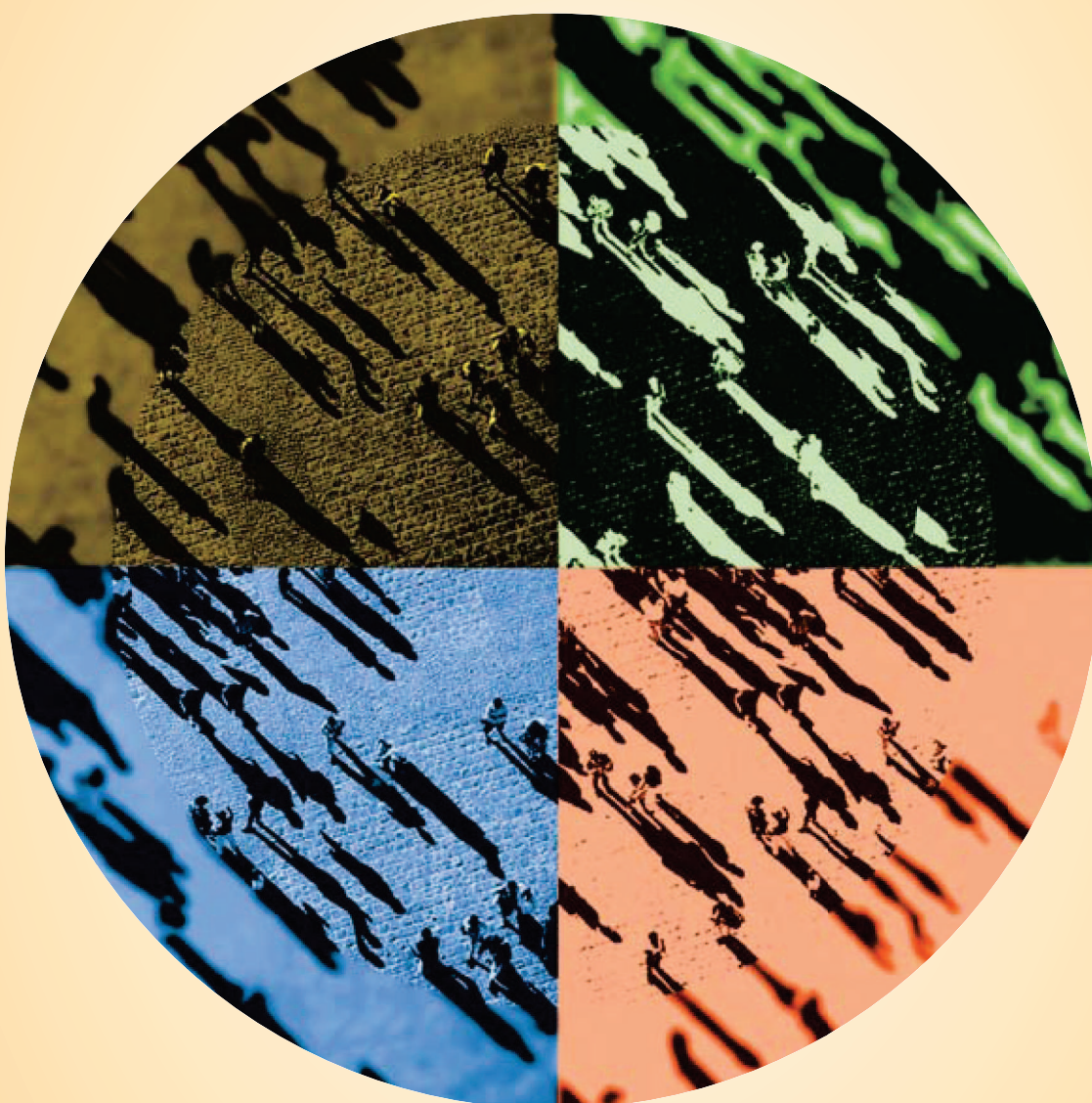




# THE SOCIAL SITUATION IN THE EUROPEAN UNION 2009







# **The Social Situation in the European Union 2009**

**European Commission**

Directorate-General for Employment, Social Affairs and Equal Opportunities – Unit E.1

Eurostat – Unit F.4

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The Social Situation Report – published annually since 2000 – aims to foster informed public debate on social policy by providing key data and prospective analysis. It is divided into two parts, the first being devoted to a special topic which is explored in depth, and the second consisting of statistical portraits covering the full range of social policy issues. Together with other reports (in particular on employment, social protection and social inclusion, gender equality, industrial relations and demography), it meets the Commission's obligation, enshrined in the Article 159 of the Treaty, to report on a wide range of social policy areas.

Part 1 of this report is based on the work of the European Observatory on the Social Situation and Demography and notably its network on Income distribution and living conditions coordinated by Applica sprl. Information on the work of the Observatory can be found at:

<http://ec.europa.eu/social/main.jsp?catId=676&langId=en>

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## TABLE OF CONTENTS

<b>Part 1 - Social climate and housing in times of economic crisis .....</b>	<b>7</b>
Introduction and summary .....	8
Einführung und Zusammenfassung .....	19
Introduction et résumé .....	31
<b>1. Social Trends – Social Impacts of the Crisis.....</b>	<b>43</b>
1.1. A new survey on the social climate in the European Union .....	43
1.1.1. Personal situation .....	44
1.1.2. General situation in the country .....	49
1.1.3. Social protection and social inclusion .....	52
1.2. Effects of the current recession on social exclusion .....	58
1.2.1. Employment and unemployment during earlier downturns .....	59
1.2.2. Trends in social protection .....	68
1.2.3. Developments in labour market policy .....	72
1.2.4. Short-time working .....	74
1.2.5. Income support for those affected by recession .....	74
1.2.6. Employment and unemployment in the present recession .....	82
<b>2. Housing and Social Inclusion.....</b>	<b>99</b>
2.1. The structure of housing in the EU .....	100
2.1.1. The housing status of people on low incomes .....	102
2.1.2. Housing status and age .....	104
2.1.3. Housing status in urban and non-urban areas .....	104
2.1.4. Social housing .....	107
2.1.5. The scale and nature of homelessness in the EU.....	110
2.2. Housing costs .....	116
2.2.1. Breakdown of housing costs .....	119
2.2.2. Changes in housing costs over time .....	121
2.2.3. Housing costs and household structure .....	123
2.2.4. Housing costs and urban non-urban differences .....	125
2.2.5. Housing costs: a financial burden or a reflection of better quality housing .....	128
2.2.6. Housing costs and financial burden .....	134
2.2.7. The effect of housing costs on the risk of poverty .....	137
2.2.8. The effect of including imputed rent as part of income .....	142
2.3. The quality of housing and social exclusion.....	145
2.3.1. Living in poor housing conditions .....	148
2.3.2. Shortage of space.....	152
2.3.3. Poor housing conditions and space shortages .....	154
2.3.4. Environmental problems .....	156
2.3.5. Access to essential services .....	157
2.4. Housing and the economic crisis .....	163
2.4.1. Housing as a component of wealth.....	165
2.4.2. Changes in house prices .....	168
2.4.3. The build-up of mortgage debt.....	170
2.4.4. Developments in the construction industry .....	172
2.4.5. The effect of the recession on housing .....	174
2.4.6. Social housing in the recession .....	177
2.4.7. Pathways into homelessness.....	178
<b>Part 2 - Key areas of social policy: statistical portraits.....</b>	<b>181</b>
1. Population.....	183
2. International migration .....	196
3. Households and families.....	205

4.	Economic Situation .....	213
5.	Education and its outcomes .....	230
6.	Lifelong Learning .....	241
7.	Employment.....	249
8.	Unemployment.....	261
9.	Labour Market Policy Expenditure .....	267
10.	Social Protection and social benefits .....	274
11.	Pensions .....	286
12.	Income Distribution .....	295
13.	Income Poverty.....	301
14.	Material deprivation .....	316
15.	Earnings of Women and Men .....	328
16.	Life and Health Expectancies .....	335
17.	Accidents and Work-related Health Problems .....	347
<b>Annex to Part 2 .....</b>		<b>355</b>

## FOREWORD

This ninth edition of the Commission's Social Situation Report takes a close look at long-term social trends in the EU and highlights the way the Member States perform in terms of social conditions and social policy outcomes. It does this in particular against the background of the current economic crisis, which has arrested several years of high economic growth and job creation. With the consequences of the slowdown on our societies still unfolding, a full analysis of the full impact of the recession on social conditions will only be possible in a few years.

Nonetheless, opinion surveys provide some indication of the way the impact of the recession is perceived across the EU. A new survey on the social climate presented in the Report shows that Europeans are on average broadly satisfied with their personal situation, but less so when it comes to the economy, public services and social policy in their countries. It also reveals widespread apprehension about the future, and in particular at the cost of living, the employment situation and the affordability of energy and housing. In terms of public policy, Europeans turn out to be most satisfied with healthcare provision and very dissatisfied with the way inequalities and poverty are addressed. The latter finding indicates that the designation of 2010 as European Year for Combating Poverty and Social Exclusion matches a major public concern.

The Social Situation Report also analyses issues of a more structural nature which have been exacerbated by the crisis and which translate into a deterioration in social conditions. By looking back at earlier recessions and seeing how they affected different social groups, the Report points to potential vulnerabilities and weaknesses in social safety nets.

The housing sector has played a dual role in this recession. While the bursting of the property bubble in the USA and in some European countries largely triggered the crisis, some of its most severe consequences have been a rapid decline in activity and employment in the construction industry. The Report presents some evidence of these developments. It also provides a comprehensive description of housing tenure, housing costs and quality of housing in the EU and of the differences between Member States and between households.

The analyses presented here reveal the Member States' strengths and weaknesses and indicate where they could learn from each other. We hope this Report will provide researchers, stakeholders and policy-makers across the EU with the facts and figures they need to analyse the social challenges facing Europe and develop policy responses that contribute to greater social cohesion across the European Union.



A handwritten signature in black ink, appearing to read 'Andor'.

**László Andor**

Commissioner for Employment, Social Affairs and  
Inclusion



A handwritten signature in white ink on a black background, appearing to read 'Olli Rehn'.

**Olli Rehn**

Commissioner for Economic and Monetary Affairs





## PART 1: SOCIAL CLIMATE AND HOUSING IN TIMES OF ECONOMIC CRISIS

### Key Messages

- While there are signs that the recession is bottoming out, its full social consequences have yet to materialise across the EU. Unemployment is likely to rise further. Previous recessions have shown that the people hardest hit by unemployment are men working in the construction and manufacturing sectors and young people arriving on the labour market. In several Member States there appear to be gaps in benefit systems, with the result that many unemployed people do not receive any form of social benefit.
- Over the longer term, the social consequences of the recession will depend partly on the speed of the recovery. Slow growth might result from weak consumer demand due – for instance – to employment insecurity and inadequate social protection or to reduced housing wealth and access to credit. A long period of slow economic growth would imply a prolonged lack of job opportunities and a risk that many people – in particular young people entering the labour market – will suffer long spells of unemployment. To prevent these people from being permanently excluded from the labour market and thus falling into the poverty trap, governments must ensure adequate provision of unemployment benefits and must actively support employment. There will also be a need to closely monitor the social consequences of budget consolidations.
- Public spending cuts may also affect the welfare of households in the longer run, for instance, if social benefits and public services (education, child care, health and long-term care) are reduced. Moreover, the financial situation of households could be affected by various policy measures. The Social Protection Committee is constantly monitoring all these social impacts of the economic crisis and the policy responses in the Member States<sup>1</sup>.
- A recent Eurobarometer survey on the social climate in the EU (fieldwork between 25 May and 17 June 2009) shows that people are now less optimistic about the prospects for the next twelve months, in terms of their living conditions in general and their personal finances and job situation. In all countries, people tend to expect the overall situation in the country to get worse, especially the economy, employment and living costs. The survey also shows that many people are dissatisfied with key social policies, including pensions and unemployment benefits, and are concerned about inequalities, poverty and relations between people from different cultural backgrounds or nationalities. The survey is to be repeated annually.
- The housing sector has played a crucial role in the present economic crisis. Rising house prices, and the expectation that this trend would continue, led to imprudent lending and borrowing. The bursting of the bubble exposed the vulnerability of the financial sector. It has also caused significant job losses in the construction sector in some countries.
- A majority of Europeans live in their own homes. However, this does not mean that they have low housing costs. Even those without a mortgage face significant costs for heating, maintenance and repairs, particularly in the former communist Member States where home ownership rates are high following the privatisation of the housing stock. The burden of housing costs relative to disposable income is highest for people on low income. Thus, when housing costs are taken into account, there is an even wider gap in spending power between people at risk of poverty and better-off people.

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<sup>1</sup> See the report *Updated joint assessment by the Social Protection Committee and the European Commission of the social impact of the crisis and of policy responses* (2009).

## INTRODUCTION AND SUMMARY

***The recession may be bottoming out, but its social consequences will unfold over the months and years to come***

This edition of the Social Situation Report has been drawn up in the midst of the worst recession the world has experienced since the 1930s. While there are signs that the recession is now bottoming out, its social consequences – which are the main focus of this report – will take months or even years to manifest themselves fully. They will depend on a number of factors. The main social impact comes from people losing their jobs and becoming unemployed. Unemployment has already started to rise — in some countries dramatically (see Employment in Europe Report) — but it is still far from reaching its peak.

***Unemployment will be a key factor shaping the social impact of the crisis, but it is not the only one...***

The extent to which this rise in unemployment translates into major social problems will depend on who is worst hit, for how long they are excluded from the labour market and how effective are the social safety nets. It will also depend on how earnings and benefits are adjusted and how their real value is affected by the lower inflation resulting from the recession. This report indicates the broad groups most likely to be affected by the fall in employment and the extent to which unemployed people can rely on social benefit safety nets across the EU.

***A slow recovery could lead to long-term exclusion from the labour market, and to cuts in social spending***

In the long term, the extent of the real social challenges will depend on how far unemployment rises and how fast it can be brought back down. One major risk would be a slow recovery caused by weak consumer demand (people have less access to borrowing and might, in any case, be reluctant to accumulate large debts again). It is also important that the social consequences of budget consolidations are closely monitored. The impact on individual households will depend on how well benefit systems protect them, notably beyond the first period of unemployment when social insurance benefits run out and they become entitled only to less generous means-tested support. All households, whether or not affected by unemployment, may be hit either by tax cuts (which will mean less government spending on education, child care, health and long-term care) or by higher taxes, social security contributions and user fees. The Social Protection Committee<sup>2</sup> is constantly monitoring these social impacts of the recession and the policy responses in the Member States.

***This report provides background information to help prepare for the social impact of the crisis***

This report looks first at the findings of a recent survey on the social climate in the EU, showing how people across the European Union perceive the recession and the outlook for the year ahead. It then seeks to shed light on the possible social consequences of the current crisis by examining previous economic downturns, particularly the recession of the early 1990s. Finally, it focuses on housing, presenting results from a special EU-SILC module and analyzing some key housing data. After all, the financial crisis originated in the housing market and initially caused massive job losses in the construction industry.

### **A new survey on the social climate in the European Union**

***A new regular Eurobarometer survey will monitor how people perceive the current social situation and trends***

It will be several years before the social impact of the recession can be fully analysed, using solid evidence from surveys such as EU-SILC<sup>3</sup>. However, a more immediate assessment can be made using opinion polls. Chapter 2.1 of this Social Situation Report presents the results of a new 'Eurobarometer' social climate survey, collecting the views of some 1000 people in each country<sup>4</sup>. This survey should complement existing regular surveys on how people see the economic and political situation. It is to be repeated every year so that trends can be monitored. For this first year, trend data are only available for a few of the 45 variables measured, but comparisons over time will eventually make it possible to gauge the full impact of the current crisis on public perceptions.

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<sup>2</sup> See the report Updated joint assessment by the Social Protection Committee and the European Commission of the social impact of the crisis and of policy responses (2009).

<sup>3</sup> European Union Statistics on Income and Living Conditions

<sup>4</sup> Special Eurobarometer EB315. Field work conducted from 25 May to 17 June 2009.

***The survey covers the personal situation, the country's situation and some key social policy areas***

The new social climate survey covers 15 areas and asks people to assess, for each of these areas, the current situation, how it has evolved over the past five years and how they expect it to change over the coming year – altogether forming a set of 45 variables. The 15 areas cover three broad sets of issues. The first concerns the personal situation of each respondent, including their satisfaction with life in general, with the area where they live, with their personal job situation and with the financial situation of their household. The second set covers the economic and social situation of the country and includes the cost of living, the affordability of energy and of housing, the quality of public administration and the general economic and employment situation. The third set focuses on social protection and social inclusion in the country and contains questions on health care provision, pensions, unemployment benefits, the way inequalities and poverty are addressed and relations between people from different cultural or religious backgrounds.

***Trend data are already available for some of the variables. They show a close link between people's expectations and GDP growth***

Some of the questions in the social climate survey have been included in standard Eurobarometer surveys for many years, allowing trends to be monitored. These seem to indicate that Europeans' expectations with regard to their general living conditions are closely related to GDP growth. Confidence reached an extreme low point in the autumn of 2008, probably because of the financial crisis which was reaching its climax at that time. Since then, confidence has picked up again, but remains at a very low level. People's expectations about their job situation follow the trend in employment growth, as do their expectations about the employment situation in the country over the next year.

***The survey can help gauge the impact of the recession, but it may also highlight structural issues***

The social climate survey not only measures how Europeans perceive the current recession and its social impact but also reveals interesting differences between countries which seem to reflect the strengths and weaknesses of national policies and institutions.

***Most Europeans are satisfied with their personal situation, but there are big differences between countries***

When asked about their personal situation, most Europeans express satisfaction with their life in general, but there are huge differences between the Member States. The lowest levels of satisfaction are reported in Bulgaria, Hungary, Greece and Romania and the highest in Denmark, Sweden, the Netherlands and Finland. People's perception of how things have changed over the past five years and the outlook for the year ahead is related to their current level of satisfaction: the most satisfied citizens also expect the biggest improvements; in the countries with the lowest satisfaction levels, people expect things to get worse. If this happens, it would mean a widening gap between the most satisfied and the least satisfied countries; but it could simply be that people who are currently in a bad situation tend to be more pessimistic about the future.

***Europeans are more satisfied with the area where they live than with their life in general***

Surprisingly, Europeans are more satisfied with their neighbourhood than with their life in general, and the gap between the most and least satisfied countries is smaller. Again, the Swedes are by far the most satisfied, followed by the Irish, the Finns, the Dutch and the Belgians. At the other end of the scale, there are once again Bulgaria, Greece, Hungary and Romania, but also Italy. When assessing their neighbourhood, people's positive or negative perception of changes over the past five years and over the coming year is not as closely related to their current satisfaction level as it is in the case of general life satisfaction. Most Europeans perceive little change in their neighbourhood, and most of those who do perceive or expect change see it as positive.

***People are less satisfied with their personal job situation than with their life in general or with the area where they live***

When asked about their personal job situation, the average EU citizen has a satisfaction score<sup>5</sup> 1.4 – significantly lower than for life in general (3.2) and for the residential area (4.2). The country ranking, however, is very similar in each case with only slight variations in the order of countries at the top and bottom. Danes express the highest level of satisfaction with their job situation, Hungarians the lowest. Hungarians and Lithuanians are the ones who perceive the worst deterioration over the past five years and they are also the least optimistic for the year to come. In Denmark and Sweden, by contrast, more people see their job situation as having improved than having deteriorated over the past five years — and more expect the situation to improve rather than worsen over the next year. Interestingly, for the EU as a whole, there seem to be slightly more optimists than pessimists about prospects for the coming year.

***Europeans are also fairly satisfied with their household's financial situation, but many feel that it has deteriorated***

A very similar picture emerges when people are asked about the financial situation of their household. Hungarians and Bulgarians are by far the least satisfied, while Swedes, Danes and Dutch are the most satisfied. The overall satisfaction score for the EU as a whole is slightly below that for the personal employment situation, but it is still positive (1.2). The perception of past and future trends is strongly correlated with the current situation, and for the EU as a whole; a majority of respondents report that their personal financial situation has deteriorated over the past five years. This majority is larger than in the case of personal job situation, suggesting that the deterioration in personal finances may be primarily caused by other factors, such as rising living costs.

***The cost of living is a major source of dissatisfaction, and many Europeans feel that the situation is worsening***

Indeed, turning to the perception of the general situation and living conditions, a strong feeling of dissatisfaction with the cost of living is evident across the EU with a negative satisfaction score of 3.0. The scores are lowest in Greece, Hungary, Latvia, Bulgaria, Ireland, Malta and Portugal, all with scores of -5.5 and below. Sweden, the Netherlands and Denmark display the highest scores with positive values between 1.4 and 1.9. However, in all countries, there is a clear majority of people who consider that the cost of living has risen over the past five years and that this will continue over the coming year.

***Dissatisfaction with energy costs is also high...***

Expenditures on energy are a major determinant of living costs. Europeans express dissatisfaction with the affordability of energy (the score is -2.2); they feel that the situation has deteriorated over the past five years and a majority expect the situation to become worse over the coming year. While the same countries as before can be found at the bottom of the satisfaction scale, there are some surprises at the top: Estonians, Latvians, Czechs, Spaniards and Danes have the highest satisfaction scores (between 1.1 for Denmark and 3.8 for Estonia).

***...and housing is seen as too expensive in most Member States***

The affordability of housing also causes dissatisfaction among most Europeans: the score for the EU is -3.1. Cypriots are the by far the most dissatisfied with a score of -7.5. Bulgaria, Latvia, Romania, Spain, Hungary, Poland and Malta also have low scores, all below -5.0. At the other end of the scale are Sweden and Estonia with positive scores of 1.1 followed by Denmark, Lithuania and Germany (above 0.7). There is a strong feeling that the situation has deteriorated over the past five years in almost every country, and most people think that the situation will not improve over the next twelve months.

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<sup>5</sup> The satisfaction score was calculated by giving the value -10 to the response 'not at all satisfied', -5 to 'not very satisfied', +5 to 'fairly satisfied' and +10 to 'satisfied'. The average score for a country, socio-economic group or the EU as a whole can therefore, in theory, range from -10 (all respondents saying that they are not at all satisfied) to +10 (all respondents saying that they are satisfied). For changes over the past five years or the next twelve months, respondents had the choice between 'better', 'worse' or 'the same'. A score was obtained by calculating the difference between those who said that things are getting better and those who said that they are getting worse. The resulting score can thus vary between -100 (all respondents saying that things are getting worse) and +100 (all respondents saying that things are getting better).

**Europeans are pessimistic about the economic situation, and pessimism is strong...**

Not surprisingly in view of the financial crisis and recession, general satisfaction with the economic situation is very low, scoring -4.1. Denmark has the highest level of satisfaction at 2.4, and Luxembourg, Cyprus and the Netherlands also have positive scores. This contrasts with the lowest score of -8.3 in Latvia, while Hungary, Ireland and Greece also have scores below -6. Everywhere, the situation is perceived to have worsened compared to five years ago, and in no Member State is there a majority of respondents expecting an improvement over the coming year.

**...particularly with regard to employment**

Satisfaction with the employment situation in the EU as a whole is even lower at -4.4. The Netherlands and Denmark are the only two countries to have a positive score (below 1). The lowest scores are in Latvia, Ireland, Spain, Hungary and Portugal, all below -6. There is an overwhelming sense that the situation is worse than five years ago, and, again, a clear majority are pessimistic about the near future.

**Satisfaction with public administration is generally low and no improvement seems to be in sight**

One issue not directly affected by the recession is the way public administration is run. More Europeans are dissatisfied than satisfied with this, and the most dissatisfied are the Greeks, Latvians and Irish. The highest satisfaction scores are in Denmark, Sweden, Luxembourg, Estonia, Finland, Austria and Germany (all above 1). However, even in most of the countries at the top of the ranking, a majority think that the situation has deteriorated over the past five years, and the pessimists about the future are also in the majority.

**Health care provision satisfies many Europeans, but the differences between countries are considerable**

The social climate survey also yields interesting results about how people see some key social policy issues. With a satisfaction score of 1.3, health care provision is regarded as satisfactory by a majority of Europeans. Most satisfied are respondents in Belgium (5.5), followed by those in the Netherlands, Luxembourg, Austria and the United Kingdom, all scoring above 4. The lowest levels of satisfaction are in Bulgaria, Greece and Romania where scores are all below -3. In most countries, there is a majority who see past and likely future changes as being for the worse, but there are some exceptions, notably Cyprus, Spain, Malta and Belgium.

**There are only few countries where people are satisfied with pension provision and there is a strong sense that the situation is getting worse**

Pension provision is perceived much more negatively, with an EU-wide satisfaction score of -1.0. The countries with the highest levels of satisfaction are Luxembourg followed by the Netherlands, Denmark and Austria with scores ranging from 4.6 to 2.9. The least satisfied are the Greeks, Bulgarians and Portuguese, all with scores below -4. In almost all countries, a negative view of past and future changes prevails, with two notable exceptions: the Cypriots see an improvement over the past five years and a slight majority of them expect further improvements; Estonians also acknowledge progress over the past five years, but they are pessimistic about the coming twelve months.

**Low satisfaction and a pessimistic assessment of trends also applies to unemployment benefits**

With a score of -1.2, the level of dissatisfaction with unemployment benefits is similar to that for pensions. The countries with the lowest scores are Greece, Bulgaria, Romania and Hungary, all scoring below -4. The highest score is in the Netherlands at 3.5, followed by Austria, Luxembourg, Denmark and Belgium (1.9). In all Member States, a majority of respondents expect the situation to worsen over the next twelve months, and there is only one country, Cyprus, where more people perceive an improvement than a deterioration over the past five years.

**Europeans express strong dissatisfaction with the way inequalities and poverty are addressed**

There is strong feeling of dissatisfaction with the way inequalities and poverty are addressed. The score for the EU as a whole is -2, and there are only four countries scoring 0 or above. Luxembourg comes top (0.9), followed by the Netherlands, Sweden and Finland. Dissatisfaction is greatest in Latvia, Hungary, Greece, Bulgaria and Lithuania, all scoring -4 or below. France, at -3.8, also displays a strong feeling of discontent in this regard. With the exception of Malta, the prevailing sentiment is that the situation has worsened over the past five years and will continue to do in the near future.



***They are happier about community relations, but fear that the situation is getting worse***

Relations between people from different cultural backgrounds or of different nationalities are seen in a much more positive light than inequalities and poverty. The satisfaction score for the EU as a whole is positive, although only 0.3. It is highest by far in Luxembourg (2.5), followed by Finland, the United Kingdom, Lithuania, Estonia, Romania and Latvia, all between 1.3 and 1.5. The countries with the lowest scores are Greece, the Czech Republic, Italy, Denmark, Hungary and France, scoring between -1.7 and -0.6. People in the countries with low scores also perceive a deterioration, both in the past and near future, but strong pessimism about the quality of community relations is also evident in the Netherlands, Austria and Slovenia.

***There is a contrast between the rather high level of satisfaction about people's personal situation and their negative view of many aspects of the country's situation and the direction in which things are going***

The overall picture that emerges from this first European social climate survey is a contrast between relatively high levels of satisfaction and confidence regarding people's personal situation and a very negative perception of the general economic situation and living conditions and of key social policy areas. While the apprehension about the general economic situation and living conditions is perfectly understandable under current circumstances, policymakers should be concerned about the public's dissatisfaction with key social policy areas and their strongly negative view of how things are evolving in these areas. Indeed, these views seem to be more deep-seated and might call for a review of policies to ensure that they are better designed and better explained.

***Countries with poor levels of satisfaction are also most pessimistic about trends. Does this imply increasing disparities?***

Another important observation is that, in general, it is in some of the most prosperous Member States that people have the highest levels of satisfaction and are most likely to perceive a positive trend. This may be because the recession hits some of the poorer Member States harder. However, over the long run, it would be reasonable to expect that the poorer Member States would display a positive trend given that they are in the process of catching up with the richer countries, raising hopes for better social conditions and policies. However, this is clearly not the current perception in most of the poorer countries. Many of them are at the bottom of the satisfaction ranking and at the same time among the least optimistic about the changes that have occurred or will occur across the wide range of areas covered by the survey. If these perceptions are not just the reflection of a temporary mood caused by the recession, they might point to a beginning process of divergence: countries with good social conditions making further progress and countries with the poorest social conditions falling even further behind.

## **The social impacts of previous recessions**

***Looking at the social impact of previous recessions may help prepare for tackling the consequences of the current one***

One way of trying to understand the possible impact of the 2008-2009 recession is to look back at earlier recessions and how they affected different social groups. The latest recession differs, of course, from previous ones both in its severity and in the way it began (a financial crisis linked, in some countries, to unsustainable developments in the housing sector). Moreover, social policies and institutions have changed in the Member States. Nevertheless, a look back at these earlier crises can still help policymakers to assess what policy responses may be necessary and to prepare for them in good time.

***The 1990-94 economic downturn particularly affected job opportunities for men, and accelerated the trend towards early retirement***

Chapter 2 of this Social Situation Report examines the economic downturn of the early 1990s which affected all EU15 countries. (It also looks at the less pronounced downturn of the early 2000s). Between 1990 and 1994, the EU15 employment rate fell by 2.5 percentage points, with a loss of 6.4 million jobs. However, these job losses mostly affected men, who are over-represented in the manufacturing and construction sectors of the economy. It also hit young people aged 15–24, whose participation in the labour force fell by around 10 percentage points. This decline was reversed only in 1997, long after the economy had started recovering. The downturn of the early 1990s also accelerated an ongoing trend towards early retirement for men. The employment rates for men aged 55–64 fell below 50 % and stagnated at this low level until the end of the decade, while the employment rates for women in this age group were steadily rising.

***Social benefit expenditure rose fast, notably on unemployment benefits. Subsequently spending on these benefits fell faster than unemployment***

The economic downturn of the early 1990s also led to a sharp increase in expenditure on social benefits. Expenditure on benefits for people of working age in unemployment or inactivity rose from 4 % of GDP to just over 5.5 % between 1990 and 1993, mostly due to increased unemployment benefits, but also to rising disability benefits and housing allowances. Subsequently, spending on unemployment benefits fell at a faster rate than the number of unemployed, although the pattern differed from one country to another. Over the 1990s as a whole, there seems to have been a shift of reliance from unemployment benefits to other forms of support for the non-employed in most of the EU15 countries.

***Survey data show that, in 2006, many people who were unemployed did not receive any benefits***

The social impact of a recession depends to a large extent on how well people who lose their job are protected by benefit systems. It is important to look not only at aggregate spending levels on social benefits for people of working age but also at the proportion of unemployed people receiving social benefits. Data on who receives what are analysed in the Report for 2006. This shows that, across the EU, significantly less than two thirds of people who had been unemployed for at least one month during the year actually received unemployment benefits. If other types of benefits are taken into consideration, the proportion rises to around 70 %. There are, however, considerable differences between countries. In Belgium, Austria and Finland, more than 90 % of those aged 25–59 who had been unemployed for more than six months during 2006 received unemployment benefits; in Estonia, Lithuania, Poland and Slovakia, by contrast, the proportion is below 15 %, although in Slovakia most of these unemployed (59 %) received at least some form of benefit.

***Long unemployment spells were associated with a high risk of poverty, even in some countries where most unemployed people did receive benefits***

A spell of unemployment for more than six months of the year is associated with a high probability of being at risk of poverty (i.e. of having an income below 60 % of median income in the country concerned). Across the EU25, 43 % of those aged 25–59 who had been unemployed for most of the year had an income this low. The proportion was high in Estonia (65 %) and Lithuania (59 %), where benefit coverage was very low, but it also exceeded 60 % in the United Kingdom where almost three-quarters of those unemployed received some form of benefit. In Denmark, France, Cyprus, the Netherlands and Sweden, on the other hand, just under a third of these unemployed were at risk of poverty.

***Young people are less likely to receive benefits, and it is essential to prevent their long-term unemployment and lasting exclusion from the labour market***

Young people are particularly vulnerable in a recession. In 2007, around 56 % of young people under 25 were potentially available for employment (because they were not in full-time education or training). Young people, however, are less likely to be entitled to benefit; in the EU25 as a whole, less than 40 % of those who had been unemployed in 2006 had received any form of social benefit. But here too, there were big differences between countries; the figure ranged from more than 80 % in the Nordic countries and Austria to less than 20 % in Estonia, Lithuania, Cyprus, Poland, Slovakia, Spain and Greece. More than half of the young people who had experienced unemployment were not living in their parents' household, and just over 40 % of those who had been unemployed for over six months during the year were at risk of poverty. This highlights the importance of preventing long term unemployment in the current economic crisis; long spells of unemployment increase the risk of poverty and diminish the chance of returning to the labour market. The adequate provision of unemployment benefits therefore needs to be combined with active employment support in order to avoid long-term youth unemployment and a risk of permanent exclusion from the labour market. It is also important to tailor employment incentives to the needs of the individual and to ensure that these measures apply to both women and men in the labour market.

***The latest employment data again show that the recession affects men and young people in particular; but so far, there are no indications of a strong rise in early retirement***

The latest employment data available at the time of writing of this report (for the first quarter of 2009) show a large diversity of developments across the Member States. For the EU as a whole, the employment rate for men fell by almost two percentage points over the twelve months up to and including the first quarter of 2009, while women's employment rates hardly changed at all. Although unemployment rose, it was associated with an increase in activity rates rather than job losses. Employment rates for young people aged 15–24 fell by two percentage points. By contrast, unlike in the early 1990s, the employment rate for men aged 55–64 remained much the same. Employment of women in this age group continued to rise. Unlike in the early 1990s, therefore, there is yet no evidence of a widespread shift towards early retirement in response to the crisis. However, these figures show only the initial impact of the recession on employment; further and possibly greater labour market adjustments are still to come.

## **Housing and social inclusion in the EU**

***Most Europeans live in their own home, particularly in the former communist countries***

The chapter on housing first looks at housing tenure in 2007, showing that more than 70 % of Europeans live in a house or flat owned by (a member of) their household. The proportion of owner-occupiers is particularly high in most of the former communist countries. Because of the way housing was privatised in these countries in the post-communist period, the share of home owners with mortgage obligations is also very low – in most cases less than 10 % of the population). The countries with the largest unsubsidised rental sectors are Denmark, Germany, the Netherlands, Austria and Sweden where between 28 % and 36 % of the population live in accommodation rented at market prices, compared to 13 % of the EU25 population as a whole. Subsidised rented or rent-free housing is particularly common in the Czech Republic, France, Cyprus, Poland, Finland and the UK, with more than 15 % of the population living in such accommodation. Cyprus and Poland stand out due to the large proportion of the population living in rent-free accommodation (15 % and 34 % respectively). More than 55 % of people whose income is below the poverty threshold also live in owner-occupied housing, the vast majority of them without mortgages to service. A significant proportion of people on low income, however, live in rented accommodation, many paying market rates.

***There are no comparable data on homelessness, but the report presents some national survey results***

Homelessness is a major social problem, but difficult to define (sleeping rough is only its most extreme manifestation) and even more difficult to measure. Consequently, this report cannot present comparable figures. It does, however, give an indication of the scale of the problem based on a brief overview of national surveys, some of which focus on the major cities where the problem tends to be most acute.

***Europeans spend about one fifth of their income on housing, and charges for fuel, maintenance and repairs represent the major share of this. The relative burden of housing is highest for people on low incomes***

A detailed review of housing costs shows that Europeans spend on average about one fifth of their disposable income on accommodation. This spending comprises not only rent and mortgage interest but also other charges such as for repairs, maintenance and fuel, which together account for the bulk of the total housing cost. People in homes rented at market rates devote the largest share of their income, around a third, to housing, whereas those in properties without mortgages or in rent-free accommodation have the lowest housing costs (around 16 % and 18 % of disposable income, respectively). The relative burden of housing costs is much greater for people with income below the poverty threshold, amounting to 36.5 % of disposable income across the EU25 and as much as 48 % for people paying full market rents.

***High home-ownership rates in the former communist countries do not result in lower housing cost burdens***

Both the level of housing costs in relation to income and their composition vary markedly across countries. Due to the high ownership rates in most former communist Member States and the fact that few people have mortgage debt, rents and mortgage interest represent a very small proportion of household income in these countries. Nevertheless, total housing costs can be as high in relation to income as elsewhere in the EU, due to the large burden of fuel, repair and other such costs. Indeed, living in a privatised home does not appear to come cheap and many owner-occupiers in these countries may find it difficult to afford to maintain their property.



***The cost of housing relative to incomes rose in most EU15 countries between 1994 and 2005***

EU-SILC does not yet allow housing costs to be monitored over time, but data from the European Household Budget surveys in 1994 and 2005 suggest that the cost of housing relative to income has risen over time, by almost four percentage points in the EU15, with a slightly bigger increase for those in the bottom quintile of the income distribution. Such an increase can be observed in most of the EU15 countries, but there has been a decline in Belgium and the Netherlands. The biggest increases (by around seven percentage points) occurred in Spain, Portugal and Italy.

***There is no clear link between housing costs and satisfaction with accommodation***

Are people forced to spend a large share of their income on housing or do they choose to do so in order to enjoy a better standard of accommodation? If high spending is a matter of choice, then one might expect a positive relationship between spending and satisfaction with housing. However, on average across the EU, the proportion of income that housing costs represent tends to be higher for those who are dissatisfied than for those who are satisfied, though this is not the case in all Member States. Moreover, for people on low incomes (below the poverty threshold) the opposite tends to be the case: those who are satisfied with their housing also tend to spend a larger share of their income on it. Overall, no clear trend emerges.

***Deducting housing costs from disposable income tends to increase income disparities and poverty risks because of a higher housing cost burden on the poor***

Assuming that housing costs are to a large extent unavoidable expenditure, it makes sense to have a closer look at disposable income housing costs are deducted. The Report does this and calculates a new median income after allowing for housing costs. Taking 60 % of this median income as a poverty threshold, some 22 % of the population are estimated to be at risk of poverty after taking account of housing costs, compared to 16 % using the conventional definition. This is because people on lower incomes spend a larger share of that income on housing. The biggest increases in the at-risk-of-poverty rates after this adjustment are for lone parents and people living alone, especially those aged 65 and over, the majority of whom tend to be women.

***By contrast, adding imputed rent to income would result in a more equal income distribution as imputed rent represents a larger share of low incomes***

An alternative method for taking into account housing in the measurement of poverty and income distribution is to include imputed rent as part of household income. Imputed rent accrues to all households which either own their accommodation or do not pay the full market rent for it. The estimated amount of imputed rent is higher for people at the bottom of the income distribution than at the top, ranging from 40 % of disposable income in the first quintile (or the fifth of the population with the smallest income) across the EU as a whole to just over 10 % in the top quintile. Including imputed rent therefore results in a more equal distribution of income and a slightly lower at-risk-of-poverty rate of 15 instead of 16 %.

***How to adjust for housing costs depends on whether one considers that poorer people have the opportunity to make different spending choices***

The at-risk-of-poverty rate is higher when housing costs are deducted from income than when imputed rent is added to it. It is possible that low-income households have few possibilities for saving on their housing costs, and we therefore could consider that they cannot choose to spend an imputed rent differently. In such a case it would make more sense to examine incomes and their distribution after deducting housing costs, an analysis which makes the contrast between richer and poorer households starker.

***People at risk of poverty are more likely to suffer from poor housing conditions, mostly in the form of leaking roofs, damp walls/floors or rot in window frames***

The general EU-SILC survey and its special module on housing also offer a wealth of information on housing deficiencies, such as a lack or inadequacy of sanitary and electrical installations, poor heating or cooling, leaking roofs and damp walls, inadequate light, a lack of space and unfavourable neighbourhood conditions. The most frequently reported problem with housing quality concerns leaking roofs, damp walls, floors or foundations or rot in window frames or floors (all covered in a single question in the survey). In most Member States, between 12 % and 18 % of the population report such problems, but the proportion is as high as 28 % in Cyprus and 33 % in Poland. People at risk of poverty, i.e. with income below 60 % of the national median, are much more likely to report this or other kinds of housing problems. In the Baltic countries, between a quarter to a third of people living at risk of poverty had no indoor bath, shower or toilet. In addition, people in these countries are more likely to experience difficulties in paying their utility bills, as was highlighted in the 2007 edition of this report. These results suggest that there is a serious need for action by the public authorities to improve the quality and energy efficiency of housing. Some Member States have policies tackling fuel poverty by reducing the cost for low-income households of keeping their homes warm. Improving energy efficiency within the home simultaneously reduces energy consumption and improves the financial situation of poorer households. Where energy is derived from fossil fuels, these policies will promote reductions in greenhouse gas emissions. New rules allow the European Regional Development Fund to support programmes that invest in energy efficiency. Several measures within the Economic Recovery Programme also reflect the fact that such action would improve social cohesion and help tackle climate change.

***Shortage of space is particularly severe in the former communist countries, but people's subjective perception of the situation is better than objective indicators would suggest***

The Report also compares the result of an objective indicator of shortage of space, which relates the number of rooms to the household size and composition, and to people's subjective assessment of whether they suffer from a shortage of space. The objective indicator shows a clear East-West divide with around 40 % or more of the population suffering from a shortage of space in most former communist countries, compared to less than 10 % in most other Member States. By contrast, people's own assessment of their housing space differs much less from one country to another; typically, between 10 and 20 % of the population find it inadequate, rising to a quarter or a third in the Baltic countries and Poland.

***Poor neighbourhood conditions do not seem to affect people on low incomes much more than people above the poverty threshold***

In most Member States, between 15 % and a quarter of the population report that they suffer from noise problems. Somewhat fewer people report problems with pollution or safety (crime, violence or vandalism) in their neighbourhood. There is no clear link between these problems and the average level of income in the country, nor do people on incomes below the poverty threshold appear to be much more exposed to such problems than those with higher incomes.

***Access to services is mainly a problem in non-urban areas, with the non-urban poor worst affected***

Another important aspect of housing quality is access to services, including shops, banks, post offices, health care, schools and public transport. Within countries, the main difference in terms of access to such services appears between urban and non-urban areas, rather than between richer and poorer people. However, people on low incomes in thinly populated areas are much more likely to report difficulties accessing two or more of these services. Over a third of the non-urban population at risk of poverty find it difficult to access at least two services, and one quarter lack access to three or more services.

***Housing can represent more than 60 % of household wealth; house prices have risen faster than earnings, and mortgage debt relative to income has exploded in some countries***

The housing sector, although not primarily in Europe, has been at the heart of the present economic crisis. Almost 70 % of Europeans own their homes, and the value of the primary residence represents more than 60 % of household wealth in countries such as Finland, Germany, Italy, Sweden and the UK. Over the past decade, house prices have risen much faster than wages in most Member States (Germany and Portugal being notable exceptions in this regard). In parallel, mortgage debt has risen sharply in relation to annual household income, reaching more than 200 % in Denmark and the Netherlands. The increase has been particularly rapid in the former communist countries, albeit less spread and to levels that remain generally well below those in the EU15 countries.

***The bursting of the housing market bubble has led to significant job losses in the construction industry***

These trends on the housing market fuelled consumer demand and boosted economic growth in some Member States as they did in the US but they turned out to be unsustainable. The bursting of the bubble on the housing market is having a direct impact on the construction industry. In Spain alone, employment fell by 21 % in the year up to the last quarter of 2008, a loss of more than half a million jobs, many of them relatively low-skilled and held by migrant workers who are particularly vulnerable.

***The recession will result in more people risking losing their homes as they become unable to pay their rents and mortgages. Some Eastern Europeans have problems with mortgages in foreign currencies***

The recession and the consequent decline in employment and incomes it implies also means that increasing numbers of people can no longer pay their mortgages, rents and utility bills. A specific problem in some Eastern European Member States is that much of the increase in household debt has been in foreign currencies. Thus, in Poland, two thirds of the outstanding borrowing for housing purposes in October 2008 was in the form of foreign currency loans. This adds the risk of currency fluctuations to the risks of unemployment and income loss. Repossessions and evictions could eventually lead to an increase in homelessness, although this depends very much on the extent to which the people concerned can rely on help from relatives and friends and on support provided by public authorities and voluntary organisations.



