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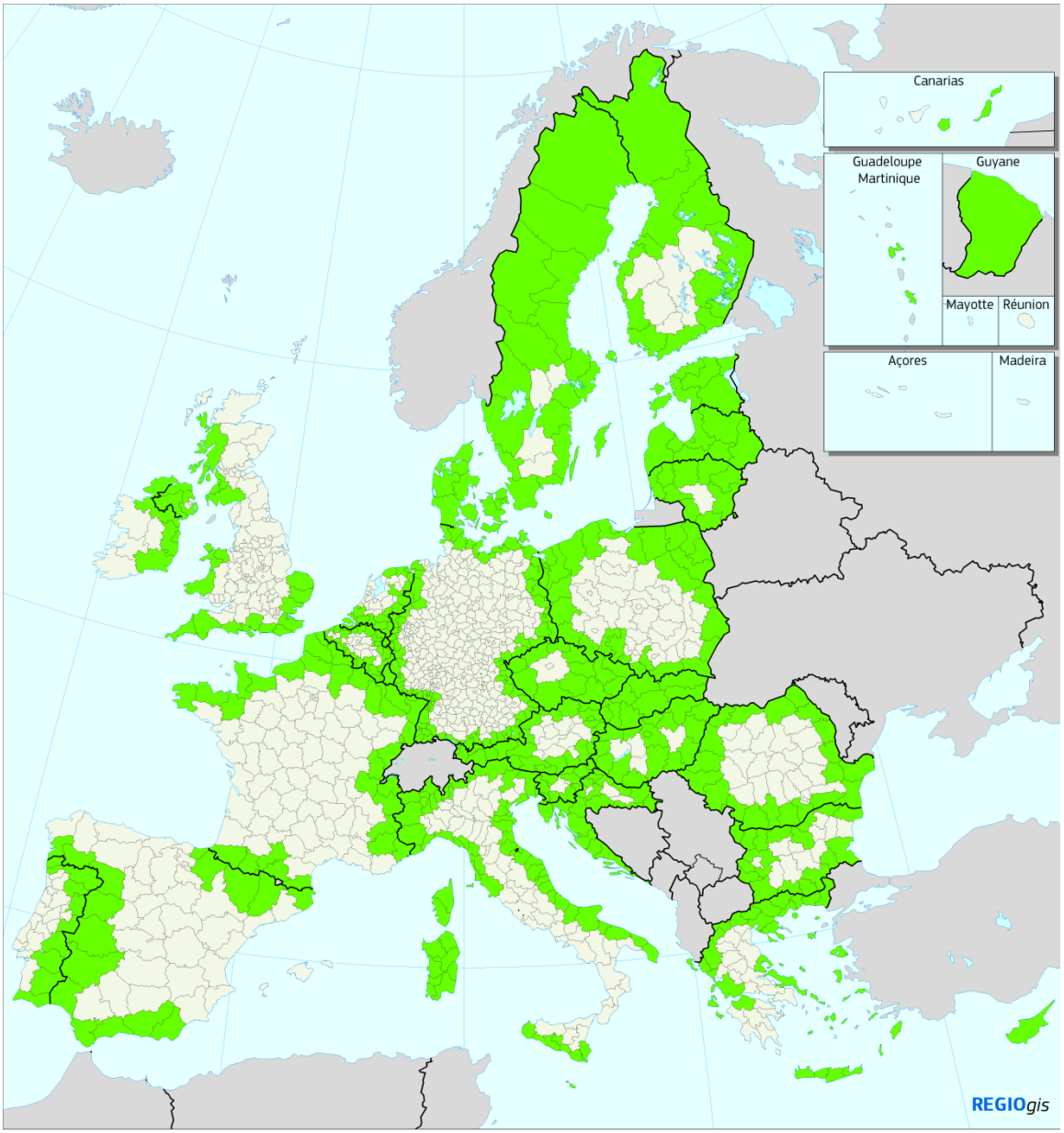
Sixth report on economic, social and territorial cohesion: Investing in Europe's Future

