20% of the population with the lowest income (lowest quintile). Income must be understood as equivalised disposable income.

1995	:	:	:	4.5	:	:	2.9 i	4.6	:	5.1	6.5	5.9	4.5	5.9	:	:	4.3	:	:	:	4.2	4.0	:	7.4	:	:	:	:	:	:	:	:	:	:	:		
1996	:	:	:	4.2	:	:	:	4.0	:	5.1	6.3	6.0	4.3	5.6	:	:	4.0	:	:	:	4.4	3.8	:	6.7	:	:	:	:	:	:	:	:	:	:	:	:	
1997	:	:	:	4.0	:	:	2.9 i	3.7	:	5.0	6.6	6.5	4.4	5.3	:	:	3.6	:	:	:	3.6	3.6	:	6.7	:	:	:	3.0	3.0	3.0 i	4.7	:	:	:	:	:	
1998	:	4.6 s	:	4.0	:	:	:	3.6	:	5.2	6.5	5.9	4.2	5.1	:	:	3.7	:	:	:	3.6	3.5	:	6.8	:	:	:	3.1	:	5.2	:	:	:	:	:	:	:
1999	:	4.6 s	:	4.2	:	:	3.0 i	3.6	:	4.9	6.2	5.7	4.4	4.9	:	:	3.9	:	:	:	3.7	3.7	:	6.4	:	:	:	3.4	3.1 i	5.2	:	:	:	:	:	:	:
2000	:	4.5 s	:	4.3	3.7 i	:	:	3.5	6.3 i	4.7	5.8	5.4	4.2	4.8	:	5.5 i	5.0	3.7	3.3 i	4.6 i	4.1 ip	3.4	4.7 i	6.4	4.5 i	3.2 i	:	3.3	:	5.2 bi	:	:	:	:	:	:	
2001	:	4.5 s	:	4.0	3.8 i	3.4 i	3.0 i	3.6	6.1 i	4.5	5.7	5.5	3.9 bi	4.8	:	4.9 i	3.8	3.1 i	3.1 i	4.0 ip	4.0 ip	3.5	4.7 i	6.5	4.6 i	3.1 i	3.7 bi	3.4 i	5.4 i	:	:	:	:	:	:	10.8 i	
2002	:	4.5 s	:	4.3	3.6 i	:	3.6 b	:	5.9 i	5.0 b	6.4 b	5.1 i	3.8 i	3.9 i	:	4.1 i	4.1	4.1	3.0 i	4.0 ip	4.1 b	4.1 b	7.3 ip	4.7 i	3.1 i	3.1 i	3.7 i	3.3 bi	5.5 i	:	:	:	:	:	:	9.9 i	
2003	:	4.8 s	:	4.0	4.0 i	:	3.4	:	7.2 b	5.0	5.9	5.1 b	4.2 b	5.7 b	:	3.9	3.8	3.8	3.3 i	4.0 ip	4.1 b	4.1 b	7.4 ip	4.6 i	3.1 i	3.1 i	3.6 i	3.5 b	5.3 i	:	:	:	:	:	:	4.6 i	
2004	:	4.9 s	4.6 s	4.0	3.7 i	3.7 b	3.5	3.8 b	5.9	5.0	5.8	5.4	4.0	5.6	4.3 b	6.7 b	6.9 b	3.8	4.0 b	4.1 b	4.0 b	3.8	6.6 b	6.9 b	4.9 i	3.4 b	3.6	3.3	5.8 b	4.8 i	:	:	:	:	:	10.0 i	

1) EU-15 countries

a) 1995-2001: European Community Household Panel; Users' Data Base version December 2003, except National Surveys for DK, SE (all), FR, FI, UK (2001), NL (2000,2001).

b) From 2002 National Surveys except from 2003 BE, DK, EL, IE, LU and AT: EU-SILC; from 2004 ES, FR, IT, PT, FI and SE: EU-SILC and from 2005 DE, NL and UK: EU-SILC.

2) New Member States

a) National surveys until 2004, EE until 2003, BG, RO until 2005.

b) EU-SILC from 2005; EE from 2004

3) Candidate countries; national surveys

EU Aggregates: Eurostat estimates are obtained as a population size weighted averages of national data.

	EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	
<b>Key indicator 13a</b>	<b>At-risk-of-poverty rate before social transfers</b> (The percentage of persons with an equivalised disposable income, before social transfers, below the at-risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income (after social transfers), Retirement and survivor's pensions are counted as income before transfers and not as social transfers.)																																		
	<b>Total</b>																																		
1995	:	:	:	27	:	:	:	22	:	34	23	27	26	23	:	:	24	:	25	:	:	24	24	27	:	:	:	:	:	32	:	:	:	:	
1996	:	:	:	27	:	:	:	22	:	34	22	26	26	23	:	:	24	:	24	:	:	24	25	27	:	:	:	:	:	29	:	:	:	:	
1997	:	:	:	26	:	:	:	22	:	32	23	27	26	22	:	:	23	:	22	:	:	23	24	27	:	:	:	:	:	30	:	:	:	:	
1998	:	24 s	:	25	:	:	:	22	:	32	22	25	25	21	:	:	21	:	23	:	:	21	24	27	:	:	:	:	:	30	:	:	:	:	
1999	:	24 s	:	24	:	:	:	21	:	30	22	23	24	21	:	:	21	:	24	:	:	21	23	27	:	:	:	:	:	29	:	:	:	:	
2000	:	23 s	:	23	18 i	:	:	20	26 i	31	22	22	24	21	:	22 i	23 i	17 i	19 i	19 i	22 ip	22	30 i	27	21 i	18 i	:	19	:	29 bi	:	:	:	:	
2001	:	24 s	:	23	19 i	18 i	:	21	25 i	30	23	26 bi	22	22	:	24 i	23 i	17 i	21 i	22 ip	22	31 i	24	22 i	17 i	16 i	:	19 bi	17 i	28 i	:	:	:	:	
2002	:	25 s	:	23	17 i	:	:	25	25 i	31	22 bi	26 i	21	21	:	22 ip	21 i	15 i	15 i	22 ip	21	22 ip	26 ip	23 i	16 i	16 i	:	28 i	29 bi	28 i	:	:	:	:	
2003	:	25 s	:	29 b	16 i	:	32 b	:	25 i	31 b	24 b	22 i	24 i	21	:	23 ip	17 i	17 i	23 ip	17 i	23 ip	25 b	26 b	22 i	16 i	16 i	:	28 i	29 i	31 i	:	:	:	:	
2004	:	26 s	:	27 p	18 i	:	30	:	26 b	33	23	23	25 b	24 b	:	22	22	23	23	23	22 b	24	27 b	23 i	23 i	23 i	:	29 b	30 b	31 i	:	:	:	:	
2005	26 s	26 s	24 s	28	17 i	21 b	30	23 b	24	32	23	24	24	26	23	22 b	26 b	26 b	29 b	21 b	22 b	24	30 b	26	24 i	26 b	22 b	28	29	31 b	:	:	:	28 i	
	<b>Females</b>																																		
1995	:	:	:	28	:	:	:	23	:	35	24	27	27	24	:	:	24	:	26	:	:	24	27	:	:	:	:	:	:	35	:	:	:	:	
1996	:	:	:	28	:	:	:	23	:	35	23	26	27	24	:	:	24	:	25	:	:	24	27	:	:	28	:	:	:	32	:	:	:	:	
1997	:	:	:	27	:	:	:	22	:	34	23	27	26	23	:	:	24	:	22	:	:	24	26	29	:	:	:	:	33	:	:	:	:	:	
1998	:	25 s	:	27	:	:	:	22	:	34	23	25	25	22	:	:	22	:	23	:	:	22	27	28	:	:	:	:	33	:	:	:	:	:	
1999	:	24 s	:	26	:	:	:	21	:	32	23	23	25	21	:	:	22	:	24	:	:	22	26	28	:	:	:	:	32	:	:	:	:	:	
2000	:	24 s	:	25	19 i	:	:	22	26 i	33	23	23	25	21	:	21 i	24 i	24 i	22	17 i	20 i	23 ip	25	30 i	28	22 i	18 i	:	32 bi	:	:	:	:	:	
2001	:	26 s	:	25	20 i	19 i	:	21	26 i	32	24	25	27 bi	23	:	23 ip	23 ip	24 i	23	17 i	23 ip	25	30 i	24	23 i	18 i	:	30 bi	:	:	:	:	:	:	
2002	:	26 s	:	25	18 i	:	:	26	26 i	33	24	24 bi	27 i	21	:	21 i	24 i	24 i	24	15 i	23 ip	26	30 i	24	23 i	18 i	:	31 i	:	:	:	:	:	:	
2003	:	26 s	:	30 b	16 i	:	33 b	:	26 i	33 b	25 b	23 i	25 i	21	:	24 b	17 i	17 i	24 b	17 i	24 ip	26 b	26 b	26 b	26 b	18 i	:	32 i	:	:	:	:	:	:	
2004	:	26 s	:	28 p	20 i	:	31	:	27 b	35	24	26 b	27 b	25 b	:	23	23	23	23	29 b	22 b	25	29 b	28 b	24 i	24 i	:	33 i	:	:	:	:	:	:	
2005	26 s	27 s	25 s	29	19 i	22 b	31	24 b	25	34	24	24	25	27	25	23 b	27 b	27 b	23	29 b	22 b	25	29 b	26	24 i	27 b	22 b	29	30	32 b	:	:	:	29 i	
	<b>Males</b>																																		
1995	:	:	:	26	:	:	:	21	:	32	22	27	26	22	:	:	24	:	24	:	:	24	22	:	:	:	:	:	:	29	:	:	:	:	:
1996	:	:	:	25	:	:	:	21	:	32	22	26	25	22	:	:	23	:	23	:	:	23	22	:	:	:	:	:	27	:	:	:	:	:	:
1997	:	:	:	25	:	:	:	21	:	31	22	27	25	22	:	:	22	:	22	:	:	22	22	:	:	:	:	:	27	:	:	:	:	:	:
1998	:	23 s	:	24	:	:	:	21	:	30	21	25	24	20	:	:	21	:	23	:	:	21	22	:	:	:	:	:	26	:	:	:	:	:	:
1999	:	23 s	:	23	:	:	:	20	:	28	22	23	24	20	:	:	21	:	24	:	:	21	21	27	:	:	:	:	27	:	:	:	:	:	:
2000	:	22 s	:	22	16 i	:	:	19	25 i	29	22	21	24	20	:	23 i	23 i	18 i	18 i	21 ip	18 i	20	31 i	26	21 i	17 i	:	18	:	26 bi	:	:	:	:	
2001	:	24 s	:	21	18 i	18 i	:	21	25 i	29	21	22	26 bi	21	:	24 i	24 i	17 i	24	17 i	21 ip	19	31 i	25	22 i	16 i	:	28 bi	:	:	:	:	:	:	
2002	:	23 s	:	21	15 i	:	:	25	25 i	30 b	23 b	21 i	24 i	18 i	:	23 b	17 i	15 i	15 i	21 ip	15 i	23 b	23 b	23 b	23 b	15 i	:	27 i	26 bi	:	:	:	:	:	
2003	:	23 s	:	28 b	14 i	:	30 b	:	25 b	31	21	24 b	25 b	22 b	:	22	22	23	23	17 i	22 ip	23 b	25 b	25 b	25 b	23 i	:	28 b	28 b	29 i	:	:	:	:	
2004	:	24 s	:	27 p	15 i	:	29	:	25 b	31	21	24 b	25 b	22 b	:	22	22	23	23	23	20 b	21 b	23	25 b	25 b	23 i	:	28 b	28 b	29 i	:	:	:	:	
2005	25 s	25 s	23 s	27	15 i	20 b	28	22 b	23	30	21	23	25	22	20 b	24 b	25 b	25 b	23	30 b	20 b	21 b	23	31 b	25	23 i	25 b	27	29 b	29 i	:	:	:	26 i	

Sources: Eurostat - Various.

1) EU-15 countries

a) 1995-2001: European Community Household Panel Users' Data Base version December 2003, except National Surveys for DK, SE (all), FR, FI, UK (2001), NL (2000-2001).

b) From 2002: National Surveys except from 2003 BE, DK, EL, IE, LU and AT; EU-SILC: from 2004 ES, FR, IT, PT, FI and SE; EU-SILC and from 2005 DE, NL and UK; EU-SILC.

2) New Member States

a) National surveys until 2004, EE until 2003, BG, RO until 2005.

b) EU-SILC from 2005; EE from 2004

3) Candidate countries: national surveys

EU Aggregates: Eurostat estimates are obtained as a population size weighted average of national data.

	EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR				
<b>Key indicator 13b</b>																																					
<b>At-risk-of-poverty rate after social transfers</b> (The percentage of persons with an equivalised disposable income below the at-risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income.)																																					
1995	:	:	:	16	:	:	10 i	15	:	19	22	19	15	20	:	:	:	12	:	:	11	13	:	23	:	:	:	:	:	:	:	:	:	:			
1996	:	:	:	15	:	:	14	:	19	21	18	15	20	:	:	:	:	11	:	:	12	14	:	21	:	:	:	:	:	:	:	:	:	:	:		
1997	:	:	:	14	:	:	10 i	12	:	19	21	20	15	19	:	:	:	11	:	:	10	13	:	22	:	:	:	:	:	:	:	:	:	:	:		
1998	:	15 s	:	14	:	:	10 i	11	:	19	21	18	15	18	:	:	:	12	:	:	10	13	:	21	:	:	:	:	:	:	:	:	:	:	:	:	
1999	:	16 s	:	13	:	:	10 i	11	:	19	21	19	15	18	:	:	:	13	:	:	11	12	:	21	:	:	:	:	:	:	:	:	:	:	:	:	
2000	:	16 s	:	13	14 i	:	10 i	10	18 i	20	20	18	16	18	:	16 i	17 i	12	11 i	15 i	11 ip	12	16 i	21	17 i	11 i	:	11	:	11	19 bi	:	:	:	:		
2001	:	16 s	:	13	16 i	8 i	10 i	11	18 i	21	20	19	13 bi	19	:	17 i	12	11 i	11 ip	11 i	11 ip	12	16 i	20	17 i	11 i	:	11	9 i	18 i	:	:	:	:	:		
2002	:	15 s	:	14	14 i	:	11	11	18 i	20 b	21 b	19 i	12 i	11	:	11	11	12	10 i	10 i	11 ip	13 b	20 ip	18 i	19 ip	18 i	10 i	:	11	11 bi	18 i	:	:	25 i	:		
2003	:	16 s	:	15 b	14 i	:	12 b	:	18 i	20 b	21 b	19 i	12 i	11	:	11 b	12 i	11	10 i	11 i	12 ip	13 b	19 ip	17 i	19 ip	17 i	10 i	:	11 i	11 bi	18 i	:	:	26 i	:		
2004	:	16 s	:	15	15 i	:	11	:	20 b	21	20 b	20 b	13 b	19 b	:	15 i	:	12	12 i	11	12 ip	13 b	20 b	18 i	18 i	11	:	11 b	11 b	18 i	:	:	25 i	:			
2005	16 s	16 s	15 s	15	15 i	10 b	12	13 b	18	20	20	20	13	19	16 b	19 b	21 b	13	13 b	15 b	11 b	12	21 b	19	18 i	12 b	13 b	12	9	18 b	18 i	:	:	26 i	:		
<b>Females</b>																																					
1995	:	:	:	17	:	:	:	16	:	20	22	19	16	21	:	:	:	13	:	:	12	15	:	24	:	:	:	:	:	:	:	:	:	:	:	:	
1996	:	:	:	17	:	:	:	16	:	21	21	18	16	21	:	:	:	11	:	:	12	16	:	22	:	:	:	:	:	:	:	:	:	:	:	:	:
1997	:	:	:	15	:	:	:	13	:	20	22	21	16	20	:	:	:	12	:	:	11	14	:	23	:	:	:	:	:	:	:	:	:	:	:	:	:
1998	:	16 s	:	15	:	:	:	12	:	20	22	18	15	19	:	:	:	13	:	:	10	15	:	22	:	:	:	:	:	:	:	:	:	:	:	:	:
1999	:	17 s	:	14	:	:	:	12	:	20	21	19	16	18	:	:	:	13	:	:	11	14	:	22	:	:	:	:	:	:	:	:	:	:	:	:	:
2000	:	17 s	:	14	15 i	:	:	11	19 i	21	20	19	16	19	:	16 i	17 i	12	12 i	15 i	11 ip	14	16 i	22	18 i	12 i	:	13	:	21 bi	:	:	:	:	:		
2001	:	17 s	:	15	17 i	8 i	:	11	19 i	23	22	20	13 bi	20	:	11	17 i	13	12 i	11	12 ip	14	15 i	20	17 i	12 i	:	12 bi	:	12 bi	19 i	:	:	25 i	:		
2002	:	17 s	:	15	17 i	:	:	11	19 i	23	22	20	13 bi	20	:	11	17 i	13	12 i	11	12 ip	14	15 i	20	17 i	12 i	:	12 bi	:	12 bi	19 i	:	:	25 i	:		
2003	:	16 s	:	16 b	16 i	:	12 b	:	20 i	21 b	21 b	20 i	13 i	11	:	17 i	:	12 b	12 i	11	12 ip	14 b	:	18 i	11 i	:	12 i	:	12 i	19 i	:	:	26 i	:			
2004	:	17 s	:	16	17 i	:	11	:	21 b	23	21	21 b	14 b	20 b	:	18 b	:	12	12 i	11	11	14	:	22 b	18 i	:	11 b	12 b	10	12 b	19 i	:	:	26 i	:		
2005	17 s	17 s	17 s	15	17 i	11 b	12	14 b	19	21	21	21	14	21	:	18 b	20 b	13	13 b	16 b	11 b	13	20 b	20	18 i	14 b	13 b	13	10	19 b	20 i	:	:	27 i	:		
<b>Males</b>																																					
1995	:	:	:	15	:	:	:	13	:	17	21	19	15	19	:	:	:	11	:	:	11	12	:	21	:	:	:	:	:	:	:	:	:	:	:	:	:
1996	:	:	:	14	:	:	:	12	:	18	21	18	14	19	:	:	:	11	:	:	11	12	:	20	:	:	:	:	:	:	:	:	:	:	:	:	:
1997	:	:	:	13	:	:	:	11	:	18	21	20	14	19	:	:	:	11	:	:	10	11	:	20	:	:	:	:	:	:	:	:	:	:	:	:	:
1998	:	14 s	:	12	:	:	:	10	:	18	20	18	14	17	:	:	:	12	:	:	10	11	:	19	:	:	:	:	:	:	:	:	:	:	:	:	:
1999	:	15 s	:	11	:	:	:	10	:	17	20	18	15	18	:	:	:	12	:	:	10	10	:	19	:	:	:	:	:	:	:	:	:	:	:	:	:
2000	:	15 s	:	12	13 i	:	:	10	17 i	19	19	17	15	18	:	17 i	17 i	12	11 i	15 i	10 ip	9	16 i	19	17 i	11 i	:	9	:	16 bi	:	:	:	:	:		
2001	:	15 s	:	12	14 i	7 i	:	11	17 i	20	19	17	12 bi	19	:	18 i	12	11 i	11 ip	11 i	11 ip	9	16 i	20	17 i	10 i	:	10 bi	:	17 i	:	:	17 i	:	:	25 i	
2002	:	14 s	:	11	12 i	:	:	11	17 i	19 b	20 b	18 i	12 i	11	:	14 i	:	11 b	12 i	11	12 ip	12 b	:	18 i	9 i	:	11 i	:	10 bi	17 i	:	:	25 i	:	:		
2003	:	14 s	:	14 b	12 i	:	11 b	:	17 i	19 b	20 b	18 i	12 i	11	:	14 i	:	11 b	12 i	11	12 ip	12 b	:	17 i	9 i	:	11 i	:	17 i	17 i	:	:	25 i	:	:		
2004	:	15 s	:	14	13 i	:	11	:	19 b	19	19	19 b	13 b	18 b	:	15 b	:	12	12 i	14 b	14 b	11 b	11	19 b	18 i	:	10 b	10 b	11	17 i	:	:	25 i	:	:		
2005	15 s	15 s	14 s	14	13 i	10 b	12	12 b	17	19	18	19	12	17	15 b	18 b	20 b	13	14 b	14 b	11 b	11	21 b	19	18 i	11 b	13 b	11	9	18 b	16 i	:	:	26 i	:		

Sources: Eurostat - Various.

1) EU-15 countries

a) 1995-2001: European Community Household Panel Users' Data Base version December 2003, except National Surveys for DK, SE (all), FR, FI, UK (2001), NL (2000,2001).

b) From 2002: National Surveys except from 2003: BE, DK, EL, IE, LU and AT: EU-SILC; and from 2004: ES, FR, IT, PT, FI and SE: EU-SILC.

2) New Member States

a) National surveys until 2004, EE until 2003, BG, RO until 2005.

b) EU-SILC from 2005, EE from 2004

3) Candidate countries: national surveys

EU Aggregates: Eurostat estimates are obtained as a population size weighted average of national data.





	EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR		
<b>Key indicator 16</b>																																			
<b>Gender pay gap in unadjusted form (Difference between men's and women's average gross hourly earnings as a percentage of men's average gross hourly earnings. The population consists of all paid employees aged 16-64 that are 'at work 15+ hours per week')</b>																																			
1994	17 s	17 s	17 s	13	:	:	11	21	29	19	13	10	13	8	33	:	:	20	:	:	23	:	:	10	21	:	:	:	16	28	:	:	:	:	
1995	17 s	17 s	17 s	12	:	:	15	21	27	20	17	13	13	8	29	:	27	19	22	:	23	22	:	5	21	:	:	:	15	26	:	:	:	:	
1996	17 s	17 s	16 s	10	:	:	21	15	27	21	15	14	13	8	28	:	22	19	23	:	23	20	:	6	24	:	:	17	17	24	:	:	:	:	:
1997	16 s	16 s	16 s	10	:	:	21	13	21	28	19	13	14	12	7	27	:	23	19	24	:	22	22	:	7	24	:	:	18	17	21	:	:	:	:
1998	17 s	17 s	16 s	9	:	:	25	12	22	26	20	12	16	12	7	26	:	20	18	23	:	21	21	:	6	20	:	:	19	18	24	:	:	:	:
1999	16 s	16 s	15 s	11	:	:	22	14	19	26	22	13	14	12	8	27	:	20	16	17	:	21	21	:	5	17	:	:	19	17	22	:	:	:	:
2000	16 s	16 s	16 s	13	:	:	22	15	21	25	19	15	15	13	6	26	:	16	15	21	:	21	20	:	8	17	:	:	17	18	21	:	:	:	:
2001	16 s	16 s	16 s	12	:	:	20	15	21	24	17	18	17	14	6	26	:	16	16	20	:	19	20	:	10	18	:	:	17	18	21	:	:	:	:
2002	16 s	16 s	16 s	:	:	:	19	18 b	22 b	24	:	17	21 b	13	:	25	:	16	17	16	:	19	:	11	8	:	:	20 b	17	23 b	:	:	:	:	:
2003	15 s	15 s	16 s	:	:	:	18 r	19	18	23	24	14 b	11 b	12 b	:	25	:	16	17	15	:	18	17 b	:	9	:	:	20	16	22	:	:	:	:	:
2004	15 s	15 s	15 s	6 b	:	:	16 r	19	17	23	24	11 p	10	15	12	7 p	:	14	14 r	:	19	18	:	10	5 b	:	:	20	17	22	:	:	:	:	:
2005	15 s	15 s	15 s	7	:	:	19	18	22	25	9 p	13 p	12	9	25	17	15	14	11	:	18	18	:	9	13	:	:	20	16	20 p	:	:	:	:	:

Notes: 1) EU-27 EU-25 and EU-15 estimates are population-weighted averages of the latest available national values adjusted, where possible, to take into account a change in the data source.

2) CZ - Figures are based on median earnings of employees working 30 or more planned hours per week.

3) DK - A change of data source from 2002 is estimated to have increased the gender pay gap value by 4 percentage points.

4) DE - From 2002 national earnings surveys and the German Socio-Economic Panel have been used. This change of source is estimated to have increased the gender pay gap value by 1 percentage point.

5) ES - From 2002 data from tax returns and the labour force survey have been used. This is estimated to have increased the gender pay gap value by 3 percentage points.

6) FR - A change of data source in 2003 is estimated to have decreased the gender pay gap value by 1 percentage point.

7) FI - A change of data source from 2002 is estimated to have increased the gender pay gap value by 4 percentage points.

8) UK - A change of data source from 2002 is estimated to have increased the gender pay gap value by 2 percentage points.

Sources: The gender pay gap is based on several data sources, including the European Community Household Panel (ECHP), the EU Survey on Income and Living Conditions (EU-SILC) and national sources.

Administrative data are used for Luxembourg and the Labour Force Survey is used for France (up to 2002) and Malta. All other sources are national surveys except as follows:

2004, 2005: Statistics on Income and Living Conditions (EU-SILC) - BE, EL, ES, IE, IT, PT and UK (provisional)

2003: Statistics on Income and Living Conditions - EL, IE and AT

2002: European Community Household Panel (ECHP) - EL

2001 and before: European Community Household Panel (ECHP) - BE, DE, IT, DK, IE, UK, EL, ES, PT, AT, FI



	EU-27	EU-25	EA-13	Life expectancy at birth (The mean number of years that a newborn child is expected to live if subjected throughout her/his life to the current mortality conditions (age specific probabilities of dying))																																								
				BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR											
<b>Key indicator 17a</b>	1950	:	:	:	71.7	:	:	:	:	:	:	:	:	:	:	:	:	70.2	:	:	:	:	:	66.6	:	:	:	:	:	:	:	:	:	:	:	:	:	:						
	1960	:	:	:	73.6	:	:	:	:	76.1	:	:	:	:	:	:	:	72.1	:	:	:	:	:	69.6	:	:	:	:	:	:	:	:	:	:	:	:	:	:						
	1970	:	:	:	76.2	:	:	:	:	77.5	:	:	:	:	:	:	:	72.8	:	:	:	:	:	74.9	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:					
	1980	:	:	:	77.5	75.0	77.8	78.5	80.6	80.4	81.8	81.6	81.6	81.6	81.6	81.6	81.6	81.6	78.7	80.3	80.3	80.3	80.3	80.3	77.5	73.1	77.8	75.7	79.0	80.5	76.1	79.3	74.0	74.8	74.8	74.8	74.8	74.8	74.8	74.8				
	1990	:	:	:	79.7	80.4	74.9	76.8	77.9	79.9	74.3	78.3	80.1	81.8	81.8	81.8	81.8	81.8	80.2	80.2	80.2	80.2	80.2	80.2	79.0	73.3	78.5	76.5	80.4	81.7	79.5	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8			
	1995	:	:	:	80.9	80.4	74.9	76.8	77.9	79.9	74.3	78.3	80.1	81.8	81.8	81.8	81.8	81.8	80.2	80.2	80.2	80.2	80.2	80.2	79.0	73.3	78.5	76.5	80.4	81.7	79.5	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8		
	1996	:	:	:	81.1	80.7	74.5	77.5	78.4	80.1	75.6	78.7	80.2	82.0	82.0	82.0	82.0	82.0	80.2	80.2	80.2	80.2	80.2	80.2	79.0	73.3	78.5	76.5	80.4	81.7	79.5	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8		
	1997	:	:	:	81.4	80.7	73.8	77.6	78.6	80.5	75.9	78.7	80.4	82.3	82.3	82.3	82.3	82.3	80.0	80.0	80.0	80.0	80.0	80.0	79.0	73.3	78.5	76.5	80.4	81.7	79.5	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8		
	1998	:	:	:	81.5	80.7	74.6	78.2	79.0	80.8	75.4	79.1	80.3	82.4	82.4	82.4	82.4	82.4	80.0	80.0	80.0	80.0	80.0	80.0	79.6	73.6	78.5	76.5	80.4	81.7	79.5	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8		
	1999	:	:	:	81.7	81.0	75.0	78.3	79.0	81.0	76.0	78.9	80.5	82.4	82.4	82.4	82.4	82.4	80.0	80.0	80.0	80.0	80.0	80.0	79.7	74.1	78.5	76.5	80.4	81.7	79.5	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	
	2000	:	:	:	82.2	81.2	75.0	78.5	79.2	81.2	76.2	79.2	80.6	82.9	82.9	82.9	82.9	82.9	81.2	81.2	81.2	81.2	81.2	81.2	80.2	74.6	78.5	76.5	80.4	81.7	79.5	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	
	2001	:	:	:	82.2	81.2	75.4	78.6	79.3	81.5	76.4	79.9	81.0	83.2	83.0	83.2	83.2	83.2	81.2	81.2	81.2	81.2	81.2	81.2	80.2	74.6	78.5	76.5	80.4	81.7	79.5	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	74.8	
	2002	80.9	81.3	:	82.2	81.2	75.5	78.7	79.4	81.3	77.0	80.5	81.1	83.2	82.9	83.2	83.2	81.0	76.0	76.7	76.7	76.7	76.7	76.7	80.6	74.7	78.8	76.8	80.6	81.6	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7	
	2003	80.8	81.2	82.0	:	81.2	75.9	78.6	79.8	81.3	77.1	80.8	81.2	83.0	82.7	82.8	82.8	81.6	75.9	77.8	77.8	77.8	77.8	77.8	80.6	75.0	78.8	76.8	80.6	81.6	77.8	77.8	77.8	77.8	77.8	77.8	77.8	77.8	77.8	77.8	77.8	77.8	77.8	77.8
	2004	:	:	:	81.8	76.2	79.2	80.2	81.9	77.9	81.4	81.3	83.7	83.8	:	:	82.1	76.2	77.7	77.2	77.2	77.2	77.2	81.5	75.5	79.2	78.0	78.9	75.8	81.0	78.9	75.8	81.0	78.9	75.8	81.0	78.9	75.8	81.0	78.9	75.8	81.0		
	2005	:	:	:	81.9	76.2	79.3	80.5	82.0	78.2	81.7	81.6	83.7	:	:	81.1	76.5	77.3	77.2	77.2	77.2	77.2	81.4	75.7	79.3	78.1	78.8	75.9	81.1	78.8	75.9	81.1	78.8	75.9	81.1	78.8	75.9	81.1	78.8	75.9	81.1			
	1950	:	:	:	66.8	67.5	67.8	:	:	66.5	:	:	:	:	:	:	:	65.9	:	:	:	:	:	61.0	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		
	1960	:	:	:	67.9	69.1	66.1	:	67.5	:	71.6	:	:	72.3	:	69.6	:	66.8	:	:	:	:	:	63.6	65.8	:	:	66.8	:	:	72.3	:	:	:	:	:	:	:	:	:	:	:		
	1970	:	:	:	69.9	68.4	66.9	:	69.6	:	73.0	72.3	:	73.4	:	73.9	:	65.4	:	:	:	:	:	67.9	66.7	:	:	66.7	:	:	72.8	:	:	:	:	:	:	:	:	:	:	:	:	
	1980	:	:	:	72.8	72.7	68.0	67.6	72.0	64.7	72.1	74.7	73.4	:	73.9	:	66.5	72.4	:	:	:	:	:	70.6	66.7	:	:	66.7	69.8	71.0	74.8	:	:	:	:	:	:	:	:	:	:	:	:	
	1990	:	:	:	74.0	73.5	67.4	69.7	72.7	73.3	61.5	72.8	75.0	74.4	:	75.1	:	63.3	73.0	65.5	74.8	74.6	73.4	:	71.7	66.3	:	:	70.8	72.9	76.2	74.0	:	:	:	:	:	:	:	:	:	:	:	
	1995	:	:	:	74.2	73.9	67.4	70.4	73.1	73.6	64.3	73.1	75.1	74.5	:	75.5	:	64.6	73.3	66.3	74.8	74.7	73.7	:	71.6	64.9	:	:	70.8	76.6	74.3	:	:	:	:	:	:	:	:	:	:	:	:	
	1996	:	:	:	74.7	74.2	67.0	70.5	73.6	74.1	64.3	73.4	75.4	75.2	:	75.9	:	65.5	74.0	66.7	75.2	75.2	74.1	66.5	72.2	65.0	71.1	68.9	73.1	76.6	74.3	:	:	:	:	:	:	:	:	:	:	:	:	
	1997	:	:	:	74.9	74.4	67.4	71.2	74.0	74.6	64.1	73.4	75.5	75.3	74.8	76.1	:	66.0	73.7	66.7	75.2	74.5	74.5	68.9	72.6	66.0	71.3	68.6	73.5	76.8	74.7	:	:	:	:	:	:	:	:	:	:	:	:	
	1998	:	:	:	75.2	74.4	68.3	71.7	74.5	75.1	64.9	73.4	75.5	75.3	74.8	76.1	:	66.3	74.4	66.7	75.3	75.4	74.9	72.6	66.9	71.8	69.0	73.8	77.1	75.0	:	:	:	:	:	:	:	:	:	:	:	:		
	1999	:	:	:	74.6	68.3	71.7	74.5	75.1	65.5	74.0	75.5	75.8	75.3	77.0	:	66.8	74.6	67.6	76.2	76.2	75.2	75.2	69.6	73.2	67.5	72.2	69.2	74.2	77.4	75.5	70.7	70.8	:	:	:	:	:	:	:	:			
	2000	:	:	:	75.5	75.0	68.5	72.1	74.7	75.6	64.9	74.5	76.0	76.2	75.5	77.2	:	65.9	75.1	68.2	76.6	76.6	75.8	70.0	73.5	67.4	72.3	69.5	74.6	77.6	75.8	71.0	70.9	:	:	:	:	:	:	:	:			
	2001	74.5	75.0	:	76.0	75.1	68.8	72.1	74.8	75.7	65.3	75.2	76.2	76.3	75.7	77.4	:	66.2	74.7	68.3	76.3	76.3	75.8	70.3	73.8	67.4	72.3	69.8	74.9	77.8	75.8	71.0	70.9	:	:	:	:	:	:	:	:			
	2002	74.6	75.1	:	76.0	75.0	70.0	74.8	75.8	66.1	75.9	76.5	76.3	75.8	77.1	77.4	77.4	66.4	74.8	68.4	76.4	76.4	75.9	70.5	74.2	67.7	72.5	69.8	75.2	78.0	76.2	71.2	70.9	:	:	:	:	:	:	:	:			
	2003	:	:	:	76.0	75.4	72.6	75.4	76.5	66.5	76.5	76.6	76.9	76.7	:	76.8	65.9	66.3	74.8	68.7	77.4	76.9	76.4	70.6	75.0	68.3	67.4	72.6	70.6	78.4	76.8	72.0	71.5	:	:	:	:	:	:	:	:			
	2004	:	:	:	76.2	69.0	72.9	76.0	76.7	67.3	77.3	76.8	77.0	:	:	76.8	65.4	65.3	76.6	68.7	77.3	77.3	76.7	70.8	74.9	68.7	67.4	72.9	70.3	78.5	76.8	72.0	71.5	:	:	:	:	:	:	:	:			
	2005	:	:	:	76.2	69.0	72.9	76.0	76.7	67.3	77.3	76.8	77.0	:	:	76.8	65.4	65.3	76.6	68.7	77.3	77.3	76.7	70.8	74.9	68.7	67.4	72.9	70.2	78.5	76.8	72.0	71.5	:	:	:	:	:	:	:	:			