## TEIL 1: DAS SOZIALE KLIMA UND WOHNBEDINGUNGEN IM KONTEXT DER WIRTSCHAFTSKRISE

### Kernaussagen

- Obwohl es Anzeichen dafür gibt, dass die Rezession die Talsohle erreicht hat, müssen sich ihre vollen sozialen Auswirkungen in der EU erst noch zeigen. Die Arbeitslosigkeit wird wahrscheinlich weiter ansteigen. Frühere Rezessionen haben gezeigt, dass im Bau- und verarbeitenden Gewerbe beschäftigte Männer sowie junge Menschen, die erstmals an den Arbeitsmarkt gehen, am stärksten von Arbeitslosigkeit betroffen sind. In einigen Mitgliedstaaten scheinen die Leistungssysteme lückenhaft zu sein, was dazu führt, dass viele Arbeitslose keinerlei Sozialleistungen erhalten.
- Langfristig werden die sozialen Folgen der Rezession zum Teil vom Tempo der Erholung abhängen. Eine schwache Verbrauchernachfrage aufgrund von Beschäftigungsunsicherheit und unzureichendem Sozialschutz oder vermindertem Wohneigentum und schlechterem Zugang zu Krediten könnte zum Beispiel ein langsames Wachstum zur Folge haben. Eine lange Phase mit geringem Wirtschaftswachstum würde zu einem lang andauernden Mangel an Erwerbsmöglichkeiten führen und die Gefahr erhöhen, dass viele Menschen – vor allem junge Menschen, die erstmals an den Arbeitsmarkt gehen – langzeitarbeitslos sind. Die Regierungen müssen angemessene Leistungen bei Arbeitslosigkeit sicherstellen und Beschäftigung aktiv fördern, um zu verhindern, dass diese Personen dauerhaft vom Arbeitsmarkt ausgeschlossen werden und so in die Armutsfalle geraten. Außerdem müssen die sozialen Folgen von Haushaltskonsolidierungen genau beobachtet werden.
- Kürzungen der öffentlichen Ausgaben können sich langfristig ebenfalls nachteilig auf den Wohlstand der Haushalte auswirken, beispielsweise wenn Sozialleistungen und öffentliche Dienstleistungen (Bildung, Kinderbetreuung, Gesundheitsversorgung und Langzeitpflege) eingeschränkt werden. Außerdem könnten verschiedene politische Maßnahmen eine Verschlechterung der finanziellen Situation der Haushalte bewirken. Alle diese sozialen Auswirkungen der Wirtschaftskrise und die entsprechenden politischen Maßnahmen in den Mitgliedstaaten werden vom Ausschuss für Sozialschutz laufend beobachtet<sup>6</sup>.
- Eine aktuelle Eurobarometer-Umfrage zum sozialen Klima in der EU (Befragung vom 25. Mai bis 17. Juni 2009) hat ergeben, dass die Aussichten für die nächsten zwölf Monate hinsichtlich der Lebensbedingungen im Allgemeinen und der persönlichen finanziellen und beruflichen Situation jetzt weniger optimistisch beurteilt werden. In allen Ländern wird tendenziell mit einer Verschlechterung der Gesamtsituation innerhalb des Landes gerechnet, insbesondere bei Wirtschaft, Beschäftigung und Lebenshaltungskosten. Die Umfrage zeigt auch, dass viele mit den wichtigen Bereichen der Sozialpolitik unzufrieden sind, unter anderem mit Renten und Leistungen bei Arbeitslosigkeit und sich über Ungleichheiten, Armut und Beziehungen zwischen Menschen mit unterschiedlichem kulturellem Hintergrund oder verschiedenen Nationalitäten Sorgen machen. Die Umfrage wird jährlich wiederholt.
- Der Immobiliensektor spielt in der aktuellen Wirtschaftskrise eine entscheidende Rolle. Steigende Immobilienpreise und die Erwartung, dass sich dieser Trend fortsetzt, führten zu mangelnder Vorsicht bei der Aufnahme und Vergabe von Krediten. Als die Immobilienblase platzte, wurde die Anfälligkeit des Finanzsektors sichtbar. In einigen Ländern führte der Zusammenbruch auch zu erheblichen Arbeitsplatzverlusten im Bausektor.
- Die Mehrheit der Europäer lebt im eigenen Heim. Das bedeutet aber nicht, dass ihre Wohnkosten niedrig sind. Selbst diejenigen, die keine Hypothek abzahlen, sehen sich mit erheblichen Kosten für Heizung, Unterhalt und Reparaturen konfrontiert, vor allem in den ehemaligen kommunistischen Mitgliedstaaten, in denen die Wohneigentumsraten nach der Privatisierung des Wohngebäudebestands hoch sind. Die Belastung durch Wohnkosten bezogen auf das verfügbare Einkommen ist für Personen mit niedrigerem Einkommen am größten. Daher ist der Unterschied zwischen der Kaufkraft armutsgefährdeter Personen und finanziell besser gestellten Personen noch größer, wenn Wohnkosten berücksichtigt werden.

<sup>6</sup> Siehe Bericht *Updated joint assessment by the Social Protection Committee and the European Commission of the social impact of the crisis and of policy responses* (2009) [Aktualisierte gemeinsame Bewertung hinsichtlich der sozialen Auswirkungen der Wirtschaftskrise und der ergriffenen politischen Maßnahmen durch den Ausschuss für Sozialschutz und die Europäische Kommission (2009)].

## EINFÜHRUNG UND ZUSAMMENFASSUNG

***Die Rezession mag die Talsohle erreicht haben, ihre sozialen Folgen werden jedoch erst über die kommenden Monate und Jahre zu spüren sein.***

Die vorliegende Ausgabe des Berichts über die soziale Lage wurde mitten in der schwersten Rezession erstellt, die die Welt seit den 1930er Jahren erlebt hat. Obwohl es Anzeichen dafür gibt, dass die Rezession jetzt die Talsohle erreicht hat, werden sich ihre sozialen Folgen – die den Schwerpunkt dieses Berichts bilden – erst in Monaten oder Jahren in ihrem vollen Ausmaß zeigen. Diese werden von mehreren Faktoren abhängig sein. Die wichtigsten sozialen Auswirkungen werden der Verlust des Arbeitsplatzes und die daraus folgende Arbeitslosigkeit sein. Die Arbeitslosenquote ist bereits gestiegen – in manchen Ländern sehr stark (siehe Bericht über die Beschäftigung in Europa) – ihren Höhepunkt hat sie aber noch lange nicht erreicht.

***Arbeitslosigkeit wird ein Hauptfaktor sein, der die sozialen Auswirkungen der Krise bestimmt, allerdings nicht der einzige ...***

Inwieweit die Zunahme der Arbeitslosigkeit zu größeren sozialen Problemen führen wird, wird davon abhängen, welche Gruppen am stärksten betroffen sind, wie lange sie aus dem Arbeitsmarkt ausgegrenzt werden und wie wirksam die sozialen Sicherheitsnetze sind. Eine weitere Rolle wird spielen, wie Einkommen und Leistungen angepasst werden und wie ihr realer Wert von der durch die Rezession bedingten geringeren Inflation beeinflusst wird. Im vorliegenden Bericht werden die weit gefassten Gruppen beschrieben, die am wahrscheinlichsten vom Rückgang der Beschäftigung betroffen sein werden, und es wird aufgezeigt, inwieweit sich Arbeitslose auf die sozialen Sicherheitsnetze in der EU verlassen können.

***Eine langsame Erholung könnte zu langfristiger Ausgrenzung aus dem Arbeitsmarkt und zu Kürzungen bei den Sozialausgaben führen.***

Langfristig wird das Ausmaß der tatsächlichen sozialen Herausforderungen davon abhängen, wie stark die Arbeitslosigkeit ansteigt und wie schnell sie wieder gesenkt werden kann. Eine der größten Gefahren wäre eine langsame Erholung aufgrund einer schwachen Verbrauchernachfrage (weniger Zugang zu Krediten und Abneigung, erneut größere Kredite aufzunehmen). Eine genaue Beobachtung der sozialen Folgen von Haushaltskonsolidierungen ist ebenfalls wichtig. Ihre Auswirkungen auf die einzelnen Haushalte werden davon abhängen, wie gut diese durch die Leistungssysteme geschützt sind, besonders über die erste Phase der Arbeitslosigkeit hinaus, wenn Sozialversicherungsleistungen auslaufen und sie nur noch Anspruch auf weniger großzügige bedürftigkeitsabhängige Unterstützung haben. Alle Haushalte, ob von Arbeitslosigkeit betroffen oder nicht, können entweder von Steuersenkungen (die zur Senkung der Staatsausgaben für Bildung, Kinderbetreuung, Gesundheitsversorgung und Langzeitpflege führen) oder von höheren Steuern, Sozialversicherungsbeiträgen und Nutzungsgebühren betroffen sein. Diese sozialen Auswirkungen der Rezession und die entsprechenden politischen Maßnahmen in den Mitgliedstaaten werden vom Ausschuss für Sozialschutz<sup>7</sup> laufend beobachtet.

***Der Bericht liefert Hintergrundinformationen, die die Vorbereitung auf die sozialen Folgen der Krise erleichtern sollen.***

In dem Bericht werden zunächst die Ergebnisse einer aktuellen Umfrage zum sozialen Klima in der EU dargelegt, die zeigen, wie in der Europäischen Union die Rezession wahrgenommen und was im kommenden Jahr erwartet wird. In dem Versuch, die möglichen sozialen Folgen der aktuellen Krise zu beleuchten, werden dann frühere Konjunkturrückgänge untersucht, insbesondere die Rezession der frühen 1990er Jahre. Im Rahmen des abschließenden Schwerpunktthemas Wohnen werden die Ergebnisse eines speziellen EU-SILC-Moduls präsentiert und einige wichtige Wohndaten analysiert. Die Finanzkrise ging schließlich vom Immobilienmarkt aus und führte anfangs zu massiven Arbeitsplatzverlusten in der Bauindustrie.

<sup>7</sup>

Siehe Bericht Updated joint assessment by the Social Protection Committee and the European Commission of the social impact of the crisis and of policy responses (2009) [Aktualisierte gemeinsame Bewertung hinsichtlich der sozialen Auswirkungen der Wirtschaftskrise und der ergriffenen politischen Maßnahmen durch den Ausschuss für Sozialschutz und die Europäische Kommission (2009)].

## Neue Umfrage zum sozialen Klima in der Europäischen Union

***Im Rahmen einer neuen regelmäßigen Eurobarometer-Umfrage wird beobachtet, wie die aktuelle soziale Situation und die Entwicklungstendenzen wahrgenommen werden.***

Es wird noch mehrere Jahre dauern, bis die sozialen Auswirkungen der Rezession anhand stichhaltiger Belege aus Erhebungen wie EU-SILC<sup>8</sup> umfassend analysiert werden können. Eine zeitnahe Beurteilung ist mit Hilfe von Meinungsumfragen möglich. In Kapitel 2.1 des vorliegenden Berichts über die soziale Lage werden die Ergebnisse einer neuen Eurobarometer-Umfrage zum sozialen Klima dargelegt, bei der in jedem Land etwa 1.000 Menschen befragt wurden<sup>9</sup>. Die Umfrage soll Erhebungen zur Sicht der wirtschaftlichen und politischen Lage ergänzen, die bereits regelmäßig durchgeführt werden. Sie soll jährlich wiederholt werden, sodass Entwicklungen verfolgt werden können. Für das erste Jahr sind Trenddaten nur für einige der 45 gemessenen Variablen verfügbar, Vergleiche im Zeitverlauf werden aber schließlich eine Beurteilung der vollen Auswirkungen der aktuellen Krise auf die öffentliche Wahrnehmung ermöglichen.

***Die Umfrage deckt die persönliche Situation, die Lage im Land und wichtige Bereiche der Sozialpolitik ab.***

Die neue Umfrage zum sozialen Klima deckt 15 Bereiche ab und fordert die Befragten auf, für jeden dieser Bereiche die aktuelle Situation, die Entwicklung in den letzten fünf Jahren und die Veränderungen zu beurteilen, die sie für das kommende Jahr erwarten – insgesamt werden 45 Variablen erfasst. Zu den 15 Bereichen wurden drei breit gefasste Fragengruppen erstellt. Die erste Fragengruppe bezieht sich auf die persönliche Situation der Befragten, einschließlich Lebenszufriedenheit im Allgemeinen, Lebensumfeld, Zufriedenheit mit der beruflichen und finanziellen Situation ihres Haushalts. Die zweite Fragengruppe behandelt die wirtschaftliche und soziale Lage des Landes und umfasst Lebenshaltungskosten, Erschwinglichkeit von Energie und Wohnraum, Qualität der öffentlichen Verwaltung sowie die allgemeine wirtschaftliche Lage und Lage auf dem Arbeitsmarkt. Der Schwerpunkt der dritten Fragengruppe liegt auf dem Sozialschutz und der sozialen Eingliederung im betreffenden Land und umfasst Fragen zu Gesundheitsversorgung, Renten, Arbeitslosenunterstützung, Behandlung von Ungleichheiten und Armut sowie Beziehungen zwischen Menschen mit unterschiedlichem kulturellem oder religiösem Hintergrund.

***Für einige der Variablen sind bereits Trenddaten verfügbar. Sie zeigen einen engen Zusammenhang zwischen den Erwartungen der Menschen und dem Wachstum des BIP.***

Einige Fragen der Sozialklima-Umfrage sind seit vielen Jahren Bestandteil von Standard-Eurobarometer-Umfragen und ermöglichen daher Trends zu beobachten. Sie scheinen auf einen engen Zusammenhang zwischen den Erwartungen der Europäer in Bezug auf ihre allgemeinen Lebensbedingungen und dem Wachstum des BIP hinzuweisen. Im Herbst 2008 erreichte die Zuversicht ein Rekordtief, da vermutlich die Finanzkrise zu diesem Zeitpunkt ihren Höhepunkt erreichte. Seither hat die Zuversicht wieder zugenommen, verharrt aber auf sehr niedrigem Niveau. Die Erwartungen hinsichtlich der beruflichen Situation folgen der Entwicklung des Beschäftigungswachstums sowie den Erwartungen hinsichtlich der Lage auf dem nationalen Arbeitsmarkt im kommenden Jahr.

***Die Umfrage kann für die Beurteilung der Auswirkungen der Rezession hilfreich sein, aber auch Strukturprobleme aufzeigen.***

Im Rahmen der Sozialklima-Umfrage wird nicht nur gemessen, wie Europäer die aktuelle Rezession und ihre sozialen Auswirkungen wahrnehmen. Die Erhebung zeigt auch interessante Unterschiede zwischen verschiedenen Ländern auf, die die Stärken und Schwächen einzelstaatlicher politischer Maßnahmen und Institutionen widerzuspiegeln scheinen.

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<sup>8</sup> European Union Statistics on Income and Living Conditions [Statistik der Europäischen Union über Einkommen und Lebensbedingungen]

<sup>9</sup> Spezielle Eurobarometer-Umfrage EB315. Befragung vom 25. Mai bis 17. Juni 2009.



**Die meisten Europäer sind mit ihrer persönlichen Situation zufrieden, es gibt aber große Unterschiede zwischen den Ländern.**

Bei Fragen zu ihrer persönlichen Situation äußern sich die meisten Europäer zufrieden mit ihrem Leben im Allgemeinen, es gibt jedoch enorme Unterschiede zwischen den Mitgliedstaaten. Am geringsten ist die Zufriedenheit in Bulgarien, Ungarn, Griechenland und Rumänien, am höchsten in Dänemark, Schweden, den Niederlanden und in Finnland. Die Wahrnehmung von Veränderungen in den letzten fünf Jahren und die Einschätzung der Aussichten für das kommende Jahr stehen im Zusammenhang mit dem aktuellen Zufriedenheitsgrad: Die zufriedensten Bürger erwarten auch die größten Verbesserungen. In den Ländern mit der geringsten Zufriedenheit wird eine Verschlechterung der Situation erwartet. Sollte dies eintreten, würde die Kluft zwischen den zufriedensten und den am wenigsten zufriedenen Ländern noch größer. Es kann jedoch auch der Fall sein, dass Personen, die sich gerade in einer schlechten Situation befinden, pessimistischer in die Zukunft sehen.

**Europäer sind mit ihrem Lebensumfeld zufriedener als mit ihrem Leben im Allgemeinen.**

Überraschenderweise sind Europäer mit ihrem Wohnumfeld zufriedener als mit ihrem Leben im Allgemeinen, und der Abstand zwischen den Ländern mit der höchsten und der niedrigsten Zufriedenheit ist geringer. Wieder weisen die Schweden bei Weitem die höchste Zufriedenheit auf, gefolgt von den Iren, den Finnen, den Holländern und den Belgiern. Am anderen Ende der Skala befinden sich erneut Bulgarien, Griechenland, Ungarn und Rumänien, aber auch Italien. Bei der Beurteilung des Wohnumfelds ist die positive oder negative Sicht von Veränderungen in den letzten fünf Jahren und im kommenden Jahr nicht so eng an den aktuellen Zufriedenheitsgrad gebunden wie im Fall der allgemeinen Lebenszufriedenheit. Die meisten Europäer nehmen in ihrem Wohnumfeld wenig Veränderungen wahr, und der Großteil derer, die Veränderungen wahrnehmen oder erwarten, betrachten sie als positiv.

**Die Zufriedenheit mit der beruflichen Situation ist geringer als mit dem Leben im Allgemeinen oder dem Lebensumfeld.**

Hinsichtlich der beruflichen Situation liegt der Zufriedenheitswert<sup>10</sup> des durchschnittlichen EU-Bürgers mit 1,4 erheblich unter dem Wert für das Leben im Allgemeinen (3,2) und die Wohngegend (4,2). Die Länder-Rangliste sieht jedoch in allen Fällen sehr ähnlich aus, nur bei der Reihenfolge der Länder am Anfang und am Ende der Liste gibt es geringe Unterschiede. In Dänemark ist die Zufriedenheit mit der beruflichen Situation am höchsten und in Ungarn am niedrigsten. Ungarn und Litauer nehmen die größte Verschlechterung in den letzten fünf Jahren wahr und sind auch für das kommende Jahr am wenigsten optimistisch. Im Gegensatz dazu sind in Dänemark und Schweden mehr Menschen der Ansicht, dass sich ihre berufliche Situation in den letzten fünf Jahren eher verbessert als verschlechtert hat, und es wird erwartet, dass sich die Situation im kommenden Jahr eher verbessern als verschlechtern wird. Was die Aussichten für das kommende Jahr betrifft, scheint es in der EU als Ganzes interessanterweise etwas mehr Optimisten als Pessimisten zu geben.

**Europäer sind auch mit der finanziellen Situation ihres Haushalts ziemlich zufrieden, viele meinen jedoch, dass sie sich verschlechtert hat.**

Ein ganz ähnliches Bild ergibt sich bei Fragen zur finanziellen Situation der Haushalte. Unter den Ungarn und Bulgaren ist die Zufriedenheit mit Abstand am geringsten, während Schweden, Dänen und Holländer zufriedener sind. Der Gesamtwert für die Zufriedenheit in der EU als Ganzes ist etwas niedriger als der Wert für die berufliche Situation, liegt aber noch im positiven Bereich (1,2). Die Bewertung bisheriger und zukünftiger Entwicklungen steht in enger Beziehung zur aktuellen Situation, und in der EU als Ganzes gibt die Mehrzahl der Befragten an, dass sich ihre persönliche finanzielle Situation in den letzten fünf Jahren verschlechtert hat. Diese Mehrzahl ist größer als im Fall der beruflichen Situation, was nahe legt, dass die Verschlechterung der persönlichen Finanzen primär durch andere Faktoren wie zum Beispiel steigende Lebenshaltungskosten verursacht wird.

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<sup>10</sup> Bei der Berechnung des Zufriedenheitswerts erhielt die Antwort „überhaupt nicht zufrieden“ den Wert -10, „nicht sehr zufrieden“ den Wert -5, „ziemlich zufrieden“ den Wert +5 und „zufrieden“ den Wert +10. Der durchschnittliche Wert für ein Land, eine sozioökonomische Gruppe oder die EU als Ganzes kann also theoretisch zwischen -10 (alle Befragten antworten, dass sie überhaupt nicht zufrieden sind) und +10 (alle Befragten antworten, dass sie zufrieden sind) liegen. In Bezug auf Veränderungen während der letzten fünf Jahre oder der nächsten zwölf Monate hatten die Befragten die Wahl zwischen „besser“, „schlechter“ oder „gleich“. Zur Ermittlung eines Werts wurde die Differenz zwischen den Befragten, die von einer Verbesserung ausgingen, und den Befragten, die von einer Verschlechterung ausgingen, ermittelt. Der resultierende Wert kann also zwischen -100 (alle Befragten erwarten eine Verschlechterung) und +100 (alle Befragten erwarten eine Verbesserung) liegen.



**Lebenshaltungskosten sind eine wesentliche Ursache für Unzufriedenheit, und viele Europäer sind der Ansicht, dass sich die Situation verschlechtert.**

Tatsächlich ist bei der Wahrnehmung der allgemeinen Situation und der Lebensbedingungen EU-weit eine hohe Unzufriedenheit mit den Lebenshaltungskosten festzustellen, die einen negativen Zufriedenheitswert von 3,0 erreicht. In Griechenland, Ungarn, Lettland, Bulgarien, Irland, Malta und Portugal werden mit -5,5 und geringer die niedrigsten Werte erreicht. In Schweden, den Niederlanden und Dänemark sind die Werte mit positiven Ergebnissen zwischen 1,4 und 1,9 am höchsten. In allen Ländern gibt es jedoch eine klare Mehrheit, die der Meinung ist, dass die Lebenshaltungskosten in den letzten fünf Jahren gestiegen sind und sich diese Entwicklung im kommenden Jahr fortsetzen wird.

**Die Unzufriedenheit in Bezug auf Energiekosten ist hoch ...**

Ausgaben für Energie sind eine wesentliche Determinante der Lebenshaltungskosten. Die Europäer sind mit der Erschwinglichkeit von Energie unzufrieden (-2,2 Punkte). Sie meinen, dass sich die Situation in den letzten fünf Jahren verschlechtert hat, und eine Mehrheit erwartet zudem für das kommende Jahr eine Verschlechterung. Während am Ende der Zufriedenheitsskala dieselben Länder wie zuvor zu finden sind, gibt es an der Spitze Überraschungen: Esten, Letten, Tschechen, Spanier und Dänen erreichen die höchsten Zufriedenheitswerte (1,1 für Dänemark und 3,8 für Estland).

**... und Wohnraum wird in den meisten Mitgliedstaaten als zu teuer betrachtet.**

Die Erschwinglichkeit von Wohnraum ruft ebenfalls unter den meisten Europäern Unzufriedenheit hervor: Der Wert für die EU als Ganzes liegt bei -3,1. Zyprioten sind mit einem Wert von -7,5 mit Abstand am unzufriedensten. In Bulgarien, Lettland, Rumänien, Spanien, Ungarn, Polen und Malta liegen die Ergebnisse ebenfalls alle unter -5,0. Am oberen Ende der Skala sind Schweden und Estland mit positiven Werten von 1,1 zu finden, gefolgt von Dänemark, Litauen und Deutschland (über 0,7). In fast allen Ländern haben die Befragten das starke Gefühl, dass sich die Situation in den letzten fünf Jahren verschlechtert hat, und die meisten befürchten, dass sich die Situation in den nächsten zwölf Monaten nicht verbessern wird.

**Europäer schätzen die wirtschaftliche Lage pessimistisch ein, und der Pessimismus ist groß ...**

In Anbetracht der Finanzkrise und der Rezession überrascht es nicht, dass die allgemeine Zufriedenheit mit der wirtschaftlichen Lage mit -4,1 sehr gering ist. Dänemark erreicht mit 2,4 den höchsten Zufriedenheitswert. Auch für Luxemburg, Zypern und die Niederlande sind die Werte positiv. Im Gegensatz dazu wird in Lettland mit -8,3 der niedrigste Wert erreicht, und auch in Ungarn, Irland und Griechenland liegen die Ergebnisse unter -6. Im Vergleich zur Situation vor fünf Jahren wird überall eine Verschlechterung wahrgenommen, und in keinem Mitgliedstaat gibt es unter den Befragten eine Mehrheit, die während des kommenden Jahres eine Verbesserung erwartet.

**... vor allem in Bezug auf die Beschäftigung.**

Die Zufriedenheit mit der Lage auf dem Arbeitsmarkt in der EU als Ganzes ist mit -4,4 sogar noch geringer. Die Niederlande und Dänemark sind die beiden einzigen Länder mit positiven Werten (unter 1). Die niedrigsten Werte erreichen Lettland, Irland, Spanien, Ungarn und Portugal, wobei alle Ergebnisse unter -6 liegen. Die überwiegende Mehrheit ist der Meinung, dass die Situation schlechter ist als vor fünf Jahren, und auch hier blickt eine klare Mehrheit pessimistisch in die nahe Zukunft.

**Die Zufriedenheit mit der öffentlichen Verwaltung ist im Allgemeinen – ohne eine Verbesserung in Sicht – gering.**

Ein Bereich, der von der Rezession nicht direkt betroffen ist, ist die öffentliche Verwaltung. Hier überwiegt die Zahl der unzufriedenen Europäer, wobei die Griechen, Letten und Iren am unzufriedensten sind. Die höchsten Zufriedenheitswerte werden in Dänemark, Schweden, Luxemburg, Estland, Finnland, Österreich und Deutschland erreicht (alle über 1). Doch selbst in den meisten Ländern auf den Spitzenplätzen ist die Mehrheit der Ansicht, dass sich die Situation in den letzten fünf Jahren verschlechtert hat, und auch bei den Zukunftsaussichten sind die Pessimisten in der Mehrheit.

***Viele Europäer sind mit der Gesundheitsversorgung zufrieden, es gibt jedoch beträchtliche Unterschiede zwischen den Ländern.***

Die Umfrage zum sozialen Klima lieferte auch interessante Ergebnisse in Bezug auf die Wahrnehmung wichtiger Bereiche der Sozialpolitik. Mit einem Zufriedenheitswert von 1,3 wird die Gesundheitsversorgung von der Mehrzahl der Europäer als zufriedenstellend betrachtet. Am zufriedensten sind die Befragten in Belgien (5,5), gefolgt von den Niederlanden, Luxemburg, Österreich und dem Vereinigten Königreich, die alle Werte über 4 erreichen. Die geringste Zufriedenheit ist in Bulgarien, Griechenland und Rumänien zu verzeichnen, wo die Werte durchweg unter -3 liegen. In den meisten Ländern bewertet die Mehrheit bisherige und wahrscheinliche zukünftige Veränderungen als Verschlechterung, es gibt jedoch einige Ausnahmen, vor allem Zypern, Spanien, Malta und Belgien.

***Nur in wenigen Ländern sind die Bürger mit der Altersversorgung zufrieden, und es gibt starke Befürchtungen, dass sich die Situation verschlechtert.***

Die Altersversorgung wird mit einem EU-weiten Zufriedenheitswert von -1,0 sehr viel negativer bewertet. In Luxemburg ist der Zufriedenheitswert am höchsten, gefolgt von den Niederlanden, Dänemark und Österreich mit Werten zwischen 4,6 und 2,9. Am unzufriedensten sind die Griechen, Bulgaren und Portugiesen, die Werte unter -4 erreichen. In fast allen Ländern werden bisherige und zukünftige Veränderungen negativ bewertet, mit zwei bemerkenswerten Ausnahmen: Die Zyprioten sehen in den letzten fünf Jahren eine Verbesserung, und eine schwache Mehrheit rechnet mit einer weiteren Verbesserung. Die Esten erkennen ebenfalls Fortschritte während der letzten fünf Jahre, sind jedoch in Bezug auf die kommenden zwölf Monate pessimistisch.

***Die geringe Zufriedenheit und pessimistische Einschätzung von Entwicklungen bezieht sich auch auf Leistungen bei Arbeitslosigkeit.***

Mit einem Wert von -1,2 ist die Unzufriedenheit mit den Leistungen bei Arbeitslosigkeit ähnlich hoch wie die Unzufriedenheit mit den Renten. Die Länder mit den niedrigsten Werten sind Griechenland, Bulgarien, Rumänien und Ungarn, die alle unter -4 liegen. Der höchste Wert wird mit 3,5 in den Niederlanden erreicht, gefolgt von Österreich, Luxemburg, Dänemark und Belgien (1,9). In allen Mitgliedstaaten rechnet die Mehrheit der Befragten mit einer Verschlechterung der Situation während der nächsten zwölf Monate, und nur in Zypern ist die Zahl derjenigen, die in den letzten fünf Jahren eine Verbesserung erkennen, größer als die Zahl derer, die eine Verschlechterung wahrnehmen.

***Die Europäer sind mit der Bekämpfung von Ungleichheiten und Armut sehr unzufrieden.***

Die Unzufriedenheit mit der Bekämpfung von Ungleichheiten und Armut ist groß. Für die EU als Ganzes wird der Wert -2 erreicht, und nur in vier Ländern liegt er bei 0 oder höher. Luxemburg steht an der Spitze (0,9), gefolgt von den Niederlanden, Schweden und Finnland. In Lettland, Ungarn, Griechenland, Bulgarien und Litauen ist die Unzufriedenheit mit Werten von -4 oder geringer am größten. Auch in Frankreich ist eine Unzufriedenheit mit -3,8 diesbezüglich zu erkennen. Mit Ausnahme von Malta lässt die überwiegende Stimmung in allen Ländern vermuten, dass sich die Situation in den letzten fünf Jahren verschlechtert hat und sich in der nahen Zukunft weiter verschlechtern wird.

***Beziehungen in der Gemeinschaft werden positiver beurteilt, die Europäer befürchten jedoch eine Verschlechterung der Situation.***

Beziehungen zwischen Menschen mit unterschiedlichem kulturellem Hintergrund oder unterschiedlichen Nationalitäten werden sehr viel positiver gesehen als Ungleichheiten und Armut. Der Zufriedenheitswert für die EU als Ganzes ist positiv, erreicht aber nur 0,3. Die mit Abstand höchste Zufriedenheit wird in Luxemburg erreicht (2,5), gefolgt von Finnland, dem Vereinigten Königreich, Litauen, Estland, Rumänien und Lettland, wo die Werte zwischen 1,3 und 1,5 liegen. Mit Werten zwischen -1,7 und -0,6 ist die Zufriedenheit in Griechenland, der Tschechischen Republik, Italien, Dänemark, Ungarn und Frankreich am geringsten. In den Ländern mit niedrigen Zufriedenheitswerten sehen die Befragten sowohl in der Vergangenheit als auch für die nahe Zukunft eine Verschlechterung, doch auch in den Niederlanden, Österreich und Slowenien wird die Qualität der Gemeinschaftsbeziehungen sehr pessimistisch betrachtet.

**Die relativ hohe Zufriedenheit mit der persönlichen Situation steht im Gegensatz zur negativen Sicht zahlreicher Aspekte der nationalen Lage und der Richtung, in der sich die Entwicklung bewegt.**

Das Gesamtbild, das sich aus dieser ersten europäischen Erhebung zum sozialen Klima ergibt, kennzeichnet sich durch einen Gegensatz zwischen relativ hohen Zufriedenheits- und Zuversichtswerten im Hinblick auf die persönliche Situation und einer sehr negativen Wahrnehmung der allgemeinen wirtschaftlichen Lage und Lebensbedingungen sowie wichtiger Bereiche der Sozialpolitik. Während die Besorgnis über die allgemeine Wirtschaftslage und die Lebensbedingungen unter den aktuellen Umständen vollkommen verständlich ist, sollte die Unzufriedenheit der Öffentlichkeit mit wichtigen Bereichen der Sozialpolitik und ihre äußerst negative Sicht in Bezug auf die Entwicklung in diesen Bereichen politischen Entscheidungsträgern Sorge bereiten. Diese Ansichten scheinen relativ fest verankert zu sein und könnten eine Überprüfung der Politik erforderlich machen, um sicherzustellen, dass Maßnahmen besser konzipiert und vermittelt werden.

**In Ländern mit geringer Zufriedenheit ist auch der Pessimismus hinsichtlich der Entwicklungstendenzen am größten. Ist dies ein Hinweis auf zunehmende Unterschiede?**

Eine weitere wichtige Beobachtung ist, dass die Bürger in einigen der wohlhabendsten Mitgliedstaaten im Allgemeinen am zufriedensten sind und aller Voraussicht nach einen positiven Trend wahrnehmen. Dies könnte darauf zurückzuführen sein, dass die Rezession einige der ärmeren Mitgliedstaaten härter trifft. Langfristig kann man jedoch erwarten, dass sich in den ärmeren Mitgliedstaaten ein positiver Trend zeigt, da sich diese Länder in einem Aufholprozess befinden, durch den Hoffnungen auf bessere soziale Bedingungen und sozialpolitische Maßnahmen geweckt werden. In den meisten der ärmeren Länder entspricht dies jedoch eindeutig nicht der aktuellen Wahrnehmung. Viele rangieren am Ende der Zufriedenheitsliste und sehen auch bisherige und zukünftige Veränderungen in den zahlreichen durch die Erhebung abgedeckten Bereichen am wenigsten optimistisch. Wenn diese Bewertungen nicht nur Ausdruck einer vorübergehenden Stimmung aufgrund der Rezession sind, könnten sie auf einen beginnenden Divergenzprozess hinweisen: In Ländern mit guten sozialen Bedingungen setzt sich der Aufwärtstrend fort, Länder mit den schlechtesten sozialen Bedingungen fallen noch weiter zurück.

## **Soziale Folgen früherer Rezessionen**

**Eine Analyse der sozialen Auswirkungen früherer Rezessionen kann bei der Bewältigung der Folgen der aktuellen Rezession hilfreich sein.**

Ein Rückblick auf frühere Rezessionen und ihre Auswirkungen auf verschiedene soziale Gruppen kann zu einem besseren Verständnis der möglichen Auswirkungen der Rezession 2008–2009 beitragen. Die jüngste Rezession unterscheidet sich sowohl durch ihre Schwere als auch in der Art und Weise ihres Beginns (eine Finanzkrise, die in einigen Ländern mit nicht nachhaltigen Entwicklungen im Immobiliensektor verbunden war) natürlich von früheren Rezessionen. Zudem haben sich die Sozialpolitiken und die sozialen Institutionen in den Mitgliedstaaten verändert. Dennoch kann ein Rückblick auf frühere Krisen politische Entscheidungsträger bei der Beurteilung der erforderlichen politischen Maßnahmen und ihrer rechtzeitigen Vorbereitung unterstützen.

**Der wirtschaftliche Abschwung von 1990–1994 betraf vor allem Erwerbsmöglichkeiten für Männer und beschleunigte den Trend zum vorzeitigen Eintritt in den Ruhestand.**

In Kapitel 2 des Berichts über die soziale Lage wird der Wirtschaftsabschwung der frühen 1990er Jahre untersucht, der alle EU15-Mitgliedstaaten betraf. (Der weniger ausgeprägte Abschwung der frühen 2000er Jahre wird ebenfalls analysiert.) Zwischen 1990 und 1994 ging die EU15-Beschäftigungsquote um 2,5 Prozentpunkte zurück. 6,4 Millionen Arbeitsplätze gingen verloren. Diese Arbeitsplatzverluste betrafen jedoch vor allem Männer, die in den Fertigungs- und Bausektoren der Wirtschaft überrepräsentiert sind. Betroffen waren auch junge Menschen zwischen 15 und 24 Jahren, deren Anteil an der Erwerbsbevölkerung um etwa 10 Prozentpunkte zurückging. Dieser Rückgang wurde erst 1997 umgekehrt, lange nachdem die wirtschaftliche Erholung eingesetzt hatte. Der Abschwung der frühen 1990er Jahre beschleunigte auch einen bei Männern bereits vorhandenen Trend zur vorzeitigen Pensionierung. Die Beschäftigungsquoten für Männer zwischen 55 und 64 Jahren fielen unter 50 % und stagnierten bis zum Ende des Jahrzehnts auf diesem niedrigen Niveau, während die Beschäftigungsquoten für Frauen dieser Altersgruppe kontinuierlich anstiegen.

**Die Ausgaben für Sozialleistungen, vor allem für Arbeitslosenunterstützung, stiegen schnell an. Anschließend sanken die Ausgaben für diese Leistungen schneller als die Arbeitslosigkeit.**

Der Konjunkturrückgang der frühen 1990er führte auch zu einem rapiden Anstieg der Sozialleistungsausgaben. Die Leistungsausgaben für arbeitslose oder nicht erwerbstätige Menschen im erwerbsfähigen Alter stiegen zwischen 1990 und 1993 von 4 % des BIP auf knapp über 5,5 %, hauptsächlich aufgrund der vermehrten Leistungen bei Arbeitslosigkeit, aber auch aufgrund vermehrter Leistungen bei Invalidität und Wohngeldzahlungen. Anschließend nahmen die Ausgaben für Arbeitslosenunterstützung schneller ab als die Arbeitslosenzahlen, je nach Land allerdings nach unterschiedlichem Muster. Insgesamt scheint sich im Verlauf der 1990er Jahre die Abhängigkeit von Arbeitslosenunterstützung in den meisten der EU15-Länder zu anderen Formen der Unterstützung für Erwerbslose hin verschoben zu haben.

**Umfragedaten haben ergeben, dass 2006 viele Arbeitslose keine Leistungen erhielten.**

Die sozialen Folgen einer Rezession hängen in hohem Maß davon ab, wie gut Erwerbslose durch Leistungssysteme unterstützt werden. Dabei ist es wichtig nicht nur die Gesamthöhe der Sozialleistungsausgaben für Personen im erwerbsfähigen Alter zu betrachten, sondern auch den Anteil der Arbeitslosen, die Sozialleistungen erhalten. Daten darüber, wer Leistungen erhält, werden im Bericht für 2006 analysiert. Diese Daten geben an, dass EU-weit erheblich weniger als zwei Drittel der Personen, die während des Jahres mindestens einen Monat lang arbeitslos waren, tatsächlich Arbeitslosenunterstützung erhielten. Bei der Berücksichtigung anderer Arten von Leistungen steigt der Anteil auf etwa 70 %. Es gibt jedoch beträchtliche Unterschiede zwischen den Ländern. In Belgien, Österreich und Finnland erhielten mehr als 90 % der 25- bis 59-Jährigen, die 2006 mehr als sechs Monate lang arbeitslos waren, Arbeitslosenunterstützung. In Estland, Litauen, Polen und der Slowakei liegt der Anteil dagegen unter 15 %, allerdings erhielten in der Slowakei die meisten dieser Arbeitslosen (59 %) zumindest eine Form von Leistung.

**Eine hohe Dauer von Arbeitslosigkeit wird mit einem hohen Armutsrisiko verbunden, sogar in einigen Ländern, in denen die meisten Arbeitslosen Leistungen erhielten.**

Dauert die Arbeitslosigkeit länger als sechs Monate des Jahres an, wird dies mit einem hohen Armutsrisiko verbunden (d. h. mit einem Einkommen, das unter 60 % des Medianeinkommens in dem betreffenden Land liegt). In den EU25-Ländern hatten 43 % der 25- bis 59-Jährigen, die die meiste Zeit des Jahres arbeitslos waren, ein so geringes Einkommen. Hohe Quoten wurden in Estland (65 %) und Litauen (59 %) erzielt, wo sehr wenige Erwerbslose durch das Leistungssystem erreicht werden. Im Vereinigten Königreich, wo fast drei Viertel der Erwerbslosen eine Form von Leistung erhielten, wurde ebenfalls die Quote von 60 % überschritten. In Dänemark, Frankreich, Zypern, den Niederlanden und Schweden waren dagegen nur etwas weniger als ein Drittel dieser Arbeitslosen armutsgefährdet.

**Bei jungen Menschen ist die Wahrscheinlichkeit geringer, dass sie Leistungen erhalten, ihre Langzeitarbeitslosigkeit und anhaltende Ausgrenzung aus dem Arbeitsmarkt muss unbedingt verhindert werden.**

Junge Menschen sind in einer Rezession besonders gefährdet. 2007 standen etwa 56 % der jungen Menschen unter 25 Jahren dem Arbeitsmarkt potenziell zur Verfügung (da sie nicht ganztags in der schulischen oder beruflichen Ausbildung waren). Bei jungen Menschen ist jedoch die Wahrscheinlichkeit geringer, dass sie Anspruch auf Leistungen haben. In der EU25 erhielten insgesamt weniger als 40 % derjenigen, die 2006 arbeitslos waren, eine Form von Sozialleistung. Große Unterschiede zwischen den Ländern gab es jedoch auch hier: Die Zahlen reichten von über 80 % in den nordischen Ländern und Österreich bis unter 20 % in Estland, Litauen, Zypern, Polen, der Slowakei, Spanien und Griechenland. Mehr als die Hälfte der jungen Menschen, die arbeitslos waren, lebten nicht im Haushalt ihrer Eltern, und knapp über 40 % derjenigen, die während des Jahres mehr als sechs Monate arbeitslos waren, waren armutsgefährdet. Dies unterstreicht die Bedeutung der Vermeidung von Langzeitarbeitslosigkeit in der aktuellen Wirtschaftskrise. Langzeitarbeitslosigkeit erhöht das Armutsrisiko und vermindert die Chance auf eine Rückkehr auf den Arbeitsmarkt. Eine angemessene Bereitstellung von Arbeitslosenunterstützung muss deshalb mit aktiver Beschäftigungsförderung kombiniert werden, um Langzeitarbeitslosigkeit junger Menschen und die Gefahr ihrer dauerhaften Ausgrenzung aus dem Arbeitsmarkt zu vermeiden. Außerdem ist es wichtig, Arbeitsanreize auf die Bedürfnisse des Einzelnen zuzuschneiden und sicherzustellen, dass diese Maßnahmen sowohl für Frauen als auch für Männer auf dem Arbeitsmarkt angewendet werden.

**Die letzten Beschäftigungsdaten zeigen erneut, dass die Rezession vor allem Männer und junge Menschen trifft. Bis jetzt gibt es jedoch noch keine Anzeichen für einen starken Anstieg der Frühverrentung.**

Die neuesten Beschäftigungsdaten, die zum Zeitpunkt der Abfassung dieses Berichts verfügbar waren (für das erste Quartal 2009), weisen auf eine Vielzahl verschiedener Entwicklungen in den Mitgliedstaaten hin. Für die EU als Ganzes ging die Beschäftigungsquote für Männer innerhalb der zwölf Monate bis einschließlich des ersten Quartals 2009 um fast zwei Prozentpunkte zurück, während sich die Beschäftigungsquoten für Frauen kaum veränderten. Zwar gab es einen Anstieg der Arbeitslosigkeit, er wurde aber eher mit gestiegenen Erwerbsquoten als mit Arbeitsplatzverlusten in Verbindung gebracht. Die Beschäftigungsquoten für junge Menschen zwischen 15 und 24 Jahren gingen um zwei Prozentpunkte zurück. Dagegen blieb die Beschäftigungsquote für Männer zwischen 55 und 64 Jahren im Gegensatz zu den frühen 1990er Jahren fast unverändert. Die Beschäftigung von Frauen in dieser Altersgruppe stieg weiter an. Anders als in den frühen 1990er Jahren gibt es daher noch keine Anzeichen für eine verbreitete Frühverrentung als Reaktion auf die Krise. Diese Zahlen geben jedoch nur über die ersten Auswirkungen der Rezession auf die Beschäftigung Aufschluss. Weitere und möglicherweise größere Anpassungen auf dem Arbeitsmarkt stehen noch bevor.

## **Wohnen und soziale Eingliederung in der EU**

**Die meisten Europäer, vor allem in den ehemaligen kommunistischen Ländern, leben im Eigenheim.**

Im Kapitel über Wohnen wird zunächst anhand einer Untersuchung der Wohnbesitzverhältnisse im Jahr 2007 dargestellt, dass mehr als 70 % der Europäer in einem Haus oder einer Wohnung leben, die (einem Mitglied in) ihrem Haushalt gehört. In den meisten der ehemaligen kommunistischen Länder ist die Quote an Eigenheimbesitzern besonders hoch. Die Art und Weise der Privatisierung von Wohnraum in diesen Ländern in der nachkommunistischen Zeit bewirkte, dass auch die Quote an Eigenheimbesitzern mit Hypothekenverpflichtungen sehr gering ist – in den meisten Fällen weniger als 10 % der Bevölkerung. Die Länder mit den größten nicht subventionierten Mietwohnungssektoren sind Dänemark, Deutschland, die Niederlande, Österreich und Schweden, wo zwischen 28 % und 36 % der Bürger in Mietwohnungen leben, für die sie die Marktmiete bezahlen, verglichen mit 13 % der EU25-Bevölkerung insgesamt. Subventionierter gemieteter oder mietfreier Wohnraum ist vor allem in der Tschechischen Republik, Frankreich, Zypern, Polen, Finnland und dem Vereinigten Königreich verbreitet, wo mehr als 15 % der Bevölkerung in solchen Wohnungen leben. Zypern und Polen fallen durch den großen Bevölkerungsanteil auf, der in mietfreien Wohnungen lebt (15 % bzw. 34 %). Mehr als 55 % der Menschen mit einem Einkommen unterhalb der Armutsgrenze leben ebenfalls im Eigenheim, die meisten müssen keine Hypotheken bedienen. Ein erheblicher Anteil der Bevölkerung mit niedrigem Einkommen lebt jedoch in Mietwohnungen, von denen viele Marktpreise zahlen.

**Es gibt keine vergleichbaren Daten zur Obdachlosigkeit, im Bericht werden aber einige nationale Umfrageergebnisse vorgestellt.**

Obdachlosigkeit (Übernachten im Freien ist nur die schwerste Erscheinungsform) ist ein großes soziales Problem, das sich aber nur schwer definieren und noch schwerer messen lässt. Folglich können in diesem Bericht keine vergleichbaren Zahlen vorgelegt werden. Basierend auf einem kurzen Überblick über nationale Erhebungen, die sich zum Teil auf die Großstädte konzentrieren, in denen das Problem in der Regel am dringlichsten ist, können jedoch Anhaltspunkte für die Größenordnung des Problems gegeben werden.