{COM(2014) 473 final}

Map 1 Regions[1] for cross-border cooperation, 2014-2020

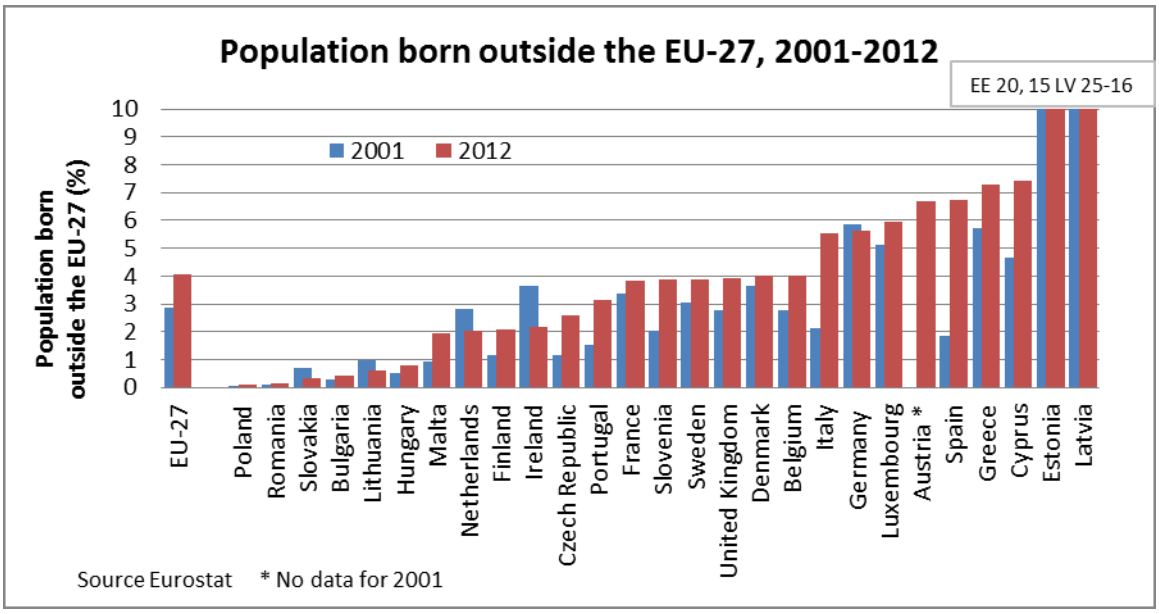


[1] Includes terrestrial and maritime border regions.

4.3. More foreign-born workers have joined the labour market with varying success

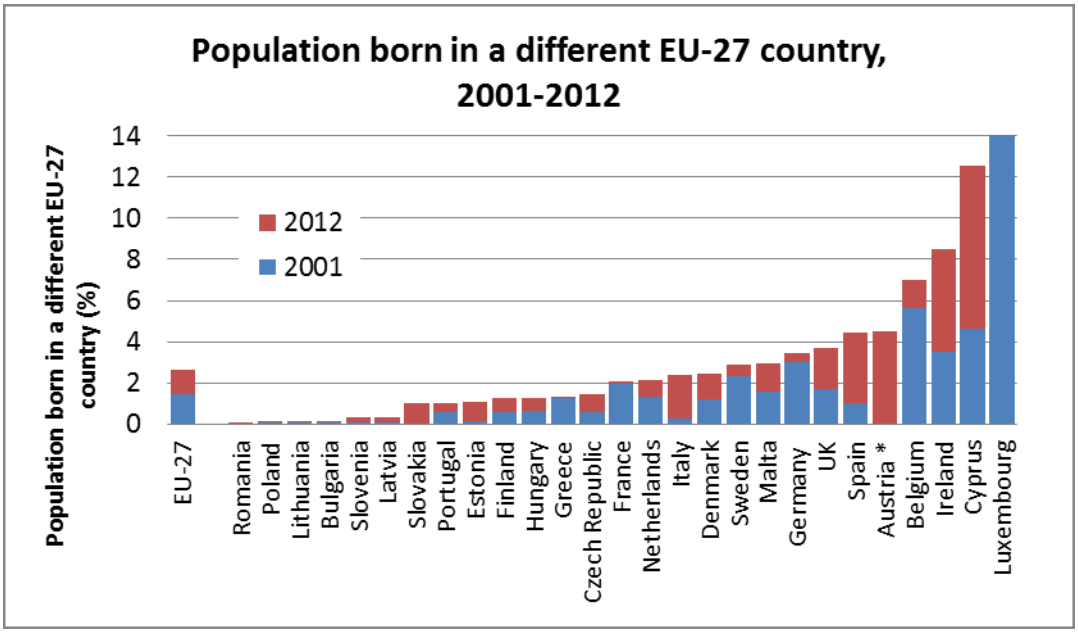
As noted above, migration is the main source of population growth in the EU, with the proportion of population born outside the EU increasing from 2.9% to 4.1% between 2001 and 2012 (Figure 31). The increase was particularly large in Spain (5 percentage points) and Italy (3.4 percentage points), in both cases many of the migrants coming from North Africa and Latin America.