Sources: Eurostat - Demographic statistics.

EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
<b>Key indicator 17b</b>																																
<b>Healthy Life Years at birth</b> (The mean number of years that a newborn child is expected to live in healthy condition if subjected throughout her/his life to the current morbidity and mortality conditions (age specific probabilities of becoming sick/dying))																																
1996	68.5 e	68.3	61.1	64.5	61.1	60.7 e	64.5	68.7	69.6	68.4	62.5	70.5 e	70.5 e	69.6	68.4	62.5	70.5 e	70.5 e	61.5	61.4	66.8	60.5	60.5	60.5	60.5	60.5	57.7	60.0	61.8 e	61.8 e	61.8 e	61.8 e
1997	68.3	68.3	61.3 e	64.3 e	61.3 e	60.7 e	64.3 e	68.7	68.7	68.2	63.1	71.3	71.3	68.7	68.2	63.1	71.3	71.3	61.4	61.4	60.4	60.4	60.4	60.4	60.4	57.6	60.0	61.2 e	61.2 e	61.2 e	61.2 e	
1998	68.4	68.4	60.8	64.3 e	60.8	61.3 e	64.3 e	68.3	68.3	68.2	62.8	71.3	71.3	68.3	68.2	62.8	71.3	71.3	61.1 e	61.1 e	61.1	61.1	61.1	61.1	61.1	58.3	61.3 e	62.2 e	62.2 e	62.2 e	62.2 e	
1999	69.1	69.1	61.9	64.6 e	61.9	60.8	64.6 e	67.6	69.4	69.5	63.3	72.9	72.9	69.4	69.5	63.3	72.9	72.9	61.4	61.4	60.7	60.7	60.7	60.7	60.7	57.4	61.8	61.3 e	61.3 e	61.3 e	61.3 e	
2000	68.8	68.8	60.4	64.5 e	60.4	61.9	64.5 e	66.9	68.2	69.3	63.2 e	73.0 e	73.0 e	68.2	69.3	63.2 e	73.0 e	73.0 e	60.2	60.2	62.2	62.2	62.2	62.2	62.2	56.8 e	61.9	61.2 e	61.2 e	61.2 e	61.2 e	
2001	69.0 e	69.0 e	61.0 e	64.5 e	61.0 e	60.4	64.5 e	66.5	68.8	69.2 e	63.3	73.0 e	73.0 e	68.8	69.2 e	63.3	73.0 e	73.0 e	59.4	59.4	68.5	62.7	62.7	62.7	62.7	56.9	61.0	60.8 e	60.8 e	60.8 e	60.8 e	
2002	69.2 e	69.2 e	60.9 e	64.7 e	60.9 e	61.0 e	64.7 e	65.9 e	68.5 e	69.9 e	63.7 e	73.9 e	73.9 e	68.5 e	69.9 e	63.7 e	73.9 e	73.9 e	65.7 p	65.7 p	69.0 e	61.8 e	61.8 e	61.8 e	61.8 e	56.8 e	61.9 e	60.9 e	60.9 e	60.9 e	60.9 e	
2003	69.2 e	69.2 e	60.9 e	64.7 e	60.9 e	61.0 e	64.7 e	65.4 e	68.4 e	70.2 e	63.9 e	74.4 e	74.4 e	68.4 e	70.2 e	63.9 e	74.4 e	74.4 e	58.8 e	58.8 e	69.6 e	61.8 e	61.8 e	61.8 e	61.8 e	56.5 e	62.2 e	60.9 e	60.9 e	60.9 e	60.9 e	
2004	58.1pb	58.1pb	68.8pb	55.1pb	68.8pb	68.2pb	55.1pb	53.3p	64.3pb	65.2pb	62.5pb	64.1pb	70.2pb	64.3pb	65.2pb	62.5pb	64.1pb	70.2pb	60.2p	60.2p	60.2pb	52.0pb	52.0pb	52.0pb	52.0pb	52.9pb	60.9pb	60.9pb	60.9pb	60.9pb	60.9pb	60.9pb
2005	61.9p	61.9p	59.9pb	55.0pb	59.9pb	68.2pb	55.0pb	52.2p	64.1p	67.2p	63.1p	64.3p	67.0p	63.1p	67.2p	63.1p	64.3p	67.0p	54.3pb	54.3pb	59.6pb	56.7p	56.7p	56.7p	56.7p	59.9p	63.1p	65.0pb	65.0pb	65.0pb	65.0pb	65.0pb
<b>Females</b>																																
1996	64.1	64.1	61.7	60.8	61.7	60.8	60.8	64.0	66.9	65.1	59.6	67.4	67.4	66.9	65.1	59.6	67.4	67.4	62.1	62.3	59.9	58.2	58.2	58.2	58.2	54.6	60.8	60.8	60.8	60.8	60.8	
1997	66.5	66.5	61.6	61.9 e	61.6	61.9 e	61.9 e	63.2	66.4	65.5	60.2	68.0	68.0	66.4	65.5	60.2	68.0	68.0	62.5	62.2	59.3	59.3	59.3	59.3	59.3	55.5	62.1	60.9 e	60.9 e	60.9 e	60.9 e	
1998	63.3	63.3	62.4	62.1 e	62.4	62.1 e	62.1 e	64.0	66.5	65.2	59.2	67.9	67.9	66.5	65.2	59.2	67.9	67.9	61.9	63.4	59.1	59.1	59.1	59.1	59.1	55.9	61.7	60.8 e	60.8 e	60.8 e	60.8 e	
1999	66.0	66.0	62.5	62.3 e	62.5	62.3 e	62.3 e	63.9	66.7	65.6	60.1	68.7	68.7	66.7	65.6	60.1	68.7	68.7	61.6	63.6	58.8	58.8	58.8	58.8	58.8	55.8	62.0	61.2 e	61.2 e	61.2 e	61.2 e	61.2 e
2000	65.7	65.7	62.9	63.2 e	62.9	63.2 e	63.2 e	63.3	66.3	66.5	60.1	69.7	69.7	66.3	66.5	60.1	69.7	69.7	61.4	64.6	60.2	60.2	60.2	60.2	60.2	56.3	63.1	61.3 e	61.3 e	61.3 e	61.3 e	61.3 e
2001	66.6	66.6	62.2	64.1 e	62.2	64.1 e	64.1 e	63.3	66.7	66.0	60.5	69.8	69.8	66.7	66.0	60.5	69.8	69.8	61.9	64.2	59.5	59.5	59.5	59.5	59.5	56.7	61.9	61.1 e	61.1 e	61.1 e	61.1 e	61.1 e
2002	66.9 e	66.9 e	62.8 p	64.4 e	62.8 p	64.4 e	64.4 e	63.5 e	66.7 e	66.6 e	60.4 e	70.4 e	70.4 e	66.7 e	66.6 e	60.4 e	70.4 e	70.4 e	65.1 p	61.7 e	62.5	62.5	62.5	62.5	62.5	57.0 e	62.4 e	61.4 e	61.4 e	61.4 e	61.4 e	61.4 e
2003	67.4 e	67.4 e	63.0 e	65.0 e	63.0 e	65.0 e	65.0 e	63.4 e	66.7 e	66.8 e	60.6 e	70.9 e	70.9 e	66.7 e	66.8 e	60.6 e	70.9 e	70.9 e	61.7 e	66.2 e	59.8 e	59.8 e	59.8 e	59.8 e	59.8 e	57.3 e	62.5 e	61.5 e	61.5 e	61.5 e	61.5 e	61.5 e
2004	58.4pb	58.4pb	68.3pb	55.0pb	68.3pb	68.0pb	55.0pb	62.5pb	63.7pb	62.5pb	61.2pb	67.9pb	67.9pb	62.5pb	63.7pb	61.2pb	67.9pb	67.9pb	59.1p	59.1p	55.1pb	55.1pb	55.1pb	55.1pb	55.1pb	53.1pb	62.0pb	62.0pb	62.0pb	62.0pb	62.0pb	62.0pb
2005	61.7p	61.7p	57.9pb	55.0pb	57.9pb	68.4pb	55.0pb	48.0p	62.9p	65.7p	63.2p	62.0p	65.8p	62.9p	65.7p	63.2p	62.0p	65.8p	68.5pb	68.5pb	65.0pb	61.0pb	61.0pb	61.0pb	61.0pb	56.3p	64.2p	63.2pb	63.2pb	63.2pb	63.2pb	63.2pb

Sources: Eurostat - Health statistics.



### **Annex 1.3**

#### **Other Statistical Tables per Geopolitical Entity**

## 1 ECONOMY

	European Union - 27	European Union - 25	Euro area - 13	Belgium	Bulgaria	Czech Republic	Denmark	Germany	Estonia	Ireland	Greece	Spain	France	Italy	Cyprus	Latvia	Lithuania	Luxembourg	Hungary	Malta	Netherlands	Austria	Poland	Portugal	Romania	Slovenia	Slovakia	Finland	Sweden	United Kingdom	Croatia	Former Yugoslav Republic of Macedonia	Turkey

### Gross domestic product at current market prices

2005, Bn Euro	10 989	10 888	8 052	299	22	100	208	2 245	11	161	181	908	1 718	1 423	14	13	21	29	89	5	509	245	244	149	80	28	38	157	288	1 805	31	5	291
2006, Bn Euro	11 579	11 457	8 433	314	25	114	220	2 322	13	175	195	981	1 792	1 475	15	16	24	33	90	5	534	258	272	155	97	30	44	167	306	1 910	34	51	319

Note: Figures for United Kingdom, Croatia, FYROM and Turkey do not include the allocation of "financial intermediation services indirectly measured" (FISIM) to user sectors. Therefore comparability between these countries and the other countries (that already allocate FISIM) is reduced.

### GDP volume growth rates

Annual growth rate, 2004	2.5	2.4	2.0	3.0	6.6	4.5	2.1	1.1	8.3	4.4	4.7	3.3	2.5	1.2	4.2	8.7	7.3	3.6	4.8	0.1	2.2	2.3	5.3	1.5	8.5	4.4	5.4	3.7	4.1	3.3	3.8	4.1	8.9
Annual growth rate, 2005	1.8	1.8	1.5	1.1	6.2	6.4	3.1	0.8	10.2	6.0	3.7	3.6	1.7	0.1	3.9	10.6	7.6	4.0	4.1	3.1	1.5	2.0	3.6	0.5	4.1	4.1	6.0	2.9	2.9	1.8	4.3	3.81	7.4
Annual growth rate, 2006	3.0	3.0	2.8	3.2	6.1	6.4	3.5	2.9	11.2	5.7	4.3	3.9	2.0	1.9	3.8	11.9	7.5	6.2	3.9	3.2	3.0	3.3	6.1	1.3	7.7	5.7	8.3	5.5	4.2	2.8	4.81	3.11	6.1
Compared to the same quarter of the previous year, 2007Q1	3.4	3.4	3.0	3.1	6.2	6.4	2.7	3.3	10.1	8.1	4.6	4.3	1.9	2.3	4.0	11.2	8.3	7.3	2.7	3.5	2.5	3.5	6.9	2.0	6.0	7.2	9.0	5.5	3.0	4.2	7.0	6.9	
Compared to the same quarter of the previous year, 2007Q2	2.5	2.6	2.5	2.3	6.6	6.0	0.6	2.5	7.6	5.4	4.1	3.9	1.2	2.0	3.7	11.0	8.0	1.2	3.7	2.6	3.5	6.8	1.6	5.6	5.9	9.4	4.4	3.4	1.9	6.6	6.6	3.9	

Note: Quarterly growth rates are calculated from raw (i.e. non-seasonally adjusted) data, except for Greece and Portugal.

### GDP per head (Index EU27=100, in PPPs)

1995	100	105	116	129	32	74	132	130	36	103	75	92	116	122	89	32	35	224	51	87	124	136	43	75	73	48	108	124	112	39	30	27	29
2006	100	104	110	122	37	79	127	114	68	144	88	102	113	104	93	56	58	278	65	76	132	129	53	74	38	89	63	116	120	119	50	27	29

Note: Figures for 2006 are based on preliminary PPP.

### GDP per head in Euro

2006	23 500	24 700	26 600	29 800	3 300	11 100	40 500	28 200	9 800	41 100	17 600	22 300	28 400	25 100	18 900	7 100	7 000	71 500	8 900	12 400	32 700	31 100	7 100	14 700	4 500	15 200	8 200	31 700	33 700	31 500	7 700	2 400	4 400
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### Household consumption expenditure per head (Index EU27=100, in Euro)

2006	100	105	112	116	17	40	144	122	38	138	86	94	119	110	91	34	34	203	35	59	114	127	33	70	23	59	35	120	117	148	32	21
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Note: Household consumption expenditure includes the consumption expenditure of non-profit institutions serving households, except for Croatia and Turkey.

### Net saving (% of GDP)

2005 (% of GDP)	6.4	7.9	2.1	4.9	8.2	6.8	13.5	11.9	6.0	6.8	5.5	3.8	4.1	6.3	11.3	9.6	4.7	3.4	9.8	1.8	10.4	10.8	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
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### Gross compensation per employee (Index EU27=100, in Euro)

2005	100	104	111	144	10	35	142	110	30	137	87	131	106	72	20	24	164	41	53	120	121	27	64	26	122	130	135	135	135	135	135	135	135
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Notes: 1) Both compensation and employees use the domestic concept, i.e. they are attributed to a country according to the residence of the production unit, not the residence of the employee. 2) The value for PL is estimated by the Commission Services.