**Europäer geben etwa ein Fünftel ihres Einkommens für Wohnen aus, den Großteil davon machen Heiz-, Unterhalts- und Reparaturkosten aus. Die relative Belastung durch Wohnkosten ist für Menschen mit geringem Einkommen am höchsten.**

Eine detaillierte Übersicht über die Wohnkosten zeigt, dass Europäer im Durchschnitt etwa ein Fünftel ihres verfügbaren Einkommens für Wohnen ausgeben. Diese Ausgaben beinhalten nicht nur Mieten und Darlehenszinsen, sondern auch andere Kosten, beispielsweise für Reparaturen, Unterhalt und Heizung, die zusammen den Großteil der gesamten Wohnkosten ausmachen. Personen, die in zu Marktpreisen gemietetem Wohnraum leben, geben den größten Teil ihres Einkommens (etwa ein Drittel) für Wohnen aus. Dagegen haben Personen in Eigenheimen ohne Hypotheken oder in mietfreien Wohnungen die niedrigsten Wohnkosten (etwa 16 % bzw. 18 % des verfügbaren Einkommens). Die relative Belastung durch Wohnkosten ist für Menschen mit einem Einkommen unterhalb der Armutsgrenze sehr viel größer und beläuft sich EU25-weit auf 36,5 % des verfügbaren Einkommens, für Menschen, die die vollen Marktmieten zahlen, entspricht sie 48 %.



**Die hohe Quote an Eigenheimbesitzern in den ehemaligen kommunistischen Ländern führt zu keiner geringeren Belastung durch Wohnkosten.**

Sowohl die Höhe der Wohnkosten relativ zum Einkommen als auch ihre Zusammensetzung variieren von Land zu Land erheblich. Aufgrund der hohen Quote an Eigenheimbesitzern in den meisten ehemaligen kommunistischen Mitgliedstaaten und der Tatsache, dass dort nur wenige Menschen Hypotheken bedienen, stellen Mieten und Darlehenszinsen in diesen Ländern nur einem sehr kleinen Anteil des Haushaltseinkommens dar. Dennoch können die gesamten Wohnkosten bezogen auf das Einkommen so hoch sein wie in anderen Ländern der EU, da die Belastung durch Heiz-, Reparatur- und andere Kosten hoch ist. Tatsächlich scheint das Leben in privatisiertem Wohnraum nicht billig zu sein, und viele Eigenheimbesitzer in diesen Ländern haben möglicherweise Schwierigkeiten, sich den Unterhalt ihres Wohnraums zu leisten.

**In den meisten EU15-Ländern stiegen die Wohnkosten im Verhältnis zum Einkommen zwischen 1994 und 2005 an.**

EU-SILC ermöglicht zwar noch keine Verfolgung der Wohnkosten im Zeitablauf, Daten aus den Erhebungen über die Wirtschaftsrechnungen der privaten Haushalte in den Jahren 1994 und 2005 legen jedoch nahe, dass die Wohnkosten im Verhältnis zum Einkommen im Zeitablauf in der EU15 um fast vier Prozentpunkte gestiegen sind, wobei der Anstieg für Menschen im unteren Quintil der Einkommensverteilung etwas höher ausfiel. Ein solcher Anstieg lässt sich in den meisten der EU15-Länder beobachten. In Belgien und den Niederlanden gab es allerdings einen Rückgang. Die größten Steigerungen (um etwa sieben Prozentpunkte) gab es in Spanien, Portugal und Italien.

**Es gibt keinen klaren Zusammenhang zwischen Wohnkosten und der Zufriedenheit mit den Wohnverhältnissen.**

Sind die Bürger gezwungen, einen großen Teil ihres Einkommens für Wohnen auszugeben, oder tun sie dies aus freien Stücken, um einen höheren Wohnstandard zu genießen? Wenn hohe Ausgaben der freien Entscheidung unterliegen, könnte man eine positive Beziehung zwischen Ausgaben und Zufriedenheit mit den Wohnverhältnissen erwarten. Im EU-weiten Durchschnitt machen die Wohnkosten jedoch bei unzufriedenen Personen tendenziell einen höheren Anteil des Einkommens aus als bei zufriedenen Personen, obwohl dies nicht in allen Mitgliedstaaten so ist. Außerdem ist bei Personen mit geringem Einkommen (unterhalb der Armutsgrenze) in der Regel das Gegenteil der Fall: Personen, die mit ihren Wohnverhältnissen zufrieden sind, neigen auch dazu, einen größeren Teil ihres Einkommens dafür auszugeben. Insgesamt ist kein klarer Trend erkennbar.

**Nach Abzug der Wohnkosten vom verfügbaren Einkommen nehmen die Einkommensunterschiede und Armutsrisiken aufgrund der höheren Belastung der Armen durch die Wohnkosten tendenziell zu.**

Geht man davon aus, dass Wohnkosten zum großen Teil unvermeidbare Ausgaben sind, ist eine genauere Betrachtung des verfügbaren Einkommens nach Abzug der Wohnkosten sinnvoll. In dem Bericht wird zu diesem Zweck ein neues Medianeinkommen nach Abzug von Wohnkosten berechnet. Nimmt man 60 % dieses Medianeinkommens als Armutsgrenze, sind nach Berücksichtigung der Wohnkosten schätzungsweise etwa 22 % der Bevölkerung im Vergleich zu den 16 % bei Anwendung der herkömmlichen Definition von Armut bedroht. Dies ist darauf zurückzuführen, dass Personen mit geringerem Einkommen einen größeren Teil des Einkommens für Wohnkosten aufwenden. Die größten Zunahmen bei den Armutsgefährdungsquoten nach dieser Anpassung ergeben sich für Alleinerziehende und allein lebende Personen, vor allem Personen ab 65 Jahren, von denen in der Regel die Mehrzahl Frauen sind.

**Durch Addition der unterstellten Miete zum Einkommen ergäbe sich dagegen eine ausgewogenere Einkommensverteilung, da die unterstellte Miete einen Großteil niedriger Einkommen ausmacht.**

Ein alternatives Verfahren zur Berücksichtigung von Wohnkosten bei der Messung von Armut und Einkommensverteilung ist die Berücksichtigung der unterstellten Miete als Teil des Haushaltseinkommens. Eine unterstellte Miete fällt für alle Haushalte an, die entweder ihre Wohnung oder ihr Haus besitzen oder nicht die volle Marktmiete dafür zahlen. Der geschätzte Anteil der unterstellten Miete ist für Menschen am unteren Ende der Einkommensskala höher als an der Spitze der Skala und reicht für die EU als Ganzes von 40 % des verfügbaren Einkommens im ersten Quintil (oder für das einkommensschwächste Fünftel der Bevölkerung) bis zu knapp über 10 % im obersten Quintil. Die Einbeziehung der unterstellten Miete ergibt daher eine ausgewogenere Einkommensverteilung und eine geringfügig niedrigere Armutsgefährdungsquote von 15 % statt 16 %.

**Welche Berichtigung für die Wohnkosten angewendet wird, hängt davon ab, ob man der Ansicht ist, dass ärmere Menschen die Wahl haben, ihr Geld anders auszugeben.**

Wenn die Wohnkosten vom Einkommen abgezogen werden, ist die Armutgefährdungsquote höher als bei einer Addition der unterstellten Miete zum Einkommen. Haushalte mit niedrigem Einkommen haben möglicherweise wenig Möglichkeiten für Einsparungen bei ihren Wohnkosten, daher kann davon ausgegangen werden, dass sie nicht die Wahl haben, eine unterstellte Miete für etwas anderes auszugeben. In einem solchen Fall ist es sinnvoller, Einkommen und ihre Verteilung nach Abzug der Wohnkosten zu untersuchen: eine Analyse, die den Unterschied zwischen reicheren und ärmeren Haushalten deutlicher macht.

**Von Armut bedrohte Menschen leiden eher unter schlechten Wohnbedingungen, vor allem in Form undichter Dächer, feuchter Wände/Fußböden oder Fäulnis in den Fensterrahmen.**

Die allgemeine EU-SILC-Erhebung und ihr spezielles Modul „Wohnen“ bieten auch eine Vielzahl von Daten über Wohnungsmängel, wie fehlende oder unzureichende sanitäre und elektrische Installationen, schlechte Heiz- oder Kühlmöglichkeiten, undichte Dächer und feuchte Wände, Lichtmangel, Platzmangel und ungünstige Bedingungen im Wohnumfeld. Die im Zusammenhang mit der Wohnqualität am häufigsten genannten Probleme betreffen undichte Dächer, feuchte Wände, Fußböden und Fundamente oder Fäulnis in den Fensterrahmen oder Fußböden. (Alle Mängel wurden in der Erhebung mit einer einzigen Frage abgedeckt.) In den meisten Mitgliedstaaten berichten zwischen 12 % und 18 % der Bevölkerung von derartigen Problemen, in Zypern liegt der Anteil sogar bei 28 % und in Polen bei 33 %. Bei von Armut bedrohten Menschen, d. h. Menschen mit einem Einkommen unter 60 % des nationalen Medians, ist die Wahrscheinlichkeit sehr viel höher, dass sie derartige oder andere Wohnprobleme angeben. In den baltischen Ländern hatte zwischen einem Viertel und einem Drittel der von Armut bedrohten Menschen kein Innenbad, keine Innendusche oder keine Innentoilette. Außerdem haben Menschen in diesen Ländern mit höherer Wahrscheinlichkeit Schwierigkeiten, Rechnungen der Versorgungsbetriebe zu bezahlen, wie in der Berichtsausgabe für 2007 hervorgehoben wurde. Diese Ergebnisse legen nahe, dass hinsichtlich der Verbesserung der Qualität und Energieeffizienz von Wohngebäuden erheblicher Handlungsbedarf der Behörden besteht. In manchen Mitgliedstaaten wird durch hohe Energiekosten verursachte Armut durch politische Maßnahmen zur Reduzierung der Heizkosten einkommensschwacher Haushalte bekämpft. Durch die Verbesserung der Energieeffizienz in der Wohnung wird gleichzeitig die finanzielle Situation ärmerer Haushalte verbessert und der Energieverbrauch reduziert. Stammt die Energie aus fossilen Brennstoffen, fördern diese politischen Maßnahmen auch die Reduzierung der Treibhausgasemissionen. Neue Vorschriften ermöglichen dem Europäischen Fonds für regionale Entwicklung, Programme zu unterstützen, die in Energieeffizienz investieren. Verschiedene Maßnahmen im Rahmen des Konjunkturerholungsprogramms spiegeln auch die Tatsache wider, dass derartige Maßnahmen den sozialen Zusammenhalt verbessern und zur Bekämpfung des Klimawandels beitragen würden.

**Platzmangel ist in den ehemaligen kommunistischen Ländern besonders gravierend, die subjektive Wahrnehmung der persönlichen Situation ist jedoch besser als objektive Indikatoren vermuten lassen.**

In dem Bericht werden auch die Ergebnisse für einen objektiven Platzmangel-Indikator verglichen, der die Anzahl der Räume zur Haushaltsgröße und -zusammensetzung sowie zur subjektiven Einschätzung der Bürger, ob sie unter Platzmangel leiden, in Beziehung setzt. Der objektive Indikator zeigt eine klare Ost-West-Spaltung, wobei etwa 40 % oder mehr der Bevölkerung in den meisten ehemaligen kommunistischen Ländern unter Platzmangel leiden, verglichen mit weniger als 10 % in den meisten anderen Mitgliedstaaten. Im Gegensatz dazu weicht die eigene Bewertung des Wohnraums von Land zu Land sehr viel weniger ab. Typischerweise halten zwischen 10 % und 20 % der Bevölkerung ihren Wohnraum für unzureichend, in den baltischen Ländern und Polen steigt dieser Anteil auf ein Viertel oder ein Drittel.

**Schlechte Bedingungen im Wohnumfeld scheinen Personen mit niedrigem Einkommen nicht sehr viel häufiger zu betreffen als Menschen mit Einkommen über der Armutsgrenze.**

In den meisten Mitgliedstaaten geben zwischen 15 % und einem Viertel der Bevölkerung an, dass sie unter lärmbedingten Problemen leiden. Etwas weniger Menschen berichten von Problemen mit Schmutz oder von Sicherheitsproblemen (Kriminalität, Gewalt oder Vandalismus) in ihrem Wohnumfeld. Es gibt weder einen klaren Zusammenhang zwischen diesen Problemen und dem durchschnittlichen Einkommen in dem betreffenden Land, noch scheinen Menschen mit Einkommen unterhalb der Armutsgrenze solchen Problemen sehr viel häufiger ausgesetzt zu sein als Menschen mit höheren Einkommen.

**Zugang zu Dienstleistungen ist vor allem in nicht-städtischen Gebieten ein Problem, wobei arme Menschen in nicht-städtischen Gebieten am schwersten betroffen sind.**

Ein weiterer wichtiger Aspekt der Wohnqualität ist der Zugang zu Dienstleistungen, dazu gehören beispielsweise Geschäfte, Banken, Postämter, Gesundheitsversorgung, Schulen und öffentlicher Verkehr. Der größte Unterschied in den Ländern ist hinsichtlich des Zugangs zu solchen Dienstleistungen zwischen städtischen und nicht-städtischen Gebieten sichtbar und bei reicheren und ärmeren Menschen seltener festzustellen. Menschen mit niedrigem Einkommen in schwach besiedelten Gebieten berichten jedoch häufiger über Schwierigkeiten beim Zugang zu zwei oder mehr dieser Dienstleistungen. Über ein Drittel der von Armut bedrohten nicht-städtischen Bevölkerung hat Schwierigkeiten beim Zugang zu mindestens zwei Dienstleistungen, und ein Viertel hat keinen Zugang zu drei oder mehr Dienstleistungen.

**Wohnraum kann mehr als 60 % des Haushaltsvermögens ausmachen. Immobilienpreise sind schneller gestiegen als die Einkommen. Hypothekenschulden sind relativ zum Einkommen in einigen Ländern explodiert.**

Der Immobiliensektor steht im Zentrum der aktuellen Wirtschaftskrise, auch wenn Europa nicht primär betroffen ist. Fast 70 % der Europäer sind Eigenheimbesitzer, und der Wert der Hauptwohnung macht in Ländern wie Finnland, Deutschland, Italien, Schweden und dem Vereinigten Königreich mehr als 60 % des Haushaltsvermögens aus. Während des vergangenen Jahrzehnts sind die Immobilienpreise in den meisten Mitgliedstaaten sehr viel schneller gestiegen als die Löhne. (Deutschland und Portugal sind hier bemerkenswerte Ausnahmen.) Parallel dazu sind die Hypothekenschulden im Verhältnis zum jährlichen Haushaltseinkommen stark gestiegen und erreichen in Dänemark und den Niederlanden mehr als 200 %. In den ehemaligen kommunistischen Ländern war der Anstieg besonders schnell, wenn auch weniger verbreitet und auf Niveaus, die im Allgemeinen weit unter denen in den EU15-Ländern liegen.

**Das Platzen der Immobilienblase hat zu hohen Verlusten von Arbeitsplätzen in der Bauindustrie geführt.**

Die Entwicklungen auf dem Immobilienmarkt verstärkten die Verbrauchernachfrage und kurbelten in einigen Mitgliedstaaten wie auch in den USA das Wirtschaftswachstum an. Sie erwiesen sich jedoch als nicht nachhaltig. Das Platzen der Immobilienblase hat direkte Auswirkungen auf die Bauindustrie. Allein in Spanien ging die Beschäftigung in dem Jahr bis zum letzten Quartal 2008 um 21 % zurück, was einem Verlust von mehr als einer halben Million Arbeitsplätzen entspricht. Viele dieser Arbeitsplätze waren relativ niedrig qualifizierte Arbeitsplätze und von Wanderarbeitnehmern besetzt, die besonders gefährdet sind.

**Die Rezession wird das Risiko erhöhen, dass Personen ihren Wohnraum verlieren, weil sie ihre Mieten und Hypotheken nicht mehr bezahlen können. In manchen osteuropäischen Ländern gibt es Probleme mit Hypotheken in Fremdwährungen.**

Die Rezession und der daraus folgende Beschäftigungs- und Einkommensrückgang bedeuten auch, dass immer mehr Menschen ihre Hypotheken, Mieten und Rechnungen von Versorgungsbetrieben nicht mehr bezahlen können. In einigen osteuropäischen Mitgliedstaaten gibt es insbesondere das Problem, dass ein großer Teil der zusätzlichen Haushaltsschulden auf Fremdwährungen lautet. So entsprachen in Polen zwei Drittel der ausstehenden Kredite für Wohnungszwecke im Oktober 2008 Darlehen in Fremdwährungen. Damit kommt zum Risiko der Arbeitslosigkeit und des Einkommensverlusts noch das Risiko von Währungsschwankungen. Zwangsvollstreckungen und Zwangsräumungen könnten letztendlich zu einem Anstieg der Obdachlosigkeit führen, obwohl dies sehr stark davon abhängt, ob betroffene Personen sich auf die Hilfe von Verwandten und Freunden sowie auf die Unterstützung durch Behörden und gemeinnützige Einrichtungen verlassen können.



## PARTIE 1: LE CLIMAT SOCIAL ET LE LOGEMENT EN TEMPS DE LA CRISE ECONOMIQUE

### Messages clés

- Malgré différentes indications que la récession ait atteint son niveau le plus bas, les répercussions sociales de la crise ne se sont pas encore fait pleinement sentir dans les différents pays de l'UE. Le chômage devrait continuer de grimper. Les précédentes récessions ont montré que les personnes les plus durement touchées par le chômage étaient les hommes travaillant dans les secteurs de la construction et de la fabrication ainsi que les jeunes arrivant sur le marché du travail. Dans plusieurs États Membres, les systèmes de prestation semblent déficients et de nombreux chômeurs ne perçoivent aucune forme de prestation sociale.
- À long terme, les conséquences sociales de la récession dépendront en partie du rythme de la reprise. La croissance pourrait être ralentie par la baisse de la demande des consommateurs, elle-même due par exemple à l'insécurité de l'emploi et à une protection sociale insuffisante ou à une réduction du patrimoine immobilier et de l'accès au crédit. Si la croissance économique devait rester faible pendant une période prolongée, les offres d'emploi resteraient insuffisantes et de nombreuses personnes seraient menacées de chômage de longue durée (en particulier les jeunes qui font leur entrée sur le marché du travail). Les gouvernements doivent garantir des allocations de chômage suffisantes et soutenir activement l'emploi afin d'éviter que ces personnes ne soient exclues définitivement du marché du travail et qu'elles ne tombent ainsi dans la pauvreté. Il sera également indispensable de surveiller étroitement les conséquences sociales de la consolidation des budgets.
- Les réductions des dépenses publiques pourraient aussi, à long terme, avoir une incidence sur le bien-être des ménages, par exemple en cas de réduction des prestations sociales et des services publics (éducation, garde d'enfants, soins de santé et soins de longue durée). La situation financière des ménages pourrait également être affectée par différentes politiques. Le Comité de la protection sociale assure un suivi permanent de tous les impacts sociaux de la crise économique ainsi que des réponses politiques données dans les États membres<sup>11</sup>.
- Une enquête Eurobaromètre récente sur le climat social dans l'UE (enquête de terrain menée entre le 25 mai et le 17 juin 2009) montre que les citoyens européens sont pessimistes quant à l'évolution de leurs conditions de vie et de leur situation financière et professionnelle au cours des douze prochains mois. Dans tous les pays, les citoyens ont tendance à penser que la situation générale va encore s'aggraver, en particulier en ce qui concerne l'économie, l'emploi et le coût de la vie. L'enquête révèle également que de nombreuses personnes ne sont pas satisfaites des principales politiques mises en œuvre dans le domaine social, notamment les prestations de retraite et de chômage. De plus, les citoyens européens sont préoccupés par les inégalités et la pauvreté, ainsi que par les relations entre personnes appartenant à des milieux culturels différents ou de nationalités différentes. Cette enquête sera renouvelée chaque année.
- Le secteur du logement a joué un rôle crucial dans la crise économique actuelle. La hausse des prix de l'immobilier, et l'attente du maintien de cette tendance, ont conduit les emprunteurs et les organismes de prêt à prendre des risques considérables. L'éclatement de la bulle a mis au jour la vulnérabilité du secteur financier. Cela a également entraîné de nombreuses pertes d'emploi dans le secteur de la construction dans certains pays.
- Une majorité d'Européens sont propriétaires de leur logement. Toutefois, cela ne signifie pas que leurs frais de logement sont peu élevés. Même les personnes qui n'ont pas contracté d'emprunt hypothécaire sont confrontées à des frais de chauffage, d'entretien et de réparation importants, en particulier dans les anciens pays communistes, où le nombre de propriétaires est très élevé depuis la privatisation du parc immobilier. La charge des frais de logements par rapport au revenu disponible est la plus lourde pour les personnes à faibles revenus. Lorsque l'on prend en compte les frais de logement, le fossé en termes de pouvoir d'achat s'élargit encore entre les personnes exposées au risque de pauvreté et les personnes plus aisées.

<sup>11</sup> Voir le rapport *Deuxième évaluation commune par le Comité de la protection sociale et la Commission européenne des conséquences sociales de la crise économique et des réponses politiques apportées* (2009).

## INTRODUCTION ET RESUME

***Bien que la récession semble avoir atteint son niveau le plus bas, ses conséquences sociales se feront sentir pendant des mois, voire des années.***

Cette édition du *Rapport sur la situation sociale* a été rédigée au point culminant de la plus importante récession économique mondiale depuis les années 1930. Bien que certains signes indiquent que la crise ait désormais atteint son niveau le plus bas, les conséquences sociales (qui sont le principal objet du présent rapport) ne se feront pleinement sentir que d'ici quelques mois, voire quelques années. Ces conséquences – essentiellement les pertes d'emploi et la hausse du chômage – dépendront d'un certain nombre de facteurs. Le chômage a d'ailleurs déjà commencé à grimper de façon spectaculaire dans certains pays (voir le rapport sur *L'emploi en Europe*), mais il est encore loin d'avoir atteint son niveau maximum.

***Le chômage sera un facteur déterminant pour évaluer l'impact social de la crise, mais il ne sera pas le seul...***

L'ampleur des conséquences sociales de la hausse du chômage dépendra de la catégorie de travailleurs qui seront le plus durement touchés, de la durée de leur exclusion du marché du travail et de l'efficacité des filets de sécurité mis en place dans le domaine social. Elle dépendra également de l'adaptation des revenus et des prestations et de l'incidence sur leur valeur réelle de la baisse de l'inflation résultant de la récession. Ce rapport identifie les groupes les plus susceptibles d'être touchés par la chute de l'emploi et montre dans quelle mesure ces personnes peuvent s'appuyer sur les systèmes de protection sociale dans les différents pays de l'UE.

***Une reprise lente pourrait entraîner une exclusion durable du marché du travail, ainsi qu'une réduction des dépenses sociales***

À long terme, l'étendue des défis sociaux dépendra de l'ampleur de la hausse du chômage et de la vitesse à laquelle celui-ci pourra être diminué. Le principal risque est celui d'une reprise lente en raison de la baisse de la demande des consommateurs (ayant un accès limité à l'emprunt, ceux-ci pourraient se montrer réticents à accumuler de nouvelles dettes). Par ailleurs, il est important de suivre étroitement les conséquences sociales de la consolidation des budgets. L'impact sur les ménages dépendra de la capacité des systèmes de prestations sociales à les protéger, notamment au-delà de la première période de chômage quand les bénéficiaires ont le droit à une aide diminuée, subordonnée à un examen des ressources. Les ménages, touchés ou pas par le chômage, peuvent être aussi frappés par des réductions fiscales (impliquant une diminution des dépenses publiques dans l'éducation, la garde d'enfants, les soins de santé et les soins de longue durée) ou par une augmentation de l'impôt, des cotisations de sécurité sociale et du ticket modérateur. Le Comité de la protection sociale<sup>12</sup> assure un suivi permanent des conséquences sociales de la crise et des réponses politiques qui y sont apportées dans les États membres.

***Ce rapport fournit des informations générales qui seront utiles pour se préparer à faire face à l'impact social de la crise.***

Dans un premier temps, ce rapport se penche sur les résultats d'une enquête récente sur le climat social dans l'UE, qui montre comment les citoyens des différents pays de l'Union européenne perçoivent la récession et les perspectives pour l'année à venir. Il examine ensuite les possibles conséquences sociales de la crise actuelle en analysant les précédentes crises économiques, plus particulièrement la crise du début des années 1990. Enfin, il aborde la question du logement au travers des résultats d'un module spécial des enquêtes EU-SILC et de l'analyse d'une série de données clés sur le logement. Rappelons que la crise financière a débuté sur le marché du logement, entraînant par la suite des pertes d'emploi massives dans le secteur de la construction.

<sup>12</sup>

Voir le rapport *Deuxième évaluation commune par le Comité de la protection sociale et la Commission européenne des conséquences sociales de la crise économique et des réponses politiques apportées* (2009).

## Une nouvelle enquête sur le climat social dans l'Union européenne

***Une nouvelle enquête Eurobaromètre standard recueillera chaque année l'opinion des Européens sur la façon dont ils perçoivent la situation sociale actuelle et les tendances dans ce domaine.***

Il faudra attendre plusieurs années avant de pouvoir évaluer l'impact social de la récession dans toute son ampleur en nous appuyant sur des éléments solides provenant de sources telles que les enquêtes EU-SILC<sup>13</sup>. Une analyse plus immédiate est toutefois possible grâce aux sondages d'opinion. Le chapitre 2.1 de ce *Rapport sur la situation sociale* présente les résultats d'une nouvelle enquête Eurobaromètre sur le climat social qui a recueilli les réponses d'un millier de personnes dans chaque pays<sup>14</sup>. Cette enquête, qui sera répétée chaque année afin de dégager des tendances, complétera les études régulières sur la manière dont les citoyens perçoivent la situation économique et politique. Les données concernant les tendances ne concernent en 2009 que quelques-unes des 45 variables mesurées, mais des comparaisons futures permettront d'évaluer l'impact réel de la crise actuelle sur les perceptions du public.

***L'enquête se penche sur la situation personnelle des répondants, la situation générale dans le pays et d'autres domaines clés de la politique sociale.***

Dans le cadre de cette enquête sur le climat social, les participants ont évalué, pour chacun de des 15 domaines couverts la situation actuelle, l'évolution au cours des cinq dernières années et les changements attendus pour l'année à venir (un total de 45 variables). Les 15 domaines couvrent trois grandes séries de questions. La première concerne la situation personnelle de chaque personne interrogée, notamment son niveau de satisfaction concernant la vie en général, l'endroit où elle vit, sa situation professionnelle personnelle et la situation financière de son ménage. La deuxième série de questions s'intéresse à la situation générale du pays, notamment au coût de la vie, aux prix de l'énergie et du logement, à la qualité de l'administration publique et à la situation de l'économie et de l'emploi. La troisième série aborde le domaine de la protection sociale et de l'inclusion sociale dans le pays, incluant des questions sur la fourniture de soins de santé, les retraites, les allocations chômage, les mesures prises pour combattre les inégalités et la pauvreté ainsi que sur les relations entre les personnes issues de cultures et de religions différentes.

***Des tendances ont déjà pu être dégagées pour quelques -variables. Elles mettent en évidence un lien étroit entre les attentes des citoyens et la croissance du PIB.***

Certaines questions posées dans l'enquête sur le climat social sont traitées dans les enquêtes Eurobaromètre standard depuis de nombreuses années, ce qui a permis d'en dégager des tendances. Ces tendances semblent indiquer que les attentes des Européens concernant leurs conditions de vie sont étroitement liées à la croissance du PIB. La confiance des citoyens a chuté à un niveau extrêmement bas à l'automne 2008, probablement en raison de la crise financière qui avait atteint son paroxysme. Depuis lors, la confiance s'est redressée mais reste très faible. Les attentes des citoyens en ce qui concerne leur situation professionnelle et la situation de l'emploi dans leur pays pour l'année à venir suivent les tendances de la croissance de l'emploi.

***L'enquête peut permettre d'évaluer l'impact de la récession mais aussi de mettre en lumière des problèmes structurels.***

L'enquête sur le climat social analyse la façon dont les Européens perçoivent la crise actuelle et son impact social, mais elle met aussi en évidence des différences intéressantes entre les pays. Cela semble refléter les forces et les faiblesses des politiques et des institutions nationales.

<sup>13</sup> Statistiques communautaires sur le revenu et les conditions de vie

<sup>14</sup> Eurobaromètre spécial EB315. Travaux sur le terrain menés du 25 mai au 17 juin 2009.

**La majorité des Européens sont satisfaits de leur situation personnelle mais il existe des différences considérables entre les pays.**

Interrogés sur leur situation personnelle, la plupart des Européens se disent satisfaits de leur vie en général mais des différences considérables sont observées entre les États membres. Les niveaux de satisfaction les plus bas ont été enregistrés en Bulgarie, en Grèce, en Hongrie et en Roumanie tandis que les plus élevés ont été observés au Danemark, en Finlande, aux Pays-Bas et en Suède. Le regard que les citoyens portent sur l'évolution de la situation au cours des cinq dernières années et sur les perspectives pour l'année à venir est lié à leur niveau de satisfaction actuel: les personnes les plus satisfaites sont aussi celles qui attendent les plus grandes améliorations. Dans les pays qui affichent les niveaux de satisfaction les plus bas, les citoyens pensent que la situation va s'aggraver. Si cela se produisait, le fossé entre les pays les plus satisfaits et les moins satisfaits se creuserait. Cependant, cela pourrait tout simplement signifier que les personnes qui se trouvent actuellement dans une situation difficile ont tendance à être plus pessimistes par rapport à l'avenir.

**Les Européens sont davantage satisfaits de l'environnement dans lequel ils vivent que de leur vie en général.**

Aussi étonnant que cela puisse paraître, les Européens sont plus satisfaits de l'environnement dans lequel ils vivent que de leur vie en général, et le fossé entre les pays les plus satisfaits et les moins satisfaits est moins grand. Encore une fois, les Suédois sont de loin les plus satisfaits, suivis des Irlandais, des Finlandais, des Néerlandais et des Belges. À l'opposé, nous retrouvons la Bulgarie, la Grèce, la Hongrie et la Roumanie, mais aussi l'Italie. S'agissant de l'environnement de vie, les perceptions positives ou négatives des citoyens par rapport aux changements qui se sont produits au cours des cinq dernières années et qui vont se produire l'année prochaine ne sont pas aussi étroitement liées à leur niveau de satisfaction actuel que dans le cas de la satisfaction avec la vie en général. La plupart des Européens perçoivent peu de changements dans leur environnement, et la majorité de ceux qui perçoivent ou attendent des changements considèrent ceux-ci comme positifs.

**Les Européens sont moins satisfaits de leur situation professionnelle personnelle que de la vie en général ou de l'environnement dans lequel ils vivent.**

Interrogé sur sa situation professionnelle personnelle, l'Européen moyen affiche un degré de satisfaction<sup>15</sup> de 1,4, soit un niveau beaucoup moins élevé que pour la vie en général (3,2) et pour l'environnement (4,2). Toutefois, le classement des pays est très semblable dans chaque cas, et seules quelques légères variations apparaissent dans l'ordre des pays en tête et en queue de peloton. Les Danois sont les plus satisfaits de leur situation professionnelle tandis que les Hongrois sont les moins satisfaits. Les Hongrois et les Lituaniens sont ceux qui perçoivent la plus grande détérioration de leur situation professionnelle au cours des cinq dernières années. Ils sont aussi les moins optimistes pour l'année à venir. En revanche, au Danemark et en Suède, le nombre de personnes ayant le sentiment que leur situation professionnelle s'est améliorée au cours des cinq dernières années est plus élevé que le nombre de personnes estimant que leur situation s'est dégradée. De plus, dans ces pays, le nombre de personnes entrevoyant une amélioration au cours de l'année à venir est plus élevé que le nombre de personnes craignant une aggravation. Il est intéressant de noter que, pour l'ensemble de l'UE, le nombre d'optimistes quant aux perspectives pour l'année à venir semble dépasser le nombre de pessimistes.

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<sup>15</sup> Le degré de satisfaction a été calculé en attribuant les valeurs -10 à la réponse «pas satisfait du tout», -5 à «pas très satisfait», +5 à «relativement satisfait» et +10 à «satisfait». Le score moyen pour un pays, un groupe socioéconomique ou pour l'UE dans son ensemble peut donc, en théorie, varier entre -10 (toutes les personnes interrogées affirmant qu'elles ne sont pas du tout satisfaites) et +10 (toutes les personnes interrogées affirmant qu'elles sont satisfaites). En ce qui concerne les changements au cours des cinq dernières années ou des douze prochains mois, les personnes interrogées avaient le choix entre «meilleure», «pire» ou «identique». Le score a été obtenu en calculant la différence entre les personnes ayant le sentiment d'une amélioration et celles ayant le sentiment d'une aggravation. Le score obtenu peut donc varier entre -100 (toutes les personnes interrogées affirmant que la situation s'aggrave) et +100 (toutes les personnes interrogées affirmant que la situation s'améliore).

**Les Européens se montrent aussi relativement satisfaits de la situation financière de leur ménage, bien qu'un grand nombre d'entre eux estiment que celle-ci s'est dégradée.**

Les résultats sont très similaires en ce qui concerne la situation financière des ménages. Les Bulgares et les Hongrois sont de loin les moins satisfaits, tandis que les Danois, les Néerlandais et les Suédois sont les plus satisfaits. Bien que le taux de satisfaction global pour l'ensemble de l'UE soit légèrement inférieur à celui enregistré pour la situation professionnelle personnelle, il reste positif (1,2). La perception des tendances passées et futures est étroitement liée à la situation actuelle, et cela est valable pour l'ensemble de l'UE; une majorité de personnes interrogées estiment que la situation financière de leur ménage s'est dégradée au cours des cinq dernières années. Cette majorité est plus large que dans le cas de la situation professionnelle personnelle, ce qui indique que la dégradation de la situation financière du ménage pourrait résulter d'autres facteurs, tels que la hausse du coût de la vie.

**Le coût de la vie est une importante source de mécontentement, et de nombreux Européens pensent que la situation s'aggrave.**

En effet, en ce qui concerne la perception de la situation générale et des conditions de vie, un fort sentiment de mécontentement par rapport au coût de la vie apparaît dans tous les pays de l'UE, avec un taux de satisfaction négatif de -3,0. Les taux les plus faibles ont été observés en Bulgarie, en Grèce, en Hongrie, en Irlande, en Lettonie, à Malte et au Portugal, avec des scores égaux ou inférieurs à -5,5. Le Danemark, les Pays-Bas et la Suède affichent les scores les plus élevés, avec des valeurs positives situées entre 1,4 et 1,9. Toutefois, dans tous les pays, une nette majorité de citoyens estiment que le coût de la vie a augmenté au cours des cinq dernières années et que cette tendance se poursuivra au cours de l'année à venir.

**Le degré d'insatisfaction quant au coût de l'énergie est, lui aussi, très élevé...**

Les dépenses consacrées à l'énergie sont un déterminant clé du coût de la vie. Les Européens se disent insatisfaits du prix de l'énergie (score de -2,2). Ils estiment que la situation s'est dégradée au cours des cinq dernières années, et la majorité des répondants pensent que la situation va encore s'aggraver au cours de l'année à venir. Bien que l'on retrouve au bas de l'échelle les mêmes pays que précédemment, le haut de l'échelle réserve quelque surprises: les Danois, les Espagnols, les Estoniens, les Lettons et les Tchèques affichent les taux de satisfaction les plus élevés (entre 1,1 pour le Danemark et 3,8 pour l'Estonie).

**...et le logement est considéré comme trop cher dans la majorité des États membres.**

Le logement à coût abordable est également une source de mécontentement pour la plupart des Européens, le score pour l'UE étant de -3,1. Les Chypriotes sont de loin les plus mécontents, avec un score de -7,5. La Bulgarie, l'Espagne, la Hongrie, la Lettonie, Malte, la Pologne et la Roumanie affichent aussi des scores très faibles, tous inférieurs à -5,0. À l'autre extrémité se retrouvent l'Estonie et la Suède, avec des scores positifs de 1,1, suivis du Danemark, de la Lituanie et de l'Allemagne (plus de 0,7). Nombreux sont ceux qui ont perçu une dégradation de la situation au cours des cinq dernières années, et ce dans presque tous les pays. En outre, la plupart pensent que la situation ne s'améliorera pas au cours des douze prochains mois.

**Les Européens se montrent pessimistes quant à la situation économique, et leur pessimisme est très prononcé...**

La satisfaction générale par rapport à la situation économique est très faible, avec un score de -4,1, ce qui n'a rien d'étonnant compte tenu de la crise financière et de la récession. Le Danemark affiche le niveau de satisfaction le plus élevé (2,4). Chypre, le Luxembourg et les Pays-Bas présentent également des scores positifs. Ces résultats contrastent avec les niveaux observés en Lettonie, qui enregistre le score le plus bas avec -8,3, ainsi qu'en Grèce, en Hongrie et en Irlande, où les résultats sont inférieurs à -6. Partout, les personnes interrogées estiment que la situation s'est dégradée au cours des cinq dernières années, et dans aucun État membre la majorité des répondants n'espèrent une amélioration au cours de l'année à venir.

**...surtout pour ce qui concerne l'emploi.**

Le degré de satisfaction par rapport à la situation de l'emploi dans l'ensemble de l'UE est même inférieur se chiffrant à -4,4. Le Danemark et les Pays-Bas sont les deux seuls pays à afficher un score positif (inférieur toutefois à 1). Les scores les plus bas, se situant tous en dessous de -6, ont été enregistrés en Espagne, en Hongrie, en Irlande, en Lettonie et au Portugal. La plupart de répondants ont le sentiment que la situation est plus difficile qu'il y a cinq ans et une nette majorité des personnes interrogées sont pessimistes par rapport à l'avenir proche.

**Le degré de satisfaction par rapport aux administrations publiques est généralement faible, et aucune amélioration ne semble se profiler à l'horizon.**

La question de la gestion des administrations publiques ne semble pas être directement affectée par la crise. Les Européens sont davantage insatisfaits que satisfaits à cet égard, les plus mécontents étant les Grecs, les Irlandais et les Lettons. Les taux de satisfaction les plus élevés ont été enregistrés en Allemagne, en Autriche, au Danemark, en Estonie, en Finlande, au Luxembourg et en Suède (tous supérieurs à 1). Toutefois, même dans la plupart des pays occupant le haut du tableau, une majorité de citoyens pensent que la situation s'est dégradée au cours des cinq dernières années. Les pessimistes quant à l'avenir constituent aussi une majorité.

**De nombreux Européens sont satisfaits des prestations de soins de santé mais les différences entre les pays sont considérables.**

L'enquête sur le climat social livre également des résultats intéressants sur ce que les citoyens pensent de questions clés dans le domaine de la politique sociale. Les prestations de soins de santé, qui obtient un taux de satisfaction de 1,3, est considérée comme satisfaisante par une majorité d'Européens. Les plus satisfaits sont les Belges (5,5), suivis des Néerlandais, des Luxembourgeois, des Autrichiens et des Britanniques, tous ces pays atteignant un score supérieur à 4. Les niveaux de satisfaction les plus bas ont été observés en Bulgarie, en Grèce et en Roumanie, où les scores sont tous inférieurs à -3. Dans la plupart des pays, la majorité des citoyens estiment que les changements, passés et futurs, vont dans le sens d'une aggravation, mais il y a quelques exceptions comme la Belgique, Chypre, l'Espagne et Malte.

**Les pays dans lesquels les citoyens sont satisfaits des prestations de retraite sont rares, et nombreux sont ceux qui pensent que la situation empire.**

Les prestations de retraite sont perçues de façon beaucoup plus négative puisque le taux de satisfaction pour l'ensemble de l'UE est de -1,0. Les pays présentant les scores les plus élevés sont le Luxembourg, suivi des Pays-Bas, du Danemark et de l'Autriche dont les scores varient entre 4,6 et 2,9. Les moins satisfaits sont les Bulgares, les Grecs et les Portugais, dont les scores sont tous inférieurs à -4. Dans presque tous les pays, les changements passés et futurs sont majoritairement perçus comme négatifs, à deux exceptions. Les Chypriotes ont constaté une amélioration au cours des cinq dernières années et une petite majorité d'entre eux tablent sur de nouvelles améliorations. Les Estoniens reconnaissent également que la situation s'est améliorée au cours des cinq dernières années, mais ils se montrent pessimistes pour les douze prochains mois.

**L'insatisfaction et le pessimisme s'appliquent également aux allocations chômage.**

Le degré d'insatisfaction concernant les allocations chômage (-1,2) est similaire à celui des retraites. Les pays les moins satisfaits sont la Bulgarie, la Grèce, la Hongrie et la Roumanie, où les scores sont tous inférieurs à -4. Les scores les plus élevés ont été observés aux Pays-Bas, avec 3,5, suivis de l'Autriche, du Luxembourg, du Danemark et de la Belgique (1,9). Dans tous les États membres, une majorité de personnes interrogées pensent que la situation va s'aggraver au cours des douze prochains mois. Seuls les Chypriotes ont eu le sentiment d'une amélioration et non d'une dégradation de la situation au cours des cinq dernières années.

**Les Européens ne sont pas satisfaits de la façon dont sont traités les problèmes des inégalités et de la pauvreté.**

Les Européens ont massivement exprimé leur mécontentement quant à la façon dont sont traités les problèmes des inégalités et de la pauvreté. Le score pour l'ensemble de l'UE est de -2, et seuls quatre pays atteignent un score égal ou supérieur à 0. Le Luxembourg arrive en tête de peloton (0,9), suivi des Pays-Bas, de la Suède et de la Finlande. Le mécontentement s'est fait le plus sentir en Bulgarie, en Grèce, en Hongrie, en Lettonie et en Lituanie, ces pays affichant tous un score égal ou inférieur à -4. La France, avec un score de -3,8, exprime aussi un fort sentiment d'insatisfaction à cet égard. Sauf les Maltais, la majorité des citoyens européens ont le sentiment que la situation s'est aggravée au cours des cinq dernières années et que cette dégradation se poursuivra dans un avenir proche.



***Ils sont davantage satisfaits des relations entre les différentes communautés, mais ils craignent que la situation ne se dégrade.***

Les relations entre les individus issus de milieux culturels différents ou de nationalités différentes sont perçues de façon beaucoup plus positive que les inégalités et la pauvreté. Le taux de satisfaction pour l'ensemble de l'UE est positif, bien qu'il ne dépasse pas 0,3. Il est de loin le plus élevé au Luxembourg (2,5), suivi de la Finlande, du Royaume-Uni, de la Lituanie, de l'Estonie, de la Roumanie et de la Lettonie, qui présentent des scores entre 1,3 et 1,5. Les pays où le taux de satisfaction est le moins élevé sont le Danemark, la France, la Grèce, la Hongrie, l'Italie et la République tchèque, qui atteignent des scores compris entre -1,7 et -0,6. Les citoyens des pays où les taux sont peu élevés ont aussi le sentiment d'une dégradation, aussi bien dans le passé que pour l'avenir proche. L'Autriche, les Pays-Bas et la Slovaquie se montrent également très pessimistes quant à la qualité des relations entre les différentes communautés.

***Il existe un contraste entre le degré de satisfaction relativement élevé quant à la situation personnelle des individus et leur perception négative de différents aspects de la situation du pays et de l'évolution des choses.***

Cette première enquête européenne sur le climat social fait apparaître un net contraste entre les niveaux de satisfaction et de confiance relativement élevés concernant la situation personnelle des individus et une perception très négative de la situation économique générale et des conditions de vie ainsi que de certains domaines clés de la politique sociale. Si l'appréhension vis-à-vis de la situation économique générale et des conditions de vie est tout à fait compréhensible compte tenu de la situation actuelle, les décideurs ont toutes les raisons de s'inquiéter du sentiment de mécontentement des citoyens par rapport aux domaines clés de la politique sociale et de leur perception très négative de l'évolution dans ces domaines. Ces opinions semblent en effet ancrées plus profondément et pourraient nécessiter une refonte des politiques afin de s'assurer qu'elles sont mieux conçues et mieux expliquées.

***Les pays qui affichent les niveaux de satisfaction les plus faibles sont également ceux qui sont les plus pessimistes. Cela signifie-t-il que les disparités sont de plus en plus grandes?***

Il convient également de souligner que, de manière générale, c'est dans les États membres les plus prospères que les niveaux de satisfaction sont les plus élevés et que les individus sont aussi le plus susceptibles d'avoir un sentiment d'amélioration. Cela peut peut-être s'expliquer par le fait que la récession a frappé plus durement les États membres plus pauvres. Toutefois, on peut penser qu'à long terme les États membres plus pauvres afficheront une tendance plus positive étant donné qu'ils sont en train de rattraper les pays plus riches. Il est évident cependant que ce n'est pas le sentiment qui domine actuellement dans la plupart des pays pauvres. Un grand nombre d'entre eux se situent dans le bas du classement des taux de satisfaction et comptent également parmi les plus pessimistes quant aux changements qui se sont produits ou qui vont se produire dans les domaines couverts par l'enquête. Si ces perceptions ne sont pas seulement le reflet d'un état d'esprit passager qui trouve son origine dans la crise, elles pourraient bien être le signe du début d'un processus de divergence: les pays qui offrent de bonnes conditions sociales continuent d'évoluer tandis que les pays où les conditions sociales sont moins bonnes prennent de plus en plus de retard.