Figure 1 Population born outside the EU-27, 2001-2012



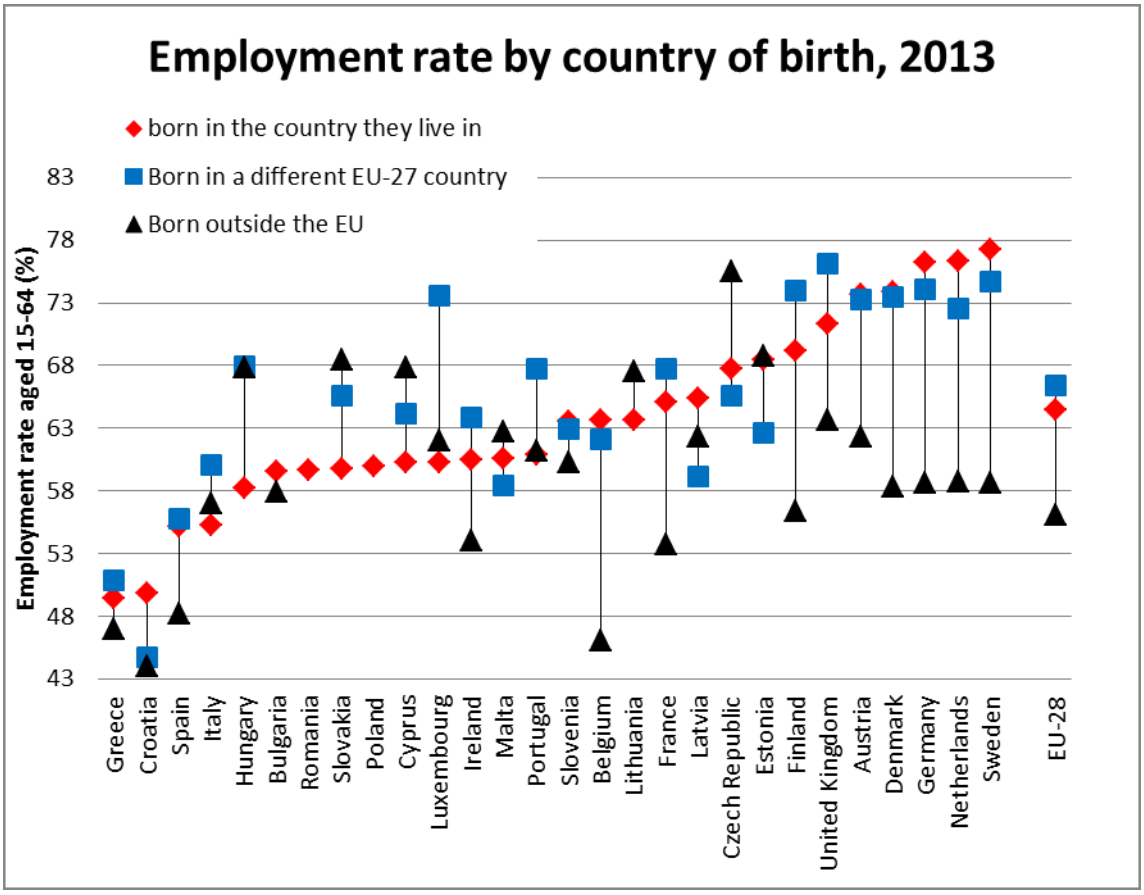
Although mobility within the EU does not, of course, increase population in the EU as a whole, it increases it in some Member States. The proportion of people born in a different EU country than where they live increased between 2001 and 2012 from 1.4% to 2.7% (see Figure 32). This is similar to the increase in migrants from outside the EU, though it still leaves the total proportion of EU-residents born in a different Member State smaller (2.7% as against 4.1%)

Figure 2 Population born in a different EU-27 country per MS, 2001-2012



The impact of mobility between EU Member States is, however, very uneven. The share of residents born in another Member state remained stable or increased in all Member States between 2001 and 2012. In 6 Member States, however, the share remains very low with less than 0.3% of residents born in another EU Member State. In Italy and Spain, the proportion increased dramatically over the period from just 0.2% to 2.2% in the first and from 1% to 4.5% in the second, most of the increase being accounted for by people moving from Romania. In Ireland, UK, Cyprus and Denmark, the proportion doubled, in the first two, in particular, most of the increase coming from movements from Poland, the Baltic States and the other 10 countries which entered the EU in 2004.

Figure 3 Employment rate by country of birth, 2013



Source Eurostat, Germany is by citizenship (2012)

In 2013, the employment rate of people aged 15-64 born in the country in which they live (64.5%) was slightly lower than that of those born in a different EU Member State (66.4%), but much higher than for those born outside the EU (56%). In every EU-15 Member State, the employment rate of those born outside the EU was lower than for those from elsewhere in the EU.

In half the Member States, the employment rate of people born in another part of the EU is higher than that of the people born in the country. In the UK, Portugal, Luxembourg and Finland, it was 5 or more percentage points higher in 2013 (Figure 33). The differences in employment rates are in part due to differences in age composition and in some cases education level. They do, however, suggest that some of the concern about the impact of EU mobility on social expenditure is misplaced (i.e. people tend to move to another country in order to work rather than to take advantage of social transfers).

The difference in the employment rate between people born outside the EU – i.e. migrants – and those born in the country is much bigger. In most Member States, the rate for those born outside the EU was significantly lower than for the latter in 2013, especially in Belgium, Germany, the Netherlands and Sweden, where the difference amounted to around 18 percentage points. The reasons for this are not easy to identify, but they are likely to include lack of recognition of foreign qualifications (rather than low education levels as such) and insufficient knowledge of the local language, though also in some cases discrimination. Education and

training can help to reduce the gap along with employment growth. Public services could also lead by example by ensuring that they include a proportionate number of migrants among their staff.