### General government debt (% of GDP)

2004	62.1	62.4	69.6	94.2	37.9	30.4	44.0	65.6	5.1	29.5	98.6	46.2	64.9	103.8	70.2	14.5	19.4	6.4	59.4	72.7	52.4	63.8	45.7	58.3	18.8	27.6	41.4	44.1	52.4	40.4	43.2	69.6
2005	62.7	63.1	70.3	92.2	29.2	30.2	36.3	67.8	4.4	27.4	98.0	43.0	66.7	106.2	69.1	12.5	18.6	6.2	61.6	70.8	52.3	63.4	47.1	65.7	15.8	27.4	34.2	41.4	52.2	42.1	43.7	69.6
2006	61.4	61.9	68.6	88.2	22.8	30.1	30.3	67.5	4.0	25.1	95.3	39.7	64.2	106.8	65.2	10.6	18.2	6.6	65.6	64.7	47.9	61.7	47.6	64.8	12.4	27.1	30.4	39.2	47.0	43.2	40.8	60.7

### General government deficit (-) / surplus (+) (% of GDP)

2004	-2.8	-2.8	-2.8	0.0	2.3	-3.0	1.9	-3.8	1.8	1.3	-7.3	-0.3	-3.6	-3.5	-4.1	-1.0	-1.5	-1.2	-6.5	-4.9	-1.7	-1.2	-5.7	-3.4	-1.5	-2.3	-2.4	2.3	0.8	-3.4	-4.1	-5.8
2005	-2.4	-2.5	-2.5	-2.3	2.0	-3.5	4.6	-3.4	1.9	1.2	-5.1	1.0	-2.9	-4.2	-2.4	-0.4	-0.5	-0.1	-7.8	-3.1	-0.3	-1.6	-4.3	-6.1	-1.4	-1.5	-2.8	2.7	2.4	-3.3	-3.8	-0.3
2006	-1.6	-1.6	-1.5	0.4	3.2	-2.9	4.6	-1.6	3.6	2.9	-2.5	1.8	-2.5	-4.4	-1.2	-0.3	-0.6	0.7	-9.2	-2.5	0.6	-1.4	-3.8	-3.9	-1.9	-1.2	-3.7	3.8	2.5	-2.7	-2.2	0.4

Source: Eurostat - National and Financial Accounts.

### Annual inflation rate compared to the same month of the previous year

July 2006	2.5	2.4	2.4	7.8	2.4	2.0	2.1	4.5	2.9	3.9	4.0	2.2	2.3	2.8	6.9	4.4	3.4	3.2	3.6	1.7	2.0	1.4	3.0	6.2	1.9	5.0	1.4	1.8	2.4	2.4	2.4	2.4
May 2007	2.1	2.1	1.9	1.3	4.5	2.4	1.7	2.0	5.9	2.7	2.6	2.4	1.2	1.9	1.9	7.8	5.0	2.3	8.4	-1.0	2.0	1.9	2.3	2.4	3.9	3.1	1.5	1.3	1.2	2.5	2.5	2.5
June 2007	2.2	2.1	1.9	1.3	5.3	2.6	1.3	2.0	6.0	2.8	2.6	2.5	1.3	1.9	1.7	8.9	5.0	2.3	8.5	-0.6	1.8	1.9	2.6	2.4	3.9	3.8	1.5	1.4	1.3	2.4	2.4	2.4
July 2007	2.0	1.9	1.8	1.3	6.8	2.5	1.1	2.0	6.5	2.7	2.7	2.3	1.2	1.7	2.3	9.5	5.1	2.0	8.3	-0.2	1.4	2.0	2.5	2.3	4.1	4.0	1.2	1.6	1.4	1.9	1.9	1.9

**12-month average annual inflation rate, 12-month average rate**

July 2007	2.1	2.1	1.9	1.8	5.5	2.0	1.6	1.7	5.1	2.7	3.0	2.6	1.4	2.0	1.8	7.5	4.5	2.1	7.5	0.7	1.6	1.7	1.9	2.5	4.4	2.8	2.7	1.3	1.5	2.6
July 2007	4.22	4.16	3.96	3.92	4.66	3.85	3.93	3.88	4.38	3.88	4.19	3.89	3.90	4.17	4.28	4.36	4.28	4.00	7.49	4.34	3.90	3.92	5.62	4.06	7.41	3.92	5.13	3.94	3.84	4.49
June 2007	4.90	4.98	4.64	4.64	4.57	4.53	4.64	4.56	5.42	4.62	4.80	4.62	4.62	4.77	4.44	5.62	4.57	4.74	6.71	5.12	4.61	4.62	5.52	4.74	7.05	4.79	4.66	4.62	4.44	5.49
July 2007	4.87	4.95	4.60	4.62	4.79	4.59	4.58	4.50	5.59	4.59	4.79	4.60	4.58	4.76	4.44	5.28	4.89	4.83	6.58	5.18	4.57	4.58	5.60	4.73	6.86	4.72	4.70	4.59	4.45	5.46
August 2007	4.70	4.76	4.42	4.44	4.79	4.45	4.39	4.30	:	4.40	4.62	4.40	4.39	4.58	4.44	5.32	4.80	:	6.80	4.94	4.38	4.39	5.68	4.56	6.92	4.82	4.65	4.39	4.25	5.19

**Interest rates: 10-year government bond yields, monthly average**

August 2006	4.22	4.16	3.96	3.92	4.66	3.85	3.93	3.88	4.38	3.88	4.19	3.89	3.90	4.17	4.28	4.36	4.28	4.00	7.49	4.34	3.90	3.92	5.62	4.06	7.41	3.92	5.13	3.94	3.84	4.49
June 2007	4.90	4.98	4.64	4.64	4.57	4.53	4.64	4.56	5.42	4.62	4.80	4.62	4.62	4.77	4.44	5.62	4.57	4.74	6.71	5.12	4.61	4.62	5.52	4.74	7.05	4.79	4.66	4.62	4.44	5.49
July 2007	4.87	4.95	4.60	4.62	4.79	4.59	4.58	4.50	5.59	4.59	4.79	4.60	4.58	4.76	4.44	5.28	4.89	4.83	6.58	5.18	4.57	4.58	5.60	4.73	6.86	4.72	4.70	4.59	4.45	5.46
August 2007	4.70	4.76	4.42	4.44	4.79	4.45	4.39	4.30	:	4.40	4.62	4.40	4.39	4.58	4.44	5.32	4.80	:	6.80	4.94	4.38	4.39	5.68	4.56	6.92	4.82	4.65	4.39	4.25	5.19

**Interest rates: 10-year government bond yields, annual average**

1999	:	:	4.66	4.75	:	:	4.91	4.49	11.39	4.71	6.30	4.73	4.61	4.73	:	:	4.66	:	4.63	4.68	:	4.78	:	4.78	:	:	4.72	4.98	5.01	:	:	
2000	:	:	5.44	5.59	:	:	5.64	5.26	10.48	5.51	6.10	5.53	5.39	5.58	:	:	5.52	:	5.40	5.56	:	5.59	:	5.59	:	:	5.48	5.37	5.33	:	:	
2001	:	:	5.00	5.13	:	6.31	5.08	4.80	10.15	5.01	5.30	5.12	4.94	5.19	7.63	7.57	8.15	4.86	7.95	6.19	4.96	5.07	10.68	5.16	:	:	8.04	5.04	5.11	5.01	:	:
2002	:	:	4.91	4.99	:	4.88	5.06	4.78	8.42	5.01	5.12	4.96	4.86	5.03	5.70	5.41	6.06	4.70	7.09	5.82	4.89	4.97	7.36	5.01	:	:	6.94	4.98	5.30	4.91	:	:
2003	:	4.34	4.14	4.18	6.45	4.12	4.31	4.07	5.25	4.13	4.27	4.12	4.13	4.25	4.74	4.90	5.32	4.03	6.82	5.04	4.12	4.15	5.78	4.18	:	6.40	4.99	4.13	4.64	4.58	:	:
2004	:	4.44	4.12	4.15	5.36	4.75	4.30	4.04	4.39	4.08	4.26	4.10	4.10	4.26	5.80	4.86	4.50	4.18	8.19	4.69	4.10	4.15	6.90	4.14	:	4.68	5.03	4.11	4.42	4.93	:	:
2005	:	3.70	3.42	3.43	3.87	3.51	3.40	3.35	3.98	3.33	3.59	3.39	3.41	3.56	5.16	3.88	3.70	3.37	6.60	4.56	3.37	3.39	5.22	3.44	:	3.81	3.52	3.35	3.38	4.46	:	:
2006	4.08	4.03	3.84	3.81	4.18	3.78	3.81	3.76	4.30	3.76	4.07	3.78	3.80	4.05	4.13	4.13	4.08	3.89	7.12	4.32	3.78	3.80	5.23	3.91	7.23	3.85	4.41	3.78	3.70	4.37	:	:

Notes: 1) The interest rate figures for the 27 EU Member States refer to the EMU convergence criterion series 2) Euro area including Greece.

Source: Eurostat - Financial indicators.

EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
European Union-27	European Union-25	Euro area-13	Belgium	Bulgaria	Czech Republic	Denmark	Germany	Estonia	Ireland	Greece	Spain	France	Italy	Cyprus	Latvia	Lithuania	Luxembourg	Hungary	Malta	Netherlands	Austria	Poland	Portugal	Romania	Slovenia	Slovakia	Finland	Sweden	United Kingdom	Croatia	Former Yugoslav Republic of Macedonia	Turkey

**1 ECONOMY**

2 POPULATION

European Union - 27	Euro area - 13	Belgium	Bulgaria	Czech Republic	Denmark	Germany	Estonia	Ireland	Greece	Spain	France	Italy	Cyprus	Latvia	Lithuania	Luxembourg	Hungary	Malta	Netherlands	Austria	Poland	Portugal	Romania	Slovenia	Slovakia	Finland	Sweden	United Kingdom	Former Yugoslav Republic of Macedonia				
																													HR	MK	TR		
EU27	EA13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR		
<b>Total population (1000)</b>																																	
1.1.1960	376 459	252 205	9 129	7 829	9 638	4 565	72 543	2 836	8 300	30 327	45 465	50 026	572	2 704	2 756	313	9 961	327	11 417	7 030	29 480	8 826	18 319	1 581	3 970	4 413	7 471	52 200	4 127	1 384	27 120		
1.1.1980	457 053	426 074	9 855	8 846	10 316	5 122	78 180	3 393	9 584	37 242	53 731	56 388	510	2 909	3 404	363	10 709	315	14 091	7 546	35 413	9 714	22 133	1 893	4 963	4 771	8 303	56 285	4 598	1 878	44 021		
1.1.2000	482 188	452 090	10 239	8 191	10 278	5 330	82 163	3 778	10 904	40 050	58 825	56 924	434	3 022	3 512	443	10 222	380	15 664	8 002	38 654	10 195	21 908	1 988	5 399	5 171	8 861	58 785	4 442	2 022	66 889		
<i>1.1.2003, revised after 2001 census</i>																																	
	486 520	456 902	10 356	7 846	10 203	5 384	82 537	3 356	9 964	41 664	59 970	57 321	715	2 331	3 463	448	10 142	397	16 193	8 102	38 219	10 407	21 773	1 995	5 379	5 206	8 941	59 438	4 442	2 024	69 770		
1.1.2004	488 632	459 119	10 396	7 801	10 211	5 398	82 532	3 351	4 028	41 041	60 340	57 888	730	2 319	3 446	452	10 117	400	16 258	8 140	38 191	10 475	21 711	1 996	5 380	5 220	8 976	59 700	4 442	2 030	70 692		
1.1.2005	490 986	461 479	10 446	7 761	10 221	5 411	82 501	3 348	4 109	43 038	60 702	58 462	749	2 306	3 425	455	10 098	403	16 306	8 207	38 174	10 529	21 659	1 998	5 385	5 237	9 011	60 060	4 444	2 035	71 610		
<b>Population growth rates (per 1000 population) 2005</b>																																	
Total increase	4.2	4.7	5.7	6.3	-5.5	3	-0.8	-2.1	2.4	3.8	16.6	7.6	4.9	22.7	-5.1	-6.5	9.8	-2.1	4.2	1.8	-0.4	3.8	-2.2	2.9	0.8	3.6	4	5.5	-0.2	1.6	12.6		
Natural increase	0.6	0.8	0.9	1.4	-5.5	-0.6	1.7	-1.8	-2.2	8.1	0.2	1.8	4.1	-0.6	3.7	-3.9	3.8	-3.8	1.8	3.2	0.4	-0.1	0.2	-1.9	-0.3	0.2	1.9	1.1	2.3	-2.1	2	12.6	
Net migration	3.6	3.8	4.7	4.9	0.0	3.5	1.2	1.0	0.1	15.9	3.6	14.8	3.6	5.5	19.0	-0.2	-2.6	6.0	1.7	2.4	-1.4	6.8	-0.3	3.6	-0.3	0.6	1.7	3.0	3.2	1.9	-0.4	0.0	
<i>The increase in total population is made up of the natural increase (live births less deaths) and net migration. Net migration is estimated on the basis of the difference between population change and natural increase (corrected net migration).</i>																																	
<b>Population structure (percentage of total) 2005</b>																																	
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
0-19	22.4	22.3	21.5	23.1	20.5	21.4	24.5	20.3	23.4	27.9	19.9	24.9	19.1	26.7	22.8	25.1	24.5	21.9	24.7	24.5	22.1	24.5	21.3	23.9	20.7	24.8	23.5	24.0	24.7	22.3	28.0	37.4	
20-59	55.9	55.8	55.7	54.9	56.7	58.9	54.6	54.9	56.8	58.5	54.3	55.9	56.8	55.0	54.7	56.7	56.8	56.7	57.2	56.0	55.0	56.5	56.8	58.7	59.1	55.4	52.8	54.2	55.6	58.6	54.1		
60-79	17.7	17.8	18.5	17.7	19.7	16.7	16.8	18.6	12.6	19.8	17.3	16.3	20.1	13.9	19.1	17.4	15.6	18.0	15.3	15.6	17.7	14.6	18.4	16.9	17.6	13.7	17.2	17.9	16.7	19.3	13.8	:	
80 and over	4.0	4.1	4.3	4.3	3.1	3.0	4.1	4.3	2.7	3.4	4.3	4.5	4.9	2.6	3.1	2.8	3.2	3.3	2.8	3.5	4.2	2.5	3.8	2.4	3.0	2.4	3.9	5.3	4.4	2.8	1.5	:	
<b>Population by age group (in thousands) 2005</b>																																	
0-14	74 801	49 598	1 795	1 073	1 527	1 018	11 925	208	851	1 598	6 241	11 203	8 256	144	341	585	85	1 580	71	3 009	1 323	6 377	3 437	287	919	915	1 584	10 848	712	406	20 503		
15-24	62 831	58 406	37 762	1 261	1 062	1 366	597	9 678	210	638	1 377	5 285	7 870	6 099	119	360	526	52	1 322	59	1 949	1 011	6 287	3 363	268	869	651	1 097	7 833	590	329	12 918	
25-54	211 915	199 118	136 871	4 439	3 309	4 552	2 276	35 834	558	1 771	4 867	19 807	25 116	25 096	322	965	1 444	206	4 409	170	7 122	3 602	16 715	4 596	9 489	2 434	3 596	24 808	1 897	880	29 661		
55-64	55 462	52 280	35 688	1 151	987	1 341	708	9 696	149	391	1 234	4 477	6 545	7 032	75	259	353	47	1 209	50	1 938	959	3 776	1 168	2 922	538	685	1 181	6 954	501	197	4 361	
65 and over	81 379	76 873	54 969	1 800	1 331	1 435	813	15 367	222	458	2 007	7 228	9 968	11 379	89	381	517	45	1 578	54	2 399	1 312	5 018	1 791	3 175	306	626	831	1 554	9 617	745	222	
80 and over	19 705	18 946	13 628	448	242	308	221	3 557	42	110	376	1 845	2 752	2 898	20	70	96	15	338	11	574	966	401	517	60	127	203	482	2 636	125	30	:	
<b>Population by main group of citizenship, in thousands, 2006<sup>1)</sup></b>																																	
Total	492 975	463 646	316 690	10 511	7 719	10 251	5 428	82 438	1 345	4 209	11 125	43 758	62 999	58 752	766	2 295	3 403	469	10 077	404	16 334	8 266	38 157	10 570	21 610	2 003	5 389	5 256	9 048	60 393	4 443	2 039	72 520
Nationals	465 070	435 793	294 994	9 611	7 693	9 993	5 157	75 149	1 103	3 895	10 241	39 756	59 489	56 081	668	1 838	3 370	287	9 220	392	15 643	7 452	37 457	10 294	21 584	1 954	5 384	5 142	8 568	56 968	4 405	:	72 228
Non-nationals	27 904	27 853	21 697	900	26	258	270	7 289	242	314	884	4 003	3 510	2 671	98	457	33	182	156	12	691	814	700	276	26	49	26	114	480	3 425	38	:	292
Nationals of other EU-25 member states	8 286	8 276	6 495	612	4	87	72	2 677	5	213	88	836	1 110	224	55	6	2	155	25	8	234	227	15	81	6	3	14	38	213	1 280	:	:	151
Non-EU-25 nationals <sup>2)</sup>	19 619	19 577	15 201	289	22	171	198	4 612	237	101	796	3 167	2 400	2 447	43	451	31	27	131	4	458	587	685	195	20	46	12	76	267	2 145	:	:	141
<b>Population by main group of citizenship, in percentages, 2006<sup>1)</sup></b>																																	
Nationals	94.3	94.0	93.1	91.4	99.7	97.5	95.0	91.2	82.0	92.5	92.1	90.9	94.4	95.5	87.2	80.1	99.0	61.2	96.5	97.0	95.8	90.2	98.2	97.4	99.9	97.6	98.5	97.8	94.7	94.3	99.1	:	99.6
Non-nationals	5.7	6.0	6.9	8.6	0.3	2.5	5.0	8.8	18.0	7.5	7.9	9.1	5.6	4.5	12.8	19.9	1.0	38.8	1.5	3.0	4.2	9.8	1.8	2.6	0.1	2.4	0.5	2.2	5.3	5.7	0.9	:	0.4
Nationals of other EU-25 member states	1.7	1.8	2.1	5.8	0.0	0.9	1.3	3.2	0.4	5.1	0.8	1.9	1.8	0.4	7.1	0.2	0.1	33.0	0.2	2.0	1.4	2.8	0.0	0.8	0.0	0.1	0.3	0.7	2.4	2.1	:	:	0.2
Non-EU-25 nationals <sup>2)</sup>	4.0	4.2	4.8	2.7	0.3	1.7	3.6	5.6	17.6	2.4	7.2	7.2	3.8	4.2	5.7	19.7	0.9	5.7	1.3	1.0	2.8	7.1	1.8	1.8	0.1	2.3	0.2	1.4	2.9	3.6	:	:	0.2