## **L'impact social des précédentes récessions**

***L'analyse de l'impact social des précédentes récessions peut nous aider à faire face aux conséquences de la crise actuelle.***

L'une des façons de comprendre l'impact que pourrait avoir la récession de 2008-2009 est d'analyser les récessions précédentes et leurs effets sur les différents groupes sociaux. Bien sûr, la dernière crise diffère des précédentes, tant par son degré de gravité que par son origine (une crise financière liée, dans certains pays, à une évolution intenable dans le secteur du logement). Par ailleurs, les politiques sociales et les institutions ont changé dans les États membres. Néanmoins, l'analyse des crises précédentes pourrait aider les décideurs à définir les réponses politiques à apporter et à s'y préparer à l'avance.

***La crise économique de 1990-94 a particulièrement affecté les opportunités d'emploi des hommes, et a accéléré la tendance à la retraite anticipée.***

Le chapitre 2 du présent Rapport sur la situation sociale examine la crise économique du début des années 1990 qui a touché tous les pays de l'UE15 (il revient également sur la crise moins profonde du début des années 2000). Entre 1990 et 1994, le taux d'emploi dans l'UE15 a chuté de 2,5 points de pourcentage, avec une perte de 6,4 millions d'emplois. Ces pertes d'emploi concernaient principalement les hommes, surreprésentés dans les secteurs de la fabrication et de la construction. Elle a également touché les jeunes âgés de 15 à 24 ans, dont la participation à la main-d'œuvre a chuté de près de 10 points de pourcentage. Cette baisse ne s'est inversée qu'en 1997, c'est-à-dire longtemps après le début de la reprise économique. La crise du début des années 1990 a également eu pour effet d'accélérer la tendance à la retraite anticipée chez les hommes. Le taux d'emploi des hommes âgés de 55 à 64 ans a chuté au-dessous de la barre des 50 % et a stagné à ce niveau jusqu'à la fin de la décennie, tandis que le taux d'emploi des femmes pour le même groupe d'âge n'a cessé d'augmenter.

***Les dépenses affectées aux prestations sociales, notamment aux allocations chômage, ont connu une hausse rapide. Par la suite, les dépenses consacrées à ces prestations ont baissé plus rapidement que le chômage.***

La crise économique du début des années 1990 a également entraîné une forte augmentation des dépenses consacrées aux prestations sociales. Les dépenses affectées aux prestations concernant les personnes en âge de travailler au chômage ou en inactivité ont augmenté entre 1990 et 1993 de 4 % du PIB à un peu plus de 5,5 %. Cette hausse était essentiellement imputable à l'augmentation des allocations chômage mais aussi à la hausse des prestations d'invalidité et des allocations de logement. Par la suite, les dépenses consacrées aux allocations chômage ont diminué plus rapidement que le nombre de chômeurs, bien que des différences aient été observées entre les différents pays. Pendant les années 1990, de manière générale, la plupart des pays de l'UE15 semblent avoir réduit les allocations chômage au profit d'autres formes d'aide aux chômeurs.

***Selon les résultats d'enquêtes, en 2006, de nombreux chômeurs n'ont perçu aucune prestation.***

L'impact social d'une récession dépend en grande partie de l'efficacité de la protection offerte par les systèmes de prestations aux personnes qui perdent leur emploi. Il est important d'examiner non seulement le niveau total des dépenses consacrées aux prestations sociales des personnes en âge de travailler mais aussi la proportion de personnes au chômage percevant des prestations sociales. Les données relatives aux types de prestations offertes aux différentes catégories de personnes sont analysées dans le Rapport de 2006. Celui-ci montre que, dans les différents pays de l'UE, beaucoup moins de deux tiers des personnes ayant été au chômage pendant au moins un mois au cours de l'année avaient effectivement perçu des allocations chômage. Si l'on prend en compte les autres types de prestations, la proportion grimpe à environ 70 %. Il existe toutefois des différences considérables entre les pays. Ainsi, en Autriche, en Belgique et en Finlande, plus de 90 % des personnes âgées de 25 à 59 ans ayant été au chômage pendant plus de six mois en 2006 ont perçu des allocations chômage; en revanche, en Estonie, en Lituanie, en Pologne et en Slovaquie, la proportion est inférieure à 15 %. En Slovaquie cependant, la plupart des chômeurs (59 %) ont bénéficié au moins d'une catégorie d'allocation.

***Le chômage de longue durée est associé à un risque de pauvreté élevé, même dans certains pays où la majorité des chômeurs ont perçu des allocations.***

Une période de chômage supérieure à 6 mois dans l'année est associée à un risque accru de pauvreté (c'est-à-dire disposer d'un revenu inférieur à 60 % du revenu médian dans le pays concerné). Au niveau de l'UE25, 43 % des personnes âgées de 25 à 59 ans ayant été au chômage pendant la majeure partie de l'année percevaient des revenus aussi bas. Le pourcentage était élevé en Estonie (65 %) et en Lituanie (59 %), où la couverture des prestations était très faible, mais il dépassait également 60 % au Royaume-Uni où près de trois quarts des chômeurs recevaient une forme d'allocation. En revanche, à Chypre, au Danemark, en France, aux Pays-Bas et en Suède, un peu moins d'un tiers des chômeurs étaient exposés à un risque de pauvreté.



***Les jeunes sont moins susceptibles de percevoir des allocations, et il est primordial de veiller à ce qu'ils ne tombent pas dans le chômage de longue durée et à ce qu'ils ne soient pas exclus durablement du marché du travail.***

En temps de crise, les jeunes sont particulièrement vulnérables. En 2007, environ 56 % des jeunes de moins de 25 ans étaient potentiellement disponibles pour l'emploi (parce qu'ils ne suivaient pas un enseignement ou une formation à temps plein). Toutefois, les jeunes sont moins susceptibles de bénéficier d'allocations; dans l'UE25, moins de 40 % des personnes ayant été au chômage en 2006 avaient reçu une sorte de prestation sociale. Mais, encore une fois, les différences entre les pays étaient énormes; le chiffre variait entre plus de 80 % dans les pays nordiques et l'Autriche et moins de 20 % à Chypre, en Espagne, en Estonie, en Grèce, en Lituanie, en Pologne et en Slovaquie. Plus de la moitié des jeunes ayant été au chômage ne vivaient pas avec leurs parents, et un peu plus de 40 % de ceux ayant été au chômage pendant plus de six mois au cours de l'année étaient exposés à un risque de pauvreté. Ces chiffres donnent toute son importance à la prévention du chômage de longue durée dans le contexte de crise économique actuel; le chômage de longue durée accroît le risque de pauvreté et réduit les chances de réinsertion dans le marché du travail. Il est donc indispensable de garantir des allocations chômage adéquates tout en fournissant une aide active à l'emploi afin d'éviter le chômage de longue durée chez les jeunes et, partant, un risque d'exclusion permanente du marché du travail. Il est également important d'adapter les incitations à l'emploi aux besoins de l'individu et de veiller à ce que ces mesures s'appliquent aussi bien aux femmes qu'aux hommes sur le marché du travail.

***Une fois encore, les données les plus récentes montrent que la récession touche plus particulièrement les hommes et les jeunes; mais jusqu'à présent, rien ne semble indiquer une forte augmentation de la retraite anticipée.***

Selon les dernières données sur l'emploi disponibles à l'heure où ce rapport a été rédigé (pour le premier trimestre de 2009), les différents États membres ont connu des évolutions diverses. Dans l'ensemble de l'UE, le taux d'emploi des hommes a chuté de près de deux points de pourcentage au cours des douze mois arrêtés à la fin du premier trimestre de 2009, tandis que le taux d'emploi des femmes est resté quasiment inchangé. Le chômage a augmenté mais cette augmentation était davantage liée à une hausse des taux d'activité qu'à des pertes d'emploi. Le taux d'emploi des jeunes âgés de 15 à 24 ans a baissé de deux points de pourcentage. En revanche, contrairement à ce qui s'était produit au début des années 90, le taux d'emploi des hommes âgés de 55 à 64 est resté à peu près identique. L'emploi des femmes appartenant au même groupe d'âge a continué d'augmenter. Contrairement à ce qui s'est produit au début des années 90, aucun élément ne permet encore d'affirmer que la crise a entraîné un recours massif à la retraite anticipée. Toutefois, ces chiffres ne montrent que le premier impact de la récession sur l'emploi; le marché du travail devrait connaître de nouveaux ajustements, peut-être de plus grande envergure.

## **Le logement et l'inclusion sociale dans l'UE**

***La plupart des Européens sont propriétaires de leur logement, en particulier dans les anciens pays communistes.***

Le chapitre relatif au logement s'intéresse d'abord au mode d'occupation des logements en 2007, et montre que plus de 70 % des Européens vivent dans une maison ou dans un appartement qui appartient à (un membre de) leur ménage. La proportion de propriétaires occupants est particulièrement élevée dans la plupart des anciens pays communistes. Compte tenu de la façon dont le logement a été privatisé dans ces pays durant l'ère postcommuniste, le pourcentage de propriétaires tenus au remboursement d'un prêt immobilier est cependant très faible (dans la plupart des cas, moins de 10 % de la population). Les pays dans lesquels le secteur de la location de logements non sociaux est le plus développé sont l'Allemagne, l'Autriche, le Danemark, les Pays-Bas et la Suède, où 28 % à 36 % de la population vivent dans des logements loués au prix du marché, alors que ce pourcentage est de 13 % pour l'ensemble de l'UE25. Le logement social locatif ou gratuit est particulièrement répandu à Chypre, en Finlande, en France, en Pologne, en République tchèque et au Royaume-Uni, où plus de 15 % de la population vivent dans ce type de logements. Chypre et la Pologne se distinguent par le pourcentage élevé de personnes vivant dans des logements gratuits (respectivement 15 % et 34 %). Plus de 55 % des personnes dont les revenus sont inférieurs au seuil de pauvreté vivent également dans des logements en propriété, la grande majorité d'entre elles n'ayant pas d'emprunt immobilier à rembourser. Toutefois, une proportion importante de personnes à faibles revenus vivent dans les logements locatifs, et nombreux sont ceux qui paient les prix du marché.

***Il n'existe pas de données comparables sur le sans-abrisme mais le rapport présente les résultats de plusieurs enquêtes nationales.***

Le sans-abrisme est un problème social majeur mais il est difficile à définir (le sans-abrisme de rue n'étant que sa manifestation la plus extrême) et encore plus difficile à mesurer. Ce rapport ne peut donc pas présenter de chiffres comparables. Il donne toutefois une indication de l'ampleur du problème en passant brièvement en revue les enquêtes nationales, dont certaines sont essentiellement axées sur les grandes villes, où le problème est le plus grave.

***Les Européens dépensent environ un cinquième de leurs revenus en frais de logement, dont les frais de chauffage, d'entretien et de réparation représentent la majeure partie. La charge relative du logement est la plus élevée pour les personnes à faibles revenus.***

Une analyse détaillée du coût du logement révèle que les Européens consacrent en moyenne près d'un cinquième de leur revenu disponible au logement. Ces dépenses couvrent non seulement le loyer et les intérêts hypothécaires mais aussi les autres frais tels que les frais de réparation, d'entretien et de chauffage qui, ensemble, représentent la majeure partie du coût total du logement. Les personnes qui vivent dans des maisons louées au prix du marché sont celles qui consacrent au logement la plus grande partie de leurs revenus, soit un tiers, tandis que celles qui vivent dans un logement en propriété sans prêt immobilier ou dans un logement gratuit sont celles pour qui le coût du logement est le moins élevé (respectivement environ 16 % et 18 % du revenu disponible). La charge relative du coût du logement est beaucoup plus lourde pour les personnes dont les revenus sont inférieurs au seuil de pauvreté, et s'élève à 36,5 % du revenu disponible dans les pays de l'UE25 et jusqu'à 48 % pour les personnes payant des loyers au prix du marché.

***Le taux élevé de logements en propriété dans les anciens pays communistes n'a pas pour effet de réduire le coût du logement.***

Le niveau du coût du logement par rapport au revenu et la composition de ce coût varient nettement entre les pays. Compte tenu du nombre élevé de logements en propriété dans les anciens pays communistes et du fait que seul un petit nombre de personnes sont tenues au remboursement d'un prêt immobilier, les loyers et les intérêts hypothécaires représentent une très petite partie des revenus des ménages dans ces pays. Néanmoins, le coût total du logement par rapport aux revenus peut être aussi élevé que dans les autres pays de l'UE en raison de la charge importante que représentent les frais de chauffage, de réparation et les autres frais de ce type. Il semble en effet qu'il soit relativement onéreux de vivre dans un logement en propriété, et de nombreux propriétaires occupants dans ces pays ont des difficultés à faire face aux frais d'entretien.

***Le coût du logement par rapport aux revenus a augmenté dans la majorité des pays de l'UE15 entre 1994 et 2005.***

Les statistiques communautaires sur le revenu et les conditions de vie ne permettent pas encore d'observer le coût des logements au fil du temps mais, si l'on en croit les données recueillies dans le cadre des enquêtes européennes sur le budget des ménages de 1994 et 2005, le coût du logement par rapport aux revenus a augmenté au fil du temps de près de quatre points de pourcentage dans l'UE15, une augmentation légèrement plus forte ayant été enregistrée pour les personnes appartenant au quintile inférieur de la répartition du revenu. Cette augmentation s'observe dans la majorité des pays de l'UE15 mais une diminution a été constatée en Belgique et aux Pays-Bas. Les hausses les plus marquées (d'environ sept points de pourcentage) ont été enregistrées en Espagne, en Italie et au Portugal.

***Il n'existe pas de lien clairement établi entre le coût du logement et la satisfaction concernant ce logement.***

Les Européens sont-ils obligés de consacrer une grande partie de leurs revenus au logement ou font-ils ce choix pour bénéficier d'un logement de meilleure qualité ? Si ces dépenses correspondent à un choix, il devrait exister un lien positif entre les dépenses et la satisfaction du logement. Or, généralement dans l'UE, la part des revenus que représente le coût du logement a tendance à être plus élevée pour les personnes insatisfaites que pour les personnes satisfaites, bien que tel ne soit pas le cas dans tous les États membres. Pour les personnes à faibles revenus (en dessous du seuil de pauvreté), la situation est souvent inversée: les personnes satisfaites de leur logement sont généralement celles qui lui consacrent une plus grande partie de leurs revenus. Dans l'ensemble, aucune tendance nette ne se dégage.

***La déduction des frais de logement du revenu disponible a tendance à accroître les disparités au niveau des revenus et le risque de pauvreté car le coût du logement est plus élevé pour les personnes pauvres.***

Si l'on part du principe que le coût du logement est dans une large mesure une dépense inévitable, il paraît logique d'examiner de plus près le revenu disponible après déduction des frais de logement. Le rapport examine ces données et calcule un nouveau revenu médian après déduction des frais de logement. En fixant le seuil de pauvreté à 60 % de ce revenu médian, quelque 22 % de la population sont considérés comme exposés à un risque de pauvreté après déduction des frais de logement, alors que ce pourcentage est de 16 % si l'on utilise la définition traditionnelle. Cela est dû au fait que les personnes aux plus faibles revenus consacrent une plus grande part de ces revenus au logement. Les plus fortes augmentations du risque de pauvreté après cet ajustement concernent les parents isolés et les personnes qui vivent seules, en particulier les personnes âgées de 65 ans et plus, dont la majorité sont souvent des femmes.

***Par contraste, l'ajout du loyer imputé aux revenus donnerait une répartition plus équitable des revenus dans la mesure où le loyer imputé représente une plus grande partie des faibles revenus.***

Il existe une autre méthode pour prendre en compte le logement dans l'évaluation de la pauvreté et de la répartition du revenu, qui consiste à inclure le loyer imputé dans les revenus du ménage. Le loyer imputé est attribué à tous les ménages qui soit sont propriétaires de leur logement, soit ne paient pas de loyer au prix du marché. Le poids du loyer imputé est plus élevé pour les personnes dont les revenus sont les plus faibles que pour celles qui disposent des revenus les plus élevés puisqu'il varie entre 40 % du revenu disponible dans le premier quintile (soit le cinquième de la population ayant le plus faible revenu) dans l'ensemble de l'UE et un peu plus de 10 % dans le quintile supérieur. La prise en compte du loyer imputé donne donc une répartition plus équitable du revenu et un taux de risque de pauvreté légèrement inférieur, de 15 % au lieu de 16 %.

***Le choix de la méthode d'ajustement pour le coût du logement dépend de la possibilité qu'ont les personnes pauvres de choisir autrement leurs dépenses.***

Le taux de risque de pauvreté est plus élevé lorsque les frais de logement sont déduits des revenus que lorsque le loyer imputé leur est ajouté. Il est possible que les ménages à faibles revenus n'aient pas la possibilité de faire des économies sur leurs frais de logement, et nous pourrions donc estimer qu'ils ne peuvent pas choisir de dépenser autrement un loyer imputé. Dans ce cas, il serait plus logique d'examiner les revenus et leur répartition après déduction des frais de logement, une analyse qui rend plus criant encore le contraste entre les ménages riches et les ménages pauvres.

***Les personnes exposées à un risque de pauvreté sont plus susceptibles d'être logées dans de mauvaises conditions, qui se traduisent essentiellement par des fuites dans les toits, de l'humidité dans les murs/sols, de la pourriture dans les châssis.***

L'enquête générale EU-SILC et son module spécial sur le logement constituent également une mine d'informations sur les inadéquations des logements, telles que les installations électriques et sanitaires inexistantes ou défectueuses, les systèmes de chauffage ou d'air conditionné en mauvais état, les fuites dans les toits et l'humidité dans les murs, l'éclairage insuffisant, le manque d'espace et les problèmes d'environnement. Les problèmes signalés le plus souvent concernant la qualité du logement sont les fuites dans les toits, l'humidité dans les murs, les sols ou les fondations ou la pourriture dans les châssis ou les sols (tous sont repris sous la même rubrique dans l'enquête). Dans la plupart des États membres, 12 % à 18 % de la population signalent ce type de problèmes mais la proportion grimpe jusqu'à 28 % à Chypre et 33 % en Pologne. Les personnes exposées au risque de pauvreté, c'est-à-dire les personnes dont les revenus sont inférieurs à 60 % du revenu médian national, sont beaucoup plus susceptibles de signaler ce type ou d'autres types de problèmes de logement. Dans les pays baltes, entre un quart et un tiers des personnes exposées à un risque de pauvreté ne disposaient pas d'une baignoire, d'une douche ou de toilettes à l'intérieur. En outre, les habitants de ces pays ont plus souvent des difficultés à payer leurs factures de consommation, comme l'a souligné l'édition 2007 de ce rapport. Ces résultats indiquent que les autorités publiques doivent prendre des mesures pour améliorer la qualité et l'efficacité énergétique des logements. Certains États membres ont mis en place des politiques destinées à combattre la pauvreté énergétique en réduisant le coût du chauffage pour les ménages à faibles revenus. L'amélioration de l'efficacité énergétique dans le logement permet à la fois de réduire la consommation d'énergie et d'améliorer la situation financière des ménages plus pauvres. Dans les cas d'énergie provenant de combustibles fossiles, ces politiques favoriseront la réduction des émissions de gaz à effet de serre. De nouvelles règles permettent au Fonds européen de développement régional de soutenir les programmes qui investissent dans l'efficacité énergétique. Plusieurs mesures prises dans le cadre du Programme de redressement économique reflètent également le fait que cette action renforcerait la cohésion sociale tout en aidant à faire face au changement climatique.

***Le manque d'espace est particulièrement sévère dans les anciens pays communistes mais la perception subjective de la situation par les personnes elles-mêmes est meilleure que ce qu'indiquent les indicateurs objectifs.***

***Les problèmes de qualité du voisinage ne semblent pas toucher beaucoup plus les personnes à faibles revenus que les personnes vivant au-dessus du seuil de pauvreté.***

***L'accès aux services pose essentiellement problème dans les zones non urbaines, les pauvres vivant dans ces régions étant les plus gravement touchés.***

***Le logement peut représenter plus de 60 % du patrimoine d'un ménage; le prix des logements a augmenté plus rapidement que les salaires et, dans certains pays, la dette hypothécaire par rapport aux revenus a littéralement explosé.***

***L'éclatement de la bulle du marché du logement a entraîné de nombreuses pertes d'emploi dans le secteur de la construction.***

***La récession entraînera une augmentation du nombre de personnes risquant de perdre leur logement car elles ne pourront plus payer leur loyer et rembourser leur prêt immobilier. Certaines personnes vivant dans des pays d'Europe orientale sont confrontées à des problèmes liés au remboursement d'un prêt immobilier en devises étrangères.***

Le rapport compare également les résultats obtenus au moyen d'un indicateur objectif du manque d'espace, qui établit un rapport entre le nombre de pièces et la taille et la composition du ménage, et l'évaluation subjective du manque d'espace par les individus eux-mêmes. L'indicateur objectif met en évidence une fracture Est-Ouest: près de 40 % ou plus des individus souffrent d'un manque d'espace dans la plupart des anciens pays communistes, contre moins de 10 % dans la plupart des autres États membres. En revanche, l'évaluation du manque d'espace par les individus eux-mêmes varie nettement moins d'un pays à l'autre. En général, 10 à 20 % de la population estiment leur espace insuffisant, et cette proportion atteint un quart ou un tiers dans les pays baltes et en Pologne.

Dans la plupart des États membres, entre 15 % et un quart de la population déclare être incommodé par des problèmes de bruit. Le nombre de personnes faisant état de problèmes de pollution ou de sécurité (crime, violence ou vandalisme) dans leur voisinage est un peu moins élevé. Aucun lien n'a été clairement établi entre ces problèmes et le niveau de revenu moyen dans le pays, et les personnes vivant en dessous du seuil de pauvreté ne semblent pas beaucoup plus exposées que les personnes disposant de revenus plus élevés.

Un autre aspect important de la qualité du logement est l'accès aux services, et notamment aux magasins, aux banques, aux bureaux de poste, aux soins de santé, aux écoles et aux transports publics. Au sein même des pays, la principale différence du point de vue de l'accès à ces services apparaît entre zones urbaines et non urbaines plutôt qu'entre riches et pauvres. Toutefois, les personnes à faibles revenus vivant dans des zones où la population est clairsemée sont beaucoup plus susceptibles de rencontrer des problèmes d'accès à deux de ces services au moins. Plus d'un tiers de la population des zones non urbaines exposée à un risque de pauvreté a des difficultés à accéder à au moins deux services, et un quart n'a pas accès à trois services ou plus.

Le secteur du logement est à l'origine de la crise économique actuelle, bien que d'autres facteurs aient joué en Europe. Près de 70 % des Européens sont propriétaires de leur logement, et la valeur de la résidence principale représente plus de 60 % du patrimoine des ménages dans des pays tels que l'Allemagne, la Finlande, l'Italie, le Royaume-Uni et la Suède. Au cours des dix dernières années, le prix des logements s'est accru beaucoup plus rapidement que les salaires, et ce dans la plupart des États membres (l'Allemagne et le Portugal faisant figure d'exception à cet égard). Parallèlement, la dette hypothécaire par rapport au revenu annuel du ménage a grimpé en flèche, dépassant 200 % au Danemark et aux Pays-Bas. La hausse a été particulièrement rapide dans les anciens pays communistes, bien qu'elle y ait été moins étendue et qu'elle se soit maintenue à des niveaux largement inférieurs à ceux observés dans les pays de l'UE15.

Ces tendances constatées sur le marché du logement ont alimenté la demande des consommateurs et dopé la croissance économique dans certains États membres, comme cela s'est produit aux États-Unis, mais cela ne pouvait pas durer. L'éclatement de la bulle du marché du logement a un impact direct sur le secteur de la construction. Rien qu'en Espagne, l'emploi a chuté de 21 % au cours de l'année arrêtée au dernier trimestre de 2008, ce qui représente plus d'un demi million d'emplois perdus, dont un grand nombre étaient des emplois relativement peu spécialisés occupés par des travailleurs migrants, particulièrement vulnérables.

La récession et la baisse de l'emploi et des revenus qu'elle a entraînée dans son sillage signifient également qu'un nombre croissant d'individus sont désormais dans l'incapacité de rembourser leur prêt hypothécaire et de payer leur loyer et leurs factures de consommation. Certains États membres d'Europe orientale sont confrontés à un problème spécifique: l'augmentation de la dette des ménages s'est faite principalement en devises étrangères. Ainsi, en Pologne, deux tiers des emprunts immobiliers en souffrance en octobre 2008 étaient des emprunts en devises étrangères. Le risque de fluctuation monétaire s'ajoute donc aux risques de chômage et de perte de revenus. Les saisies immobilières et les expulsions pourraient accroître le phénomène des sans-abris, bien que cela dépend largement de l'aide que les personnes concernées reçoivent de la part d'amis et de parents et du soutien des autorités publiques et des organisations bénévoles.

## 1. SOCIAL TRENDS – SOCIAL IMPACTS OF THE CRISIS

*A new regular Eurobarometer survey will monitor how people perceive the current social situation and trends. It covers the respondent's personal situation, the national economic and social situation and some key social policy areas. For some variables trend data are available, showing the impact of the recession on people's expectations. The data also highlight structural issues, reflecting the strengths and weaknesses of national policies and institutions. People appear relatively well satisfied with their personal situation and neighbourhood; by contrast, they are negative many aspects of their country's situation and the direction in which things are going. Citizens in countries with poor average levels of satisfaction are also the most pessimistic about trends.*

### 1.1. A new survey on the social climate in the European Union

It will be several years before the social impact of the recession can be fully analysed, using solid evidence from surveys such as EU-SILC<sup>16</sup>. However, a more immediate assessment can be made using opinion polls. This chapter presents the results of a new 'Eurobarometer' social climate survey, collecting the views of some 1000 people in each country (see box). The survey is to be repeated every year so that trends can be monitored. For this first year, trend data are only available for a few of the 45 variables measured, but comparisons over time will eventually make it possible to gauge the full impact of the current crisis on public perceptions.

The new social climate survey covers 15 areas and asks people to assess, for each of these areas, the current situation, how it has evolved over the past five years and how they expect it to change over the coming year — altogether forming a set of 45 variables. The 15 areas cover three broad sets of issues. The first concerns the personal situation of each respondent, including their satisfaction with life in general, with the area where they live, with their personal job situation and with the financial situation of their household. The second set covers the economic and social situation of the country and includes the cost of living, the affordability of energy and of housing, the quality of public administration and the general economic and employment situation. The third set focuses on social protection and social inclusion in the country and contains questions on health care provision, pensions, unemployment benefits, the way inequalities and poverty are addressed and relations between people from different cultural or religious backgrounds.

#### Survey and methods

The results in this chapter are based on the special Eurobarometer survey No 315 for which field work was carried out between 25 May and 17 June 2009. All interviews were conducted face to face in people's homes and in their national language. Further details on methodology and background data can be found at: [http://ec.europa.eu/public\\_opinion/index\\_en.htm](http://ec.europa.eu/public_opinion/index_en.htm)

The satisfaction score used in the analyses below was calculated by giving the value -10 to the response 'not at all satisfied', -5 to 'not very satisfied', +5 to 'fairly satisfied' and +10 to 'satisfied'. The average score for a country, socio-economic group or the EU as a whole can therefore, in theory, range from -10 (all respondents saying that they are not at all satisfied) to +10 (all respondents saying that they are satisfied).

For changes over the past five years or the next twelve months, respondents had the choice between 'better', 'worse' or 'the same'. A score was obtained by calculating the difference between those who said that things are getting better and those who said that they are getting worse. The resulting score can thus vary between -100 (all respondents saying that things are getting worse) and +100 (all respondents saying that things are getting better).

The advantage of this approach is that various aspects of people's assessments can be presented and analysed in a comprehensive way. However, the scores presented do not give the full picture since they only indirectly take into account the very common response that the situation has stayed about the same during the past five years or will be about the same over the next twelve months. If a high proportion of people think that there has been or will be no change, this limits the maximum score. A low positive or negative score could be the result of a most people perceiving no change, or of a divided public opinion, with many people seeing a positive change and many seeing a negative change. The same score can therefore hide very different situations in different countries. However, there are relatively few cases in which a strong polarisation has been observed in the current survey.

The social climate survey not only measures how Europeans perceive the current recession and its social impact but also reveals interesting differences between countries which seem to reflect the strengths and weaknesses of national policies and institutions.

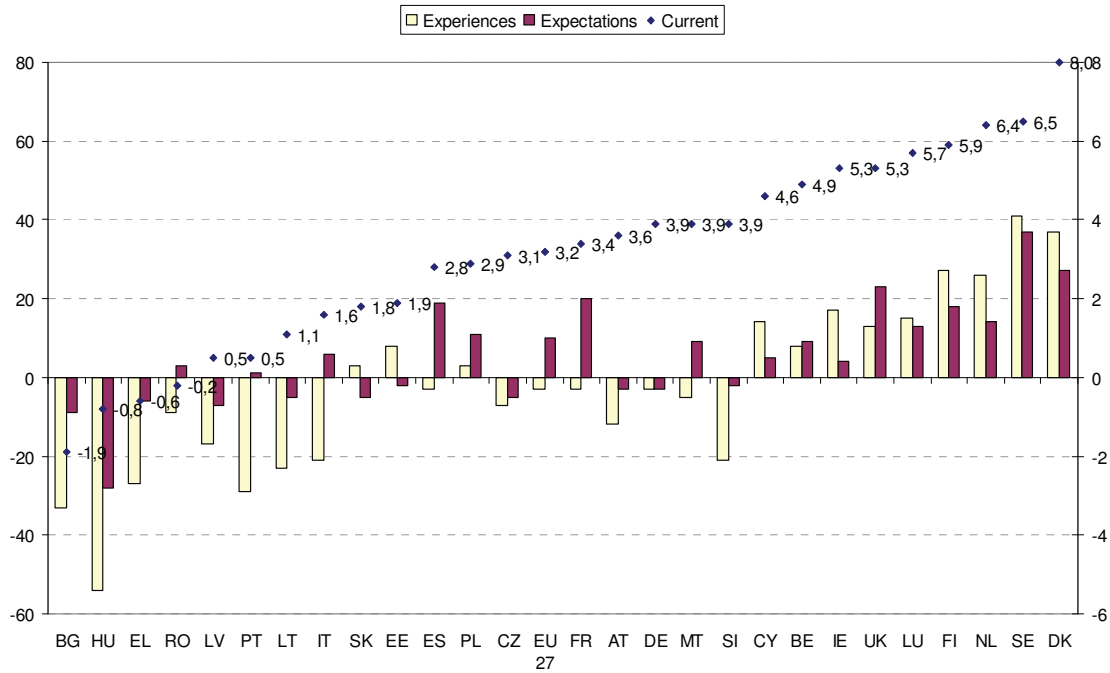
<sup>16</sup> Community Statistics on Income and Living Conditions



1.1.1. Personal situation

Most Europeans express satisfaction with their life in general, but there are huge differences between the Member States. The lowest levels of satisfaction are reported in Bulgaria, Hungary, Greece and Romania and the highest in Denmark, Sweden, the Netherlands and Finland. People's perception of how things have changed over the past five years and the outlook for the year ahead is related to their current level of satisfaction: the most satisfied citizens also expect the biggest improvements; in the countries with the lowest satisfaction levels, people expect things to get worse. If this happens, it would mean a widening gap between the most satisfied and the least satisfied countries; but it could simply be that people who are currently in a bad situation tend to be more pessimistic about the future.

Figure 1: Life in general

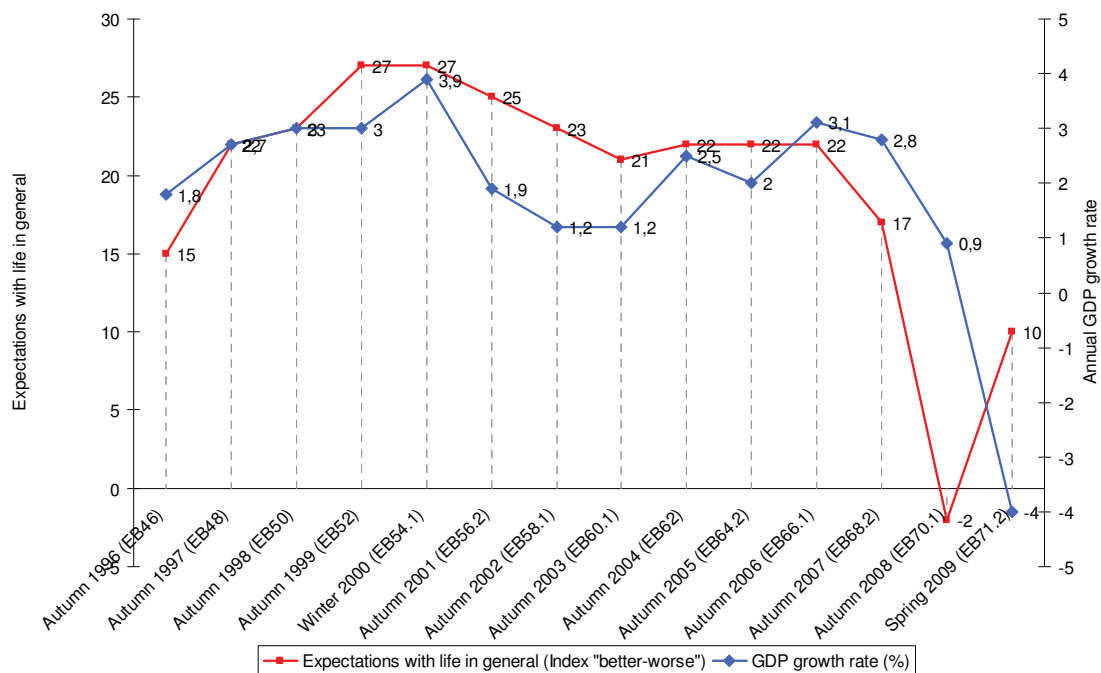


Source: Special Eurobarometer no 315.

Some of the questions included in the social climate survey have been part of the standard Eurobarometer surveys for many years, allowing the trends to be monitored. These seem to indicate that expectations of Europeans with regard to their general living conditions are closely related to GDP growth. However, between the autumn 2008 survey (field work in October and November) and spring 2009, there was a big rise in confidence despite GDP probably falling rather than growing. The exceptionally low level of confidence in autumn 2008 may have been a consequence of the financial crisis, which was reaching its climax at that time.



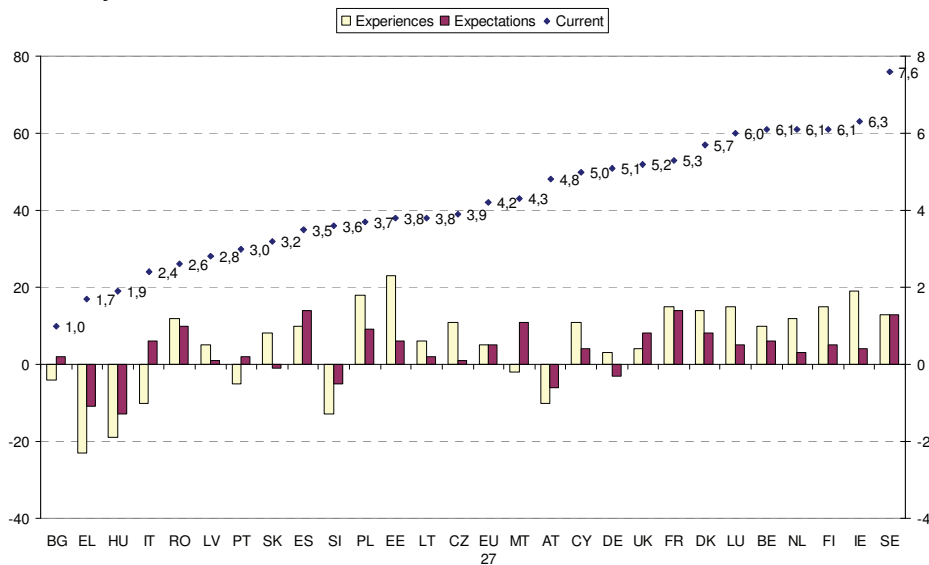
**Figure 2: Expectations with life in general and GDP growth rate 1996-2009**



Sources: Special Eurobarometer no 315 (index calculated as difference between "better" and "worse" - see methodology in the introduction of this section) and Eurostat 1996-2008 and ECFIN forecast for 2009.

Surprisingly, Europeans are more satisfied with *the area they live in* than with their life in general, and the gap between the most and least satisfied countries is smaller. Again, the Swedes are by far the most satisfied, followed by the Irish, the Finns, the Dutch and the Belgians. At the other end of the scale, there are once again Bulgaria, Greece, Hungary and Romania, but also Italy. When assessing their neighbourhood, people's positive or negative perception of changes over the past five years and over the coming year is not as closely related to their current satisfaction level as it is in the case of general life satisfaction. Most Europeans perceive little change in their neighbourhood, and most of those who do perceive or expect change see it as positive.

**Figure 3: The area you live in**

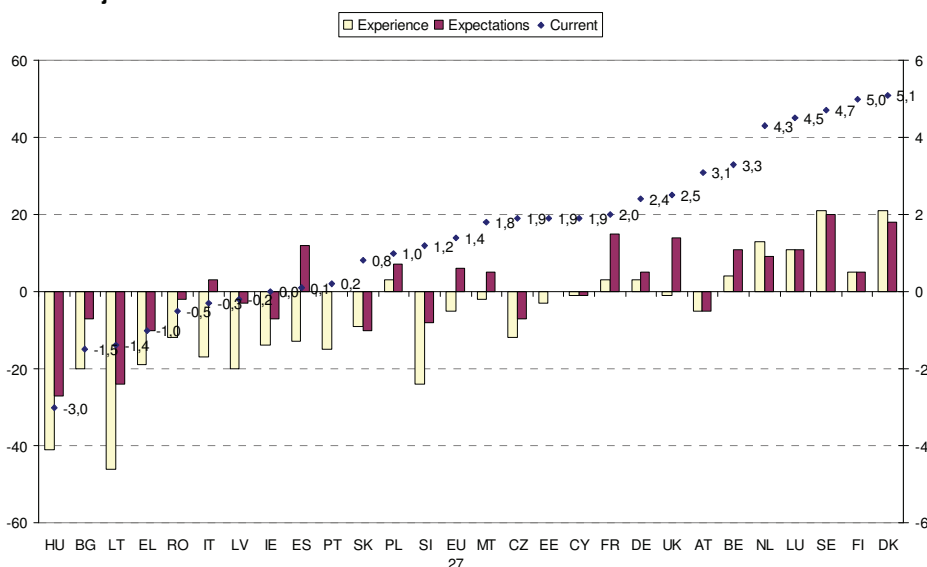


Sources: Special Eurobarometer no 315.

When asked about their personal job situation, the average EU citizen has a satisfaction score of 1.4 — significantly lower than for life in general (3.2) and for the residential area (4.2). The country ranking, however, is very similar in each case with only slight variations in the order of countries at the top and bottom. Danes express the highest level of satisfaction with their job situation, Hungarians the lowest. Hungarians and Lithuanians are the ones who perceive the worst deterioration over the past five years and they are also the least optimistic for the year to come. In Denmark and Sweden, by contrast, more people see their job situation as having improved than having deteriorated over the past five years — and more expect the situation to improve rather than worsen over the next year. Although a majority of the respondents perceive little change, interestingly, for the EU as a whole, there seem to be slightly more optimists than pessimists about prospects for the coming year.

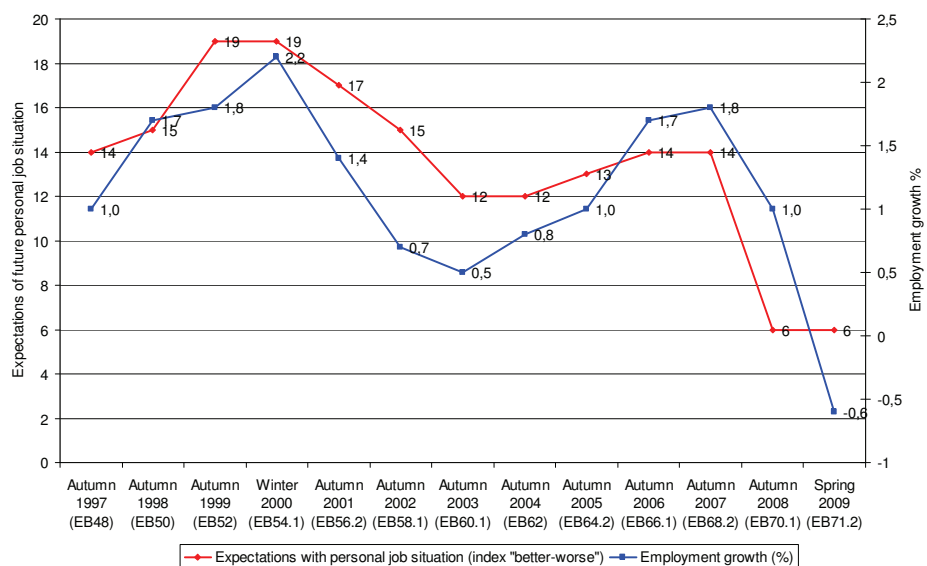
The trend in people's expectations about their job situation closely follows the trend in employment growth. The slowdowns in employment growth and in the economy more generally, which took place at the beginning of this decade and at the start of the current crisis, can thus be traced in the expectations reported in the survey.

**Figure 4: Personal job situation**



Source: Special Eurobarometer no 315.

**Figure 5: Expectation of future personal job situation and annual employment growth**



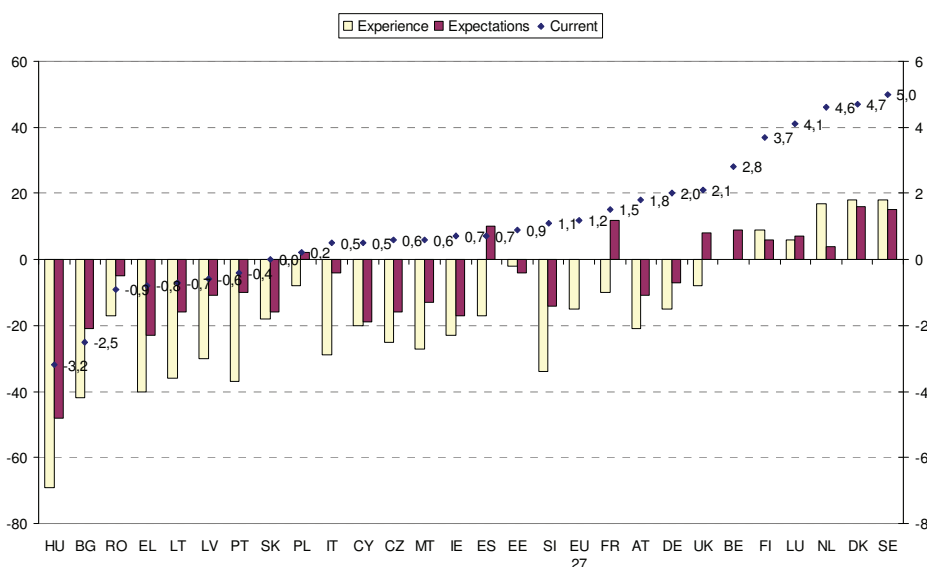
Sources: Eurobarometer surveys 1996–2009 (index calculated as difference between "better" and "worse" - see methodology in the introduction of this section) and Eurostat 1997–2008 and ECFIN forecast for 2009.

A very similar picture emerges when people are asked about the financial situation of their household. Hungarians and Bulgarians are by far the least satisfied, while Swedes, Danes and Dutch are the most satisfied. The satisfaction score for the EU as a whole is slightly below that for the personal employment situation, but it is still positive (1.2).

The perception of past and future trends is strongly correlated with the current situation, and for the EU as a whole; a majority of respondents report that their personal financial situation has deteriorated over the past five years. This majority is larger than in the case of personal job situation, suggesting that the deterioration in personal finances may be primarily caused by other factors, such as rising living costs. In both cases, however, a larger number of respondents report that the situation has stayed and will stay about the same.

Not surprisingly, the perceived financial situation of the household tends to be closely related to the economic climate in the respondent's country and it is thus strongly correlated with GDP, both current and over time. More directly relevant to households is the index of material deprivation<sup>17</sup> which is even more strongly correlated to people's perception of their household's financial situation<sup>18</sup>.