4.4. Life expectancy is high, but regional disparities persist

Life expectancy in the EU, which is a reflection of well-being, is among the highest in the world. Of the 50 countries in the world with the highest life expectancy in 2012, 21 were EU Member States, 18 of which had a higher life expectancy than the US. In the US, Hawaii and Minnesota are the only States with a life expectancy above the EU average. In many of the southern US States, it is similar to that in Poland or Hungary (Maps 5 and 6).

Differences between regions in the EU are marked. Life expectancy at birth is less than 74 in many parts of Bulgaria as well as in Latvia and Lithuania, while overall across the EU it is over 80 years in two out of every three regions. In 17 regions in Spain, France and Italy, it is 83 years or more.

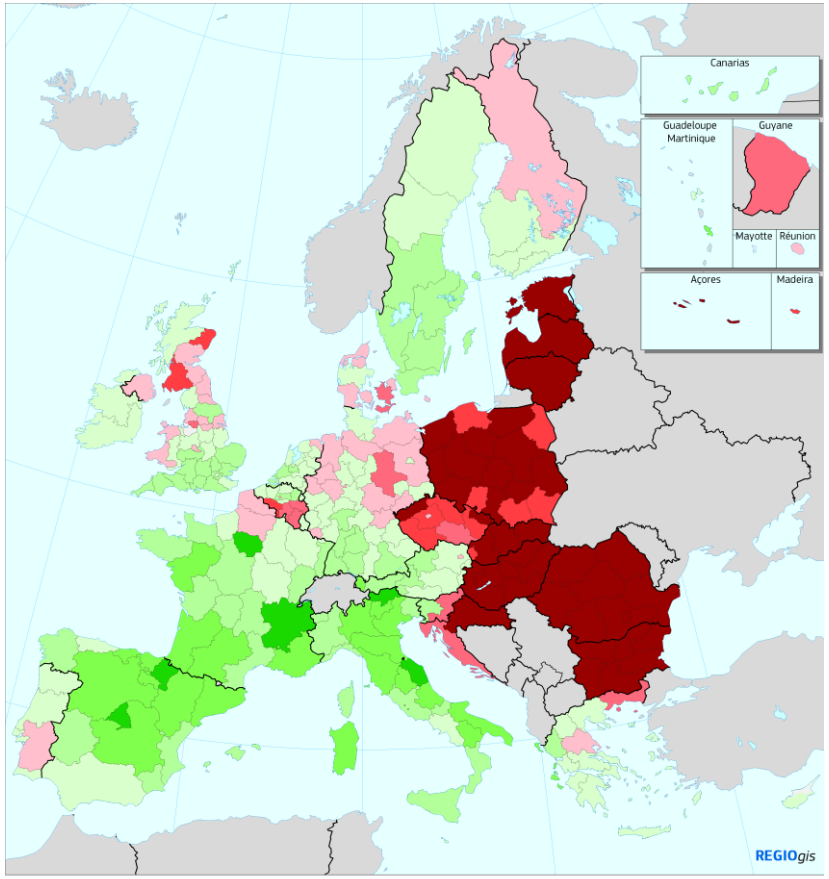
Differences in infant mortality (Map 7) and road fatalities (see Map 8) are two major reasons for regional disparities in life expectancy at birth. In 2012, in Sud-Est in Romania and Yugoiztochen and Severozapaden in Bulgaria and Guadeloupe, infant mortality was over 10 deaths per 1000 live births, while in 13 regions elsewhere in the EU, it was less than 2. The EU average in 2012 was 4.

In 39 regions, the number of road fatalities per head was less than 30 per million inhabitants in 2012 compared to an EU average of 56. These regions were primarily located in the UK, the Netherlands and Sweden and included 11 capital city regions and several other highly urbanised regions. In part, the large number of capital city regions in the list is because vehicles cannot drive quickly there and at low speeds they are far less likely to cause a fatal accident.