Notes: 1) Table includes Eurostat estimates. 2) CY: Government controlled area only. 3) EE and LV: The non-EU nationals group for Estonia includes persons of undetermined citizenship. For Latvia, this includes the "non-citizens of Latvia". PL-A large number of persons were recorded in the census as 'unknown citizenship' and are included in non-EU nationals group.

Immigration by main group of citizenship, 2005 <sup>9)</sup>	
Total	: 81 913 : 60 294 : 52 458 : 707 352 : 86 900 : 719 284 : 440 301 : 24 419 : 1 886 : 6 789 : 13 512 : 24 298 : 92 297 : 117 822 : 15 041 : 9 410 : 21 355 : 65 229 : 496 469 : 18 383 : 2 671
Non-nationals	: 13 113 : 1 718 : 2 469 : 128 051 : 19 700 : 36 573 : 47 530 : 2 540 : 639 : 4 705 : 11 886 : 2 134 : 28 882 : 16 367 : 1 747 : 1 745 : 8 611 : 13 932 : 89 067 : 16 857 : 524
Nationals	: 68 800 : 58 576 : 50 989 : 578 301 : 67 200 : 682 711 : 134 797 : 21 879 : 1 247 : 2 084 : 12 326 : 22 164 : 63 415 : 101 455 : 3 704 : 13 294 : 7 665 : 12 744 : 51 297 : 407 402 : 1 526 : 2 147
Nationals of other EU-25 member states	: 33 647 : 14 742 : 12 707 : 286 047 : 54 800 : 131 096 : 1 197 : 23 625 : 14 234 : 769 : 411 : 9 840 : 26 591 : 38 950 : 4 124 : 897 : 1 677 : 4 444 : 4 490 : 17 969 : 124 939 : 322 : 172
Non-EU-25 nationals	: 35 153 : 43 834 : 17 282 : 290 254 : 12 400 : 55 165 : 133 600 : 369 146 : 7 645 : 478 : 1 673 : 2 486 : 36 924 : 62 305 : 12 637 : 2 807 : 1 617 : 3 221 : 8 254 : 33 328 : 282 463 : 1 204 : 1 975

Notes: 1) According to national definitions of international migration. 2) BE and IT: 2003. 3) FR: figure covers only nationals of non-EU countries and of the New Member States (NMS-12), i.e. excluding immigration of nationals of EU-15 countries. 4) HU, PT and HR: 2004.

Emigration by main group of citizenship, 2005	
Total	: 41 897 : 24 065 : 45 889 : 628 399 : 17 000 : 68 011 : 48 706 : 10 003 : 2 450 : 15 571 : 10 841 : 3 820 : 83 399 : 68 650 : 22 242 : 10 680 : 8 605 : 2 784 : 12 369 : 38 118 : 328 408 : 6 812 : 1 300
Nationals	: 18 454 : 2 269 : 26 249 : 144 815 : 19 290 : 39 866 : 316 : 1 237 : 13 306 : 1 487 : 354 : 59 415 : 21 770 : 59 415 : 21 770 : 10 938 : 2 077 : 1 704 : 9 737 : 22 266 : 174 270 : 5 871 : 1 777
Non-nationals	: 23 443 : 21 796 : 19 620 : 483 584 : 48 721 : 8 840 : 9 687 : 1 213 : 2 265 : 9 354 : 3 466 : 23 884 : 47 880 : 23 884 : 47 880 : 6 528 : 1 080 : 2 632 : 15 852 : 154 138 : 941 : 23
Nationals of other EU-25 member states	: 16 263 : 2 365 : 8 456 : 234 458 : 7 360 : 7 360 : 2 419 : 1 506 : 240 : 447 : 7 594 : 201 : 12 345 : 18 519 : 12 345 : 18 519 : 343 : 251 : 1 458 : 8 792 : 46 742 : 19 : 2
Non-EU-25 nationals	: 7 180 : 19 431 : 11 164 : 249 126 : 41 361 : 41 361 : 6 421 : 8 181 : 973 : 1 818 : 1 760 : 3 265 : 11 639 : 28 961 : 6 185 : 829 : 1 174 : 7 060 : 107 396 : 922 : 21

Notes: 1) According to national definitions of international migration. 2) BE, IT: 2003; HU, PT, HR: 2004.

Net migration by main group of citizenship, 2005 <sup>9)</sup>	
Total	: 1 769 367 : 1 776 601 : 1 499 645 : 51 009 : 0 : 36 229 : 6 734 : 81 578 : 140 : 66 245 : 39 974 : 641 199 : 205 115 : 324 211 : 14 416 : -564 : -8 782 : 2 750 : 17 268 : 952 : -22 824 : 56 400 : -12 878 : 38 400 : -7 234 : 6 456 : 3 403 : 9 152 : 26 724 : 193 314 : 8 299 : -758 : -1 035

Note: Net migration is estimated on the basis of the difference between total population change and natural increase, i.e. including statistical corrections.

	EU-27		EU-25		EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	
	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e	5.1 e				
1960	2.59 e	2.54	2.31	2.11	2.57	2.37	3.76	2.28	2.86	2.73	2.37	3.76	2.28	2.86	2.73	2.37	3.51	2.60	2.28	2.02	3.62	3.12	2.69	2.98	3.15	2.33	2.18	3.03	2.72	2.20	2.72	2.21	2.21	6.18		
1970	2.34	2.25	2.17	1.90	1.95	2.03	2.16	3.93	2.40	2.90	2.47	2.38	2.54	2.01	2.40	1.76	1.98	2.02	2.57	2.29	2.20	2.02	2.57	2.29	2.20	2.02	2.89	2.10	2.41	1.83	1.92	2.43	1.80	5.68		
1980	1.88	1.68	1.68	2.05	2.10	1.55	1.56	3.25	2.23	2.20	1.95	1.64	1.90	1.99	1.60	1.65	1.99	1.60	1.65	2.28	2.25	2.50	2.11	2.31	1.63	1.68	1.90	1.93	1.68	1.90	1.93	1.68	1.90	1.93	4.36	
1990	1.64	1.62	1.81	1.90	1.67	1.45	2.05	1.39	1.36	1.78	1.33	2.01	2.03	1.60	1.87	2.05	1.62	1.46	2.04	1.56	1.83	1.46	2.09	1.78	2.13	1.83	1.66	1.66	2.09	1.78	2.13	1.83	1.66	2.09	1.78	2.13
2000	1.48	1.66	1.30	1.14	1.78	1.38	1.88	1.26	1.23	1.88	1.26	1.33	1.35	1.35	1.92	1.31	1.40	1.31	1.27	1.70	1.31	1.48	1.71	1.40	1.24	1.40	1.32	1.26	1.25	1.80	1.77	1.78	1.41	1.46	1.88	
2005		1.61 p	1.31	1.28	1.80	1.34	1.50	1.86	1.33	1.35	1.92	1.31	1.40	1.31	1.27	1.70	1.31	1.27	1.70	1.31	1.48	1.71	1.40	1.24	1.40	1.32	1.26	1.25	1.80	1.77	1.78	1.41	1.46	2.52		

Note: The total fertility rate is the average number of children that would be born alive to a woman during her lifetime if current fertility rates were to continue.

	Percentage of live births outside marriage	
	5.1 e	5.1 e
1960	5.1 e	5.1 e
1970	5.5 e	5.1 e
1980	8.7 e	9.9
1990	17.4 e	11.6
2000	27.0 p	22.0
2003	30.6 p	31.0 p
2005		49.0

	Crude divorce rate (per 1 000 population)	
	5.1 e	5.1 e
1960	0.6	0.5
1970	0.9	0.7
1980	1.5	1.1
1990	1.6	1.7
2000	1.8	1.9
2005	2.1 p	2.0 p

Note: The crude divorce rate is the ratio of the number of divorces to the mean population in a given year.



Proportion of marriages dissolved by divorce, by marriage cohort (%), 2000

Year	1950	1960	1970	1980	1984
2010	1.729	952	1374	985	11315
2020	1.694	845	1364	887	10766
2030	1.693	679	1252	1693	10303
2040	1.634	622	1126	912	9429
2050	1.599	588	1118	850	8904
2010	310537	6980	5164	7177	3389
2020	302553	6879	4475	6479	3355
2030	287679	6574	3915	6157	3405
2040	249804	6380	3376	5699	3256
2050	254878	6285	2800	5023	3271
2010	91598	1846	1322	1571	891
2020	97068	2217	1475	2059	1104
2030	115848	2717	1580	2283	1263
2040	130824	3015	1646	2495	1370
2050	134541	3022	1706	2753	1399

Note: UK, Scotland and Northern Ireland not included.

Mean marriage duration at divorce by marriage cohort, years, 2000

Year	1950	1960	1970	1980	1984
2010	17.2	13.4	12.5	14.1	16.9
2020	17.0	11.3	11.3	11.3	11.3
2030	17.1	10.8	10.8	10.8	10.8
2040	18.0	10.8	10.8	10.8	10.8
2050	17.2	10.8	10.8	10.8	10.8

Note: UK, Scotland and Northern Ireland not included.

Population structure for main age groups for selected years (1 000 inhabitants)

Year	2010	2020	2030	2040	2050
Population aged 0-14	71919	69649	65839	62416	60412
Population aged 15-64	310537	287679	249804	254878	254878
Population aged 65+	91598	97068	115848	130824	134541

Notes: 1) Population refers to 1st January population of the respective years. 2) Data for France refer to metropolitan France.

Source: 2004-based Eurostat population projections, trend scenario, baseline variant.

Population growth rates (per 100 population) compared to 2004 population for selected years (percentage change)

Year	2010	2020	2030	2040	2050
Population aged 0-14	-3.8	-5.8	-11.9	-16.5	-19.2
Population aged 15-64	1.2	2.4	-3.7	-0.8	0.4
Population aged 65+	8.4	3.7	-0.8	10.4	10.8
2010	24.5	10.6	44.7	37.2	25.6
2020	53.9	52.6	18.5	60.4	56.9
2030	73.8	69.3	23.4	75.3	70.3
2040	78.7	69.7	27.9	93.5	62.7
2050	78.7	69.7	27.9	93.5	62.7

Notes: 1) Population refers to 1st January population of the respective years. 2) Data for France refer to metropolitan France.

Source: 2004-based Eurostat population projections, trend scenario, baseline variant.

Population structure (percentage of total) for main age groups for selected years		EU-27		EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
Population aged 0-14	2010	15.5	16.4	12.8	13.6	18.0	13.7	14.7	14.7	21.0	14.2	14.8	18.2	14.0	16.6	13.7	14.9	17.9	14.6	16.2	17.8	14.9	14.7	15.7	15.1	13.5	15.0	16.5	16.5	17.1	16.3				
	2020	14.8	15.7	12.4	13.8	16.0	13.0	16.4	19.8	14.0	14.2	14.8	17.2	12.9	15.4	16.2	14.9	17.0	14.4	15.7	16.3	14.0	14.5	14.2	15.1	14.9	13.5	14.2	16.1	17.1	16.3				
	2030	14.0	15.4	11.0	12.9	16.3	12.7	15.1	16.9	12.6	11.7	16.3	11.6	14.7	15.3	15.1	14.7	17.3	14.1	15.4	16.2	13.5	14.2	13.1	12.9	13.5	15.8	16.9	15.8						
	2040	13.5	14.8	11.0	12.1	16.5	12.0	13.8	16.1	12.1	11.3	16.0	11.4	13.4	13.4	13.4	13.4	17.0	13.6	14.6	16.3	12.6	12.9	13.1	12.3	12.1	12.6	15.2	16.3	14.9					
Population aged 15-64	2010	66.9	66.1	69.4	70.9	65.7	65.9	68.4	67.3	67.1	67.9	65.0	65.5	70.0	68.9	69.0	67.5	68.6	69.6	67.3	67.4	71.8	66.6	70.0	70.0	72.7	66.6	65.3	66.3						
	2020	64.5	63.8	65.9	65.4	64.0	64.4	64.9	65.5	64.9	66.0	62.2	63.7	67.4	65.5	67.5	66.6	65.2	64.8	64.9	66.0	67.3	64.6	68.1	69.4	61.3	61.7	64.2							
	2030	61.3	59.8	63.4	63.5	61.0	59.8	63.6	64.8	62.8	63.6	59.5	60.9	63.8	63.7	63.9	62.9	63.6	62.2	61.3	61.5	62.1	62.1	62.1	65.7	58.1	60.0	61.3							
	2040	58.3	57.9	59.8	61.1	58.8	56.9	63.1	61.7	58.7	57.5	57.0	55.5	63.6	63.0	62.2	60.7	61.6	60.9	59.1	58.1	62.4	58.4	62.8	59.5	63.2	58.1	59.2	59.2						
Population aged 65+	2010	17.6	17.5	17.8	15.5	16.3	20.4	16.9	11.7	18.7	18.7	16.8	20.4	17.2	18.3	17.4	16.1	14.6	16.8	14.2	14.9	17.7	13.5	17.7	14.9	16.5	12.3	16.9	18.2	16.7					
	2020	20.7	20.5	21.7	20.8	20.0	22.6	18.7	14.7	21.1	19.8	20.6	23.4	17.2	20.9	21.2	21.4	19.8	22.3	22.4	22.5	25.0	22.5	24.3	19.8	25.0	20.8	26.1	23.1	22.9					
	2030	24.7	24.8	25.6	23.6	22.7	27.5	21.3	18.3	24.6	24.7	24.2	27.5	20.9	21.2	21.4	19.8	22.3	22.4	22.5	25.0	22.5	24.3	19.8	25.0	20.8	26.1	23.1	22.9						
	2040	28.2	27.3	29.2	26.8	24.7	31.1	23.1	22.2	29.2	31.2	26.8	35.1	23.0	23.6	24.4	22.3	24.8	23.5	24.6	29.3	24.7	28.5	24.9	28.4	24.2	26.7	24.6	25.9						
2050	29.9	27.7	33.5	30.9	24.1	31.6	25.6	26.2	35.6	27.2	32.5	35.6	26.2	26.1	26.7	22.1	28.1	24.7	23.5	30.4	29.4	31.9	29.6	31.2	29.3	26.9	24.3	26.6							

Notes: 1) Population refers to 1st January population of the respective years. 2) Data for France refer to metropolitan France.  
Source: 2004-based Eurostat population projections, trend scenario, baseline variant.