**Figure 6: Financial situation in household**

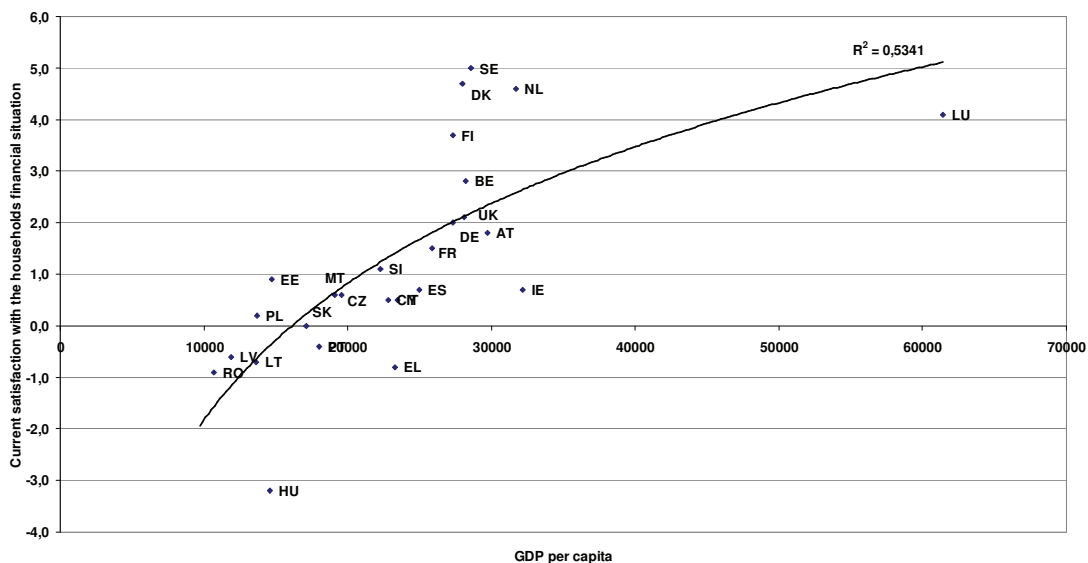


Source: Special Eurobarometer no 315

<sup>17</sup> The material deprivation measure used here is the one adopted by the Indicator subgroup of the Social Protection Committee. It is the share of population facing severe financial constraints defined as the proportion of people lacking at least three items among the nine following: The household could not afford: i) to face unexpected expenses, ii) one week annual holiday away from home, iii) to pay for arrears (mortgage or rent, utility bills or hire purchase instalments), iv) a meal with meat, chicken or fish every second day, v) to keep home adequately warm, or could not afford (even if wanted to): vi) a washing machine, vii) a colour TV, viii) a telephone, ix) a personal car.

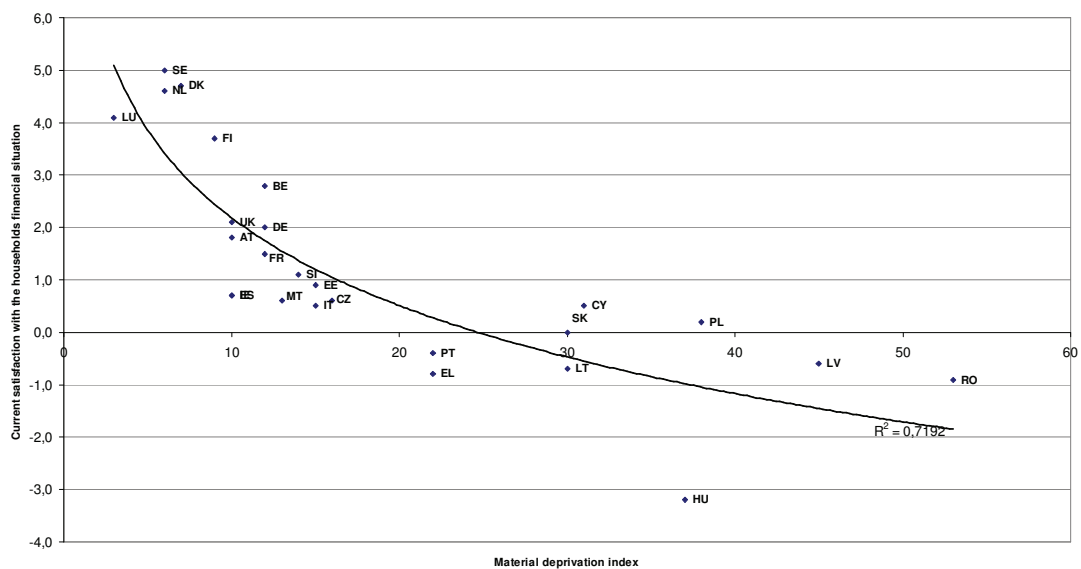
<sup>18</sup> Note that the reference year differs between the two measures. Generally, for the objective measures used in the correlation graphs have been relative stable over time.

Figure 7: Current satisfaction with the household's financial situation and GDP per capita



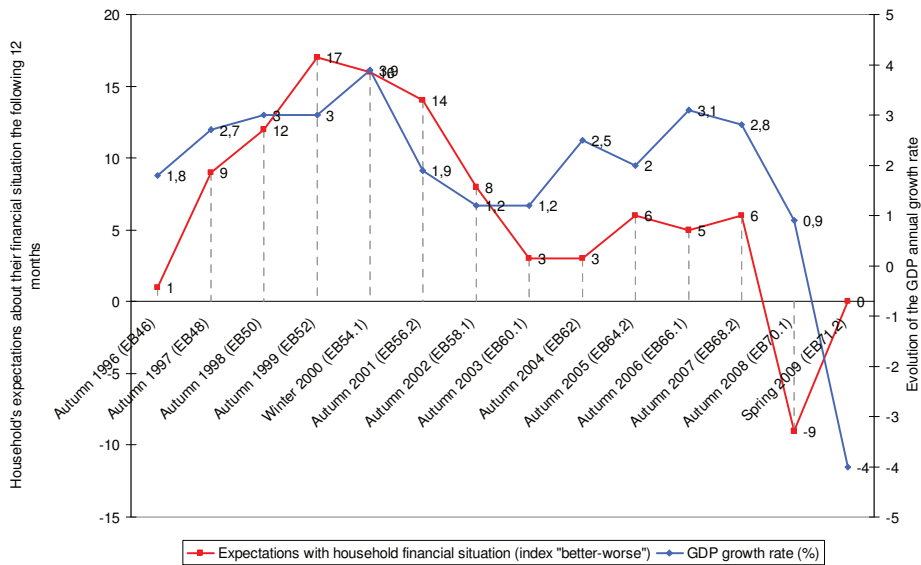
Sources: Special Eurobarometer no 315 and Eurostat (GDP refers to ECFIN forecast for 2009).

Figure 8: Current satisfaction with the household's financial situation and material deprivation



Sources: Special Eurobarometer no 315 (index for current situation - see methodology in the introduction of this section) and EU-SILC 2006 (for a definition of the material deprivation index see footnote 7).

**Figure 9: Households' expectations about their financial situation the following 12 months and GDP growth rate, 1997-2009. EU averages**

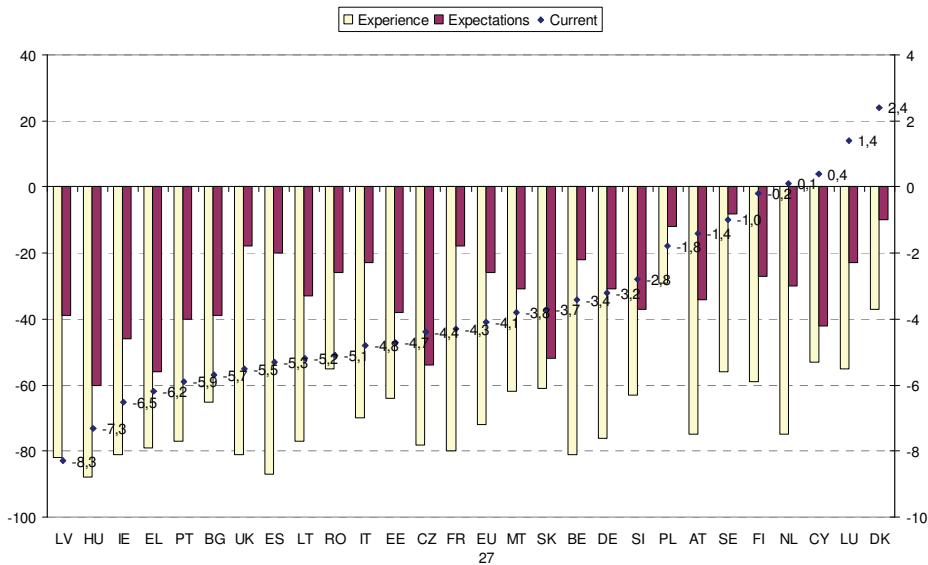


Sources: Eurobarometer surveys 1996–2009 (index calculated as difference between "better" and "worse" - see methodology in the introduction of this section) and Eurostat 1996-2008 and ECFIN forecast for 2009.

1.1.2. General situation in the country

Turning to the perception of the general situation and living conditions, general *satisfaction with the economic situation* is (not surprisingly) very low at -4.1. Denmark has the highest level of satisfaction at 2.4, and Luxembourg, Cyprus and the Netherlands also have positive scores. This contrasts with the lowest score of -8.3 in Latvia, while Hungary, Ireland and Greece also have scores below -6. Everywhere, the situation is perceived to have worsened compared to five years ago, and in no Member States is there a majority of respondents expecting an improvement over the coming year.

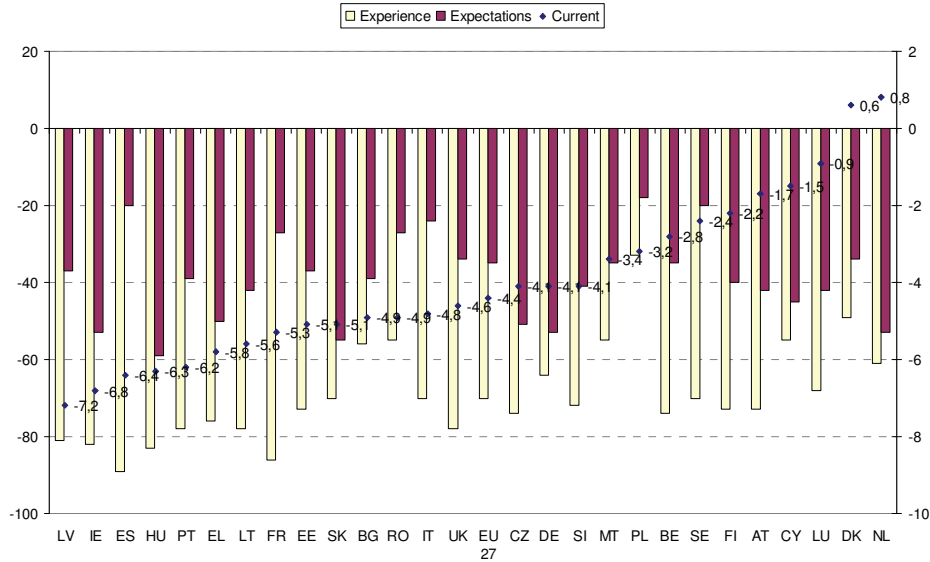
**Figure 10: Economic situation in country**



Source: Special Eurobarometer no 315.

Satisfaction with the employment situation is even lower at -4.4 for the EU as a whole. The Netherlands and Denmark are the only two countries to have a positive score (below 1). The lowest scores are in Latvia, Ireland, Spain, Hungary and Portugal, all below -6. There is an overwhelming sense that the situation is worse than five years ago, and for the EU as a whole a clear majority are either pessimistic about the near future or expect no changes for the following year.

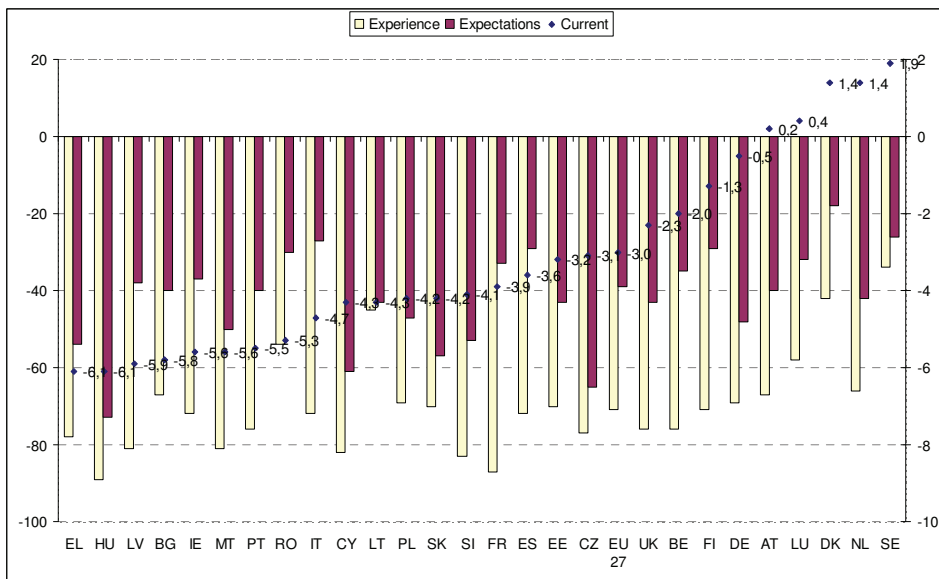
Figure 11: Employment situation in country



Source: Special Eurobarometer no 315.

There is a strong feeling of dissatisfaction with the *cost of living* across the EU, with respondents giving on average a satisfaction score of -3.0. The scores are lowest in Greece, Hungary, Latvia, Bulgaria, Ireland, Malta and Portugal, all with scores of -5.5 and below. Sweden, the Netherlands and Denmark display the highest scores with positive values between 1.4 and 1.9. However, in all countries, most people clearly consider that living costs have increased over the past five years and that there will be no improvement over the coming year.

Figure 12: Cost of living

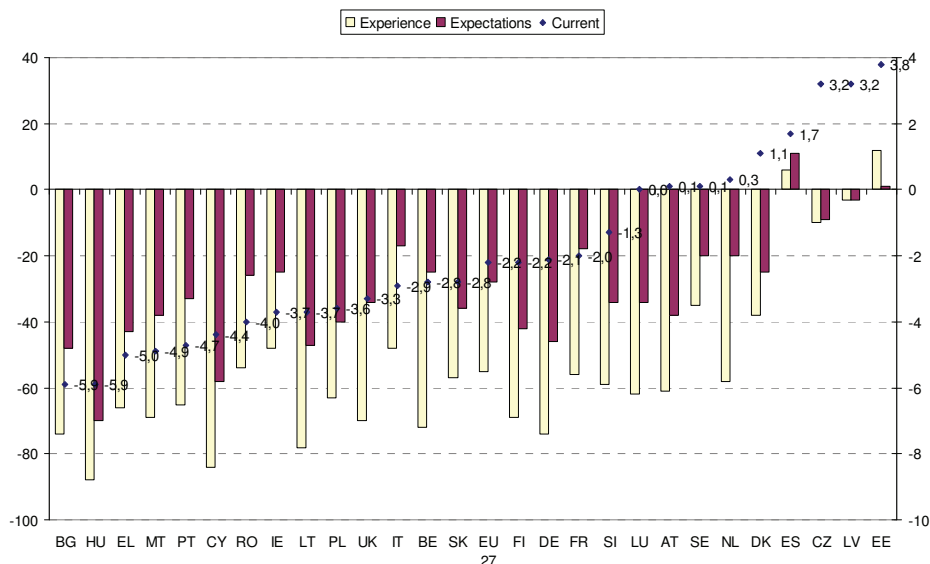


Source: Special Eurobarometer no 315.



Expenditures on energy are a major determinant of living costs. Europeans express dissatisfaction with the *affordability of energy* (the score is -2.2); they feel that the situation has deteriorated over the past five years and a majority expect the situation to become worse or stay the same over the coming year. While the same countries as before can be found at the bottom of the satisfaction scale, there are some surprises at the top: Estonians, Latvians, Czechs, Spaniards and Danes have the highest satisfaction scores (between 1.1 for Denmark and 3.8 for Estonia).

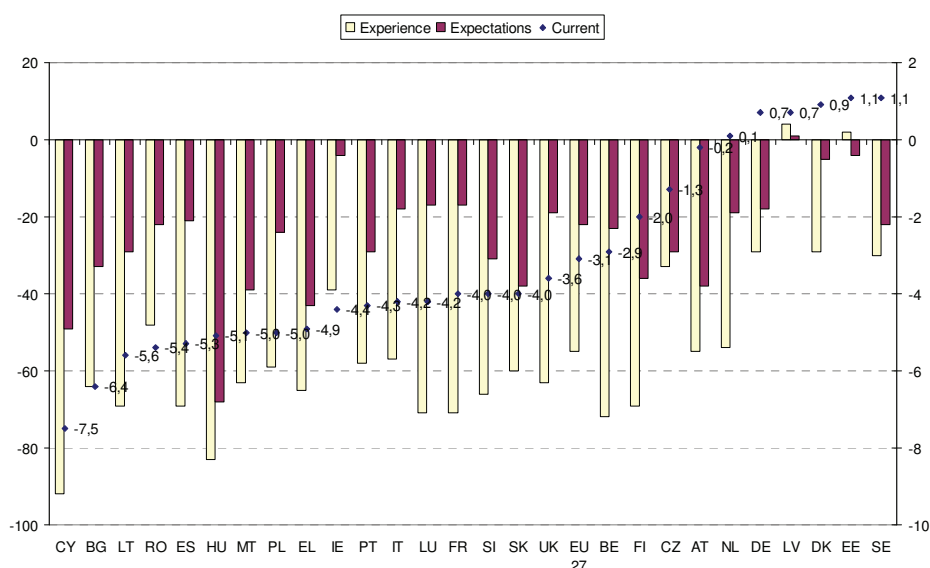
**Figure 13: Affordable energy**



Source: Special Eurobarometer no 315.

The *affordability of housing* also causes dissatisfaction among most Europeans: the score for the EU is -3.1. Cypriots are the by far the most dissatisfied with a score of -7.5. Bulgaria, Latvia, Romania, Spain, Hungary, Poland and Malta also have low scores, all below -5.0. At the other end of the scale are Sweden and Estonia with positive scores of 1.1, followed by Denmark, Lithuania and Germany (above 0.7). There is a strong feeling that the situation has deteriorated over the past five years in almost every country, and a most people think that the situation will not improve over the next twelve months.

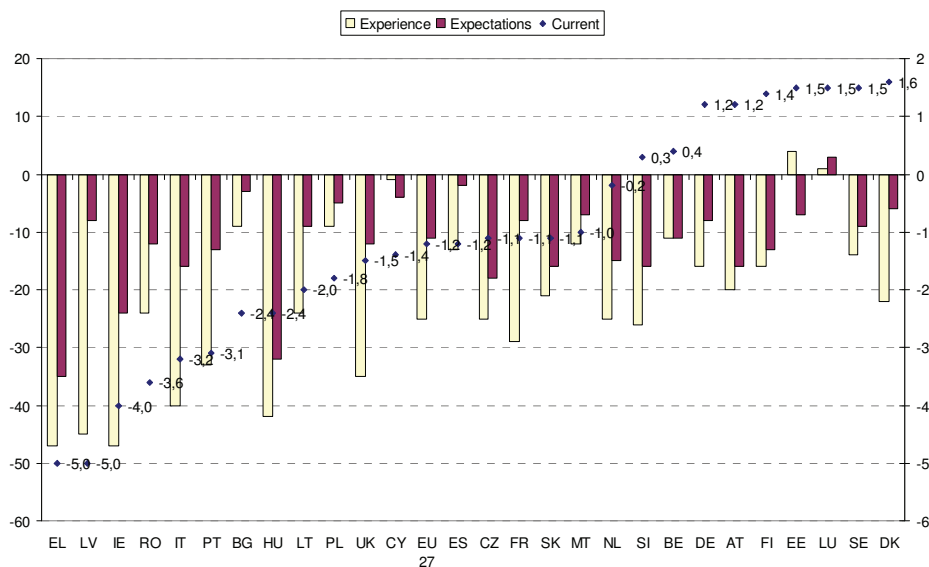
**Figure 14: Affordable housing**



Source: Special Eurobarometer no 315.

One survey issue not directly affected by the recession is the way public administration is run. More Europeans are dissatisfied than satisfied with this, and the most dissatisfied are the Greeks, Latvians and Irish. The highest satisfaction scores are in Denmark, Sweden, Luxembourg, Estonia, Finland, Austria and Germany (all above 1). However, even in most of the countries at the top of the ranking, a large proportion of the people think the situation has got worse over the past five years, and the pessimists outnumber the optimists in all countries except Luxembourg.

**Figure 15: The way public administration runs**

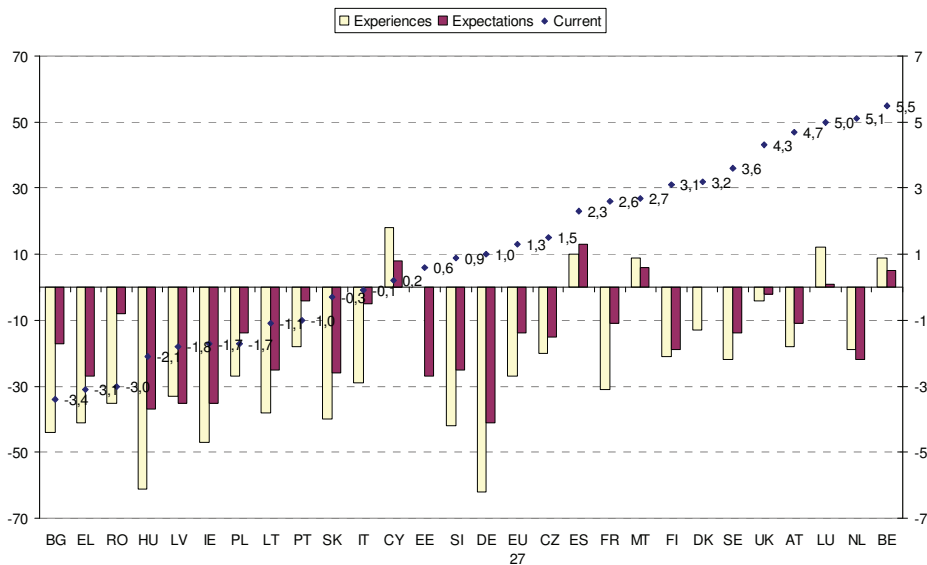


Source: Special Eurobarometer no 315.

### 1.1.3. Social protection and social inclusion

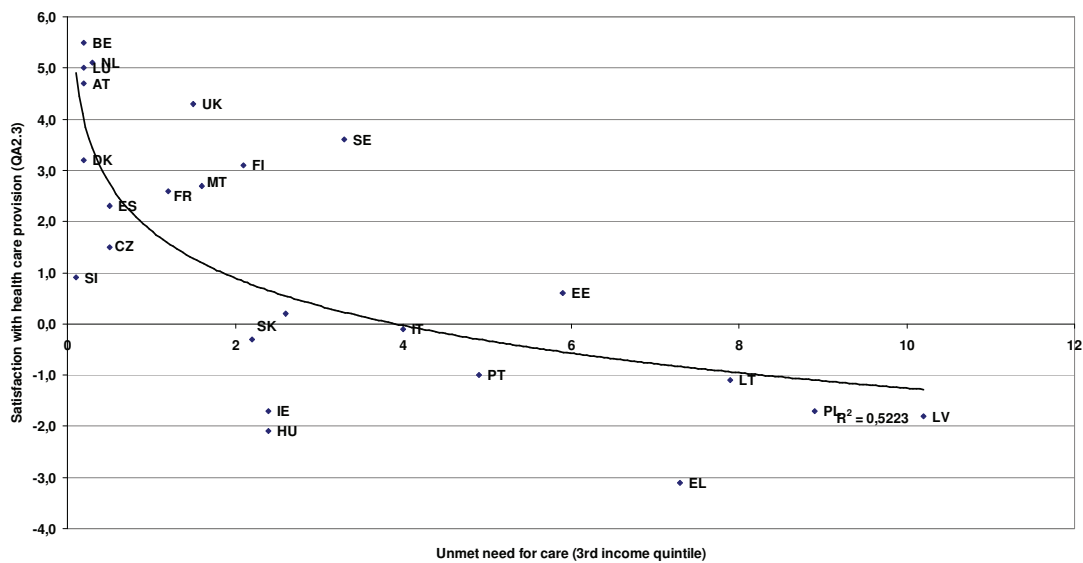
The social climate survey also yields interesting results about how people see some key social policy issues. With a satisfaction score of 1.3, *health care provision* is regarded as satisfactory by a majority of Europeans. Most satisfied are respondents in Belgium (5.5), followed by those in the Netherlands, Luxembourg, Austria and the United Kingdom, all scoring above 4. The lowest levels of satisfaction are in Bulgaria, Greece and Romania where scores are all below -3. In most countries, more people tend to see past and likely future changes as being for the worse rather than the better, but there are some exceptions — notably Cyprus, Spain, Malta and Belgium. The people least satisfied are those who report health care needs that are not being met.

Figure 16: Health care provision



Source: Special Eurobarometer no 315.

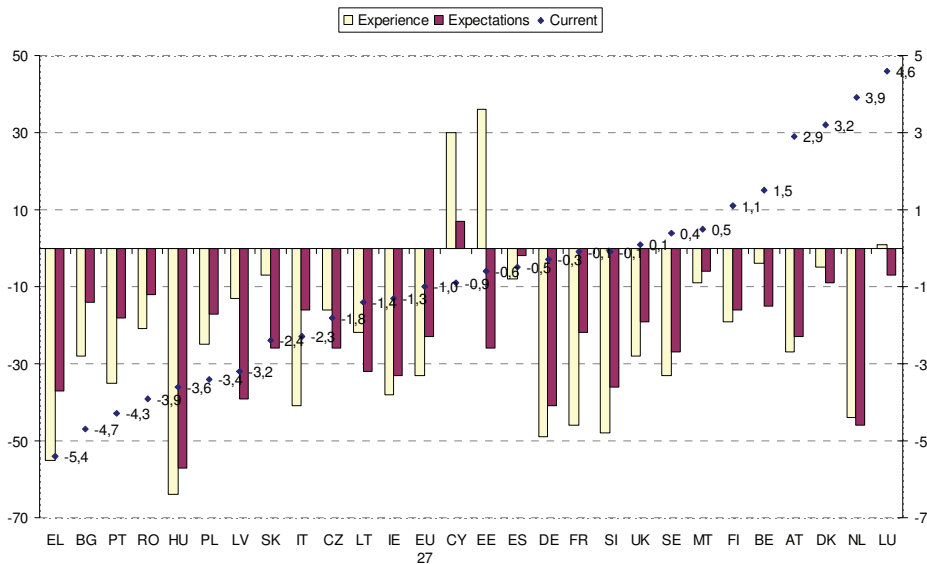
Figure 17: Satisfaction with health care provision (QA 2.3) and unmet need for care (in 3<sup>rd</sup> income quintile)



Sources: Special Eurobarometer no 315 and EU-SILC 2006. Total self-reported unmet need for medical care for the following three reasons: financial barriers + waiting times + too far to travel.

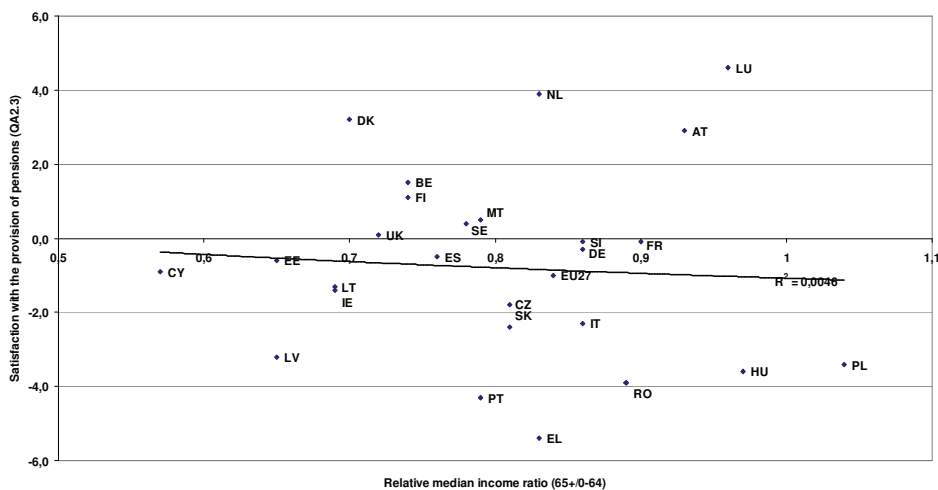
*Pension provision* is perceived much more negatively with an EU-wide satisfaction score of -1.0. The countries with the highest levels of satisfaction are Luxembourg, the Netherlands, Denmark and Austria with scores ranging from 4.6 to 2.9. The least satisfied are the Greeks, Bulgarians and Portuguese, all with scores below -4. In almost all countries, a negative view of past and future changes prevails, with two notable exceptions: Cypriots tend to see an improvement over the past five years, and a larger proportion of them expect further improvements; Estonians also acknowledge progress over the past five years, but they are pessimistic about the coming twelve months. People's current satisfaction with pension provision seems to be poorly correlated to the relative income of pensioners.

**Figure 18: Provision of pensions**



Source: Special Eurobarometer no 315.

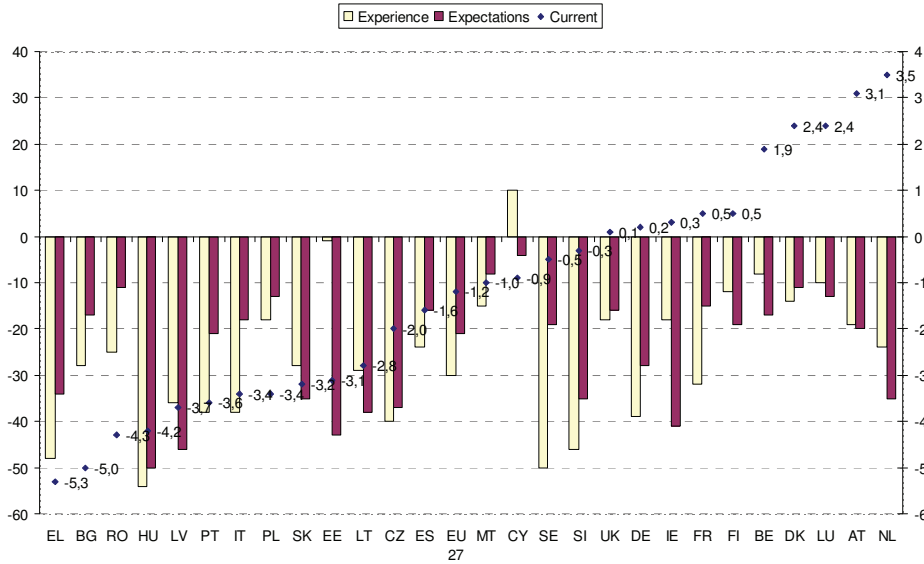
**Figure 19: Satisfaction with the provision of pensions (QA2.3) and Relative median income ratio (65+/0-64)**



Sources: Special Eurobarometer no 315 (index for current situation - see methodology in the introduction of this section) and EU-SILC 2006.

With a score of -1.2, the level of dissatisfaction with *unemployment benefits* is similar to that for pensions. The countries with the lowest scores are Greece, Bulgaria, Romania and Hungary, all scoring below -4. The highest score is in the Netherlands at 3.5, followed by Austria, Luxembourg, Denmark and Belgium (1.9). In all Member States, a majority of respondents expect the situation to worsen or stay the same over the next twelve months, and there is only one country, Cyprus, where a larger proportion perceive an improvement rather than a deterioration over the past five years.

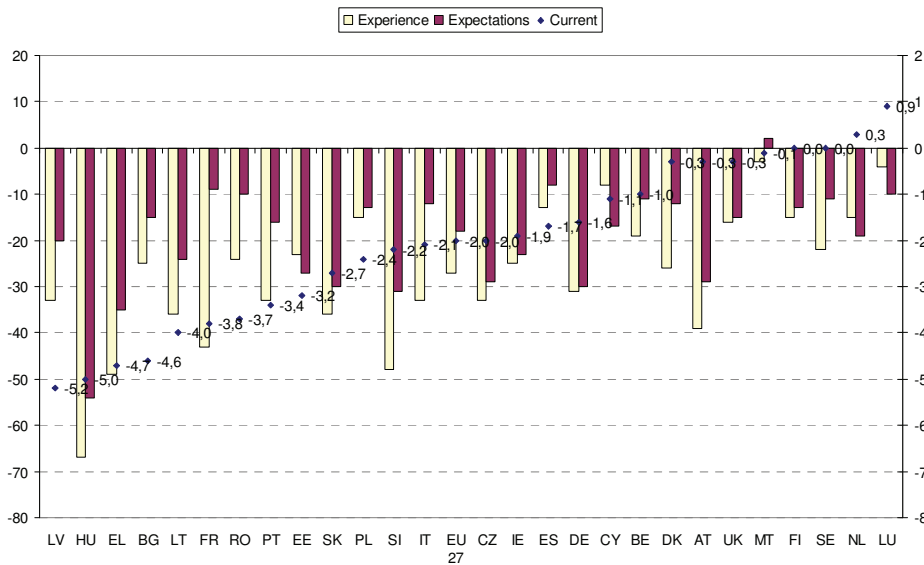
**Figure 20: Unemployment benefits**



Source: Special Eurobarometer no 315.

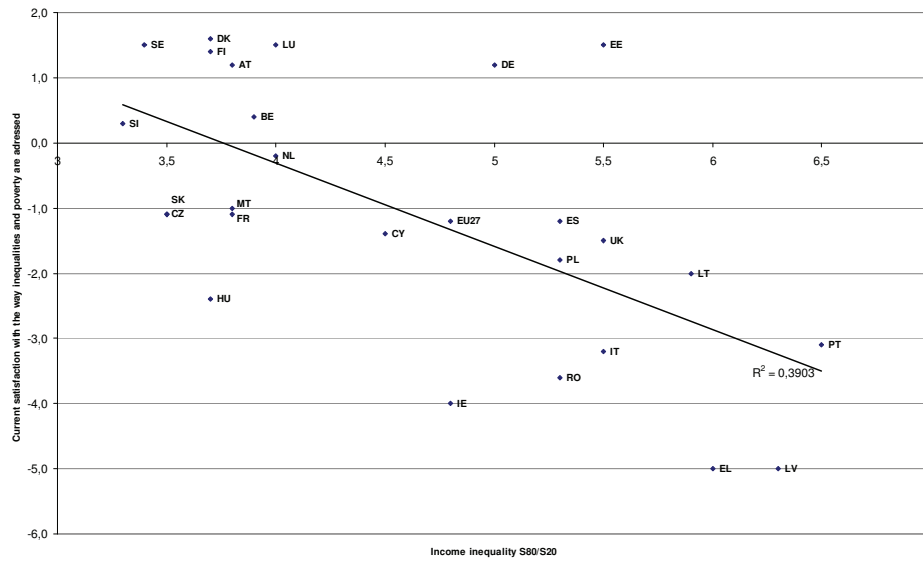
There is strong feeling of dissatisfaction with *the way inequalities and poverty are addressed*. The score for the EU as a whole is -2, and there are only four countries scoring 0 or above. Luxembourg comes top (0.9), followed by the Netherlands, Sweden and Finland. Dissatisfaction is greatest in Latvia, Hungary, Greece, Bulgaria and Lithuania, all scoring -4 or below. France, at -3.8, also displays a strong feeling of discontent in this regard. With the exception of Malta, the prevailing sentiment is that the situation has not improved but rather deteriorated over the past five years and will continue to do in the near future. There is a correlation between a country's income inequality and the way that country addresses inequality and poverty.

**Figure 21: The way inequality is addressed**



Source: Special Eurobarometer no 315.

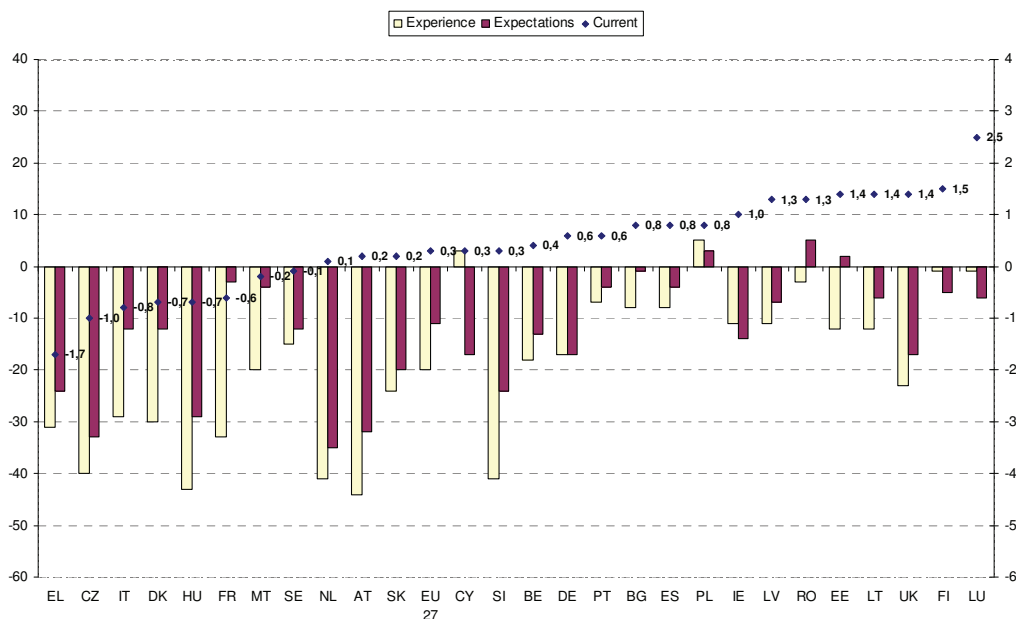
**Figure 22: Current satisfaction with the way inequalities and poverty are addressed in the country (June 2009) and income inequality S80/S20 (2007)**



Sources: Special Eurobarometer no 315 (index for current situation - see methodology in the introduction of this section) and Eurostat – EU-SILC 2006 for the S80/S20.

Relations between people from different cultural backgrounds or of different nationalities are seen in a much more positive light than inequalities and poverty. The satisfaction score for the EU as a whole is positive, although only 0.3. It is highest by far in Luxembourg (2.5), followed by Finland, the United Kingdom, Lithuania, Estonia, Romania and Latvia, all between 1.3 and 1.5. The countries with the lowest scores are Greece, the Czech Republic, Italy, Denmark, Hungary and France, scoring between -1.7 and -0.6. People in the countries with low scores also perceive a deterioration, both in the past and near future, but strong pessimism about the quality of community relations is also evident in the Netherlands, Austria and Slovenia.

**Figure 23: Relation between groups**



Source: Special Eurobarometer no 315.



The overall picture that emerges from this first European social climate survey is a contrast between relatively high levels of satisfaction and confidence regarding people's personal situation and a very negative perception of the general economic situation and living conditions and of key social policy issues. While apprehension about the general economic situation and living conditions is perfectly understandable under current circumstances, policymakers should be concerned about people's dissatisfaction with key social policy issues and their strongly negative view of the way things are going in these areas. Indeed, these views seem to be deep-seated and might call for a review of policies to ensure that they are better designed and better explained.

Another important observation is that, in general, it is in some of the most prosperous Member States that people have the highest levels of satisfaction and are most likely to perceive a positive trend. This may be because the recession hits some of the poorer Member States harder. However, over the long run, it would be reasonable to expect that the poorer Member States would display a positive trend given that they are in the process of catching up with the richer countries, raising hopes for better social conditions and policies. However, this is clearly not the current perception in most of the poorer countries. Many of them are at the bottom of the satisfaction ranking and at the same time among the least optimistic about the changes that have occurred or will occur across the wide range of areas covered by the survey. If these perceptions are not just the reflection of a temporary mood caused by the recession, they could point to an increasing and worrying divergence: countries with good social conditions making further progress and countries with the poorest social conditions falling even further behind.

## 1.2. Effects of the current recession on social exclusion

***Reductions in employment rates during the 1990-94 economic downturn affected men and young people in particular, as well as accelerating the trend towards early retirement. Social benefit expenditures rose fast, in particular spending on unemployment benefits, and, in general, this level of spending generally fell more quickly than the numbers of unemployed. In 2006 many people, particularly young people, who experienced unemployment did not receive any social benefits. Long unemployment spells were associated with a high risk of poverty, even in countries where the unemployed did receive benefits. Unlike the situation in the early 1990s, there is currently no widespread shift towards early retirement in response to the recession. However unemployment levels are again rising most quickly for men and young people.***

In recent times, all European countries have been hit to varying degrees by the global recession. The same is true of social groups within those countries. However, given the inevitable lag in statistics becoming available, it is not yet clear how badly different groups have been affected or how well they are being protected by the social welfare system in different countries. It is therefore difficult to know how far these systems are doing their job of maintaining the income of the most vulnerable in society at an acceptable level and of preventing them from suffering excessive deprivation.

However, some lessons can be learned from the experience of past recessions, particularly the early-1990s downturn, in terms of which social groups were hardest hit, what happened to social expenditure and how the level and composition of social spending subsequently changed.

This chapter analyses the changes that have taken place in social expenditure in most countries over the past 15–20 years and indicates the widely varying degrees to which those becoming unemployed are likely to receive income support across the EU. In addition, this chapter uses the latest data to compare the current recession with previous downturns and see which groups are most affected.

Its first aim is to review what happened in the EU15 countries in the early 1990s, when GDP either fell or failed to grow more than marginally and unemployment increased, so as to identify the effect on different social groups, the social support provided and the lessons which might be drawn from the experience<sup>19</sup>.

This chapter also reviews what happened during the more recent economic downturn in the early part of the present decade. This was less widespread and, in general, less severe than the early 1990s recession, especially in terms of employment. Nevertheless, a number of EU15 Member States, including Germany and Portugal, were significantly affected and their experience during this period is certainly relevant.

The second broad aim is to examine what happened during the initial stages of the present recession, insofar as the data allow, to see how far these developments are in line with – or differ from – the downturn in the early 1990s in terms of their differential effects on social groups.

The present recession is somewhat different from earlier post-war downturns in that it stems from problems in the financial market and the collapse of a number of financial institutions. There is, accordingly, a widespread view that its social consequences are also likely to differ. Specifically, the view is that this recession is affecting include more higher and middle-income earners than previously, as a result of the closure or downsizing of banks and similar companies. In practice, however, relatively few people tend to be employed in the financial sector in EU Member States despite its economic importance. Consequently, although many of these people may have lost their jobs, they account for only a small part of the increase in unemployment which has occurred since the recession began. Moreover, while the precise origins of the present recession may differ from earlier downturns, these, too, usually involved financial problems, even if as an effect rather than a cause. The difference in social effects should therefore not be exaggerated.

Nevertheless, it is instructive to examine the evidence available to date — specifically up to the first quarter of 2009 — in order to assess whether and to what extent those effects differ from those of the earlier downturn. The present recession began in countries such as Ireland, Spain, the UK and the Baltic States which were particularly hard hit by the financial crisis and its impact on the housing market and the construction sector. Nevertheless, by the end of the first quarter of 2009 the recession was evident, to varying degrees, in all Member States.

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<sup>19</sup> There was also a major recession in the early 1990s in most of the countries which joined the EU in 2004 and 2007, though this was as due to the collapse of trade with the former Comecon countries as to the global economic downturn. As it occurred early in these countries' transition to becoming market economies, their experience at that time is likely to be very different from that of the present recession.

Finally, it is important to note that a more comprehensive assessment of the social impact of the crisis needs to take into account, as data become available, of the crisis' effect on additional dimensions such as poverty, income distribution, gender equality, social participation and individual health. In relation to health in particular, concerns have been raised about the negative direct and indirect impacts of the crisis on population health<sup>20</sup>.

#### *Outline of analysis*

We shall begin with the early 1990s economic downturn. This occurred at slightly different times in the EU15 countries: earlier in Finland, Sweden and the UK; later in other Member States — particularly Germany, where activity was boosted by integration of the Eastern Länder at the end of 1990. We shall examine the effect of this downturn on the employment and unemployment of men and women in different age groups and in different types of job between 1990 and 1994. We shall also look at what happened to these same groups during the period 2001–2004 in those countries which were affected by economic downturn and in which unemployment rose.

Secondly, we shall consider how the social protection system in the different countries responded to the increased numbers of people needing support during those two periods. Thirdly, we will look at how labour market policies across the EU reacted to the rising level of unemployment and the extent to which active measures were expanded to increase the employability of people out of work in order to give them a better chance of finding a job once the economy picked up.

The analysis then shifts to what has happened during the initial phases of the present recession in terms of its effect on the employment and unemployment of different groups, and on different sectors of the economy. The aim is not only to review the differential effects of the present recession but also to compare them with those of the earlier downturns. We shall thus see whether lessons can be learnt from past experiences and whether these can help us predict how the present recession is likely to develop and thus provide better protection for the people most at risk.

Unfortunately, there is a lack of up-to-date information on how social protection systems and labour market policies have been working in recent years. However, using data from national sources, we shall examine the extent to which short-time working has been used during the early months of 2009 to keep people in employment, albeit on reduced hours, and to avoid greater job losses.

In addition, we shall analyse data from the EU-SILC to investigate the extent to which people who lose their jobs are likely to receive income support from social transfers. While the data in question come from the 2007 survey and relate to the situation in 2006, they give an indication of the coverage in different countries and of the scale of support provided.

#### *1.2.1. Employment and unemployment during earlier downturns*

##### *The early 90s*

During the period 1990–93, GDP growth slowed in nearly all EU15 countries to an annual average well under 1 %, in contrast to the 3 % a year or so experienced over the preceding five years. In most countries, GDP fell during at least one of these years and in Finland and Sweden there was a significant decline in three years. As a result, employment fell relative to the working-age population and unemployment went up.