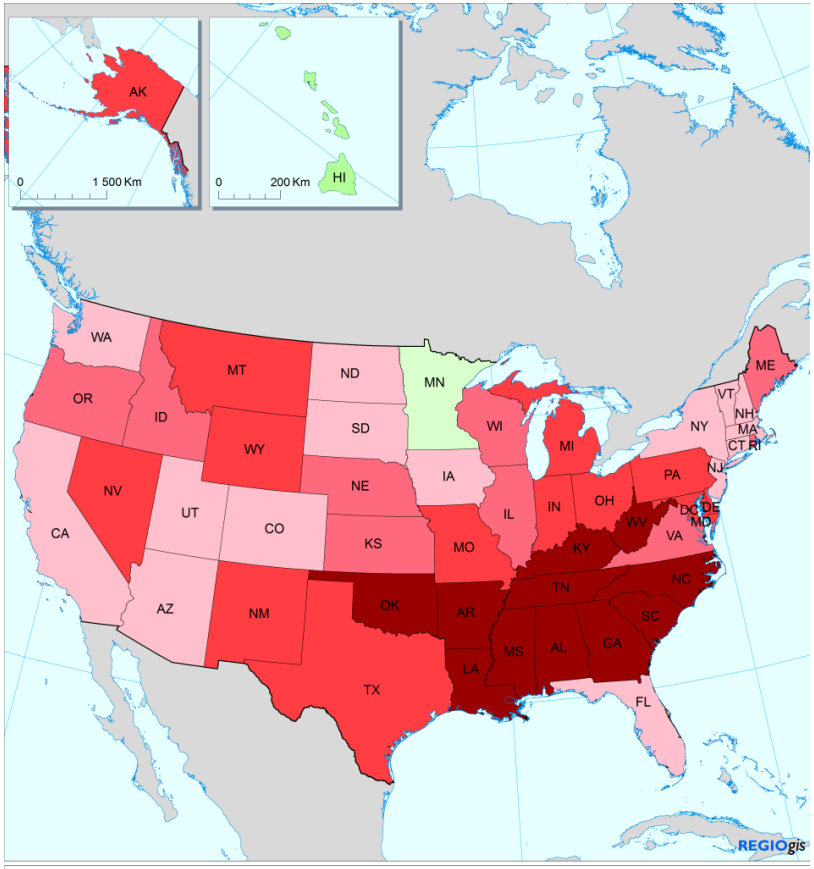
In 23 regions, the number of road fatalities per head was over double the EU average: 138 or more per million inhabitants in 2012. These regions were mainly in Belgium, Bulgaria, Greece, Portugal and Romania, The European Road Safety Action Programme, 2011-2020 has a target of halving road deaths in the EU over this period, which means a reduction to around 30 fatalities per million (the rate is below this at present in only 39 of the 272 NUTS-2 regions as noted above). The programme calls for safer roads, education and training for road users, better enforcement, vehicle safety measures, smart technology and better protection of road users at particular risk.

High life expectancy combined with a low fertility rate is the reason why the proportion of population aged 65 and over is growing in the EU. In 2012, the proportion was 18% as against 16% in 2000. In many regions the proportion was much larger. In almost a third of regions, primarily located in Germany, Italy and Greece, it was 20% or more. In Liguria in Italy and Chemnitz in Germany, it was over 25%. Between 2000 and 2012, the proportion increased in 9 out of every 10 regions, the largest rise occurring in Brandenburg close to Berlin (from 15% to 22%).