#### Indicators of population structure for main age groups for selected years

Population aged 0-14		EU-27		EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	
Population aged 0-14	2010	23.2	24.8	18.4	19.1	27.4	20.7	21.5	21.8	28.0	21.3	23.7	19.9	21.5	26.5	21.3	23.3	26.5	22.1	20.5	23.5	21.6	19.3	20.6	24.7	25.2	25.7									
	2020	23.0	24.6	18.9	21.1	25.1	20.2	25.3	30.3	21.6	21.5	27.6	20.3	22.9	24.7	22.2	22.2	24.3	25.1	21.2	21.5	23.4	21.8	20.5	20.5	26.3	27.7	25.4								
	2030	22.9	25.8	17.4	20.3	26.7	21.2	23.8	26.0	20.1	18.4	27.4	19.1	23.9	23.7	23.0	27.6	22.2	24.8	26.4	22.0	22.4	21.6	19.5	20.7	20.6	27.2	28.3	25.7							
	2040	23.1	25.6	18.4	19.8	28.0	21.1	21.8	26.1	20.6	19.7	28.0	20.5	21.1	21.3	21.5	27.9	22.1	23.2	27.5	21.7	20.6	23.8	21.2	19.6	20.3	20.0	26.1	27.3	25.2						
Population aged 15-64	2010	26.3	26.4	25.6	21.9	24.8	31.0	24.7	17.5	28.0	25.4	25.9	31.3	19.1	25.2	23.4	21.6	24.3	20.4	22.2	26.3	18.8	26.5	21.2	23.6	16.9	25.4	28.0	25.1							
	2020	32.1	32.2	33.0	31.8	31.2	35.1	28.7	22.5	32.5	30.0	33.2	36.6	25.5	28.0	24.7	31.2	30.0	29.0	30.3	27.1	31.5	25.1	30.8	23.5	37.0	34.4	30.3								
	2030	40.3	41.3	40.4	37.1	37.1	46.0	33.4	28.3	39.1	38.9	40.7	45.2	32.9	33.4	33.4	31.5	35.1	36.0	36.7	40.8	35.7	39.0	29.6	40.4	31.7	45.0	38.5	37.4							
	2040	48.5	47.2	48.8	43.8	42.1	54.6	36.6	35.9	49.8	54.3	46.9	59.8	36.1	37.4	39.3	36.7	40.3	35.9	41.6	50.4	39.7	48.9	39.6	47.7	38.1	41.5	43.8								
Population aged 65+	2010	49.5	51.2	44.0	41.0	52.2	51.7	46.2	48.7	49.1	47.2	53.9	52.6	42.8	45.1	44.9	48.1	45.6	43.7	48.7	48.4	39.3	50.0	42.8	42.9	37.5	50.1	53.2	50.8							
	2020	55.1	56.8	51.9	52.9	56.3	55.3	54.0	52.8	54.1	51.5	60.8	56.9	48.4	52.7	48.2	50.2	53.3	54.3	54.1	51.5	48.6	54.9	46.9	51.3	44.0	63.3	62.1	55.7							
	2030	63.2	67.1	57.8	57.4	63.8	67.2	57.2	54.3	59.2	57.3	68.1	64.3	56.8	57.1	56.4	59.1	57.3	60.8	63.1	62.8	58.1	60.6	49.1	61.1	52.3	72.2	66.8	63.1							
	2040	71.6	72.8	67.2	63.6	70.1	75.7	58.4	62.0	70.4	74.0	80.3	57.2	58.7	60.8	64.6	62.4	59.1	69.1	72.1	60.3	71.4	59.2	68.0	58.1	72.2	68.8	69.0								
2050	76.5	73.5	81.9	77.0	68.0	76.9	67.9	73.0	81.1	89.2	75.6	87.0	65.2	69.1	67.9	63.2	72.0	64.5	64.7	74.7	73.6	81.9	72.7	78.5	72.8	73.1	68.4	70.3								

Notes: 1) Population refers to 1st January population of the respective years. 2) Data for France refer to metropolitan France. 3) Young age dependency ratio: Population aged between 0-14 as a percentage of population aged between 15 and 64.  
4) Old age dependency ratio: Population aged 65 and more as a percentage of population aged between 0-14 as a percentage of population aged between 15 and 64.  
Source: 2004-based Eurostat population projections, trend scenario, baseline variant.

## 2 POPULATION



4 LABOUR MARKET

European Union 27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	Former Yugoslav Republic of Macedonia			
																																	Croatia	Sweden	Finland	Turkey

**Total employment (thousands)**

Total 2004	213 602	201 054	137 340	4 172	3 403	4 945	2 748	38 699	592	1 870	4 313	18 503	24 977	24 256	354	1 008	1 425	299	3 899	150	8 205	4 139	13 795	5 123	9 103	943	2 168	2 365	4 311	28 467	1 561				21 794
Total 2005	215 619	202 962	138 439	4 212	3 495	4 993	2 767	38 622	604	1 958	4 369	19 213	25 089	24 333	366	1 024	1 461	307	3 899	153	8 208	4 158	14 116	5 123	9 115	949	2 215	2 398	4 327	28 732	1 573				22 103
Total 2006	218 991	205 994	140 386	4 259	3 580	5 076	2 822	39 092	657	2 042	4 452	19 848	25 278	24 754	372	1 073	1 488	318	3 905	154	8 306	4 198	14 577	5 160	9 291	961	2 302	2 432	4 404	28 961	1 605				22 373
Females 2004	94 280	88 492	59 169	1 799	1 596	2 155	1 278	17 484	295	868	1 672	7 680	11 582	9 517	159	496	717	129	1 175	47	3 672	1 860	6 230	2 357	4 135	434	983	1 156	2 067	13 343	706				5 768
Females 2005	95 527	89 749	60 137	1 839	1 629	2 158	1 290	17 671	305	831	1 672	7 800	11 582	9 517	159	496	717	129	1 175	47	3 672	1 860	6 230	2 357	4 135	434	983	1 156	2 067	13 343	706				5 732
Females 2006	97 308	91 343	61 237	1 870	1 677	2 193	1 317	17 683	319	868	1 725	8 046	11 707	9 744	164	523	737	137	1 181	49	3 729	1 903	6 506	2 370	4 239	438	1 010	1 172	2 087	13 473	727				5 822
Males 2004	119 322	112 563	78 172	2 373	1 805	2 791	1 470	21 394	298	1 084	2 641	11 258	13 502	14 747	200	516	728	176	2 106	105	4 569	2 279	7 565	2 784	4 926	513	1 191	1 229	2 245	15 297	865				16 026
Males 2005	120 092	113 213	78 302	2 374	1 866	2 836	1 478	21 151	299	1 127	2 697	11 532	13 506	14 816	208	528	744	179	2 104	106	4 577	2 278	7 809	2 765	4 979	516	1 232	1 241	2 270	15 389	867				16 371
Males 2006	121 683	114 651	79 149	2 389	1 902	2 883	1 505	21 278	318	1 175	2 727	11 802	13 571	15 010	209	550	749	181	2 124	106	4 577	2 295	8 072	2 790	5 052	524	1 292	1 260	2 318	15 488	878				16 552

**Self-employed in % of total employment**

Total 2004	16.5	15.6	15.5	16.3	28.5	18.8	6.4	10.9	9.6	17.6	40.6	14.8	8.8	25.7	22.6	13.2	18.7	6.7	14.2	11.7	13.8	19.9	26.7	26.2	31.5	17.1	12.3	11.8	4.7	12.8	23.4				
Total 2005	16.3	15.3	15.3	16.3	27.8	18.0	6.3	11.2	8.1	16.9	40.8	14.6	8.9	24.6	22.1	11.6	17.1	6.5	13.8	11.7	14.1	19.4	25.8	25.6	32.2	16.9	13.0	11.7	4.7	12.7	23.8				
Total 2006	16.2	15.3	15.3	16.3	27.8	18.0	6.4	11.2	8.1	16.4	40.7	14.6	8.9	24.3	20.6	11.7	15.8	6.2	12.7	11.8	13.9	18.8	25.7	24.4	31.0	16.7	13.0	11.9	4.7	13.0	21.2				
Females 2004	12.7	11.6	11.7	13.1	21.9	12.1	3.8	7.9	6.3	7.5	35.5	11.8	6.2	20.3	15.2	12.1	16.3	5.5	10.1	5.3	11.0	16.1	24.1	24.0	31.1	14.3	7.2	7.9	2.5	7.6	22.5				
Females 2005	12.5	11.4	11.6	13.1	21.9	11.7	3.8	8.5	5.1	7.1	36.0	11.7	6.1	18.9	15.3	9.7	14.7	5.7	9.8	5.2	11.1	15.9	23.1	23.9	31.7	14.1	7.1	7.8	2.5	7.7	23.2				
Females 2006	12.3	11.3	11.5	12.7	21.3	12.1	4.1	8.5	4.8	6.7	35.7	11.2	6.1	18.8	14.2	9.9	13.9	5.1	9.1	5.0	10.8	15.8	22.9	23.0	30.2	13.7	7.5	7.8	2.5	8.0	19.6				
Males 2004	19.6	18.8	18.3	18.7	34.4	23.9	8.7	13.3	12.9	25.0	43.8	16.8	11.0	29.1	28.2	14.3	21.0	7.5	17.7	14.5	16.1	23.0	28.9	27.9	31.8	19.5	16.4	15.3	6.8	17.2	24.2				
Males 2005	19.3	18.5	18.2	18.7	32.9	22.8	8.5	13.5	11.1	24.2	43.7	16.6	11.3	28.2	27.3	13.4	19.4	7.1	17.1	14.7	16.6	22.3	27.9	26.9	32.7	19.2	17.6	15.3	6.7	17.1	24.2				
Males 2006	19.2	18.4	18.2	19.0	33.5	22.4	8.5	13.5	11.4	23.5	43.8	16.8	11.4	27.9	25.6	13.4	17.8	7.1	15.8	14.9	16.5	21.4	28.0	25.7	31.8	19.2	17.2	15.8	6.7	17.3	22.5				

**Part-time workers in % of total employment**

Total 2004	17.2	17.7	17.7	21.4	2.4	4.9	22.2	22.3	8.0	16.8	4.6	8.7	16.7	12.7	8.6	10.4	8.4	16.4	4.7	8.7	45.5	19.8	10.8	11.3	10.6	9.3	2.7	13.5	23.6	25.8	8.5					
Total 2005	17.8	18.4	18.9	22.0	2.1	4.9	22.1	24.0	7.8	5.0	12.4	17.2	12.8	8.9	8.3	7.1	17.4	4.1	9.6	46.1	21.1	10.8	11.2	10.2	9.0	2.5	13.7	24.7	25.4	10.1						
Total 2006	18.1	18.8	19.5	22.2	2.0	5.0	23.6	25.8	7.8	5.7	12.0	17.2	13.3	7.7	6.5	9.9	17.1	4.0	10.1	46.2	21.8	9.8	11.3	9.7	9.2	2.8	14.0	25.1	25.5	9.4						
Females 2004	30.0	31.4	32.9	40.5	2.7	8.3	33.8	41.6	10.6	31.5	8.5	17.9	30.1	25.0	13.6	13.2	10.5	36.3	6.3	19.3	74.7	38.0	14.0	16.3	11.2	11.0	4.2	18.4	36.3	43.9	11.2					
Females 2005	30.9	32.4	34.5	40.5	2.5	8.6	33.0	43.5	10.6	9.3	24.2	30.7	25.6	14.0	10.4	9.1	38.2	5.8	21.1	75.1	39.3	14.3	16.2	10.5	11.1	4.1	18.6	39.6	42.7	13.4						
Females 2006	31.2	32.7	35.1	41.1	2.5	8.7	35.4	45.6	11.3	10.2	23.2	30.6	26.5	12.1	8.3	12.0	36.2	5.6	21.8	74.7	40.2	13.0	15.8	9.8	11.6	4.7	19.2	40.2	42.6	11.7						
Males 2004	7.0	7.0	6.3	6.8	2.1	2.3	12.1	6.5	5.4	6.1	2.2	2.8	5.3	4.8	4.8	7.7	6.5	2.5	3.2	4.1	22.3	4.9	8.2	7.1	10.2	7.9	1.4	9.0	12.0	10.3	6.3					
Males 2005	7.4	7.4	6.9	7.6	1.7	2.1	12.7	7.8	4.9	2.3	4.5	5.7	4.6	5.0	6.3	5.1	2.5	2.7	4.5	22.6	6.1	8.0	7.0	10.0	7.2	1.3	9.2	11.5	10.4	7.3						
Males 2006	7.7	7.7	7.4	7.4	1.5	2.2	13.3	9.3	4.3	2.9	4.3	5.7	4.7	4.3	4.7	7.9	2.6	2.6	4.8	23.0	6.5	7.1	7.4	9.5	7.2	1.3	9.3	11.8	10.6	7.5						

**Temporary contract workers in % of total employment**

Total 2004	13.2	13.7	15.3	8.7	7.4	9.1	9.5	12.4	2.6	4.1	11.9	32.5	12.8	11.8	12.9	9.5	6.3	4.8	6.8	4.0	14.8	9.6	22.7	19.8	2.5	17.8	5.5	16.1	15.5	6.0	12.2				
Total 2005	13.9	14.4	16.2	8.9	6.4	8.6	9.8	14.1	2.7	3.7	11.8	33.3	13.3	12.3	14.0	8.4	5.5	5.3	7.0	4.5	15.5	9.1	25.7	19.5	2.4	17.4	5.0	16.5	16.0	5.7	12.4				
Total 2006	14.3	14.9	16.7	8.7	6.2	8.7	8.9	14.5	2.7	3.4	10.7	34.0	13.5	13.1	13.1	7.1	4.5	6.1	6.7	3.8	16.6	9.0	27.3	20.6	1.8	17.3	5.1	16.4	17.3	5.8	12.9				
Females 2004	13.8	14.3	16.3	11.7	7.0	10.7	10.3	12.2	1.8	4.6	14.0	35.2	14.0	14.5	17.7	7.3	3.9	5.8	6.1	5.8	16.5	9.0	21.5	21.1	2.0	19.1	5.1	19.5	17.5	6.5	12.4				
Females 2005	14.4	15.0	17.0	11.4	6.2	9.8	11.3	13.8	2.0	4.2	14.3	35.7	14.0	14.7	19.5	6.2	5.8	6.4	6.1	16.9	8.8	24.7	20.4	1.9	19.3	4.9	20.0	17.7	6.2	12.3					
Females 2006	14.9	15.5	17.6	10.9	6.1	10.1	10.0	14.1	2.2	3.9	13.0	36.7	14.0	15.8	19.0	5.4	2.7	6.6	6.0	6.0	18.0	8.9	26.0	21.7	1.6	19.3	5.2	20.0	19.1	6.4	12.6				





6 INCOME, SOCIAL INCLUSION AND

LIVING CONDITIONS

1a At-risk-of-poverty rate by age and gender (SLC2005)