In the EU15 as a whole, the proportion of people of working age (here defined conventionally as those aged 15–64) in employment declined from just over 62 % in 1990 to 59.5 % in 1994. This meant a net loss of over 4 million jobs, or a reduction of almost 6.4 million in relation to what was necessary to keep the employment rate unchanged<sup>21</sup>. At the same time, unemployment increased from 5.7 % of the population in this age group to 7.7 %, while there was a rise of almost one percentage point in those who were economically inactive. In other words, the job losses led not only to higher unemployment (the rate as conventionally measured in relation to the labour force rising to over 11 %) but also to a significant number of people of working age leaving the labour force, in the sense of neither being in work nor actively looking for a job.

The decline in employment was on a similar scale in most Member States, though there were large differences in the extent to which it was associated with a rise in unemployment as opposed to withdrawals from the labour force. For example, over this period, employment relative to the working-age population – the employment rate – fell by just over three percentage points over the period in both Spain and the UK (slightly more in the UK than in

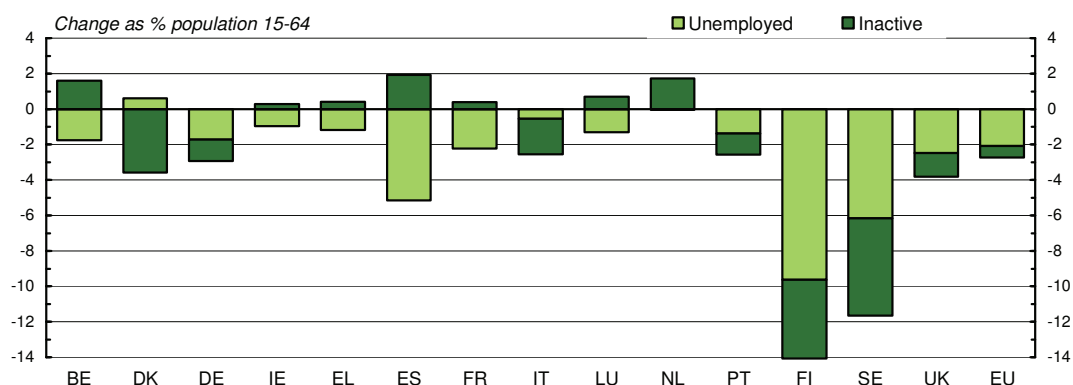
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<sup>20</sup> See for example: WHO (2009) Health amid a financial crisis: complex diagnosis. Bulletin of the World Health Organisation, 87, 180. Marmot, M and Bell, R. (2009) How will the financial crisis affect health? BMJ, 338, b1314.

<sup>21</sup> The working-age population increased over this period, so that an additional 2.4 million jobs were required to prevent the employment rate from declining.

Spain). In the UK, however, unemployment among people aged 15-64 rose by just under 2% and by 1.5% among those who were inactive. In Spain, by contrast, there was a rise of just over 5% in unemployment, measured in the same terms, and the proportion of inactive people fell by 2% (Figure 24, note that the figures have been adjusted for the effect of German unification).

**Figure 24: Change in employment and counterpart changes in unemployment and inactivity of people aged 15-64 in EU15, 1990-94**



Note: BE, LU, NL: 1991-94; IE, UK: 1990-93. Increases in unemployment and inactivity shown as negative changes. Reduction in employment rate equals the negative section of the bar minus any positive section

Source: EU Labour Force Survey. Note: the figures have been adjusted for the effect of German unification.

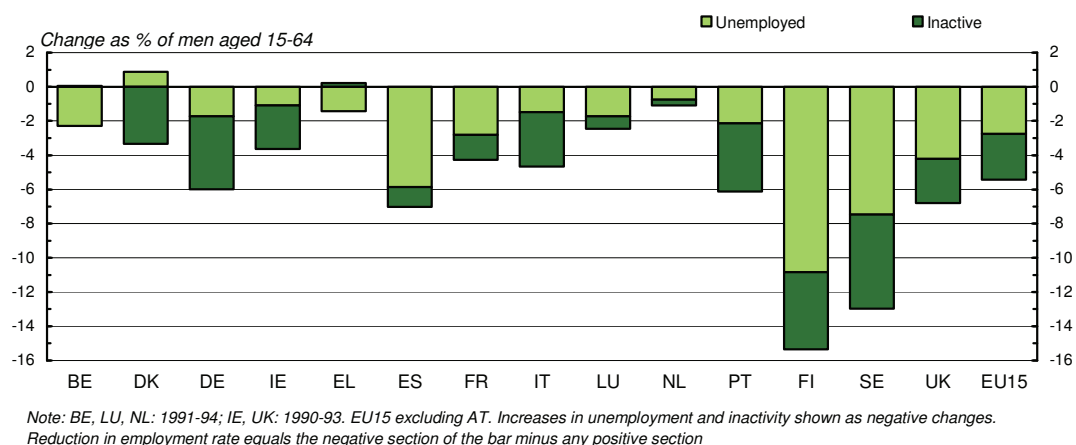
This has potential implications for the income support received by the people concerned, since entitlement to unemployment benefit tends to be dependent on actively looking for a job. However, people withdrawing from the labour force may also be eligible for other benefits of different kinds, in particular early retirement pensions or disability benefits (a point picked up below when examining the changing amounts paid out in social transfers).

In practice, most countries were more similar to the UK in this respect than Spain, with the loss of jobs being reflected partly in a rise in unemployment and partly in a rise in inactivity. Inactivity is associated in turn with more people in older age groups taking early retirement and more younger people remaining in education longer before trying to find a job, as described in greater detail below. It may also be associated with more people participating in active labour market programmes, since when they are doing so they are no longer actively looking for a job or available for work and, accordingly, are recorded as being inactive.

The loss of jobs was especially large in Finland and Sweden, where GDP fell by much more than elsewhere, notably as a result of the collapse in trade with the former Soviet Union. The employment rate, therefore, declined by some 14 percentage points in Finland and almost 12 percentage points in Sweden, and in both countries the rate of inactivity rose significantly and unemployment increased.

Not all workers were equally affected by job losses in the different countries. Men were hit much harder than women, reflecting the differential effect of the downturn on different sectors of activity. Manufacturing was much more affected than services, and hardest hit were the engineering and construction industries – which employ many more men than women (Figure 25).

**Figure 25: Change in employment and counterpart changes in unemployment and inactivity of men aged 15-64 in EU15, 1990-94**



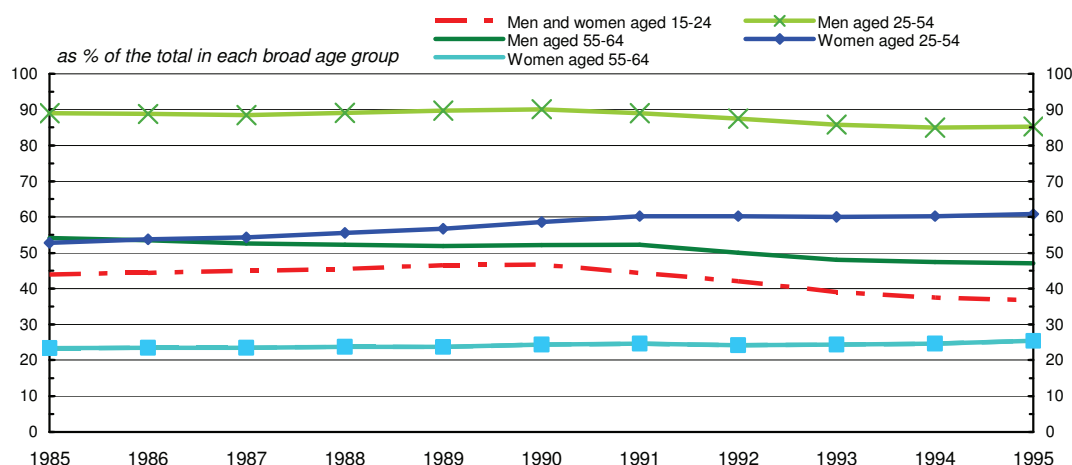
Source: EU Labour Force Survey.

Employment of younger people also fell by more than those in older age groups, since fewer new jobs were being created and, consequently, young people leaving the education and initial vocational training system had great difficulty in finding their first job.

The reduction in employment, therefore, was very much concentrated on men, the proportion of those aged 15–64 in work falling from around 75.5 % in 1990 to 70 % in 1994 in the EU15 as a whole. By contrast, the proportion of women in this age group in employment continued to increase in 1991 and though it fell subsequently it was only around 1 percentage point lower by 1994 (Figure 26).

Moreover, while unemployment among women rose over the period (from just under 6 % of the age group to just over 7 %), this was as much a consequence of a decline in economic inactivity — i.e. of more women joining the work force and actively looking for work — as of a fall in employment. Among men, unemployment increased by much more (from around 5.5 % of the age group in 1990 to a peak of just over 8 % in 1994) and at the same time inactivity rose in a comparative way (from just over 19 % in 1990 to 22 % in 1994 and further to around 22.5 % in 1995).

**Figure 26: Employment rates, 1985-1995**



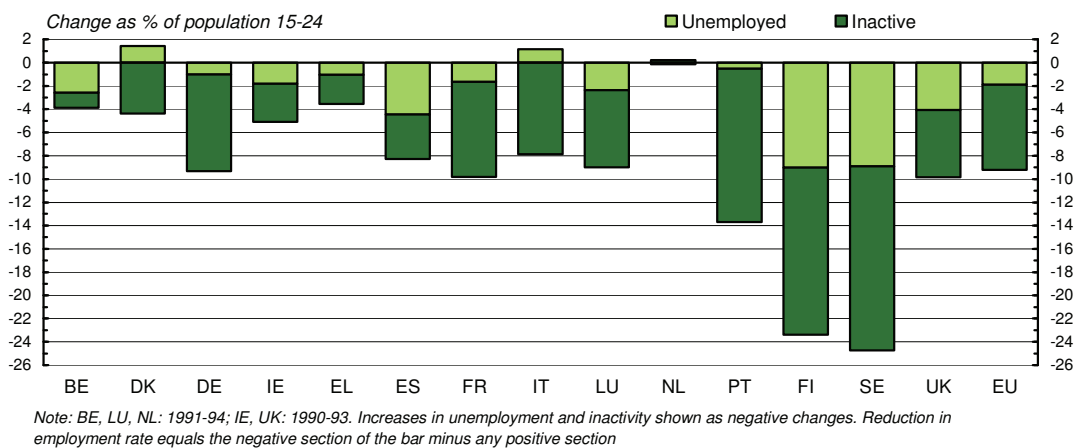
Source: EU Labour Force Survey.

The pronounced effect of the downturn on men is common to nearly all countries. Across the EU, the employment rate of men fell between 1990 and 1994, while in most countries, the employment rate of women rose, even if only slightly. In some countries it fell but by less than the employment rate for men. The only exception is Denmark, where the rate for women, which was already relatively high at the beginning of the period, fell more than the rate for men. In Finland and Sweden too, there was a large fall in the employment of both women and men, though in both cases the fall was slightly smaller for women than for men.

In nearly all countries also, the reduction in employment of men was accompanied by a rise in inactivity as well as in unemployment, whereas inactivity among women fell in most countries rather than increasing.

The reduction in employment over the period, moreover, was disproportionately concentrated on those aged under 25, both women and men: the number in work relative to the population in this age group in the EU15 fell from around 46.5 % in 1990 to 37.5 % in 1994 and further to 36 % in 1996 (Figure 27).

**Figure 27: Change in employment and counterpart changes in unemployment and inactivity of people aged 15-24 in the EU15, 1990-94**



Source: EU Labour Force Survey.

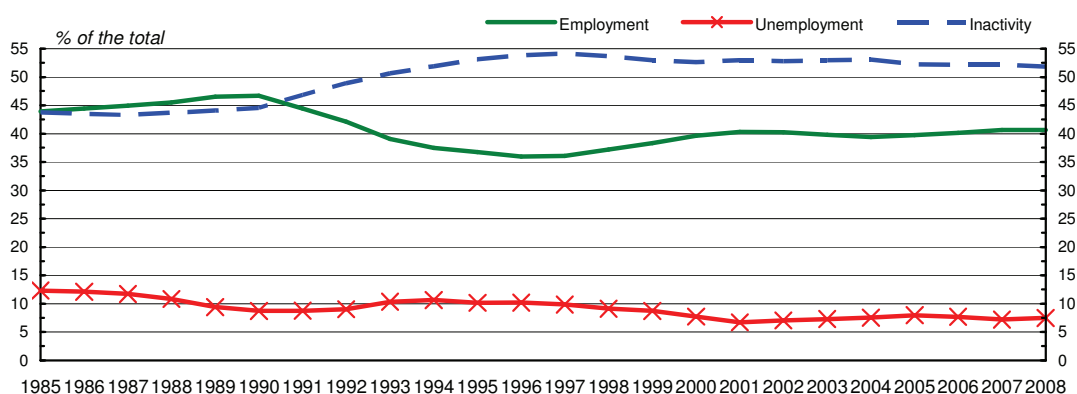
This might be partly a consequence of more young people wishing to remain longer in education or initial vocational training in order to acquire the qualifications needed to obtain better jobs. However, the main reason is almost certainly that there were few jobs available. In the five years leading up to the downturn the employment rate of those aged 15–24 increased rather than fell.

During the downturn, the employment rate of young people under 25 declined in all Member States apart from the Netherlands, where it remained broadly unchanged. In nearly all cases it fell by much more than the decline in total employment. In Finland and Sweden, the decline amounted to almost 25 % of the population aged 15–24, — roughly twice the reduction in the overall employment rate.

Both women and men in this age group were affected by the decline in employment: nevertheless, proportion of women in work fell slightly less (by around 8 percentage points in the EU15) than the proportion of men (10 percentage points). In both cases, the fall in employment was associated much more with a rise in inactivity than with an increase in unemployment. This is partly because more young people remained longer in education: but is also partly because there is little incentive to actively look for a job when there are few jobs available and when in many countries people under 25 are not entitled to unemployment benefit. The proportion of those aged 15–24 in the EU15 who were inactive therefore rose from around 44.5 % in 1990 to 52 % in 1994, with a similar rise for women as for men, whereas the proportion who were unemployed increased by just two percentage points (Figure 28). Again, this pattern was repeated across most Member States.

While overall employment began to increase across the EU15 after 1994, if only very slowly, the employment rate of young people continued to decline up to 1996 and rose hardly at all in 1997, it was still 1.5 percentage points below the 1994 level. This reflects the delayed pick-up in new job creation which is a feature of the uncertainty about future prospects created by economic downturns.

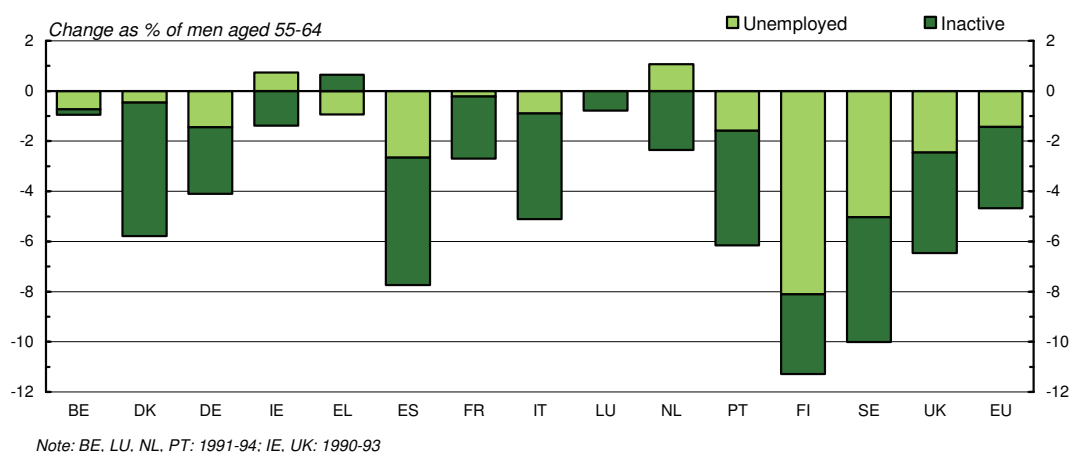
**Figure 28: Employment, unemployment and inactivity of those aged 15-24 in the EU15, 1985-1995**



Source: EU Labour Force Survey.

Although those in work aged 25 and over also experienced job losses, these were very much smaller than for those in the younger age group — both among those aged 55 and over and those aged 25–54. Moreover, in both age groups, it is men who were chiefly affected. Across the EU15 as a whole, employment continued to increase among women, even if at a much slower rate than over the preceding 5 years. By contrast, for men, the proportion of those aged 25–54 in work declined by over five percentage points. In the case of those aged 55–64, it fell by just under five percentage points (Figure 29).

**Figure 29: Change in employment and counterpart changes in unemployment and inactivity of men aged 55-64 in the EU15, 1990-94**



Note: BE, LU, NL, PT: 1991-94; IE, UK: 1990-93

Source: EU Labour Force Survey.

Job losses, therefore, seem to have affected men aged 25–54 to much the same extent as those aged 55–64 over this period. Not surprisingly perhaps, most of the fall in employment among men in this age group was accompanied by an increase in inactivity, with a withdrawal into early retirement, rather than by a rise in unemployment. Accordingly, the decline in the employment rate of older men continued the trend towards early retirement that had begun after the mid-1970s recession, which was prompted by the oil crisis. In the five years leading up to the early 1990s downturn, the employment rate of men aged 55–64 declined across the EU15 by two percentage points. Between 1990 and 1994, it fell by 10–11 percentage points in Finland and Sweden by almost ten percentage points in Luxembourg, by nearly eight points in Spain and by around six points in Denmark



and the UK. Moreover, the employment rate of men aged 55–64 showed little sign of any increase across the EU throughout the rest of the 1990s and remained below 50 % until 2002.

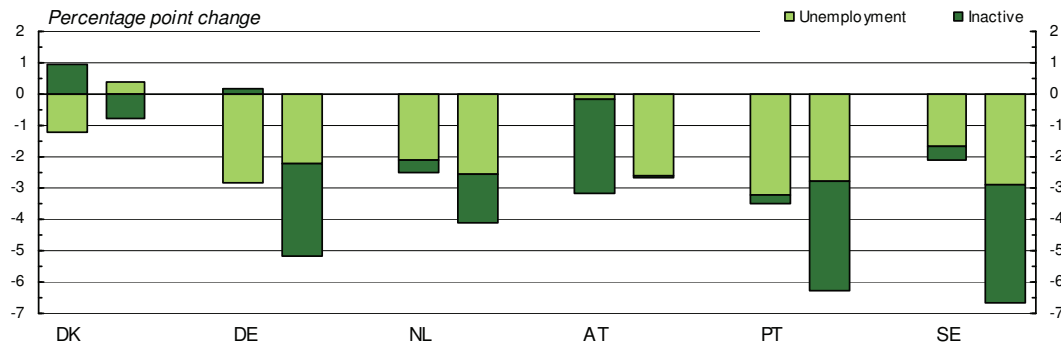
*The early 2000s*

The economic downturn in the early years of the present decade was less widespread and generally less severe than the one a decade earlier. There were, however, exceptions. In Germany, Italy, the Netherlands and Portugal, GDP remained much the same in real terms over the years 2001–2003, while in Denmark it grew but only slightly. Even in these worst-hit countries, however, the effect on employment was less marked than it had been in the early 1990s, perhaps because of an expectation that the downturn would not last for very long and employers were, therefore, more prepared to maintain their work force.

In the worst-affected countries — apart from Italy where employment continued to grow — the employment rate declined by between 1 and 1.5 percentage points over a 2–3 year period (mostly from 2001 to 2004, but from 2000 to 2003 in Denmark). Although the slow-down in GDP growth was smaller in Sweden than in the other countries, it was nevertheless sufficient to prompt a decline in employment.

As in the early 1990s, job losses in the countries concerned primarily affected men, again reflecting the fact that the industries hardest hit by the downturn were the manufacturing sectors, principally the engineering industries, and construction, which predominantly employed men rather than women. The employment rate of men, therefore, fell by 2-3 percentage points over the period in all these countries apart from Denmark, while the employment rate of women fell at most marginally, except in Denmark and Sweden (Figure 30).

**Figure 30: Change in employment and counterpart changes in unemployment and inactivity of men aged 15-24, 2000 and 2004**



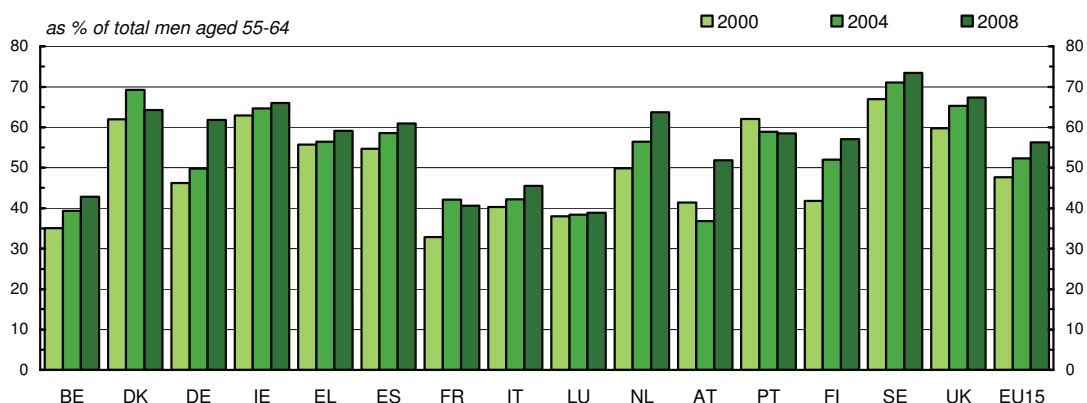
Left bar: men aged 15-64; right bar: young people aged 15-24  
 Note: DK, DE, NL, SE: 2001-2004; PT: 2001-2005

Source: EU Labour Force Survey.

Again as a decade earlier, young people aged 15–24 were affected much more than older age groups. The employment rate for the young accordingly fell by around 4.5 percentage points in the Netherlands, over 5 percentage points in Germany and Portugal and 7–8 percentage points in Sweden. In all EU countries, apart from Sweden, men (as before) were worse affected than women and their rate of inactivity increased by more than the unemployment rate.

Unlike in the early 1990s, however, there was no reduction in employment among people aged 55–64. Indeed, in all of the countries where overall employment declined, there was a fall in the employment rate of men aged 25–54: but at the same time, in all those countries except Portugal, the proportion of men aged 55–64 actually increased. This increase has, in nearly all cases, continued since then (Figure 31).

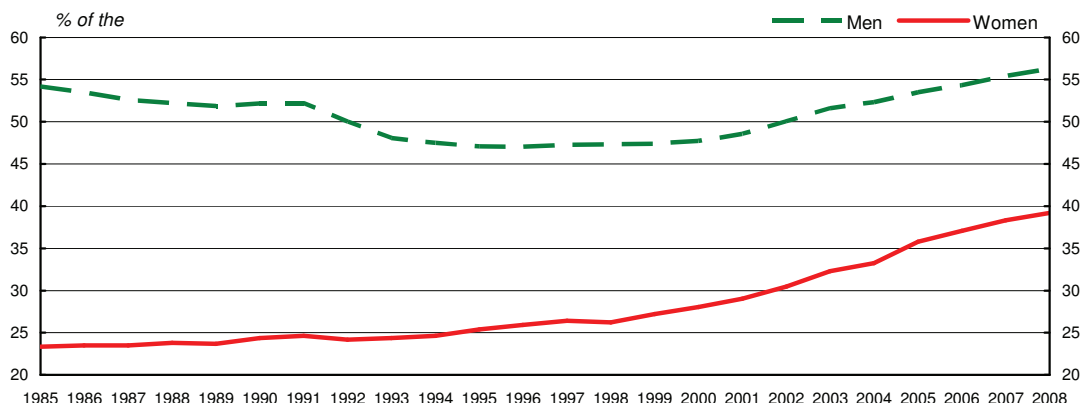
**Figure 31: Employment rate of men aged 55-64 in the EU15, 2000, 2004 and 2008**



Source: EU Labour Force Survey.

As a result, in the EU15 as a whole, the employment rate of men of this age had risen to 56.5 % by 2008, some 9 percentage points higher than a decade earlier (Figure 32).

**Figure 32: Employment of those aged 54-64 in the EU15, 1985-2008**



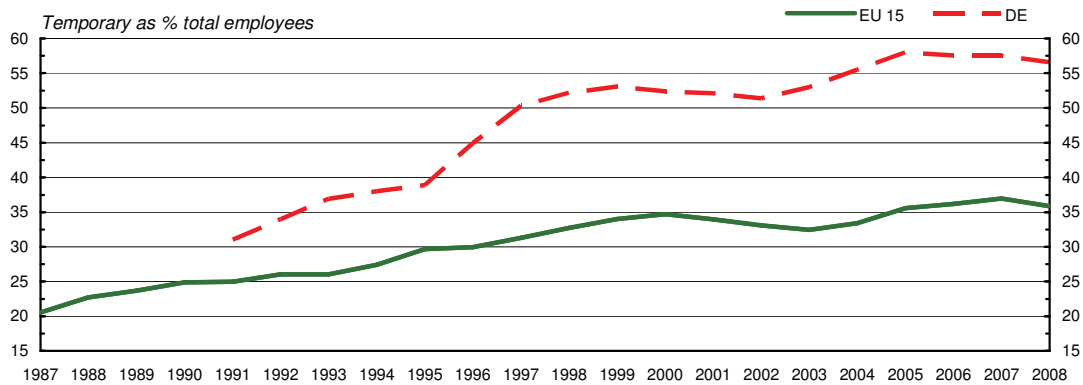
Source: EU Labour Force Survey.

*Jobs with fixed-term contracts*

Young people experienced a decline in employment during the downturns in the early 1990s and the early years of the present decade. In addition, there was a shift an increasing tendency for those in work to have temporary contracts of employment. This shift was not necessarily a direct response by employers to the downturn as such, since it seems to have been part of a long-term trend. It means, however, that the declining numbers or young people in work were increasingly in relatively precarious jobs which, in some countries, do not necessarily entitle the worker to unemployment benefits.

In 1990, across the EU15, one in four people under 25 who were in work had temporary jobs. (These figures exclude Germany because of the difficulties of adjusting for the effects of unification at the end of 1990). By 1994, however, this figure had increased from 25 % to around 27.5 % and it continued to rise in subsequent years to reach 35 % by 2000 (and 40 % if Germany is included) (Figure 33). In Germany, the share of young temporary jobs rose from 31 % in 1991 to 38 % in 1994 and to 53 % by 1999.

**Figure 33: Employment of young people aged 15-24 in temporary jobs in the EU15, 1987-2008**

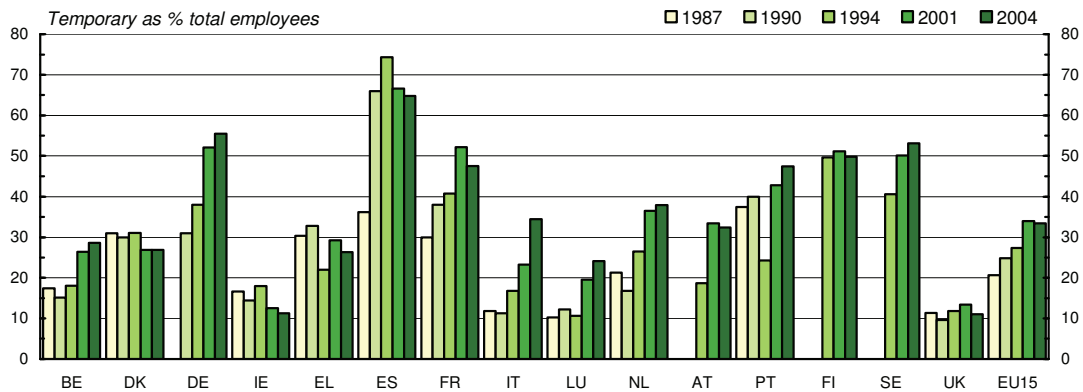


Note: EU 15 excl DE, AT, FI and SE

Source: EU Labour Force Survey.

Accordingly, as the recovery took place, a large proportion of the net additional jobs which young people moved into were fixed-term in nature, though this proportion varied markedly across the EU. In 2001 in France, Finland, Sweden and, Germany and — above all — in Spain over half of all those in work aged 15–24 were employed in temporary jobs, while in Portugal the figure was over 40 % (Figure 34).

**Figure 34: Employment of young people aged 15-24 in temporary jobs in the EU15, 1987, 1990, 1994, 2001 and 2004**



Note: DE: 1991; AT, FI, SE: 1995; EU 15 excl DE, AT, FI and SE

Source: EU Labour Force Survey.

The relative number of young people with fixed-terms contracts continued to increase during the downturn after 2001 as well as during the subsequent period of recovery. In Germany, it had risen to 58 % by 2005 and in Sweden to 59 % a year later, while in Portugal it reached almost 53 % in 2007 (10 percentage points more than in 2001). In the Netherlands it was 45 % (almost 9 percentage points higher) and in Italy over 42 % (19 percentage points higher than just 6 years earlier).

The upward trend in temporary employment among young people under 25 has been mirrored by a similar trend in some of the Member States which have entered the EU from 2004 onwards. This is especially the case in Poland and Slovenia, where over 60 % of those in this age group in work have fixed-term contracts (in Slovenia it is almost 70 %), so that in the EU27, some 40 % of jobs performed by young people are temporary.

Although this upward trend in fixed-term contracts also affects people aged 25 and over, it is much less the case than for the younger age group. In most countries, comparatively few people (under 10 %) have jobs of this kind. Nevertheless, during the downturn in the early 1990s, there was an increase in the proportion of employees across the EU15 with fixed-term contracts, which suggests that many of the comparatively few new jobs created over this period were fixed-term in nature. The increase was especially large in Spain (over 5 percentage points), though it was also significant in the Netherlands, Denmark, France and Italy (around 2 percentage points in each).

On the other hand, the proportion of those aged 25 and over in temporary jobs declined markedly (by 5–6 percentage points) in Greece and Portugal, suggesting that the reduction in employment was concentrated on such jobs.

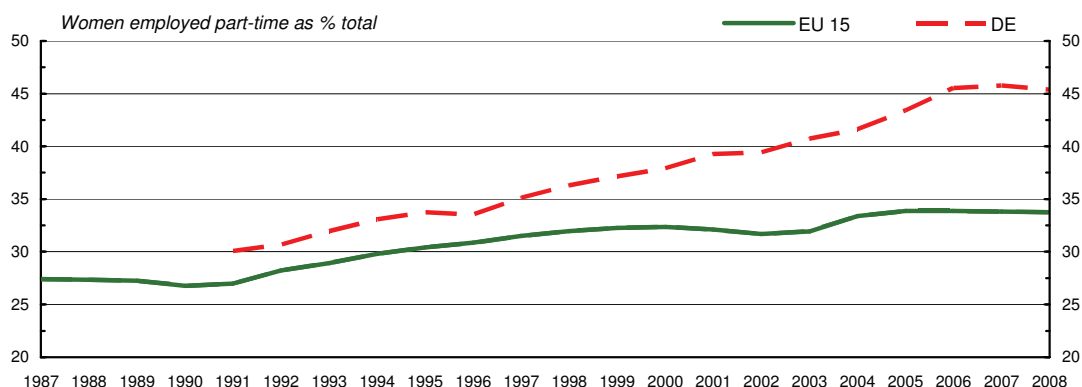
The relative number of employees with fixed-term contracts continued to rise after the downturn, albeit fairly slowly in most countries, so that in 2008 before the onset of the present recession, only around 11 % of employees in the EU15 were employed under this kind of contract. In Belgium, Denmark, Ireland, Luxembourg, Austria and the UK, the figure was 6 % or less, giving employers only limited scope for using the non-renewal of temporary contracts as a means of shedding jobs. In Portugal, by contrast, the figure was over 19 % and in Spain, 26 %, though the latter had declined from 30 % in 2006. Moreover, the proportion was also relatively high in Poland, at around 23 % in 2008, up from under 5 % in 2000, implying that many of the new jobs created in recent years have been fixed-term ones.

#### Part-time working

The upward trend in temporary employment in the EU has been accompanied by a similar trend in part-time working, though this was concentrated more among those aged 25 and over and among women in particular. This upward trend, moreover, seems to have gathered pace after 1990 as the downturn began and continued during the subsequent upturn.

Between 1990 and 1994, therefore, the share of employed people working in part-time jobs in the EU15 — again excluding Germany for the same reason as above — increased from 13 % to over 15 % and went on rising to reach 17 % by 1999. This rise partly reflects the fact that women took a growing share of jobs, and many more women than men were employed part-time. At the same time, the proportion of working women employed in part-time jobs rose from just under 27 % of the total in employment in 1990 to just under 30 % in 1994 (and in Germany, from 30 % in 1991 to 33 % in 1994). The rise continued after 1994 during the recovery years, though at a slower pace, the share reaching just over 32 % in 1999 (Figure 35).

**Figure 35: Employment of women working part-time in the EU15, 1987-2008**

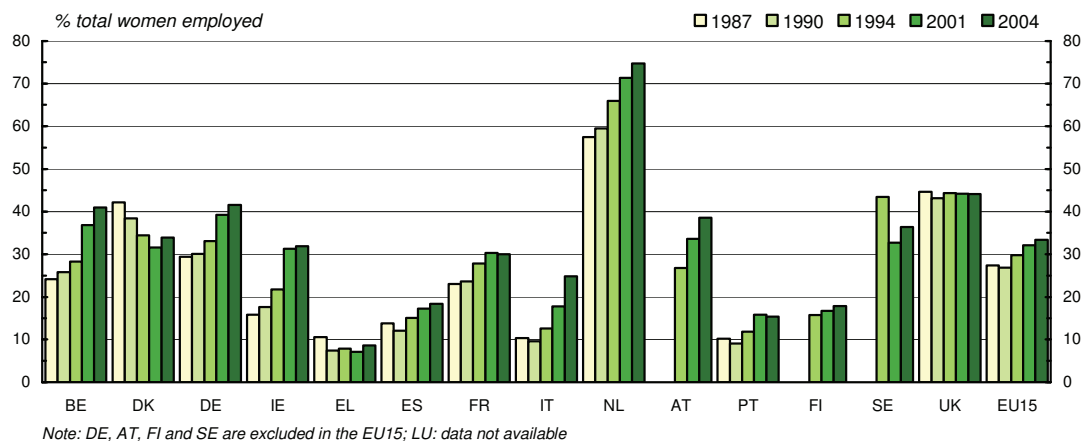


Note: EU15 excl DE, AT, FI and SE

Source: EU Labour Force Survey.

There was equally a growth in the share of part-time work during the downturn after 2001 in most of the countries which experienced a reduction in overall employment. In Germany, the share of women in work employed part-time increased from 38 % in 2000 to over 43 % in 2005, in Austria, from 33 % to 39 % over the same period and in Denmark, from 37 % in 2001 to 41 % four years later. In the Netherlands, the figure rose from 71 % to 75 % over the same period and in Sweden from just under 33 % to almost 40 % after a number of years when part-time working had declined (Figure 36). Since the rise in the employment of women over this period was accompanied by an increasing share of part-time working, the increase in female employment could offset only to a limited extent the reduced earnings caused by the decline in employment among men.

**Figure 36: Women employed part-time as a share of total women in work in the EU15**



Source: EU Labour Force Survey.

### 1.2.2. Trends in social protection

Against this background of a growing share of employment in temporary and part-time jobs, it is also important to examine what has happened to social protection systems across the EU15. Some of these developments occurred during recent economic downturns; others reflect longer-term trends in both the level and structure of support provided. The main source of data is the European System of Integrated Social Protection Statistics (ESSPROS), which covers expenditure on social protection in all the EU Member States, though for varying periods of time. For EU15 countries, there is reasonably consistent data going back to 1990, but at the time of writing the figures only go up to 2006. These statistics do not tell us how many people, or which social groups, received social transfers. Nevertheless, they do give an indication of how the amount spent on social protection interventions in the different countries changed over the period in question, relative to the changing number of people requiring assistance.

The focus is on transfers designed primarily to provide support to those of working age who are not in employment. These transfers represent a small proportion of total expenditure, the largest being old-age benefits. While some spending on these benefits go to those of working age who have chosen to take early retirement, the amount involved tends to be swamped by transfers to those above the age of retirement and there is no straightforward way which allows the former to be distinguished from the latter. Accordingly, the analysis is concentrated exclusively on expenditure on unemployment benefits, disability or invalidity benefits, social exclusion benefits (i.e. between them the main are payments under minimum income guarantee schemes of one kind or another) and housing allowances, all of which go mainly to the unemployed or the economically inactive<sup>22</sup>. Social exclusion benefits and housing allowances also go to people above the age of retirement and to people of working age who stand to be affected by downturns in economic activity. Unfortunately, however, there is no way of identifying the extent to which they do so and how this has tended to change over time.

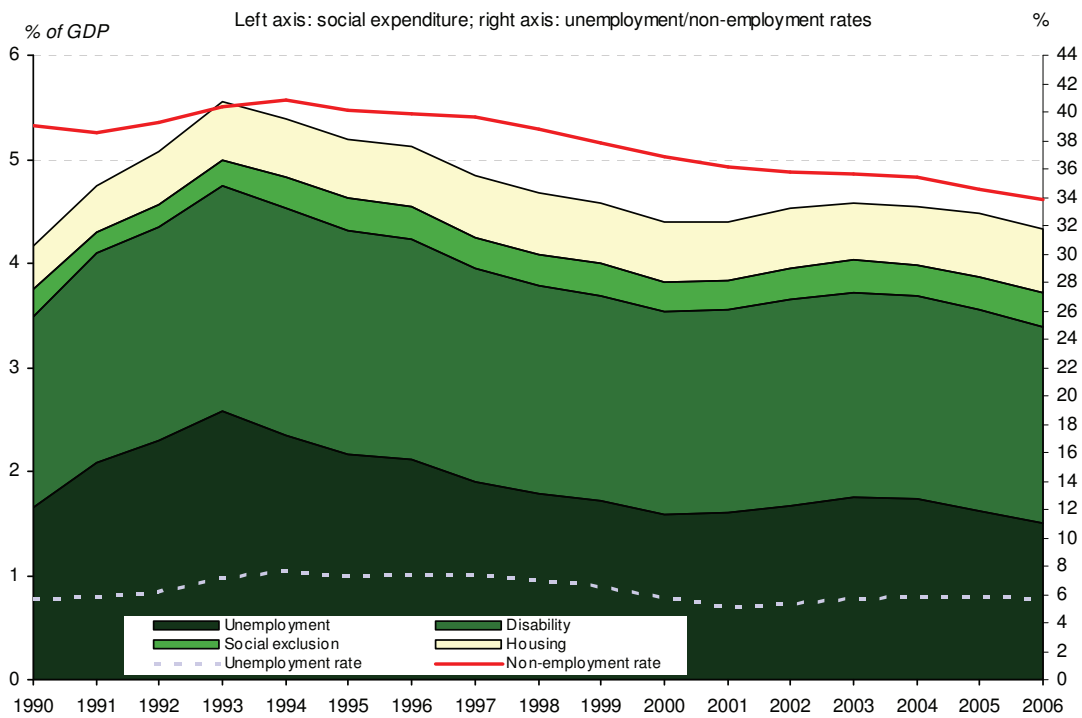
<sup>22</sup> In ESSPROS methodology the function of a social benefit refers to the primary purpose for which social protection is provided. Given a specific benefit, the exact reason for which the benefit is granted and the main risk to be covered has to be identified even in cases of overlapping objectives.

Child and family benefits as well as old-age benefits, survivors' and sickness/health care benefits are left out of account since, in most countries, the bulk of this expenditure does not vary with changes in unemployment and inactivity.

There are two points of interest here. First, the overall level of expenditure on the benefits concerned. This is related to GDP (thus indicating how the expenditure changes in relation to income) and to the relative number of people of working age who are either unemployed or inactive and, therefore, potentially in need of support. The second point of interest is the composition of the expenditure — for example, the amount spent on unemployment benefits as against disability benefits or minimum income payments. This indicates the way in which support is delivered and how it has changed over time, as well as how this support changed during earlier periods of economic downturn.

Starting first with developments in the EU15 as a whole over the period 1990-2006, overall expenditure on the social benefits concerned increased sharply between 1990 and 1993 as the downturn led to rising unemployment and a growing proportion of people of working age were not in work (Figure 37, shows both the unemployment and non-employment rate — i.e. the unemployed plus the inactive — as percentage of the population aged 15–64. It also shows expenditure on the four broad categories of social transfer indicated above). Expenditure on these benefits, therefore, rose from just over 4 % of GDP to just over 5.5 % between 1990 and 1993. This was chiefly because unemployment benefits increased by almost 1 % of GDP (from 1.7 % of GDP to 2.6 %), but it was also driven by a rise in disability benefits (from 1.8 % to 2.2 % of GDP) and by a modest increase in housing allowances (from 0.4 % to 0.6 % of GDP).

**Figure 37: Figure composition of social expenditure (% of GDP) in the EU15 (excl. Sweden), 1990-2006**



Note: Non-employment/unemployment rates: data missing for AT, FI up to 1994

Source: ESSPROS, LFS

Source: ESSPROS and EU Labour Force Survey.

From 1993, expenditure declined in relation to GDP, falling back to under 4.5 % by 2001, primarily as a result of a reduction in spending on unemployment benefits — although unemployment declined by less than the fall in spending. Over this same eight-year period, expenditure on disability benefits also fell relative to GDP (albeit by much less), and spending on housing allowances declined in parallel with the fall in the relative number of people of working age not in employment. Despite this latter fall, however, social exclusion benefits (or minimum income payments, which tend to be a transfer 'of last resort') rose by some 22 % relative to GDP — in part reflecting the decline in the other benefits. Overall, therefore, expenditure on income support for people of working age fell roughly twice as fast as the proportion of working-age people not in work.

From 2001 to 2003, expenditure on the transfers concerned increased again relative to GDP. This was largely because unemployment benefits rose as unemployment increased during the economic downturn — though it was also partly because of a rise in social exclusion benefits. At 4 % the increase was comparatively modest, but it coincided with a continuing (if slower) fall in the proportion of people of working age not in employment.

Between 2003 and 2006, expenditure on transfers in relation to GDP declined, once more primarily because of a reduction in unemployment benefits – even though the number of people of working age who were unemployed remained broadly unchanged. Again this was offset to a small extent by an increase in social exclusion benefits and housing allowances, so that overall, over this four-year period, total expenditure on support to people of working age declined at much the same rate as the numbers of non-employed.

At the end of the period, therefore, expenditure in the EU15 on these social transfers in relation to GDP was much the same as it had been in 1990 before the downturn, though significantly less than in 1993. Moreover, unemployment represented the same proportion of the working-age population as 16 years earlier, but the relative number of those who were inactive was much smaller so that there were fewer people of working age not in employment. At the same time, however, the composition of support was slightly different: less was being spent on unemployment benefits and more on disability benefits, social exclusion payments and housing allowances. So, although fewer people were inactive relative to the numbers of unemployed, governments were spending less on unemployment benefits relative to other forms of income support. To put it another way, unemployed people accounted for a greater proportion of the non-employed – i.e. the proportion of people actively looking for a job<sup>23</sup> – yet the support being provided was shifting away from unemployment benefits towards other kinds of transfer.

This emerges more clearly if expenditure on supporting the unemployed and, more generally, the non-employed is related directly to the numbers involved by calculating the average amount spent on benefits per person and if this is then compared with GDP per head in order to put the changes which occurred into perspective. There was, therefore, in many countries a sharp increase in the average expenditure on unemployment benefits relative to GDP per head in 1991 as unemployment rose (Table 1)<sup>24</sup>. This partly reflects the larger benefit supplied to the newly unemployed than to those who had been unemployed for some time as well as a possible tendency for those entitled to unemployment benefit to increase relative to those defined as unemployed according to the international convention. From 1992 on, however, the average amount of spent on benefits calculated in this way declined markedly, increasing again in the early part of the present decade as unemployment rose, followed by a further decline.

In 2006, therefore, the average amount of expenditure on unemployment benefits relative to GDP per head in the EU15 as a whole was less than in the late 1990s and much less than in the early 1990s. By contrast, the average amount of expenditure on support for the non-employed among the working-age population in the EU15 remained much the same over the period relative to GDP per head (Table 2)

**Table 1: Expenditure on unemployment benefits per person unemployed relative to GDP per head, 1990-2006**

	% GDP per head																
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
BE	115	121	122	110	88	87	87	90	83	84	105	104	110	106	110	93	94
DK	90	89	96	93	121	123	115	129	128	117	125	129	117	103	102	98	98
DE	55	84	85	79	62	62	60	50	49	55	58	59	58	52	46	36	34
IE	49	49	56	54	52	58	55	52	55	59	65	71	67	63	63	61	60
EL	29	30	28	21	19	24	21	24	22	25	30	32	35	33	30	28	28
ES	55	64	60	56	42	37	33	32	33	36	38	53	50	49	48	58	62
FR	58	62	57	56	46	46	45	43	43	41	46	54	58	63	57	57	49
IT	15	15	19	20	18	15	14	13	12	11	9	10	12	13	15	16	18
LU	73	109	72	63	45	50	47	77	59	64	66	110	68	59	47	55	46
NL	71	74	99	97	89	85	92	90	88	84	92	113	102	88	68	65	59
AT						77	66	64	57	66	60	72	67	74	69	64	68
PT	19	25	34	37	33	30	30	29	37	30	37	37	36	38	40	34	32
FI	90	75	73	67	64	54	57	52	49	84	44	45	45	47	48	49	47
SE				89	83	80	71	63	66	69	79	75	70	65	57	46	45
UK	36	42	39	38	36	35	32	29	28	29	28	40	29	29	30	30	23
EU15	49	58	59	56	48	47	45	41	41	42	45	51	49	48	45	43	40

Source: ESPROSS.