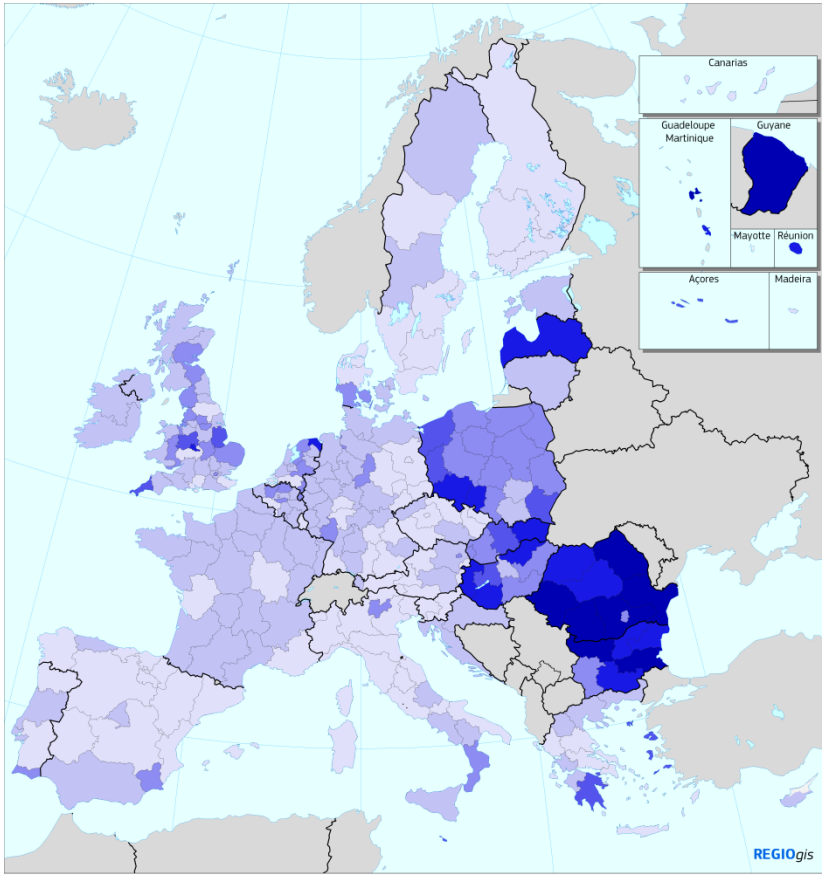
Map 2 EU Life expectancy, 2011



Map 3: USA Life expectancy, 2010



Map 4 Infant mortality, 2012



Infant mortality rate, 2012

Deaths under 1 year of age / 1000 live births

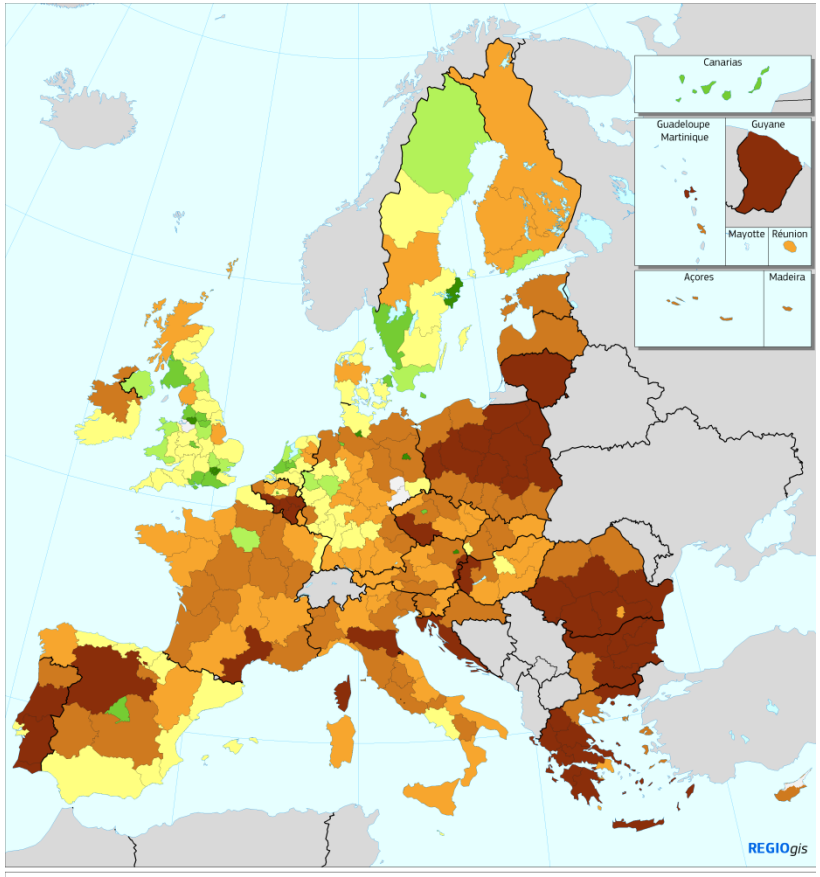
< 3	6 - 9
3 - 4	> 9
4 - 5	no data
5 - 6	

EU-27 = 3.9
EU27,IE: 2011

Source: Eurostat

0 500 Km

Map 5 Road fatalities, 2012



Road fatalities, 2012

Deaths per millions inhabitants

< 20	50 - 70
20 - 25	70 - 90
25 - 30	> 90
30 - 50	no data

The EU target for 2020 is a reduction of 50% relative to 2010: 30 road fatalities per million inhabitants.

Note: reference year is 2012 or most recent.

Source: DG MOVE, Eurostat

0 500 Km

EU Health Strategy

Considerable disparities between regions in health exist across the EU. The health of people in less developed regions tends to be significantly worse than in others, though there are also pockets of poor health in more developed regions. A Treaty objective is to reduce such disparities.

Over the past decade, infant mortality has declined in many of the less developed regions, leading to a reduction in regional inequalities in this respect across the EU (the Gini coefficient falling by 13% between 2000 and 2010), though inequalities remain wide.

The Commission Communication (EC 2009[2]) on health inequalities highlighted the fact that people with lower education, a lower level occupation or lower income tend to die younger and are more likely to have health problems[3].

A number of barriers still exist to accessing health services, specifically, the cost, distance, waiting time, a lack of cultural sensitivities and discrimination. Distance is a particular issue in some sparsely-populated, mountainous or remote regions as well as on islands. The need for patients to pay for health services at the time of provision can also limit access, especially for people who are socially or economically disadvantaged.

The EU Health Strategy proposes 'smart' investment in health through:

- spending more effectively, but not necessarily in larger amounts, on sustainable health services
- promoting a healthy life-style
- extending the coverage of health services as a way of reducing inequalities and social exclusion .

In addition, as a result of the cross-border health-care Directive, it has become easier to obtain healthcare throughout the EU, especially in border regions.

4.5. Human development is improving in Central and Eastern Member States, but the crisis reduced it in Spain, Greece and Ireland