	European Union - 25													European Republic of Turkey																			
	EU27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	ML	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
Total population	16.5	16.5	15.5	15	14.1	10.8	12	12.8	18	20	20	20	13	19	16.6	19.8	21.8	13	13.8	15.8	11.8	12	21.8	19	18.1	12.8	13.8	12	9	19.8	18.1		26.1
Children aged 0-17*		19.5	17.5	18	18.1	18.8	10	12.8	21	23	20	24	14	24	13.8	22.8	27.8	19	20.8	22.8	15.8	15	29.8	24	25.1	12.8	19.8	10	9	22.8	15.1		36.1
People aged 18+*		15.5	15.5	14	13.1	9.8	12	12.8	18	19	19	17	12	18	17.8	19.8	11	12.8	13.8	13.8	9.8	11	18.8	18	17.1	12.8	12.8	12	9	18.8	19.1		21.1
Men		14.5	14.5	13	12.1	8.8	12	11.8	16	17	18	17	12	16	15.8	17.8	10.8	11.8	12.8	12.8	9.8	11	19.8	18	17.1	12.8	11.8	11	9	17.8	17.1		21.1
Women		16.5	16.5	15	15.1	10.8	13	13.8	19	20	21	20	13	20	16.8	20.8	19.8	12	12.8	14.8	10.8	13	17.8	19	17.1	14.8	12.8	13	10	19.8	20.1		23.1
People aged 18-64*		14.5	13.5	12	12.1	9.8	11	12.8	17	16	17	16	12	16	11.8	18.8	19.8	12	13.8	12.8	10.8	11	20.8	16	17.1	10.8	13.8	11	9	16.8	14.1		22.1
Men		14.5	13.5	11	13.1	9.8	11	11.8	17	15	16	15	11	15	10.8	18.8	20.8	11	13.8	11.8	10.8	11	21.8	15	17.1	10.8	13.8	11	9	16.8	14.1		21.1
Women		15.5	14.5	13	12.1	10.8	11	12.8	17	17	18	17	12	18	13.8	18.8	13	13.8	13.8	13.8	10.8	11	20.8	16	16.1	10.8	13.8	10	8	17.8	14.1		23.1
People aged 65+		19.5	19.5	21	18.1	5.8	18	14.8	20	33	28	29	16	23	5.1	21.8	17.8	7	6.8	16.8	5.8	14	7.8	28	17.1	20.8	7.8	18	11	26.8	32.1		22.1
Men		16.5	17.5	20	9.1	2.8	17	11.8	10	30	25	26	15	19	4.7	12.8	6.8	9	4.8	16.8	5.8	10	5.8	28	12.1	11.8	3.8	11	6	24.8	26.1		22.1
Women		21.5	22.5	22	23.1	7.8	18	17.8	26	36	30	32	16	25	5.8	26.8	22.8	5	8.8	17.8	6.8	17	9.8	28	21.1	26.8	10.8	23	14	28.8	37.1		23.1

At-risk-of-poverty threshold (illustrative values), PPP

- One person household	9 486	2 031	4 628	9 581	9 431	2 869	9 004	6 518	7 035	8 720	8 238	8 787	2 402	2 341	16 375	3 799	6 613	9 688	10 562	2 877	5 008	1 504	7 047	3 118	8 501	8 982	10 675	4 464		2 044		4 292
- Two adults with two dep. children	19 920	4 269	9 791	20 119	19 805	6 025	18 909	13 689	14 774	18 312	17 299	18 453	5 048	4 916	34 387	7 095	13 887	20 345	22 181	6 041	10 517	3 158	14 799	6 548	17 851	18 021	22 418	9 374		4 292		4 292

1b Relative median at-risk-of-poverty gap by gender and selected age group

	Total	Men	Women	People aged 18-64*	People aged 65+
Total population	23.5	21.5	25.5	24.5	24.5
Children aged 0-17*	22.5	21.5	23.5	22.5	22.5
People aged 18+*	23.5	22.5	25.5	24.5	24.5
Men	21.5	20.5	23.5	22.5	22.5
Women	26.5	24.5	28.5	27.5	27.5
People aged 18-64*	24.5	23.5	26.5	25.5	25.5
Men	18.5	18.5	21.5	20.5	20.5
Women	18.5	18.5	21.5	20.5	20.5

2. Inequality of income: S80/S20 income quintile share ratio

S80/S20	4.95	4.65	5.4	3.71	3.78	3.5	3.8	5.9	5	5.8	5.4	4	5.6	4.3	6.7	6.9	3.8	4.8	4.1	4.8	3.8	6.6	6.9	4.91	3.4	3.9	3.6	3.3	5.8	4.81		10.1
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7a. Relative income of people aged 65+ (relative to the complementary age groups) (%)

Total	0.865	0.865	0.73	0.84	0.83	0.70	0.93	0.73	0.65	0.79	0.75	0.90	0.85	0.57	0.74	0.81	0.97	1.01	0.83	0.88	0.95	1.09	0.76	0.86	0.85	0.75	0.80	0.73		0.80	0.73	
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7b. Aggregate replacement rate (%)

Total	0.515	0.525	0.42	0.61	0.51	0.35	0.48	0.47	0.43	0.49	0.56	0.57	0.58	0.28	0.61	0.47	0.62	0.61	0.54	0.43	0.67	0.58	0.59	0.42	0.55	0.46	0.58	0.41		0.41		0.41
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11. At-risk-of-poverty rate by most frequent activity status and by gender (Age 18+)

	Total	Men	Women	At work	Not at work	Unemployed	Retired	Other inactive
Total	15.5	15.5	14	14.1	8.8	12	12.8	17
Men	14.5	13.5	13	12.1	8.8	12	11.8	15
Women	16.5	16.5	15	17.1	9.8	12	13.8	19
Total	8.5	7.5	4	6.1	3.8	5	5.8	7
Men	9.5	8.5	5	5.1	3.8	5	5.8	7
Women	7.5	6.5	3	6.1	4.8	5	6.8	8
Total	23.5	22.5	24	19.1	15.8	22	19.8	31
Men	22.5	21.5	24	15.1	15.8	24	19.8	30
Women	23.5	23.5	24	22.1	15.8	21	19.8	31
Total	39.5	36.5	31	34.1	51.8	26	40.8	60
Men	43.5	41.5	31	37.1	57.8	39	43.8	62
Women	36.5	33.5	31	31.1	47.8	14	38.8	58
Total	16.5	16.5	19	16.1	6.8	16	13.8	23
Men	15.5	15.5	20	11.1	4.8	15	12.8	11
Women	17.5	16.5	18	20.1	7.8	16	15.8	28
Total	26.5	25.5	26	15.1	16.8	31	19.8	31
Men	26.5	25.5	25	16.1	17.8	33	22.8	35
Women	26.5	25.5	26	14.1	15.8	30	17.8	29

-	Total	100%		100%		100%		100%		100%		100%		100%		100%		100%	
		45	44	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55
	Men	43	47	43	47	43	47	43	47	43	47	43	47	43	47	43	47	43	47
	Women	57	53	57	53	57	53	57	53	57	53	57	53	57	53	57	53	57	53
	Total	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23
	Men	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13
	Women	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
	Total	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
	Men	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
	Women	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
	Total	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
	Men	30	34	31	38	35	23	25	29	26	30	27	27	28	27	27	28	27	28
	Women	46	42	46	42	46	42	46	42	46	42	46	42	46	42	46	42	46	42
	Total	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14
	Men	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
	Women	18	12	18	12	18	12	18	12	18	12	18	12	18	12	18	12	18	12
	Total	20	29	31	30	15	28	20	28	18	47	34	22	8	28	18	47	34	22
	Men	5	12	13	4	11	14	14	13	10	20	9	6	10	16	4	11	14	13
	Women	15	13	16	17	18	26	3	15	9	26	26	2	18	22	16	17	18	26
	Total	30	35	36	19	31	38	32	45	26	46	17	23	38	9	53	37	31	20
	Men	7	8	11	7	16	8	8	6	8	6	5	9	3	5	16	8	7	6
	Women	22	27	25	41	25	32	24	36	19	11	14	28	6	48	20	23	13	20

Context 11: At-risk-of-poverty rate before social transfers by gender and selected age group																			
Before all social transfers except old-age survivors' pensions																			
Total population	26	24	28	17	21	30	23	24	26	23	22	26	26	23	29	21	23	20	23
Children aged 0-17 years	34	31	34	24	34	25	29	34	31	29	34	31	20	31	34	35	36	35	36
People aged 18 years and more	24	23	27	16	18	31	22	22	24	22	22	25	24	20	26	18	20	21	27
Men	23	21	25	14	17	30	20	20	21	23	20	20	22	20	26	17	20	24	21
Women	25	24	28	18	20	33	23	24	25	24	24	26	26	20	25	20	23	26	25
Total	24	23	27	15	20	29	23	22	27	20	21	16	24	25	22	29	18	22	23
Men	23	22	26	15	19	27	23	22	25	19	24	15	24	25	22	30	17	21	22
Women	25	24	28	14	21	30	24	23	29	21	22	18	24	24	23	29	19	23	30
Total	23	22	26	20	11	42	15	22	44	32	21	54	27	20	10	11	22	27	23
Men	20	19	25	10	7	44	12	11	38	29	19	21	51	15	8	12	7	20	13
Women	25	25	26	26	14	41	18	28	48	35	22	57	32	26	9	14	22	10	32

Before all social transfers including old-age survivors' pensions																			
Total population	43	42	42	39	39	38	43	39	45	43	42	40	40	40	41	43	42	40	42
Children aged 0-17 years	35	32	34	31	35	25	30	34	41	25	32	36	33	21	35	39	38	48	43
People aged 18+	45	44	44	41	40	42	46	40	49	42	40	47	45	32	42	43	44	40	36
Men	42	41	40	37	36	38	44	36	44	41	29	38	40	38	48	34	36	40	40
Women	48	47	48	44	43	45	49	43	45	43	50	49	44	44	46	43	53	41	47
Total	33	32	32	29	30	29	33	29	35	33	32	32	31	31	27	28	33	31	30
Men	31	30	30	27	27	27	30	28	28	29	27	33	30	20	31	33	29	40	30
Women	35	34	35	31	32	31	35	30	33	32	31	36	35	24	33	33	42	30	36
Total	90	90	92	75	88	94	95	83	88	83	96	85	88	79	86	87	90	81	95
Men	89	88	92	73	91	91	94	83	87	81	84	96	83	87	85	88	90	80	88
Women	90	90	91	76	87	96	96	83	88	85	83	95	86	88	79	87	88	81	88



At-risk-of-poverty rate by household type																																		
Incidence		15s	15s	13	13.1	7b	15	14b	19	20	19	18	13	16	27b	20b	18b	8	10b	11b	8b	12	13b	19	14b	16b	8b	14	11	19b	23i	111		
-	Households without dependent children																																	
-	One-person households	24s	24s	22	33.1	16b	26	23b	36	48	28	34	20	28	48b	41b	32b	14	19b	21b	14b	19	16b	37	26i	44b	16b	30	19	27b	42i	191		
-	Men	22s	21s	20	23.1	16b	26	23b	35	44	19	21	19	19	29b	42b	35b	15	24b	15b	17b	14	25b	34	20i	35b	18b	27	19	24b	33i			
-	Women	25s	26s	24	36.1	16b	25	23b	37	53	32	43	20	34	59b	40b	30b	13	15b	24b	12b	23	12b	39	29i	49b	16b	32	20	28b	47i			
-	Aged < 65 yrs	22s	22s	19	22.1	19b	28	24b	32	34	19	18	21	21	27b	37b	30b	17	20b	23b	17b	17	26b	28	20i	43b	23b	26	20	22b	30i			
-	Aged 65+	25s	27s	27	39.1	14b	21	20b	41	62	35	47	21	34	70b	45b	33b	7	10b	20b	7b	23	7b	42	30i	45b	12b	36	19	32b	49i			
-	Both < 65 yrs	10s	9s	8	7.1	7b	5	10b	15	14	15	11	8	10	14b	19b	17b	6	9b	13b	7b	9	14b	15	10i	12b	10b	6	5	11b	16i	61		
-	At least one 65+	16s	16s	17	9.1	2b	13	11b	11	20	27	29	13	20	47b	11b	9b	7	4b	18b	4b	11	6b	28	12i	12b	4b	8	4	24b	31i	141		
-	Other households	10s	9s	5	9.1	3b	1	4b	8	9	13	13	10	9	11b	13b	9b	3	6b	4b	4b	6	14b	9	12i	6b	5b	3	4	14b	10i	111		
-	Households with dependent children	17s	16s	16	15.1	14b	9	11b	18	19	21	21	13	22	11b	19b	23b	17	17b	18b	13b	13	25b	20	21i	10b	17b	9	8	19b	14i	291		
-	Single parents	31s	28s	33	25.1	41b	21	25b	40	45	44	37	26	35	35b	31b	48b	32	27b	49b	26b	27	40b	31	27i	22b	32b	20	18	37b	24i	391		
-	at least 1 dep. child	11s	11s	9	10.1	9b	4	8b	13	12	14	14	8	15	9b	14b	15b	13	15b	12b	9b	9	17b	15	11i	9b	13b	7	4	11b	10i	81		
-	1 dep. child	14s	14s	10	17.1	11b	5	7b	12	13	18	23	9	21	9b	18b	18b	17	15b	16b	10b	11	23b	24	16i	10b	17b	5	4	14b	10i	141		
-	2 dep. children	24s	22s	20	32.1	25b	14	11b	25	26	33	36	20	35	14b	39b	44b	20	26b	34b	20b	20	45b	42	44i	17b	24b	12	9	27b	24i	441		
-	3+ dep. children	17s	16s	18	15.1	9b	5	9b	13	11	28	18	15	21	8b	13b	14b	14	11b	10b	6b	9	23b	15	23i	6b	13b	8	12	15b	13i	341		
Distribution of at-risk-of-poverty population																																		
-	Households without dependent children	45s	47s	44		31b	65	59b	45	38	48	44	46	42	57b	46b	34b	25	34b	33b	37b	47	24b	41		51b	23b	64	57	52b				
-	One-person households	19s	20s	22		14b	47	33b	26	19	11	10	21	17	16b	21b	17b	12	16b	10b	19b	23	7b	11			27b	10b	45	42	20b			
-	Men	7s	7	9		6b	23	13b	9	8	2	3	8	5	4b	7b	6b	6	7b	2b	10b	7	4b	3			7b	2b	17	19	8b			
-	Women	12s	13s	13		9b	24	20b	17	10	8	7	13	12	12b	14b	11b	6	9b	7b	9b	16	3b	8			20b	7b	28	23	12b			
-	Aged < 65 yrs	10s	10s	12		9b	34	22b	12	6	3	3	11	6	5b	10b	9b	10	12b	4b	16b	13	6b	3			11b	6b	27	27	10b			
-	Aged 65+	9s	9s	10		6b	12	11b	14	13	7	7	9	10	11b	11b	8b	2	4b	5b	3b	10	2b	8			16b	4b	19	15	10b			
-	Both aged < 65 yrs	8s	8s	8		10b	8	13b	9	7	7	5	10	5	7b	11b	8b	6	9b	7b	12b	10	6b	7			7b	6b	10	9	10b			
-	At least one age 65+	10s	12s	12		2b	10	11b	5	7	16	14	11	12	26b	5b	4b	5	3b	12b	4b	8	2b	15			8b	2b	7	4	14b			
-	Other households	7s	7s	3		5b	0	2b	4	6	14	15	5	9	8b	9b	4b	2	6b	5b	2b	6	9b	8			8b	6b	1	1	7b			
-	Households with dependent children	55s	53s	56		69b	35	41b	55	62	52	56	54	58	43b	54b	68b	75	66b	67b	63b	53	76b	59			49b	77b	36	43	49b			
-	Single parents	9s	8s	14		16b	12	12b	16	17	4	3	11	5	6b	9b	15b	8	10b	8b	9b	8	5b	4			6b	6b	9	16	16b			
-	at least 1 dep. child	9s	9s	7		10b	4	9b	11	6	8	9	8	10	6b	10b	12b	12	13b	9b	9b	9	10b	13			8b	9b	7	4	6b			
-	1 dep. child	16s	17s	10		22b	7	10b	9	11	24	20	16	21	15b	11b	15b	24	16b	19b	19b	15	17b	19			17b	23b	7	8	11b			
-	2 dep. children	11s	10s	17		11b	11	7b	9	20	3	9	14	9	9b	9b	15b	20	15b	20b	23b	13	18b	9			8b	17b	12	11	11b			
-	3+ dep. children	11s	9s	8		9b	1	4b	10	8	13	14	5	13	8b	14b	10b	11	12b	11b	3b	8	27b	14			10b	22b	2	4	5b			
At-risk-of-poverty rate by accommodation tenure status and by gender and selected age group																																		
-	Owner-occupier or rent-free	14s	13s	10	14.1	8b	7	8b	18	15	20	18	9	17	15b	18b	20b	9	13b	14b	7b	10	20b	17			181	11b	13b	8	6	14b	181	261
-	Men	13s	12s	9	12.1	7b	7	8b	16	15	19	17	8	15	14b	18b	19b	9	13b	13b	7b	9	21b	17			181	9b	13b	7	5	13b		
-	Women	14s	14s	11	15.1	8b	8	9b	18	16	21	20	10	18	17b	19b	21b	10	13b	14b	7b	11	20b	18			181	12b	12b	9	6	15b		
-	Total	23s	21s	29	25.1	19b	21	18b	34	37	18	32	20	29	23b	24b	33b	25	19b	20b	17b	17	25b	29			221	26b	18b	21	17	32b	121u	231
-	Men	22s	21s	29	23.1	17b	22	17b	33	36	16	31	20	27	20b	21b	31b	24	20b	18b	18b	17	25b	28			211	25b	16b	21	17	33b		
-	Women	23s	22s	29	26.1	20b	20	18b	34	38	19	33	21	31	25b	26b	35b	26	18b	22b	17b	17	25b	30			231	27b	19b	22	17	33b		
-	Owner-occupier or rent-free	64s	60s	49		58b	42	38b	91	61	83	84	46	72	84b	78b	95b	56	90b	76b	43b	51	94b	74			80b	79b	50	42	53b			
-	Men	30s	27s	22		27b	20	18b	39	30	38	39	21	31	37b	35b	42b	26	44b	37b	22b	23	47b	34			33b	38b	21	19	25			
-	Women	34s	33s	26		31b	22	20b	52	31	45	45	25	41	46b	43b	53b	30	46b	39b	21b	28	47b	39			47b	41b	29	23	28b			
-	Total	36s	40s	51		42b	58	62b	9	39	17	16	54	28	16b	22b	5b	44	10b	24b	57b	49	6b	26			20b	21b	50	58	47			
-	Men	17	18s	25		19b	28	28b	5	18	8	8	25	13	7b	9b	2b	23	5b	10b	28b	22	3b	12			9b	9b	23	27	23b			
-	Women	19	21s	27		24b	30	34b	5	21	10	9	29	15	9b	13b	2b	22	5b	14b	30b	26	3b	14			11b	12b	27	32	24b			