<sup>23</sup> And also being available to take a job.

<sup>24</sup> The average amount of benefit is calculated in relation to those defined as unemployed according to the ILO convention rather than to those registered as unemployed. In practice, there may be significant differences between the two.



**Table 2: Expenditure on support for the non-employed of working age relative to GDP per head, 1990-2006**

	% GDP per head																
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>BE</b>	18.4	19.6	19.6	21.8	20.8	22.0	22.2	21.2	21.0	21.6	22.3	21.9	24.0	22.3	23.0	23.3	22.7
<b>DK</b>	52.0	53.9	56.1	53.3	56.7	57.3	54.2	53.7	52.4	54.8	51.4	50.9	52.2	53.1	55.1	53.4	52.6
<b>DE</b>	14.0	20.1	21.5	22.4	21.4	20.8	20.9	19.3	19.1	19.8	19.4	19.5	20.2	20.5	19.9	20.2	19.9
<b>IE</b>	14.7	15.7	16.4	16.6	16.1	12.8	15.2	13.6	12.8	12.0	10.9	11.0	11.8	12.2	12.4	12.8	13.2
<b>EL</b>	9.4	8.8	8.4	8.6	8.1	8.7	9.0	9.7	10.2	12.4	13.2	13.5	13.9	13.3	13.7	13.4	13.1
<b>ES</b>	15.5	17.2	17.7	19.2	16.7	14.9	14.3	13.8	13.7	13.7	14.0	14.7	15.6	15.8	16.2	17.8	18.5
<b>FR</b>	20.3	20.6	20.9	22.2	21.3	21.0	21.5	21.1	20.9	20.8	20.9	21.3	22.7	21.9	23.3	23.3	22.4
<b>IT</b>	7.5	7.4	7.7	8.1	7.8	7.1	7.1	6.8	6.4	6.4	6.0	5.9	6.7	7.1	7.6	7.5	7.7
<b>LU</b>	12.3	13.4	13.6	13.8	13.8	12.1	12.1	13.8	13.3	14.4	13.9	17.6	18.0	17.6	18.7	18.7	17.8
<b>NL</b>	32.2	33.1	34.6	34.9	36.1	34.5	34.1	33.6	33.4	32.2	32.1	33.2	34.6	35.1	33.2	31.6	33.5
<b>AT</b>						22.3	22.4	21.5	21.3	22.0	20.0	20.2	21.3	21.8	20.6	20.9	21.5
<b>PT</b>	11.1	12.4	13.2	14.7	15.0	13.2	13.6	13.8	15.4	14.9	16.1	16.4	18.0	19.3	18.2	18.2	18.3
<b>FI</b>	33.9	39.1	44.1	44.2	42.4	38.3	37.7	35.5	32.4	34.3	31.9	21.5	32.2	32.7	32.1	31.2	30.6
<b>SE</b>				60.9	57.5	51.6	47.2	42.9	40.8	42.4	39.2	42.6	42.9	43.9	42.9	42.4	40.9
<b>UK</b>	24.6	27.6	29.7	31.5	31.1	30.7	29.8	28.2	27.2	26.4	25.8	27.0	25.9	25.2	25.2	25.1	24.3
<b>EU15</b>	18.5	20.8	21.7	22.8	21.9	21.2	20.9	20.0	19.6	19.7	19.4	19.9	20.5	20.8	20.6	20.6	20.4

Source: ESPROSS.

The aggregate picture conceals marked differences between countries. The pattern is similar, however, in most cases. Average expenditure on unemployment benefits relative to GDP per head increased as unemployment rose during the early 1990s downturn and was the main factor in the rise in transfers to the non-employed over this period.

During the subsequent upturn, and from the peak in expenditure until the next economic downturn in 2001, spending on unemployment benefits was reduced by more than the fall in unemployment in Germany, Italy, Finland and Sweden, but by less than this amount in Denmark, Ireland and the Netherlands. In Greece, Luxembourg and Portugal, expenditure expanded despite unemployment either falling or rising less sharply. In the latter three countries, therefore, the rise in average expenditure per person unemployed suggests that the interventions (e.g. income support) provided were extended or increased over this period. In the other countries, expenditure and unemployment changed at similar rates.

At the same time, the overall support provided to the non-employed of working age – i.e. including disability and other benefits – declined by more than the proportion of the non-employed who were inactive in most countries, so that the average amount of support per person fell relative to GDP per head. The only exceptions were in Belgium (where expenditure and the non-employed declined by the same amount), Luxembourg, Greece and Portugal. In the latter two cases, this reflected the fact that the national welfare system was reinforced, increasing the coverage.

From 2001 to 2006, taking the downturn and the subsequent upturn together, expenditure on unemployment benefits failed to keep abreast of the changing number of unemployed people in most countries. Average expenditure on unemployment benefits, therefore, declined relative to GDP per head, the fall being especially large in Germany, Luxembourg, the Netherlands and Sweden. On the other hand, average benefits relative to GDP per head increased in Spain and Italy, though in Italy this increase was from a very low level. Overall expenditure on support for people of working age (including the unemployed), however, shows a somewhat different picture. The average amount of expenditure either increased or remained much the same relative to GDP per head over the period. In the majority of the EU15 countries, therefore, there seems to have been a shift from unemployment benefits to other forms of support for people of working-age not in employment. In most countries (as for the EU15 as a whole), this coincided with unemployment becoming a more rather than less important reason for non-employment.

Over the 16 years 1990-2006, average expenditure on unemployment benefits in relation to GDP per head increased in only five countries – Denmark, Ireland, Spain, Italy and Portugal – all except Denmark being countries in which in some degree the system was somewhat underdeveloped in 1990. In all the other EU15 countries, average expenditure on unemployment benefits declined relative to GDP per head (see Figures in Annex). In most of these countries, however, average expenditure on support for the non-employed was higher relative to GDP per head in 2006 than in 1990, the only exceptions being Ireland, Finland, the UK (where there was only a marginal decline) and, most markedly, Sweden (the latter over the period 1993-2006).

These indicative figures suggest that overall expenditure on income support of the non-employed changed broadly in line with the numbers of non-employed people over this 16-year period. However, we cannot be sure of this since there is no way of knowing how much of the support provided by social exclusion benefits and housing allowances went to those above retirement age or active people.

Nevertheless, it does seem that, over the period from 1990 as a whole, there was a decline in unemployment benefits relative to the unemployed proportion of the working-age population, and a shift to other kinds of support for the non-employed in most countries. There were also shifts in the composition of these other kinds of benefit. In particular, in Denmark and Sweden, and more recently in Ireland and Luxembourg, there has been an increase in expenditure on disability benefits both relative to total expenditure and relative to GDP, which, to some extent, has offset the reduction in unemployment benefits. By contrast, there has been a significant reduction in expenditure on disability benefits in the Netherlands, which had expanded to particularly high levels and which in recent years has been offset by an increase in social exclusion benefits (see Figures in Annex).

### 1.2.3. Developments in labour market policy

In addition to social protection trends, it is important to examine how expenditure on labour market measures – i.e. training, job search support and employment subsidies – changed over this period. The main point of interest is whether governments took the opportunity to expand such active labour market measures. Did they strive to improve people's employability in readiness for the eventual upturn, or simply expand (passive) income support? The available data come from the OECD, which maintained a database on such interventions during the downturn in the early 1990s, rather than from Eurostat which has maintained a more detailed and coherent database since 1997<sup>25</sup>.

In the EU15 countries for which data are available, in this case excluding Italy, for which there was no complete set of data for much of the period, and Germany, where the series was interrupted by unification, overall expenditure on labour market interventions and support increased from 2.5 % of GDP in 1990 to a peak of 3.3 % in 1993 before gradually falling back to 2.9 % in 1996 and further in subsequent years. Within this, expenditure on active labour market policy (LMP) measures rose from 0.8 % of GDP in 1990 to 0.9 % in 1991 and to 1 % in 1992, but then remained unchanged up to 1996 (Table 3).

**Table 3: Expenditure on labour market policies**

	% GDP											
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
<b>Active LMP measures</b>	<b>0.80</b>	<b>0.88</b>	<b>0.89</b>	<b>0.87</b>	<b>0.83</b>	<b>0.83</b>	<b>0.89</b>	<b>0.96</b>	<b>1.03</b>	<b>1.03</b>	<b>1.03</b>	<b>1.00</b>
of which:												
Training for unemployed	0.31	0.33	0.36	0.36	0.35	0.35	0.37	0.41	0.44	0.42	0.38	0.35
Training for employed	0.03	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.05
Employment subsidies	0.19	0.23	0.22	0.20	0.16	0.16	0.18	0.20	0.23	0.25	0.29	0.31
Other	0.28	0.29	0.28	0.28	0.27	0.28	0.29	0.31	0.33	0.32	0.31	0.29
<b>LMP intervention</b>	<b>2.26</b>	<b>2.16</b>	<b>2.03</b>	<b>1.80</b>	<b>1.62</b>	<b>1.66</b>	<b>1.88</b>	<b>2.13</b>	<b>2.31</b>	<b>2.19</b>	<b>1.98</b>	<b>1.94</b>
of which:												
Early retirement	0.49	0.45	0.40	0.34	0.29	0.27	0.23	0.22	0.22	0.22	0.22	0.22
<b>LMP measures and supports</b>	<b>3.06</b>	<b>3.04</b>	<b>2.93</b>	<b>2.67</b>	<b>2.45</b>	<b>2.49</b>	<b>2.76</b>	<b>3.09</b>	<b>3.35</b>	<b>3.22</b>	<b>3.01</b>	<b>2.93</b>

Source: OECD.

Such expenditure, therefore, increased during the economic downturn but only slightly and by less than the rise in income support for the unemployed.

Expenditure on early retirement benefits, which is also included as part of income support for the unemployed, remained much the same relative to GDP during the downturn. This, however, does not necessarily capture the changing extent of support for early retirement, since in many countries that support takes other forms. Only in Denmark, Germany and Ireland, and only to a small extent, did expenditure on early retirement pensions increase relative to GDP between 1990 and 1994.

Although the situation differs from one country to another, in most cases expenditure on *active* labour market policies rose by less than the increase on overall spending on labour market policies. Only in France and Ireland is there clear evidence of a relative rise in such expenditure, and, in both cases, this took the form as much of an increase in subsidised employment as of training or job search assistance. In Denmark, there was a relative increase in spending on active LMP measures in 1992 and 1993, though this was followed by a decline in 1994 and further declines in 1995 and 1996. In the other countries, there was a relative decline in active expenditure over the period of the downturn, and an absolute decline in relation to GDP in Greece, Spain and the United Kingdom (See Annex for Figures for individual EU15 countries).

<sup>25</sup> The OECD uses a somewhat different definition of compensation to the unemployed, which includes other kinds of transfer. Consequently, the OECD data on expenditure on unemployment benefits is not the same as the ESSPROS data described above, though the pattern of change shown is similar.

*Labour market policy in the early 2000s downturn*

As noted above, the downturn in the early 2000s was associated with comparatively little reduction in employment in most countries. In those countries where the downturn was most evident, there was, in general, little policy response in terms of intensifying active LMP measures. Indeed, in most of the countries, expenditure on such measures either remained unchanged or declined in relation to GDP (Table 4). The main exception is Italy, where there was a small increase in spending in 2001 and 2002, continuing the rise in earlier years, though this was more than reversed subsequently.

**Table 4: Expenditure on labour market policy, 1998-2007**

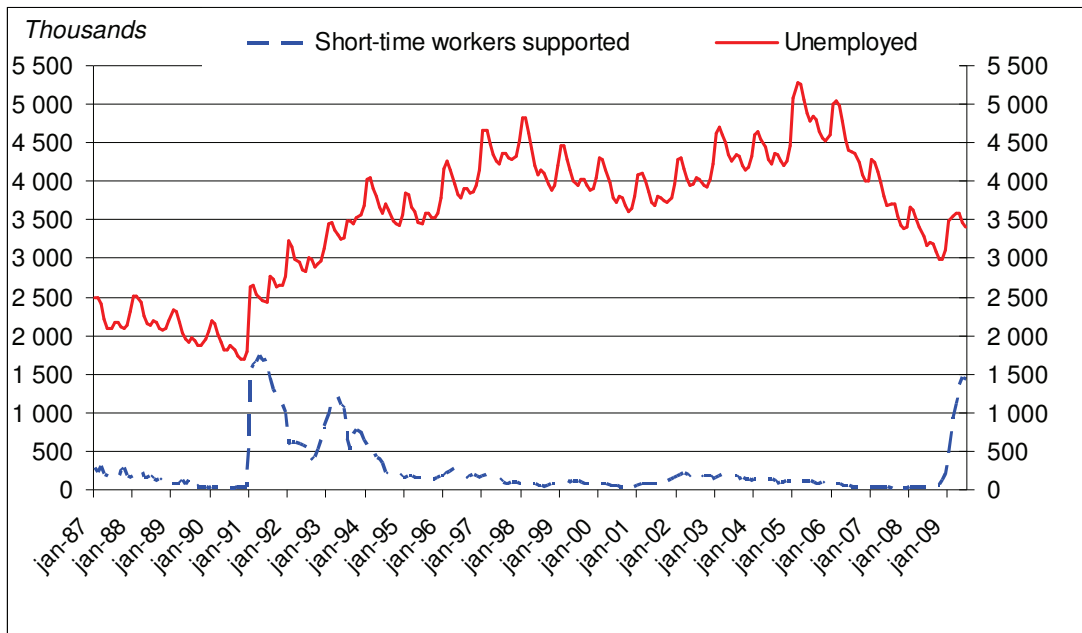
	% GDP									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Denmark</b>										
Total	4.62	4.45	4.12	3.99	4.05	4.28	4.18	3.60	3.08	2.53
Active measures	1.68	1.88	1.74	1.71	1.74	1.62	1.52	1.26	1.22	1.02
of which: Training	0.74	0.84	0.77	0.74	0.70	0.62	0.54	0.50	0.43	0.33
Passive measures	2.94	2.57	2.38	2.27	2.31	2.66	2.66	2.34	1.86	1.50
of which: Early retirement	0.93	0.85	0.80	0.77	0.76	0.77	0.72	0.67	0.57	0.52
<b>Germany</b>										
Total	2.27	2.11	2.92	2.95	3.17	3.22	3.17	2.94	2.68	2.13
Active measures	:	:	1.03	1.03	1.03	0.94	0.85	0.59	0.59	0.51
of which: Training	:	:	0.52	0.55	0.57	0.47	0.38	0.25	0.31	0.29
Passive measures	2.27	2.11	1.89	1.92	2.14	2.28	2.32	2.34	2.09	1.63
of which: Early retirement	0.00	0.01	0.01	0.02	0.03	0.04	0.04	0.05	0.05	0.06
<b>Italy</b>										
Total	1.22	1.19	1.18	1.24	1.37	1.35	1.28	1.29	1.20	1.08
Active measures	0.48	0.52	0.56	0.63	0.71	0.70	0.54	0.48	0.41	0.37
of which: Training	0.26	0.27	0.25	0.21	0.23	0.25	0.22	0.20	0.18	0.18
Passive measures	0.74	0.67	0.62	0.61	0.66	0.65	0.74	0.81	0.79	0.71
of which: Early retirement	0.17	0.12	0.11	0.08	0.10	0.10	0.10	0.10	0.11	0.09
<b>Netherlands</b>										
Total	3.34	3.02	2.72	2.68	2.76	2.95	2.99	2.83	2.43	2.07
Active measures	0.99	0.98	0.97	1.01	1.06	0.99	0.89	0.82	0.73	0.68
of which: Training	0.09	0.10	0.10	0.11	0.14	0.14	0.13	0.13	0.06	0.06
Passive measures	2.36	2.03	1.75	1.67	1.71	1.95	2.10	2.01	1.70	1.39
of which: Early retirement	-	-	-	-	-	-	-	-	-	-
<b>Austria</b>										
Total	1.75	1.74	1.58	1.63	1.67	1.84	1.86	1.97	1.94	1.76
Active measures	0.33	0.41	0.39	0.43	0.41	0.46	0.44	0.46	0.54	0.51
of which: Training	0.22	0.29	0.25	0.27	0.27	0.31	0.30	0.33	0.40	0.37
Passive measures	1.42	1.33	1.19	1.20	1.26	1.39	1.42	1.51	1.40	1.25
of which: Early retirement	0.07	0.06	0.06	0.08	0.15	0.26	0.30	0.28	0.25	0.22
<b>Portugal</b>										
Total	0.00	1.15	1.20	1.46	1.41	1.75	1.79	1.84	1.69	1.47
Active measures	:	0.35	0.37	0.49	0.44	0.51	0.55	0.52	0.46	0.39
of which: Training	:	0.20	0.22	0.19	0.17	0.27	0.29	0.29	0.26	0.20
Passive measures	:	0.81	0.82	0.98	0.98	1.24	1.24	1.32	1.23	1.09
of which: Early retirement	:	0.16	0.16	0.29	0.17	0.20	0.14	0.13	0.11	0.10
<b>Sweden</b>										
Total	3.98	3.59	2.85	2.46	2.36	2.19	2.27	2.24	2.09	1.57
Active measures	2.19	1.95	1.51	1.42	1.34	1.01	0.98	1.07	1.13	0.91
of which: Training	1.27	0.90	0.66	0.67	0.60	0.36	0.32	0.33	0.33	0.20
Passive measures	1.79	1.64	1.34	1.05	1.02	1.18	1.29	1.17	0.96	0.66
of which: Early retirement	0.11	0.09	0.06	0.03	0.01	-	-	-	-	-

Source: EU Labour Market Policy database.

#### 1.2.4. Short-time working

A number of EU Member States, provide support for shorter working hours during economic downturns, to mitigate the effects on employment. These interventions include partial unemployment benefits, paid to people who work a reduced number of hours or days a week, and temporary support for short-time working, paid to employers to enable them to maintain jobs at times of reduced demand for their products. The latter has been particularly important in Germany. In the early 1990s especially, the short-time working allowance was used extensively to preserve jobs and keep down unemployment. At its peak in April 1991, shortly after German unification, it provided support for over 1.7 million workers at a time when unemployment was almost 2.5 million (Figure 38). Then, as unemployment rose again to over 3.3 million in the early months of 1993, it provided support to almost 1.2 million workers. As unemployment continued to increase, however, the number of workers supported by the scheme declined to around 640 thousand at the end of 1993. Nevertheless, it served to moderate significantly the extent of the rise in unemployment, and to mitigate the social consequences, at times when unemployment was increasing most rapidly.

**Figure 38: People supported by short-time working allowance in Germany, monthly data, Jan. 1987 to Jan. 2009**



Source: Bundesagentur für Arbeit.

Short-time working was used much less extensively during the downturn in the early part of the present decade, largely because this downturn had much less effect on jobs. In early 2002 and again in early 2003, support was provided for only just over 200 thousand workers. This figure was reached again in December 2008 at the start of the present recession. From then on, however, there was a steep rise in short-time working: the number supported by the scheme increasing to 1.46 million by May 2009. Though it fell slightly in June, it remained above 1.4 million, equivalent to over 40 % of the number unemployed. Nevertheless, this is below the number supported at the peak in the early 1990s when unemployment was lower but when it was rising particularly sharply after unification. Of those supported by the scheme, only 12 % were in the new Länder (where the rate of unemployment was much higher than in the rest of the country) and some 80 % were men. Both these figures reflect the industrial nature of the jobs supported.

#### 1.2.5. Income support for those affected by recession

As noted above, there are no direct data on the extent to which people hit by an economic downturn are protected by the social welfare system in different countries across the EU. The data on expenditure on social transfers to working-age people give some indication of the way this support has changed since 1990 and of the changes in support which occurred during earlier economic downturns. Data from the EU-SILC relate to the situation some

three years ago, which may well have changed since then. Nevertheless, they too give an indication of how likely it is that people who lose their jobs will receive income support, and how much. These data suggest that both the extent of support and its scale varies markedly across countries, both for young people under 25 and for older workers. Young people, as we have seen, find it especially hard to get jobs during a recession and may also be less eligible for income support.

*Income support to the unemployed aged 25-59*

In many Member States, nearly everyone aged 25 and over is likely to receive unemployment benefit if they lose their job, especially if they are unemployed for any length of time. In Belgium, Denmark, Germany, Austria and Finland, therefore, over 90 % of those aged 25-59 who were unemployed for more than three months during 2006 received unemployment benefit, while in France and Hungary, the proportion was two-thirds or more (Table 5).

In a number of other countries, however, only a minority of those unemployed for this length of time during the year received unemployment benefit. The figure was less than a third in Estonia, Lithuania, Poland, Slovakia and the United Kingdom.

**Table 5: Proportion of those aged 25-59 receiving social benefit by number of months unemployed, 2006**

	% receiving unemployment benefits Months unemployed in 2006:				% receiving some form of benefit* Months unemployed in 2006:			
	1	2-3	4-6	7-12	1	2-3	4-6	7-12
Belgium	75	82	95	95	75	83	95	97
Czech Republic	75	75	71	23	88	87	85	63
Denmark	76	73	94	85	90	88	97	93
Germany	86	87	90	84	92	90	97	90
Estonia	12	17	22	11	34	32	40	16
Ireland	46	23	51	59	65	31	58	71
Greece	17	47	53	17	17	49	55	22
Spain	61	64	63	39	64	67	67	43
France	67	74	73	67	74	83	81	87
Italy	60	66	67	22	65	68	70	27
Cyprus	48	40	61	26	59	43	66	34
Latvia	9	27	39	28	30	52	52	41
Lithuania	16	17	15	8	32	49	23	23
Luxembourg	44	62	64	38	63	65	69	67
Hungary	64	70	76	74	68	77	80	79
Netherlands	71	58	74	31	88	90	98	100
Austria	84	90	98	93	89	90	99	96
Poland	22	24	29	10	32	36	46	25
Portugal	53	48	40	50	57	48	43	56
Slovenia	29	60	32	40	69	83	69	73
Slovakia	36	46	35	14	46	59	55	59
Finland	72	84	91	93	82	89	96	95
Sweden	41	58	68	49	78	85	79	87
UK	13	19	21	41	27	40	44	74
EU25	59	63	64	50	68	71	72	63

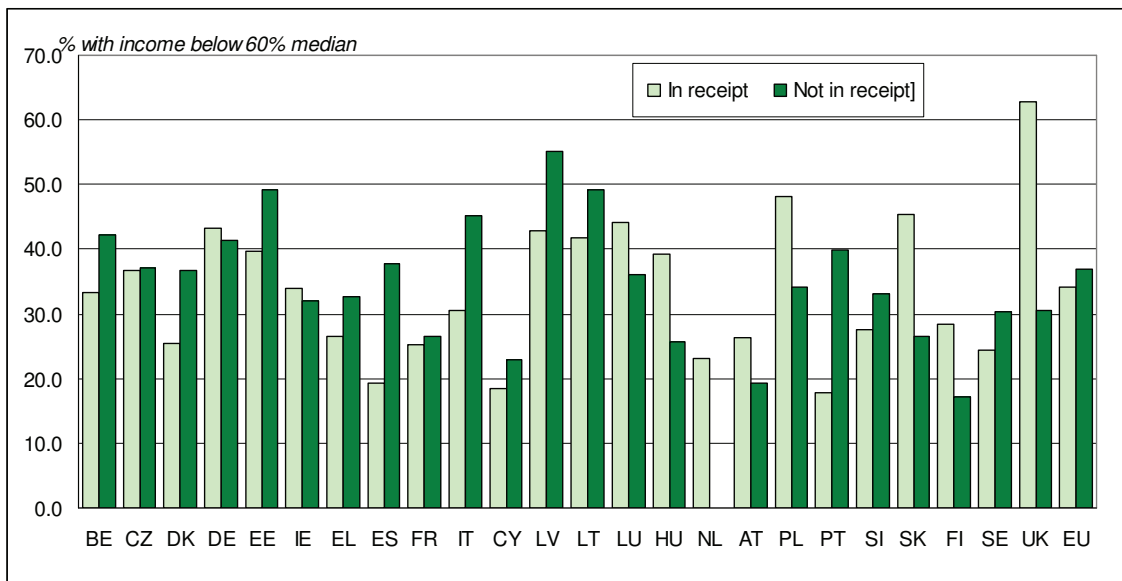
\* One or more of sickness, disability and social exclusion benefits and education allowances  
 Note: the EU25 do not include Malta  
 Source: EU-SILC 2007

In most of the latter countries, however, social exclusion benefits or minimum income schemes of some kind provided support to many of those not receiving unemployment benefits, especially if they had been unemployed for a relatively long period of time. This was especially the case in Slovakia and the United Kingdom, where 59 % and 74 %, respectively, of those who had been unemployed for over six months during the year received a benefit of some kind, or lived in a household which received at least one benefit.

In Estonia, Lithuania and Poland only a small minority of those unemployed for more than six months received any benefit. In addition, a similarly small proportion of such people were in receipt of benefit in Greece, Italy and Cyprus. The situation was somewhat better in Spain and Latvia, but still only just over 40 % of those who had been unemployed for more than six months received benefits.

Receiving benefits, however, does not necessarily protect a person from the risk of poverty. In the EU25 as a whole, the proportion of people who had experienced unemployment during the previous year and whose income was below 60 % of the national average was only slightly larger for those who received benefit than for those who did not. It was smaller in a number of countries, including Hungary, Poland, Slovakia, Finland, the United Kingdom and the Netherlands — where none of the very few people not receiving benefits had income below the poverty threshold (Figure 39). This reflects a number of different factors, including the differing household circumstances of the people concerned and the income earned by other members. In the UK, for example, a person will not receive benefit if the income or accumulated savings of the household in which they live is above the eligibility ceiling for means-tested income support. In all these countries, the risk of poverty was high for the people receiving benefits. For the others the risk was lower, but still relatively high.

**Figure 39: Proportion of those aged 25-59 unemployed for at least a month during 2006 at risk of poverty, by receipt of benefits**



Source: EU-SILC 2007

In many other countries (including all four southern Member States, Cyprus, the three Baltic States, Denmark and Sweden), the proportion with income below the poverty threshold was much larger for those who did not receive benefit. This reflects the relatively limited coverage of the social welfare system, except in the two Nordic countries. At the same time, it is worth noting that in Spain, Cyprus and Portugal, those who did receive benefits had a relatively low risk of poverty as compared with most other countries.

Nevertheless, the evidence suggests that – in most countries – people who experience unemployment have a relatively high risk of poverty, irrespective of whether they receive income support. This risk, moreover, tends to increase significantly with the duration of unemployment. In the EU as a whole, of the people aged 25–59 who were unemployed for more than six months during 2006, some 43 % had income below the poverty threshold — as against 18 % of those who had been unemployed for three months or less. The increased risk is evident in all countries, and it is particularly marked in the three Baltic States and the UK. Only in the Netherlands and Sweden did less than 30 % of those unemployed for over six months have income below the poverty threshold (Table 6).

Table 6: Relative number of people aged 25-59 at risk of poverty by months of unemployment in 2006

*% with income below 60% of median*

	Number of months unemployed			
	1	2-3	4-6	7-12
Belgium	15.2	17.1	22.5	37.5
Czech Republic	8.1	11.3	18.0	49.1
Denmark		<b>14.8</b>	13.2	32.8
Germany	14.2	19.6	18.8	52.9
Estonia	<b>6.7</b>	15.4	34.6	65.3
Ireland	<b>10.0</b>	8.6	23.4	45.4
Greece	<b>51.5</b>	21.0	21.1	36.3
Spain	19.2	15.4	17.4	35.5
France	12.7	12.0	16.8	31.3
Italy	19.1	19.6	27.4	45.3
Cyprus	<b>15.4</b>	16.8	19.3	31.5
Latvia		<b>39.0</b>	24.8	60.0
Lithuania		17.2	36.3	58.7
Luxembourg	<b>19.8</b>	39.7	36.6	46.9
Hungary	12.9	14.5	31.4	46.4
Netherlands	7.9	12.9	18.6	28.5
Austria	6.3	11.0	17.7	41.4
Poland	22.5	22.8	28.6	43.4
Portugal	<b>8.9</b>	17.7	22.4	33.4
Slovenia	27.4	13.7	28.7	35.4
Slovakia	<b>7.2</b>	16.6	25.3	47.1
Finland	4.7	12.7	17.7	41.6
Sweden	<b>22.0</b>	19.7	25.0	29.3
UK	<b>41.1</b>	31.7	<b>38.9</b>	60.9
EU25	18.0	17.8	22.0	43.0

*Note: Figures in bold indicate a relatively high degree of uncertainty because of the small number of observations. Missing figures indicate that the number of observations is too small to be reliable.  
Source: EU-SILC 2007*

#### *Income support to the unemployed aged 18-24*

According to the EU-SILC for 2007, around 52 % of young people aged 18–24 (i.e. above the age of being defined as a child in the survey) were economically active in the EU25 in 2007, defining themselves as being either employed or unemployed. Of these, around 20 % (11 % of the total) were also in education or training, the proportion being relatively high in countries, such as Denmark and Germany, where the dual system is important. A further 4 % classed themselves as being inactive but were not in education or training (Table 7).

This means that around 56 % of this age group (the economically active together with the inactive not in education or training) who were potentially vulnerable to the recession, though the figure varied from over 70 % in the United Kingdom to only just under a third in Slovenia. It was over half of the age group in all countries apart from Denmark, Cyprus, Luxembourg, Slovakia and Slovenia.



Table 7: Distribution of those aged 18-24 by employment status, 2007

*% Distribution of young people aged 18-24*

Country	Employed or unemployed and studying	Employed or unemployed and not studying	Inactive and not studying	In full-time education or training	Inactive and studying
Belgium	7.7	41.9	3.2	46.2	1.0
Czech Republic	1.6	48.1	2.9	47.2	0.2
Denmark	21.7	23.7	2.0	51.4	1.1
Germany	24.0	26.4	2.5	46.7	0.4
Estonia	11.4	42.4	5.8	39.6	0.7
Ireland	12.7	46.6	4.2	35.6	1.0
Greece	3.3	41.1	6.0	49.5	0.2
Spain	5.3	46.3	4.0	42.7	1.8
France	7.0	44.7	3.0	44.9	0.5
Italy	3.3	45.4	7.2	43.9	0.2
Cyprus	4.9	32.1	3.6	59.4	0.1
Latvia	15.1	44.2	7.7	32.7	0.4
Lithuania	14.5	33.3	4.0	48.2	0.0
Luxembourg	4.2	34.5	2.5	58.8	0.0
Hungary	4.4	44.7	6.6	42.7	1.6
Netherlands	10.1	40.7	1.7	47.4	0.1
Austria	8.2	52.8	5.7	33.2	0.1
Poland	13.2	35.9	4.0	46.4	0.5
Portugal	4.6	50.3	4.6	40.4	0.2
Slovenia	6.8	25.1	0.6	67.4	0.1
Slovakia	2.4	43.1	3.3	50.8	0.3
Finland	16.1	37.9	3.7	41.5	0.8
Sweden	4.4	56.2	1.9	37.5	0.0
UK	13.5	51.7	5.6	28.7	0.6
EU25	10.7	41.4	4.1	43.2	0.6

Source: Eurostat, EU-SILC, 2007

Of this group of young people, almost a quarter (around 23 %) experienced at least one month of unemployment in 2006 across the EU25, this proportion varying from over 30 % in Belgium, the Czech Republic, Italy and Cyprus – and as much as 36 % in Greece and Poland – to only around 6 % in Denmark and the Netherlands, the only countries where the figure was under 10 % (Table 8).

The survey also indicates that experiencing unemployment tends to significantly increase the risk of poverty among young people. Around 42 % of those with income below the poverty threshold in the EU25 had been unemployed at some point during the year as opposed to around 20 % of those with higher income. This broad picture is common to all Member States, but unemployment seems to be a particularly important reason for having low income in the Czech Republic and Slovakia (where around two-thirds of people at risk of poverty in this age group had experienced unemployment) and to a lesser extent in Belgium, Ireland, Luxembourg and Poland (where well over half had been unemployed).

**Table 8: Proportion of young people aged 18-24 and economically active who have been unemployed for at least one month in 2006**

Country	Total (%)	Above poverty threshold (%)	Below poverty threshold (%)	Below threshold as % total
Belgium	30.7	26.2	52.8	29.4
Czech Republic	32.0	25.8	69.7	31.1
Denmark	5.9	5.0	9.1	34.1
Germany	16.8	14.1	31.3	29.1
Estonia	16.3	12.0	43.5	36.4
Ireland	23.0	18.9	53.6	27.5
Greece	35.7	33.4	42.8	28.8
Spain	24.7	21.6	41.9	25.5
France	26.9	22.5	45.9	32.2
Italy	30.6	25.9	44.1	37.4
Cyprus	31.7	30.2	43.4	15.4
Latvia	14.8	12.0	31.6	30.9
Lithuania	10.8	9.4	20.4	24.3
Luxembourg	29.7	23.7	54.2	36.1
Hungary	24.8	20.3	47.4	31.4
Netherlands	6.4	5.6	15.5	18.7
Austria	17.0	15.3	31.2	19.5
Poland	35.9	30.2	56.3	34.3
Portugal	23.9	21.7	34.4	24.3
Slovenia	17.0	14.1	43.8	25.3
Slovakia	29.5	25.0	64.4	24.8
Finland	22.5	18.1	44.1	33.4
Sweden	18.6	14.7	33.7	37.4
UK	14.0	11.2	28.7	32.7
EU25	23.4	19.5	41.5	31.4

Source: Eurostat, EU-SILC, 2007

Overall, almost a third of people in this age group who had experienced unemployment had income below the poverty threshold in the EU25 as a whole, the figure varying from over 37 % in Italy and Sweden to only just over 15 % in Cyprus. It was, however, above 20 % in all countries apart from Cyprus, the Netherlands and Austria, and over 30 % in half the Member States for which there are data.

In most countries, people in this young age group were less likely than those in older groups to receive income support if they experienced unemployment. In the EU25 as a whole, less than 40 % of these young people who had been unemployed in 2006 were in receipt of a social benefit, and the figure was only slightly higher for those with an income below the poverty threshold than for the others (Table 9).

The proportion receiving benefits varied markedly across countries, from 84-86 % in the three Nordic Member States and over 80 % in Austria to less than 20 % in Estonia, Lithuania, Cyprus, Poland, Slovakia and Spain, and under 10 % in Greece. As in the case of the older age group, in around half the countries the proportion receiving benefits was larger for people with incomes below the poverty threshold than for the others, for the reasons already stated. In the other countries the reverse was the case. The difference between the two groups, however, was in most cases much smaller than for people aged 25–59. So, if you were a young person aged 18–24, as for the older age group, receiving benefit did not necessarily prevent your income from falling below the poverty threshold. Nevertheless, in many countries, the proportion of those with income below the poverty threshold was very small — under 10 % in Greece and Spain and under 20 % in Italy, Portugal, Cyprus, Estonia, Lithuania and Poland.

**Table 9: Proportion of those aged 18-24 economically active and in receipt of income support by income above or below the risk-of-poverty threshold, 2006**

*% in receipt of at least one benefit*

Country	Total	Above 60% of median	Below 60% of median
Belgium	61.1	54.5	77.0
Czech Republic	51.4	49.5	55.8
Denmark	84.1	80.0	92.1
Germany	75.1	73.6	78.7
Estonia	14.5	15.2	13.4
Ireland	50.1	39.1	78.9
Greece	9.0	10.2	5.9
Spain	18.7	22.1	8.6
France	48.3	49.3	46.2
Italy	22.7	26.0	17.1
Cyprus	16.5	17.5	10.6
Latvia	22.0	21.6	23.0
Lithuania	14.9	14.8	15.4
Luxembourg	31.1	28.3	36.1
Hungary	53.3	51.8	56.4
Netherlands	67.9	70.6	56.3
Austria	82.2	85.3	69.5
Poland	16.0	15.8	16.4
Portugal	23.2	25.6	15.9
Slovenia	50.4	51.8	46.5
Slovakia	18.0	15.1	26.8
Finland	86.2	88.7	81.3
Sweden	85.6	83.7	88.7
UK	43.1	26.3	78.1
EU25	38.4	37.8	39.8

*Note: Social benefits here include unemployment, sickness and disability benefits and education allowances, plus social exclusion benefits going to the households of young people who are no longer living with their parents*

*Source: EU-SILC, 2007*

The majority of young people who were economically active and had at least one spell of unemployment lived independently from their parents (around 53 % in the EU25 as a whole, much the same proportion as those not experiencing unemployment), and therefore had no immediate potential access to other sources of income. Of these, most lived in a couple household, in most cases without children. The only countries in which a clear majority lived with their parents were Ireland, Luxembourg, the Netherlands and Slovakia (Table 10).

As in the case those aged 25 and over, the risk of poverty among young people tends to increase the longer they have been unemployed or the more spells they experienced. Again, over 40 % of those aged 18–24 across the EU who had experienced six months or more of unemployment during 2006 had incomes below the poverty threshold – almost twice the proportion of those unemployed for fewer months during the year (Table 11). This higher risk is evident in all Member States except Portugal.

However, recession not only increases the risk of poverty for young people but also delays their entry into the labour market, which could cause lasting damage to their future career prospects. Those leaving the education and initial vocational training system when few jobs are available may, when the recession eases, find themselves competing for jobs with those who left a year later and who, therefore, do not have the stigma of unemployment on their record.

**Table 10: Distribution of economically active aged 18-24 unemployed for at least one month in 2006 by type of household**

Country	Living alone	Lone parent	Couple with no	Couple with	Other
<b>Belgium</b>	3.8	2.8	28.2	13.8	51.4
<b>Czech Republic</b>	1.2	3.7	33.1	16.8	45.1
<b>Denmark</b>	0.0	0.0	34.8	18.4	46.9
<b>Germany</b>	5.2	3.0	30.6	12.4	48.7
<b>Estonia</b>	5.4	0.9	32.4	11.3	49.9
<b>Ireland</b>	2.8	3.6	23.3	13.2	57.2
<b>Greece</b>	0.9	1.3	55.6	5.6	36.7
<b>Spain</b>	1.5	0.8	45.4	10.6	41.7
<b>France</b>	5.8	6.0	22.6	16.6	49.2
<b>Italy</b>	2.4	3.0	28.1	21.3	45.2
<b>Cyprus</b>	3.8	0.4	37.8	9.5	48.5
<b>Latvia</b>	0.5	2.4	27.6	18.2	51.3
<b>Lithuania</b>	3.4	2.5	53.4	9.6	31.0
<b>Luxembourg</b>	6.0	0.3	31.6	2.3	59.8
<b>Hungary</b>	0.9	2.7	29.0	20.8	46.6
<b>Netherlands</b>	15.7	4.6	11.8	7.2	60.7
<b>Austria</b>	6.1	8.6	30.0	28.5	26.8
<b>Poland</b>	1.2	2.9	31.3	13.7	51.0
<b>Portugal</b>	2.0	2.4	31.6	16.7	47.3
<b>Slovenia</b>	2.5	4.4	27.4	17.5	48.1
<b>Slovakia</b>	1.6	0.8	31.3	10.1	56.2
<b>Finland</b>	19.2	2.2	14.8	19.1	44.6
<b>Sweden</b>	23.5	3.0	16.6	16.9	39.9
<b>UK</b>	2.7	12.2	21.0	20.1	44.1
<b>EU25</b>	3.1	3.7	31.0	15.4	46.8

*Note: 'Other' shows in most cases young people living with their parents  
Source: EU-SILC*

**Table 11: Relative number of people aged 18-24 at risk of poverty by months of unemployment in 2006**

*% with income below 60% of median*

	<b>1-6 Months</b>	<b>7-12 Months</b>	<b>Total</b>
<b>Belgium</b>	14.0	42.9	29.4
<b>Czech Republic</b>	15.8	44.3	31.1
<b>Denmark</b>			34.1
<b>Germany</b>	25.5	34.1	29.1
<b>Estonia</b>	27.2	49.4	36.4
<b>Ireland</b>	17.5	35.5	27.5
<b>Greece</b>	27.5	29.7	28.8
<b>Spain</b>	17.1	33.4	25.5
<b>France</b>	20.3	45.5	32.2
<b>Italy</b>	24.3	41.3	37.4
<b>Cyprus</b>	14.6	17.8	15.4
<b>Latvia</b>	18.7	41.6	30.9
<b>Lithuania</b>	17.3	35.0	24.3
<b>Luxembourg</b>	32.6	42.4	36.1
<b>Hungary</b>	19.8	45.7	31.4
<b>Netherlands</b>	10.3		18.7
<b>Austria</b>	4.2	49.2	19.5
<b>Poland</b>	23.9	43.2	34.3
<b>Portugal</b>	26.2	22.5	24.3
<b>Slovenia</b>	19.3	42.0	25.3
<b>Slovakia</b>	15.5	36.5	24.8
<b>Finland</b>	24.3	46.8	33.3
<b>Sweden</b>	36.5	40.0	37.4
<b>UK</b>	21.6	51.0	32.7
<b>Total</b>	21.5	40.6	31.4

*Note: EU25 excluding Malta. Missing figures indicate that the number of observations is too small to be reliable, though in both Denmark and the Netherlands, they show a large difference in relative numbers between those unemployed for 6 months or less and those unemployed for more.*  
*Source: EU-SILC 2007*

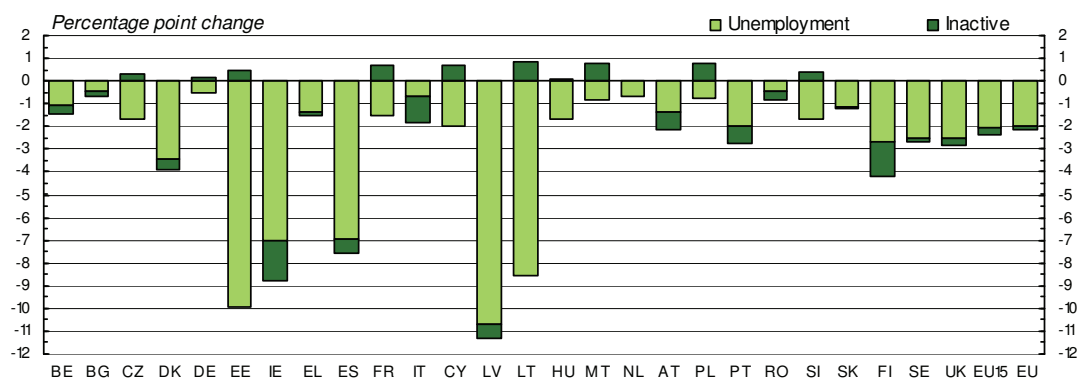
#### 1.2.6. Employment and unemployment in the present recession

The initial phases of the present recession look very similar to the earlier economic downturns described above, and there is little evidence that the present recession is affecting people any differently.

In most countries where the recession was under way by the first part of 2009, job losses and the reduced rate of new job creation affected men much more than women – again because it primarily hit the investment goods and construction industries – and young people under 25 were also affected by the lack of job opportunities.

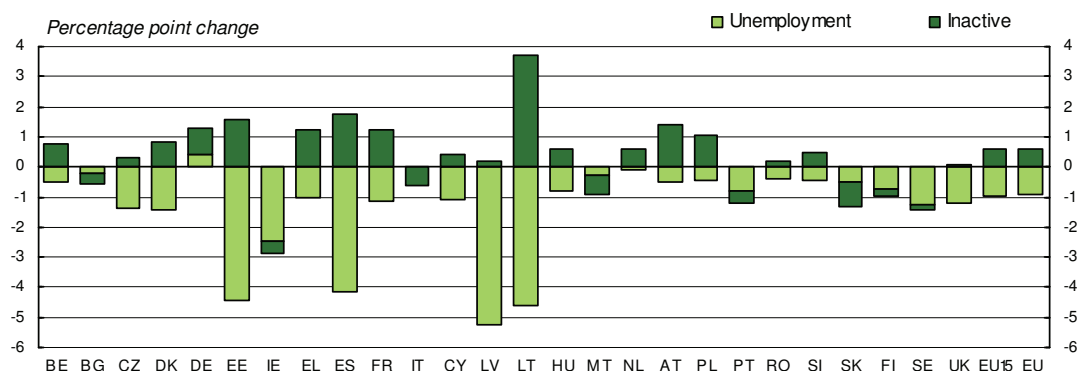
The employment rate of women changed by relatively little in the EU between the second quarter of 2008 and the second quarter of 2009, falling significantly (by over 1 percentage point) only in Estonia, Latvia, Spain, Ireland, the Czech Republic, Slovakia, Portugal, the United Kingdom and Sweden. For men, on the other hand, the employment rate fell by 2.3 percentage points in the EU as a whole, rising only in Luxembourg. In Latvia, the rate declined by over 11 percentage points; in Estonia, by almost 10 percentage points; in Ireland, by around 9 points; and in Spain and Lithuania, by just under 8 points. (See Figures 40 and 41 – note that these and the following charts divide the change in the employment rate into its constituent parts: the change in unemployment and the change in inactivity. Increases in unemployment and inactivity are, therefore, represented as negative items in the chart and the total change in employment is the sum of the two. Where there is a reduction in inactivity, shown as a positive part of the bar in the chart, the change in employment is given by the increase in unemployment less the reduction in activity. For example, in Lithuania, the reduction in the employment rate of men over the period is the sum of the rise in unemployment, 8.6 % of those aged 15-64, less the decline in inactivity, 0.8 % of the age group, which makes a total change in the employment rate of 7.8 %; whereas in Latvia, the rise in unemployment is 10.7 %, to which must be added 0.6 % for the rise in inactivity, to create a total change in the employment rate of 11.3 %).