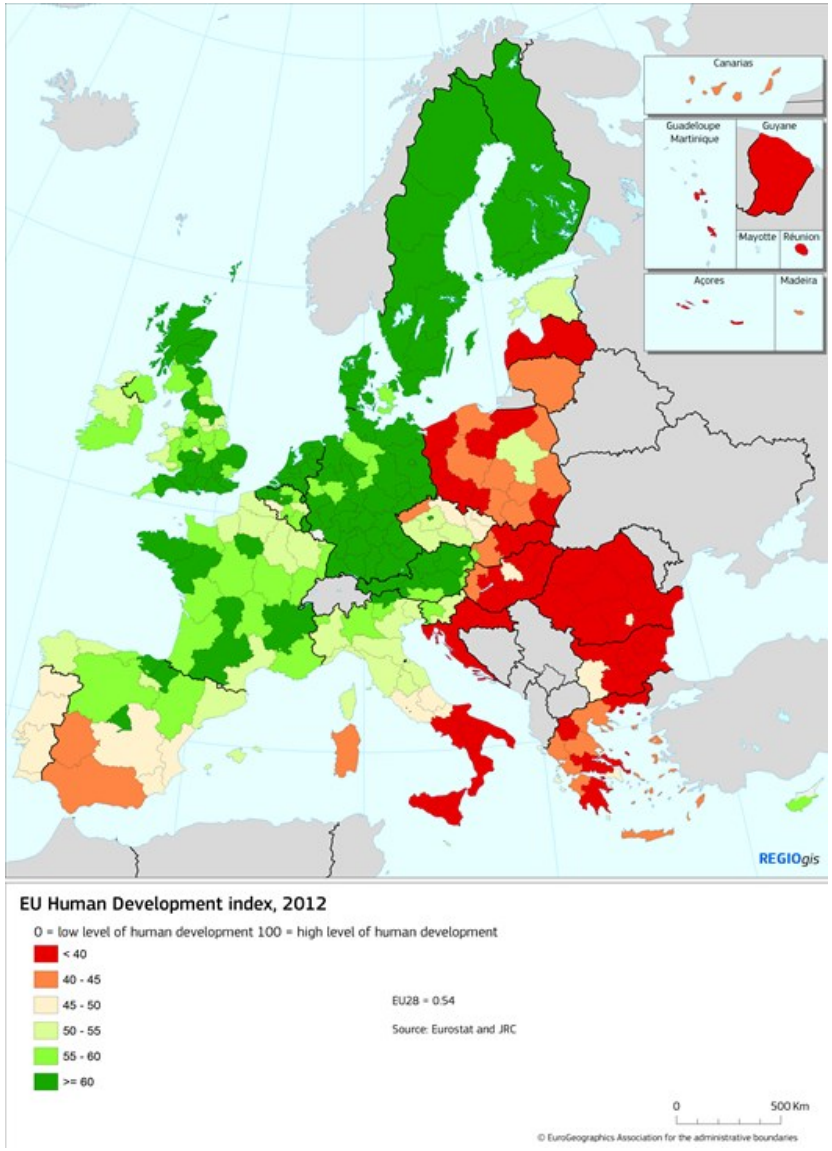
Given such a wide variety of indicators, it is difficult to fully assess the social issues in a region. To distil a simple, yet comprehensive picture a composite indicator, such as the EU Human Development Index (EU HDI)[4], can help to show the situation in regions at present and how it has changed since 2008.

[2] COM/2009/0567

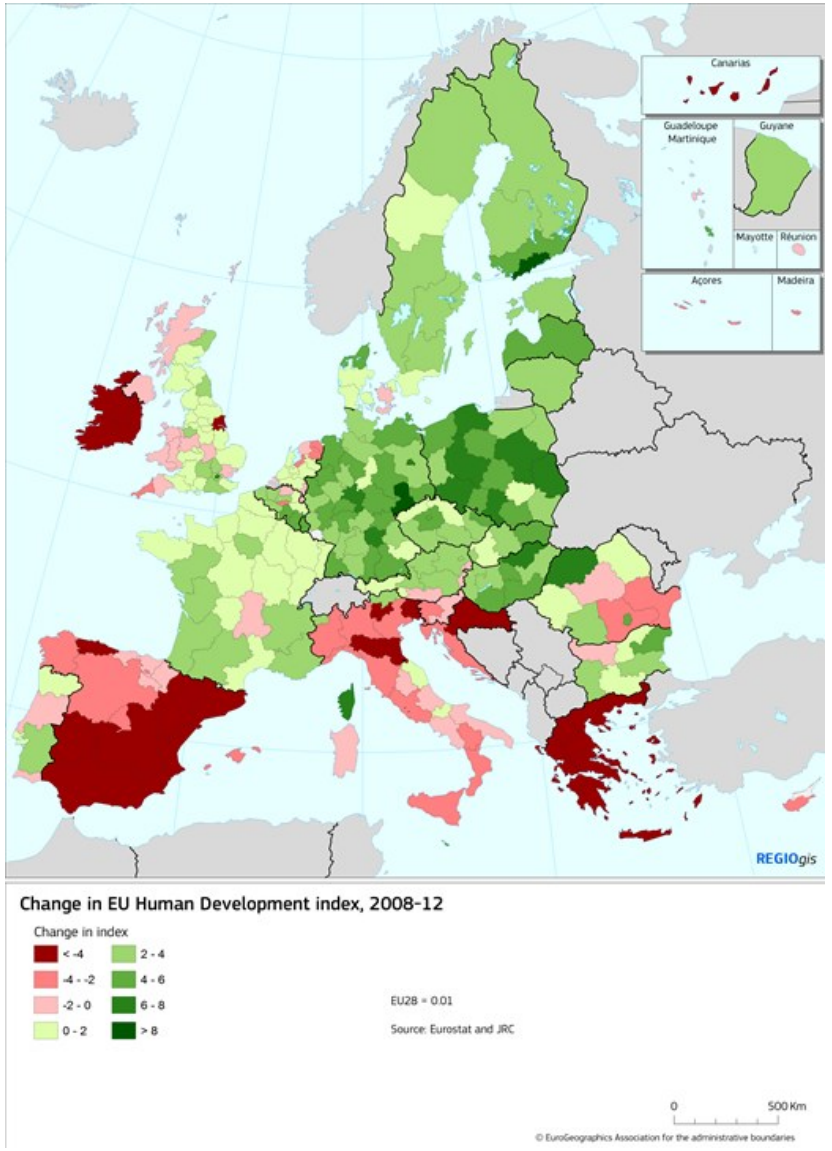
[3] Mackenbach J, 2006, *Health inequalities: Europe in profile,* report commissioned by the UK Presidency of the EU, Erasmus Medical Centre, Rotterdam