At-risk-of-poverty rate by work intensity of the household incidence

	EU27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
- Households without dependent children	29 s	28 s	25	25	19 b	27	29 b	57	28	51	28	42	21	30	47 b	54 b	40 b	15	18 b	34 b	16 b	21	24 b	33	31 b	14 b	27	20	38 b				
- Households with dependent children	11 s	10 s	7	8	1 b	6	8 b	12	8	12	13	11	9	12 b	17 b	15 b	7	10 b	3 b	8 b	11	14 b	11	14 b	7	6 b	6 b	11	12	18 b			
- Households without dependent children	5 s	5 s	2	1	1 b	5	4 b	5	11	5	5	6	4	5	9 b	5 b	5 b	5	7 b	1 b	4 b	4	8 b	7	4 b	6 b	3	5	5 b				
- Households with dependent children	60 s	62 s	72	61	78 b	51	53 b	81	74	54	68	63	70	71 b	83 b	82 b	36	56 b	73 b	53 b	52	62 b	61	62 b	61	54 b	76 b	56	42	54 b			
- Households without dependent children	40 s	39 s	36	29	47 b	13	28 b	56	37	47	40	42	46	34 b	46 b	64 b	54	42 b	29 b	27 b	33	43 b	38	27 b	38 b	27 b	38 b	28	28	41 b			
- Households with dependent children	18 s	17 s	15	10	13 b	6	7 b	15	13	23	24	16	24	14 b	19 b	22 b	17	23 b	15 b	16 b	14	22 b	27	22 b	27	12 b	15 b	7	8	21 b			
- Distribution of at-risk or poverty population	7 s	6 s	3	1	3 b	5	5 b	7	11	10	4	5	5	3 b	8 b	12 b	12	10 b	5 b	7 b	6	15 b	10	15 b	10	3 b	11 b	3	4	9 b			
- Households without dependent children	17 s	19 s	22	15 b	28	33 b	23	16	11	13	15	17	18 b	22 b	15 b	8	11 b	19 b	14 b	15	10 b	11	10 b	11	25 b	7 b	22	13	18 b				
- Households with dependent children	10 s	11 s	6	10 b	7	9 b	8	6	16	15	12	9	13 b	13 b	9 b	6	10 b	4 b	9 b	14	9 b	14	9 b	11	10 b	7 b	20	18	9 b				
- Households without dependent children	5 s	5 s	3	1 b	12	6 b	5	3	8	4	5	4	5	4	7 b	5 b	3 b	6	8 b	1 b	6 b	7	3 b	5	3 b	4 b	6	13	8 b				
- Households with dependent children	17 s	15 s	34	27 b	20	18 b	19	34	7	8	16	14	16	14	10 b	13 b	15 b	4	8 b	24 b	17 b	10	16 b	7	17 b	14 b	16	14	27 b				
- Households without dependent children	10 s	10 s	8	12 b	2	7 b	12	12	9	10	11	14	14	9 b	8 b	14 b	13	9 b	8 b	5 b	9	18 b	8	18 b	8	11 b	12 b	10	7	4 b			
- Households with dependent children	27 s	30 s	19	27 b	9	16 b	20	21	34	38	28	37	36 b	25 b	24 b	37	25 b	40 b	28 b	32	27 b	38	27 b	38	25 b	28 b	17	16	15 b				
- Distribution of at-risk or poverty population	14 s	11 s	7	8 b	23	10 b	14	8	15	12	13	5	7 b	13 b	21 b	25	28 b	5 b	21 b	13	17 b	21	17 b	21	9 b	27 b	8	21	19 b				

Notes: 1) HR: National HBS 2004, income data 2004. 2) BG and RO National HBS 2005, income data 2005. 3) TR National HICE survey 2004, income data 2004.

4) EU Aggregates: Eurostat estimates are obtained as a population size weighted average of national data.

\* The age breakdowns for RO, HR and TR refer to 0-15 and 16+ population respectively, not 0-17 and 18+ population

Sources: SILC(2005) income data 2004; except for UK, income year 2005 and for IE moving income reference period (2004-2005).

6 INCOME, SOCIAL INCLUSION AND

LIVING CONDITIONS

**7 GENDER EQUALITY**

	European Union - 27		Euro area - 13		Belgium	Bulgaria	Czech Republic	Denmark	Germany	Estonia	Ireland	Greece	Spain	France	Italy	Cyprus	Latvia	Lithuania	Luxembourg	Hungary	Malta	Netherlands	Austria	Poland	Portugal	Romania	Slovenia	Slovakia	Finland	Sweden	United Kingdom	Croatia	Former Yugoslav Republic of Macedonia	Turkey
EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	DE	EE	IE	EL	ES	FR	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR
<p><b>Percentage of women as members in regional councils, autumn 2006</b></p> <p>26 : : 31 : 15 : 33 : 18 : 39 : 49 : 12 : : : : 12 : : 28 : 30 : 17 : 17 : : : : 12 : 43 : 47 : 18 : : : 1</p> <p>Notes: 1) The regional council is the regional legislative assembly which has the legislative power on regional level. 2) DE: Data from March 2005.</p>																																		
<p><b>Percentage of women as members in regional governments, autumn 2006</b></p> <p>24 : : 37 : 13 : 13 : 27 : 20 : 16 : 33 : 18 : : 37 : : : : : : 24 : 29 : 8 : 6 : 16 : : : 49 : 46 : 17 : : : 1</p> <p>Note: The regional government is the institution that is the governing authority of a regional political unit.</p> <p>Source: European database - Women and men in decision-making (<a href="http://ec.europa.eu/employment_social/women_men_stats/measures_jm41_en.htm">http://ec.europa.eu/employment_social/women_men_stats/measures_jm41_en.htm</a>).</p>																																		
<p><b>Women in local councils, 1997</b></p> <p>Number of seats : : : 12 912 : : 4 658 177 193 : 883 : : : 94 886 : : 11 072 7 508 : 7 337 : : : 12 482 11 006 23 325 : : :</p> <p>Number of seats occupied by women : : : 2 565 : : 1 261 30 973 : 103 : : : 18 237 : : 114 : : 2 475 929 : 1 057 : : : 3 932 4 533 6 164 : : :</p> <p>Percentage of seats occ. by women : : : 19.9 : : 27.1 17.5 : 11.7 : : : 19.2 : : 10.3 : : 22.4 12.4 : 14.4 : : : 31.5 41.2 26.4 : : :</p> <p>Notes: Local data are incomplete. Due to the huge differences in local level political decision-making data provided are not always comparable. D: No data available for Saxony-Anhalt and Mecklenburg-Vorpommern. A: Only data from Syria available.</p> <p>Source: European database - Women in decision making (<a href="http://www.db-decision.de/InfactSheets/lokal_E.htm">http://www.db-decision.de/InfactSheets/lokal_E.htm</a>).</p>																																		
<p><b>7 GENDER EQUALITY</b></p>																																		

## 8 HEALTH AND SAFETY

	European Union - 27	EURO area 13	Belgium	Bulgaria	Czech Republic	Denmark	Germany	Estonia	Ireland	Greece	Spain	France	Italy	Cyprus	Latvia	Lithuania	Luxembourg	Hungary	Malta	Netherlands	Austria	Poland	Portugal	Romania	Slovenia	Slovakia	Finland	Sweden	United Kingdom	Croatia	France Republic of Macedonia	Yugoslav Republic of Macedonia	Turkey
	EU-27	EU-25	EA-13	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR

### Healthy life years at 65, in percentage of the total life expectancy at 65, 2005

Males	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p	: : : 55.2p
Females	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p	: : : 46.8p

Source: Eurostat - Health and safety statistics.

### Percentage of the population aged 16 and over who feel that their health is bad or very bad, by sex, 2005

Males	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p	: : : 6.7p
Females	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p	: : : 9.5p

Source: Eurostat - Health and safety statistics (SILC data)

### Standardised death rates (SDR) per 100 000 population by sex, 2005

	Males	Females
Diseases of the circulatory system	326	216
Cancer	241	136
Diseases of the respiratory system	67	33
External causes of injury and poisoning	64	23
Diseases of the circulatory system	216	198
Cancer	136	127
Diseases of the respiratory system	33	33
External causes of injury and poisoning	23	23

Notes: EU-27, EU-25, EA-13, FI, SE: 2004; IT, 2002; DK: 2001; BE: 1997.

Source: Eurostat - Health and safety statistics.

### Practising physicians per 100 000 inhabitants

1995	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345	: : : 345
2005	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400	: : : 400

Notes: 1) LU, AT, PL, PT, SI, SK; 2) FR, LT, MK: professionally active physicians; IE, IT, MT: physicians licensed to practise

Source: Eurostat - Health and safety statistics.

### Practising dentists per 100 000 inhabitants

1995	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76	: : : 76
2005	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83	: : : 83

Notes: 1) LU, AT, PL, SI, SK; 2) FR, IT, LT, NL, MK: professionally active dentists; IE, ES, MT: dentists licensed to practise

Source: Eurostat - Health and safety statistics.

### Practising nurses per 100 000 inhabitants

2000	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540	: : : 540
2005	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611	: : : 611

Notes: 1) DK, LU, NL, PL, PT, FI, 2004; FR refer to France Metropolitan; 2) FI: nurses professionally active; LU: nurses licensed to practise

Source: Eurostat - Health and safety statistics.



## **Annex 2**

### **Symbols, Country Codes and Country Groupings, other Abbreviations and Acronyms**

## Symbols

### Symbols used in the tables

The special values are codes which replace real data:

- : 'not available'
- .
- 'not applicable'

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

- b 'break in series (see explanatory texts)'
- e 'estimated value'
- f 'forecast'
- i 'more information is in the note in the end of the table or in the Eurostat web site <http://epp.eurostat.cec.eu.int/>'
- p 'provisional value'
- r 'revised value'
- s 'Eurostat estimate'
- u 'unreliable or uncertain data (see explanatory texts)'

### Other symbols

- % percent

## Country codes and country groupings

### Country codes

AT	Austria	BE	Belgium	BG	Bulgaria	CY	Cyprus	CZ	Czech Republic
DE	Germany	DK	Denmark	EE	Estonia	EL	Greece	ES	Spain
FI	Finland	FR	France	HR	Croatia	HU	Hungary	IE	Ireland
IT	Italy (FYROM)	LU	Luxembourg	LV	Latvia	LT	Lithuania	MK <sup>68</sup>	The former Yugoslav Republic of Macedonia
MT	Malta	NL	Netherlands	PL	Poland	PT	Portugal	RO	Romania
SE	Sweden	SI	Slovenia	SK	Slovakia	TR	Turkey	UK	United Kingdom

### Country groupings

EU-27	The 27 Member States of the European Union from 1.1.2007: BE, BG, CZ, DK, DE, EE, IE, EL, ES, FR, IT, CY, LV, LT, LU, HU, MT, NL, AT, PL, PT, RO, SI, SK, FI, SE and UK.
EU-25	The 25 Member States of the European Union between 1.5.2004-31.12.2006: BE, CZ, DK, DE, EE, IE, EL, ES, FR, IT, CY, LV, LT, LU, HU, MT, NL, AT, PL, PT, SI, SK, FI, SE and UK.
EU-15	The 15 Member States of the European Union between 1.1.1995-30.4.2004: BE, DK, DE, IE, EL, ES, FR, IT, LU, NL, AT, PT, FI, SE and UK.
EA-13	The 13 countries of the euro area from 1.1.2007: BE, DK, IE, EL, ES, FR, IE, IT, LU, NL, AT, PT, SI and FI). Also called as 'euro zone', 'euroland' and 'euro group'.
NMS-12	The twelve new Member States are BG, CZ, EE, CY, LV, LT, HU, MT, PL, RO, SI and SK (i.e. the Member States which are members of EU-27 but were not members of EU-15.)

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<sup>68</sup> Provisional code which does not prejudice in any way the definitive nomenclature for this country, which will be agreed following the conclusion of negotiations currently taking place at the United Nations.



The **old** Member States are the EU-15 states (see above).

The **new** Member States are the NMS-12 states (see above).

The **Candidate** Countries are Croatia, the former Yugoslav Republic of Macedonia (FYROM) and Turkey.

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

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

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

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

### Other abbreviations and acronyms

COICOP	Classification of Individual Consumption by Purpose
CVT	Continuing Vocational Training
CVTS2	Second Survey of Continuing Vocational Training
EC	European Communities
ECB	European Central Bank
ECHP	European Community Household Panel
ECHP UDB	European Community Household Panel – Users’ Database
ESAW	European Statistics on Accidents at Work
ESSPROS	European System of integrated Social Protection Statistics
EU	European Union
Eurostat	The Statistical Office of the European Communities
GCSE	General Certificate of Secondary Education
GDP	Gross Domestic Product
HBS	Household Budget Survey

HICP	Harmonised Index on Consumer Prices
ICD	International Classification of Diseases and Health Related Problems
ILO	International Labour Organisation
ISCED	International Standard Classification of Education
LLL	Lifelong Learning
LFS	Labour Force Survey
LMP	Labour Market Policy
NACE Rev. 1	Statistical Classification of Economic Activities in the European Community
n.e.c.	not elsewhere classified
NUTS	Nomenclature of Territorial Units for Statistics
OECD	Organisation for Economic Co-operation and Development
PPS	Purchasing Power Standard
QLFD	Quarterly Labour Force Data
SES	Structure of Earnings Survey
SDR	Standardised Death Rate
UOE	UNESCO/OECD/Eurostat
UNESCO	United Nations Educational, Scientific and Cultural Organisation