[4] Developed by the Joint Research Centre and the DG for Regional and Urban Policy. See Hardeman and Dijkstra L., 2014, *Human Development Index*, JRC Report (forthcoming

Map 6 EU Human development index, 2012



Map 7 Change in the EU Human Development Index, 2008-2012



The index is based on six indicators which capture health, education and income/employment. The two health indicators are life expectancy adjusted for health satisfaction and infant mortality. The two education indicators are the share of people aged 18-24 not in employment, education or training (NEETs) and the share of population aged 25-64 with a tertiary education degree. The two income/activity indicators are gross adjusted disposable household income per head in PPS terms ('adjusted' in the sense of including social transfers in kind such as government-provided education and healthcare services or childcare) and the employment rate of population aged 20-64.

In 2012, human development was considerably lower than average in most central and eastern regions, Southern Italy and Greece. A number of central and eastern regions, however, score well, with the index in. Estonia and the capital city regions of Poland, Czech Republic, Slovakia, Hungary, Romania and Bulgaria being close to or above the EU average.

In Austria, Germany, the Netherlands and the Nordic Member States., the index was high, indicating a good balance between health, education and income. In the UK, France and Belgium, the situation varies, with some regions scoring highly and others below average, while in Spain and Italy, the divide is more marked, especially between the north and south in the latter.

The changes between 2008 and 2012 are striking, with a pronounced deterioration in the index in Greece, Ireland, Spain and Croatia and parts of Italy and to a lesser extent in some regions in the Netherlands, the UK and Denmark.

In contrast, the index increased considerably in all German and Polish regions, which were less affected by the crisis. At the same time, many regions in countries which were affected by the crisis nevertheless showed an increase in the index, including in the three Baltic States, Finland, Sweden, Slovakia, Hungary and Czech Republic as well most regions in Romania and Bulgaria.

The EU HDI provides an alternative view of development showing the progress made in the capital regions in the Central and Eastern Member States and highlighting the continuing problems in Greece and Southern Italy. As an indicator, it comes closer than GDP to the issues that concern people: health, education, income and employment opportunities.

5. CONCLUSION

Between 2000 and 2008, many regions and cities in the EU were able to achieve growth which was inclusive. Employment rates increased, while poverty and exclusion were reduced.

The crisis has, however, led to a significant deterioration in the situation since 2008, eliminating many of the gains in increasing employment and reducing unemployment achieved over the previous 8 years. While there are the first signs of recovery, it will take time for these to give rise to significantly higher employment rates and to reduce poverty and social exclusion.

On some fronts, however, progress is continuing despite the crisis. For example, the number of early school leavers has continued to fall and the Europe 2020 target may be reached even perhaps before 2020. The gender gap in unemployment has been closed, though largely because of a big increase in unemployment among men rather than any major fall in the rate for women, which remains high in many southern regions.

Poverty and social exclusion vary between types of region in different ways across the EU and the crisis has not changed this. Cities in less developed Member States tend to have lower poverty and exclusion rates than other area, while the reverse is the case in cities in more developed Member States. In some countries, the concentration of poverty in cities is linked to the presence of a large number of migrants from outside the EU who are poorly integrated into the labour market.

The wide disparities in job availability, wages and standards of living will continue to encourage people to move in search of better opportunities and a higher quality of life, which emphasises the importance of ensuring that they have the same access to employment as those already living in the areas concerned.

Cohesion Policy can play an important role in helping to achieve the Europe 2020 targets considered here, by, in particular, co-financing education and training and providing support for measures to overcome obstacles to growth, so increasing the rate of job creation as well as wages and income levels in lagging regions. At the same time, it can help to ensure that women have the same opportunities for employment and advancement as men, through for example, co-financing the expansion of childcare facilities. It can also help to ensure that men and women wherever they live have access to a high standard of healthcare through supporting investment in hospitals and other medical facilities.