**Figure 40: Change in employment rate of men aged 15-64 in Member States, 2008.Q2 to 2009.Q2**



Note: LU data too small to be reliable  
Source: EU Labour Force Survey

**Figure 41: Change in employment rate of women aged 15-64 in Member States, 2008.Q2 to 2009.Q2**



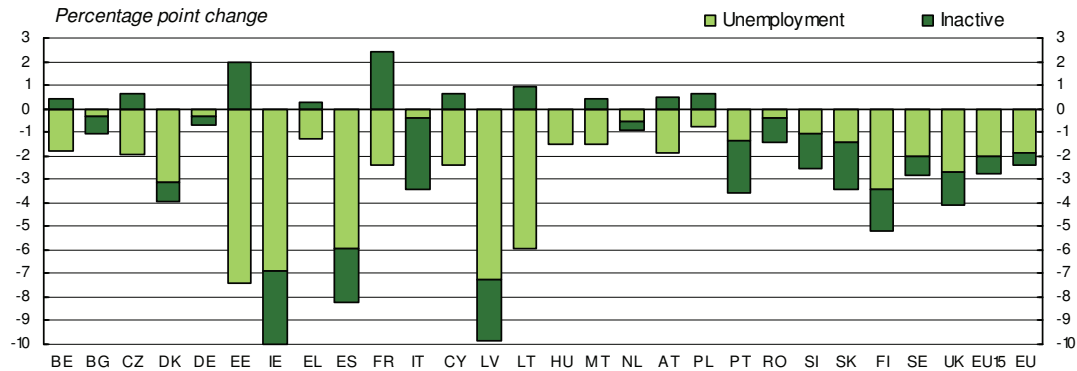
Note: LU data too small to be reliable  
Source: EU Labour Force Survey

In Germany, by contrast, the employment rate fell only slightly, reflecting to a significant extent, as noted above, the substantial number of men working reduced hours and supported by the short-time working allowance.

For young people under 25, the decline in the employment rate was even greater – around 2.5 percentage points over the year up to the second quarter of 2009 and around 3.5 percentage points in the case of men in this age group. In both Ireland and Latvia, the employment rate of young people fell by around 10 percentage points (from 46 % of population aged 15-24 to only 36 % in Ireland and from 38 % to 28 % in Latvia), and in Spain it fell by just over 8 percentage points (Figure 42). Only in Luxembourg was there any rise in the employment rate.

Unlike in the downturn in the early 1990s, the decline in employment during the recent recession was accompanied, across the EU, by much more of a rise in unemployment than in inactivity, suggesting that the prevailing tendency was for young people to continue actively looking for a job rather than to remain in, or return to, education and training. There are, however, a number of exceptions, including Bulgaria, Germany, Portugal, Slovenia and Slovakia, where most of the decline in employment was associated with a rise in inactivity rather than higher unemployment. In Italy, most of the fall in employment was matched by a rise in inactivity, with only a small increase in unemployment. In 11 of the 27 Member States, inactivity rates fell over this 12-month period as more young people joined the work force, many of them going into unemployment rather than a job.

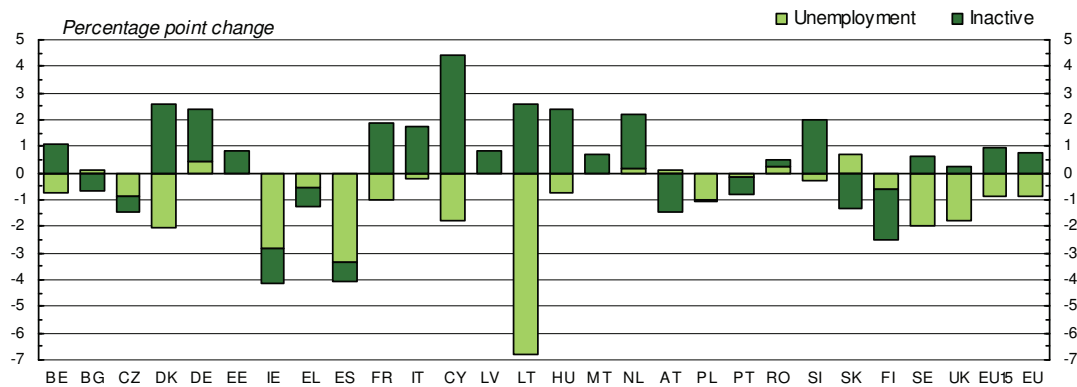
**Figure 42: Change in employment rate of people aged 15-24 in Member States, 2008.Q2 to 2009.Q2**



Note: LU data too small to be reliable  
Source: EU Labour Force Survey

Also unlike the situation in the early 1990s, older people in the work force have, in general, been less affected by job losses than younger age groups. There is, therefore, no sign of any widespread move to use early retirement as a way to cut jobs. As indicated above, employment rates of men aged 55 and over, which had declined markedly during the downturns of the 1970s and 1980s, have shown an upward trend since 2000 or so. This seems to have continued in many countries in the early phases of the recession – though often at a much reduced rate, with only a slight increase in the overall employment rate for people aged 55–64 across the EU from the second quarter of 2008 to the second quarter of 2009 (Figure 43).

**Figure 43: Change in employment rate of men aged 55-64 in Member States, 2008.Q2 to 2009.Q2**



Note: LU data too small to be reliable  
Source: EU Labour Force Survey

In those countries where employment has been hit especially hard – the three Baltic States, Ireland and Spain – the employment rate for men aged 55–64 declined by much less than for men as a whole. Indeed, in Estonia, the employment rate increased over the year up to the first quarter of 2009, and in Latvia and Lithuania, it fell by only around half as much or less than the rate for all men). In none of the countries, did the employment rate for older men fall by more than the overall rate for men and in a number, it rose while the overall rate fell.

There has also been no general tendency in the EU for more men in this age group to leave the workforce during the initial phases of the recession. As employment declined, inactivity rates went up in nine Member States.

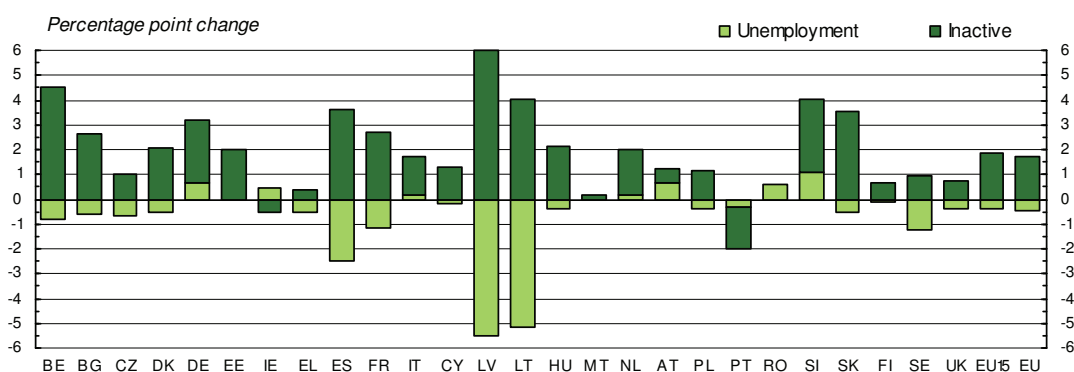


However, in 17 other countries they went down, in some cases considerably (by over 2 percentage points in Denmark, Cyprus, Lithuania, Luxembourg and Hungary).

However, it will be crucial for Member States to avoid resorting to early retirement in order to free up jobs for young people as the recession (or, more precisely the low rate of new job creation) continues – which was a major motive for adopting this policy in the 1970s and 1980s. If this were to happen, it could undo the progress made over the present decade in keeping older people in work. This would have significant longer-term implications for the growth of the labour force across the EU, given the prospective decline in the number of people of working age.

Employment rates for older women, as also for younger women, have similarly continued their upward trend in most countries in the early phases of recession. In the EU as a whole they rose by 1.5 percentage points over the year up to the second quarter of 2009, falling only in Ireland, Greece, Lithuania, Luxembourg, Portugal and Sweden. Most of the increase in employment, moreover, was associated with an increase in activity rates (Figure 44).

**Figure 44: Change in employment rate of women aged 55-64 in Member States, 2008.Q2 to 2009.Q2**



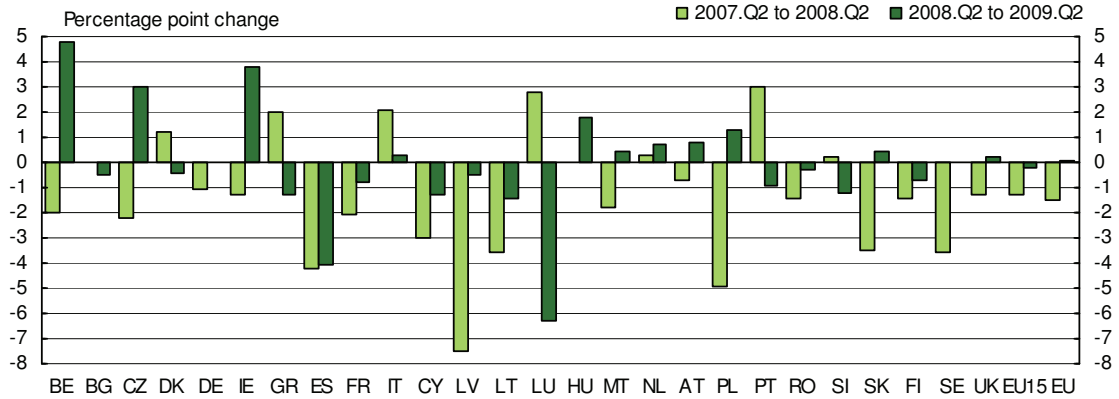
Note: LU data too small to be reliable  
Source: EU Labour Force Survey

### Temporary jobs

There was an overall decline in the proportion of people employed in temporary jobs in the EU in the initial phases of the recession, especially in the EU15. The decline, however, was largely concentrated in Spain, where the proportion of employees in such jobs fell by around 3.5 percentage points over the year up to the second quarter of 2009 for people aged 25 and over, and to a lesser extent in France, Italy, Portugal and Sweden (where it fell by around one percentage point in each case). Except in these countries, therefore, there is little evidence that people in temporary jobs are the first victims of the downturn in economic activity.

At the same time, a large proportion of those employed in temporary jobs are young people under 25 – and their relative number has, until recently, tended to increase in most Member States. Over the past few years, however, there has been a widespread tendency for the upward trend to moderate and to go into reverse. In the year up to the second quarter of 2009, however, there was a slightly increase in the EU as a whole in the proportion of people aged 15–24 in jobs with fixed-term contracts. The increase was concentrated in relatively few countries: in a number of the EU12 countries, especially the Czech Republic (where it rose by three percentage points), Hungary and Poland, though also in Belgium (by almost five percentage points), Ireland (almost four percentage points), the Netherlands and Austria. In these countries, therefore, a growing proportion of young people who either remained in or entered employment over the period were in insecure positions, perhaps reflecting increased uncertainty about future employment needs. The increase in these countries offset the large reduction in Spain (where the proportion of employees in temporary jobs fell by 4 percentage points) and to a lesser extent in Greece, Lithuania, Luxembourg and Slovenia, where, therefore, there is some evidence that job losses have primarily affected temporary jobs (Figure 45).

**Figure 45: Change in temporary employees as share of total employees 15-24, 2007.Q2 to 2009.Q2**



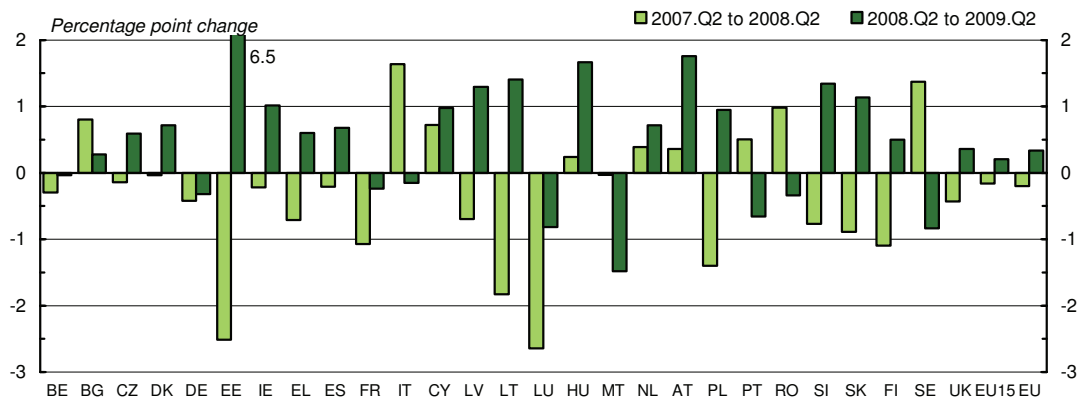
Note: EE: no data available  
 Source: EU Labour Force Survey.

On the other hand, in Germany, Italy, Belgium, the Netherlands and Austria, there was an increase in the proportion of young people in work employed in temporary jobs – in contrast to the fall in the previous year. Accordingly, in these countries, there was a shift towards jobs of this kind, or, more tentatively, the creation of opportunities for young people to gain work experience.

*Part-time employment*

There was an increase in the proportion of men and women employed in part-time rather than full-time jobs in the EU as a whole between the second quarters of 2008 and 2009. The increase was widespread across the EU and was particularly pronounced among both men and women in the three Baltic States (especially in Estonia), Ireland, Slovenia and Slovakia. In both Hungary and Austria, the proportion of women in work employed part-time went up by almost two percentage points. The reduction in the number of people employed was, therefore, accompanied in many cases by more of those remaining in employment working part-time (Figure 46).

**Figure 46: Change in part-time working of women, 2007.Q2 to 2009.Q2**

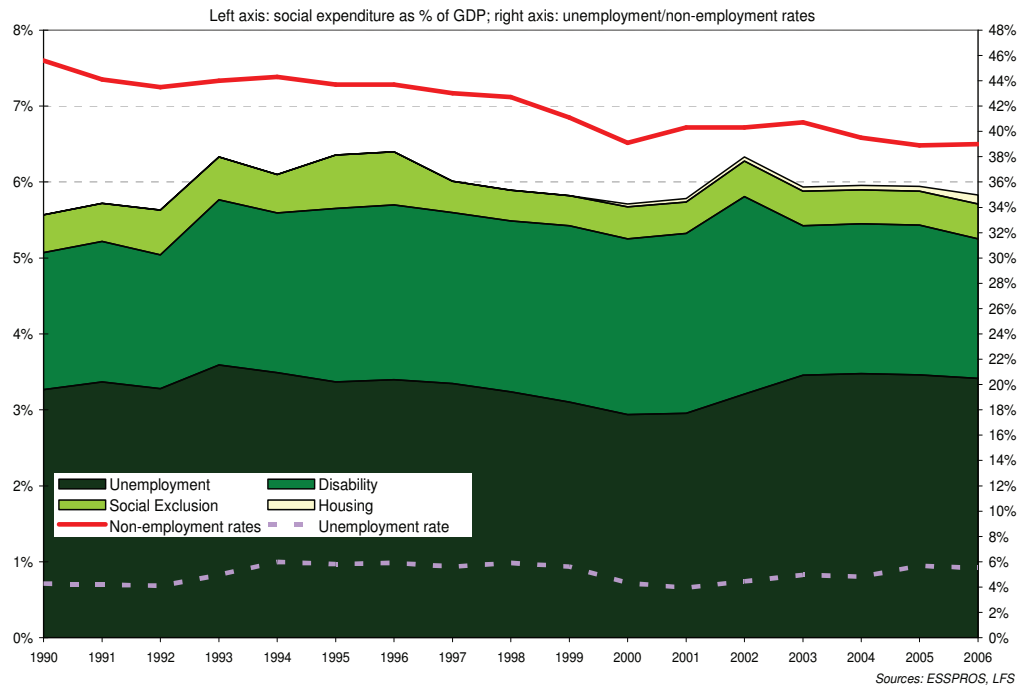


Source: EU Labour Force Survey.

## Annex

Figure A 1: Expenditure on income support of those of working age in EU15 Member States, 1990-2006

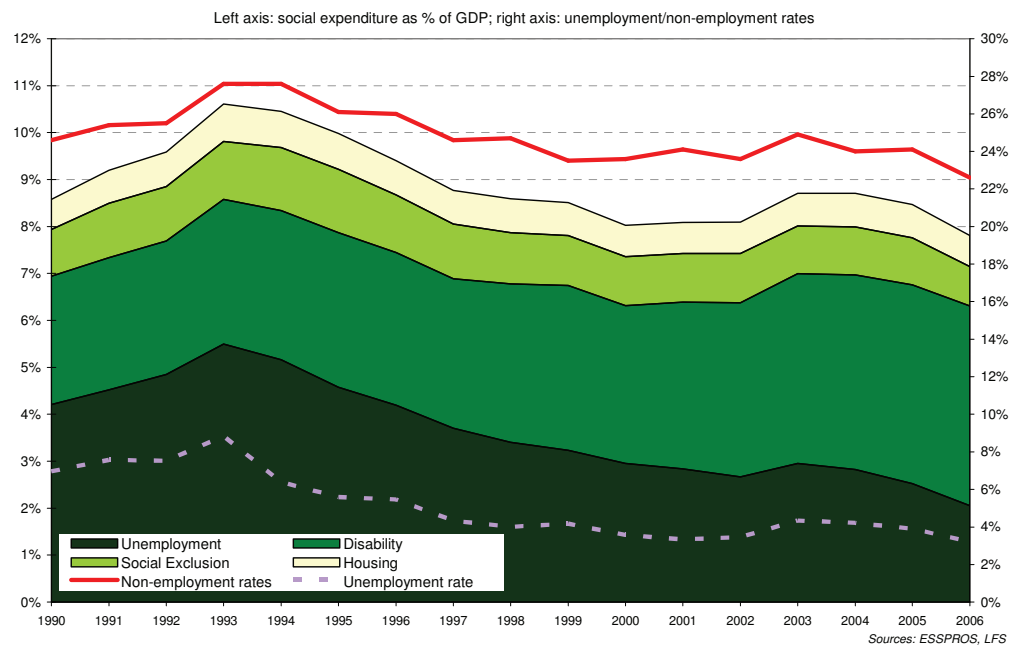
Composition of social expenditure (% of GDP), Belgium, 1990-2006



Source: EU LFS and ESSPROS

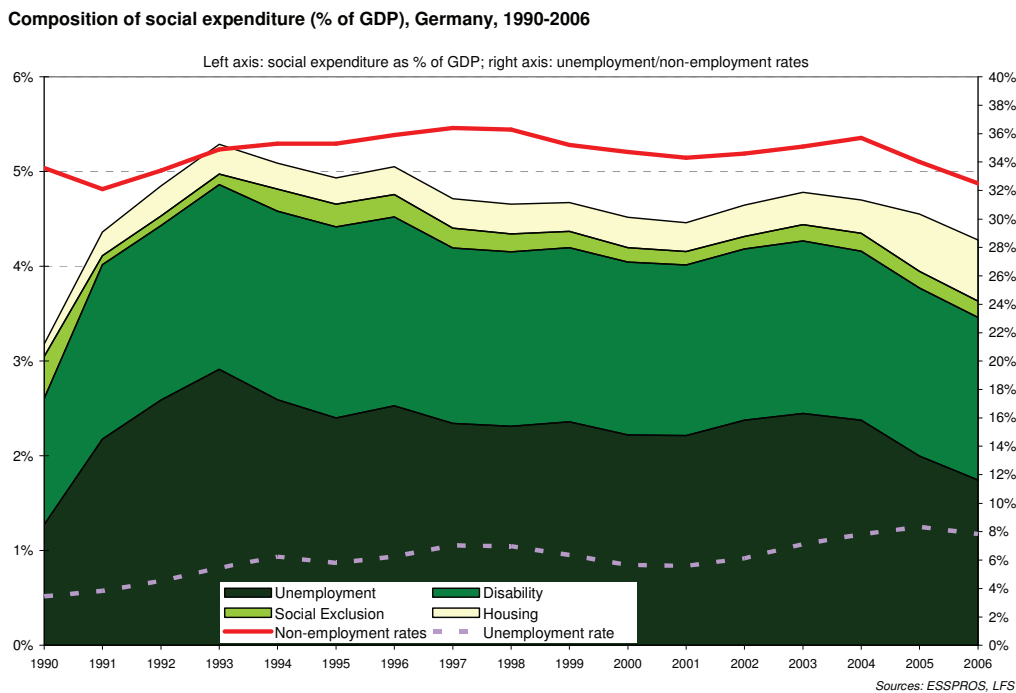
Figure A 2: Composition of social expenditure (% of GDP), Denmark, 1990-2006

Composition of social expenditure (% of GDP), Denmark, 1990-2006



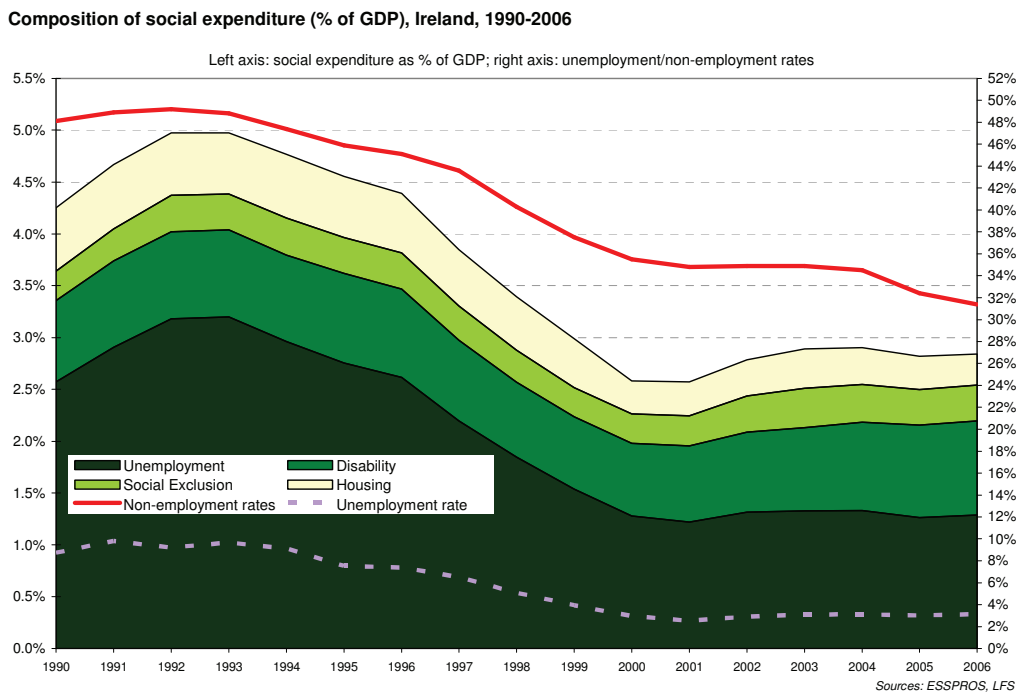
Source: EU LFS and ESSPROS

**Figure A 3: Composition of social expenditure (% of GDP), Germany, 1990-2006**



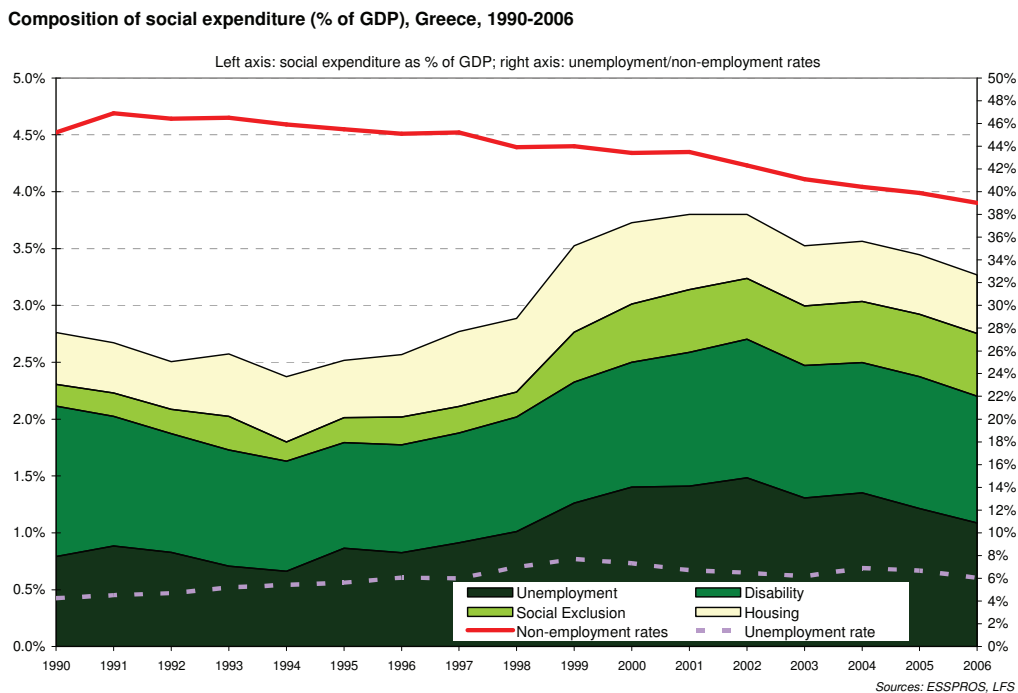
Source: EU LFS and ESSPROS

**Figure A 4: Composition of social expenditure (% of GDP), Ireland, 1990-2006**



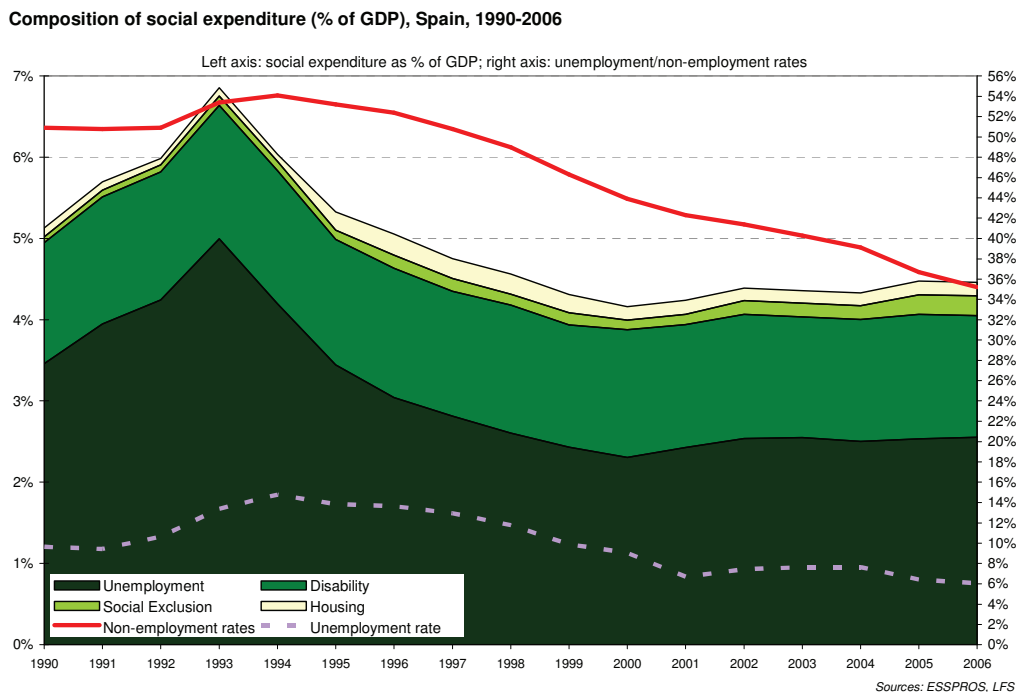
Source: EU LFS and ESSPROS

**Figure A 5: Composition of social expenditure (% of GDP), Greece, 1990-2006**



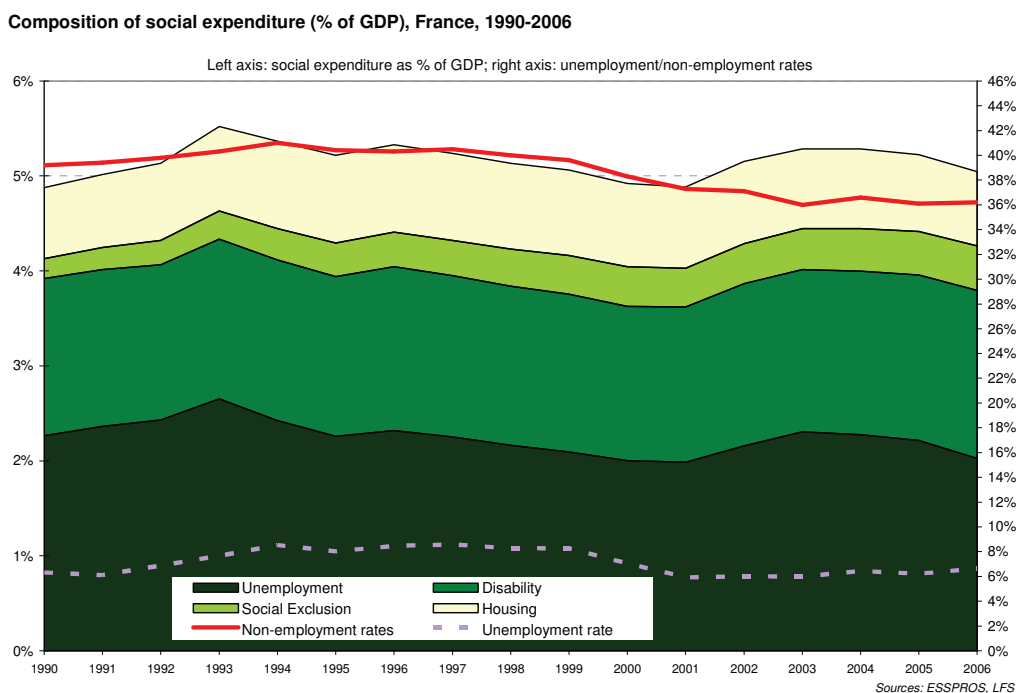
Source: EU LFS and ESSPROS

**Figure A 6: Composition of social expenditure (% of GDP), Spain, 1990-2006**



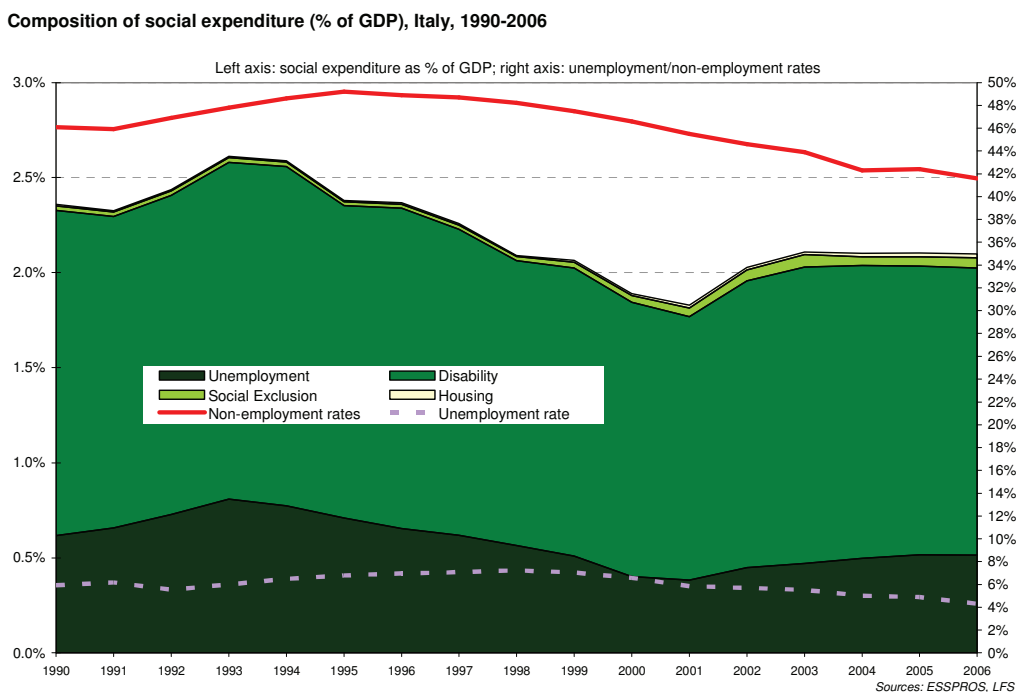
Source: EU LFS and ESSPROS

**Figure A 7: Composition of social expenditure (% of GDP), France, 1990-2006**



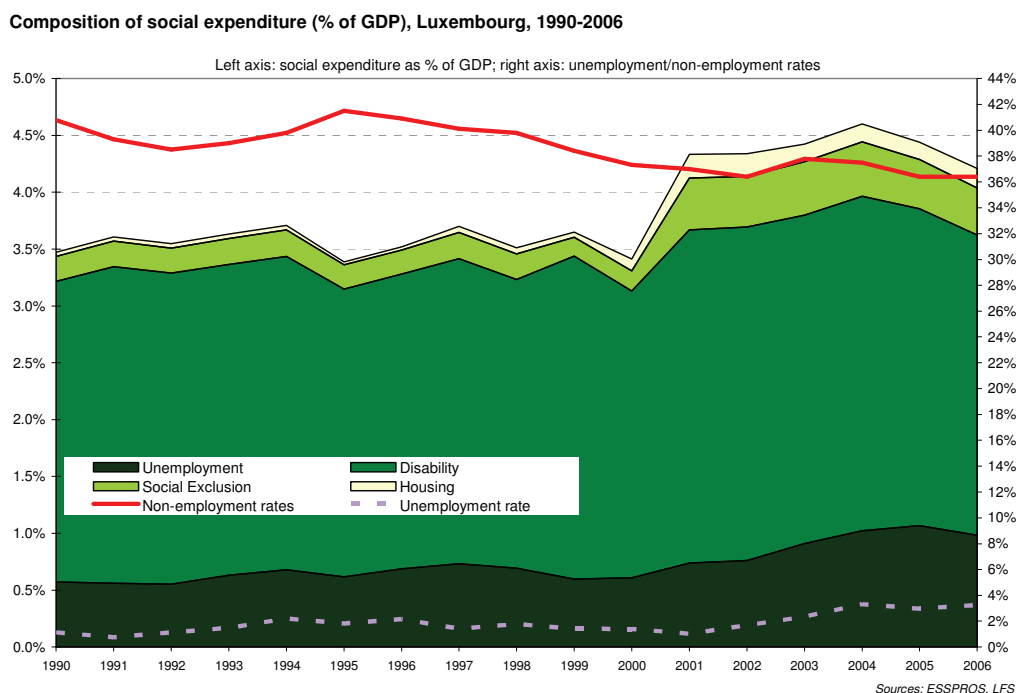
Source: EU LFS and ESSPROS

**Figure A 8: Composition of social expenditure (% of GDP), Italy, 1990-2006**



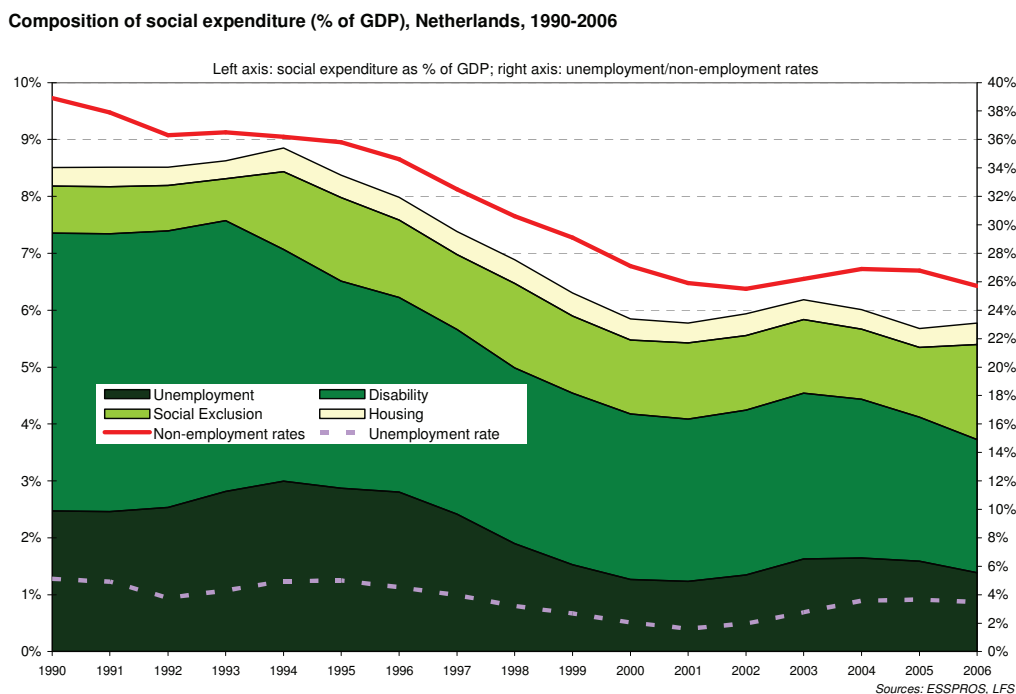
Source: EU LFS and ESSPROS

**Figure A 9: Composition of social expenditure (% of GDP), Luxembourg, 1990-2006**



Source: EU LFS and ESSPROS

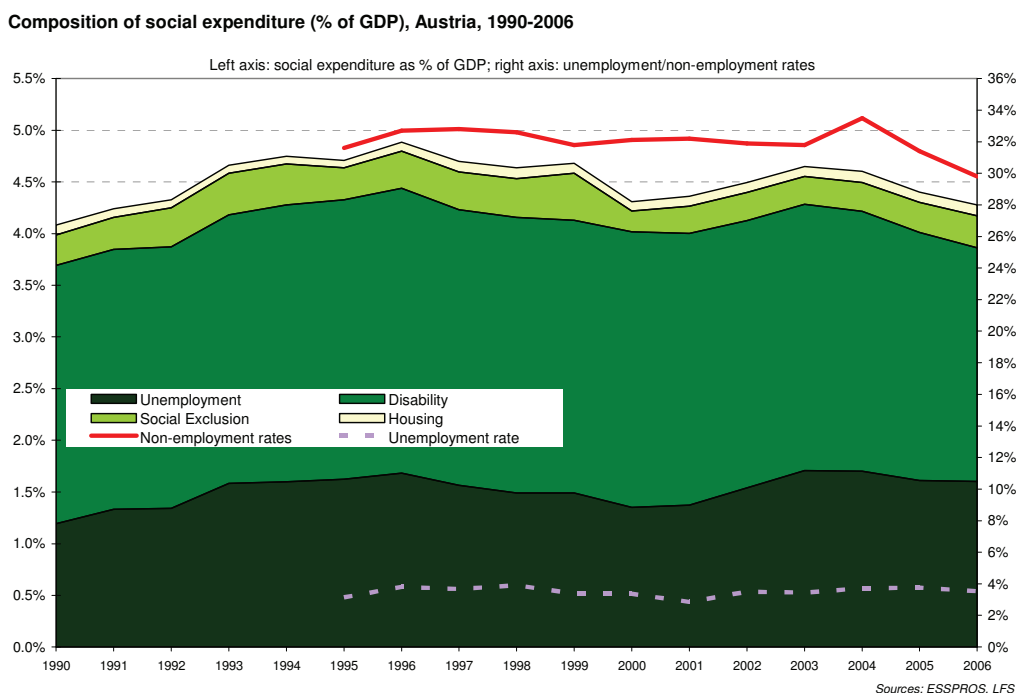
**Figure A 10: Composition of social expenditure (% of GDP), The Netherlands, 1990-2006**



Source: EU LFS and ESSPROS

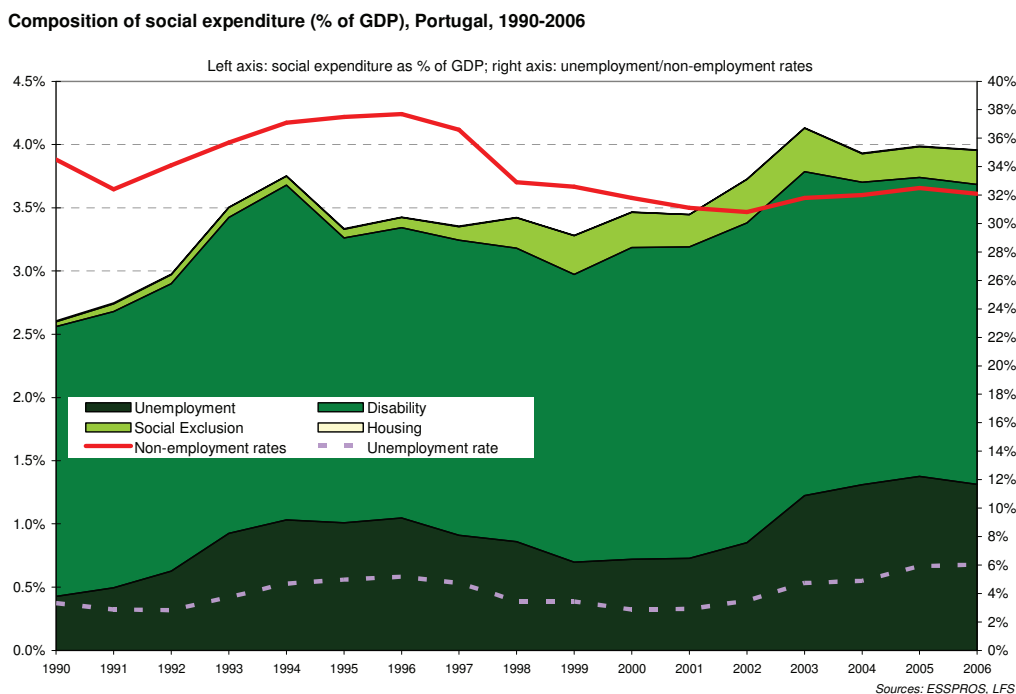


**Figure A 11: Composition of social expenditure (% of GDP), Austria, 1990-2006**



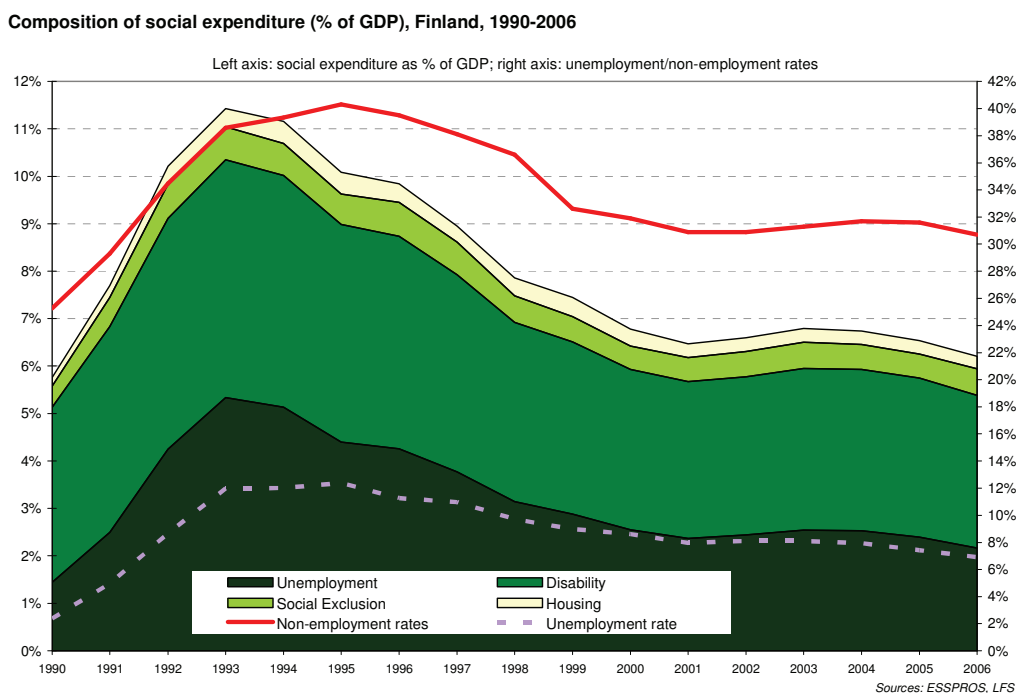
Source: EU LFS and ESPROSS

**Figure A 12: Composition of social expenditure (% of GDP), Portugal, 1990-2006**



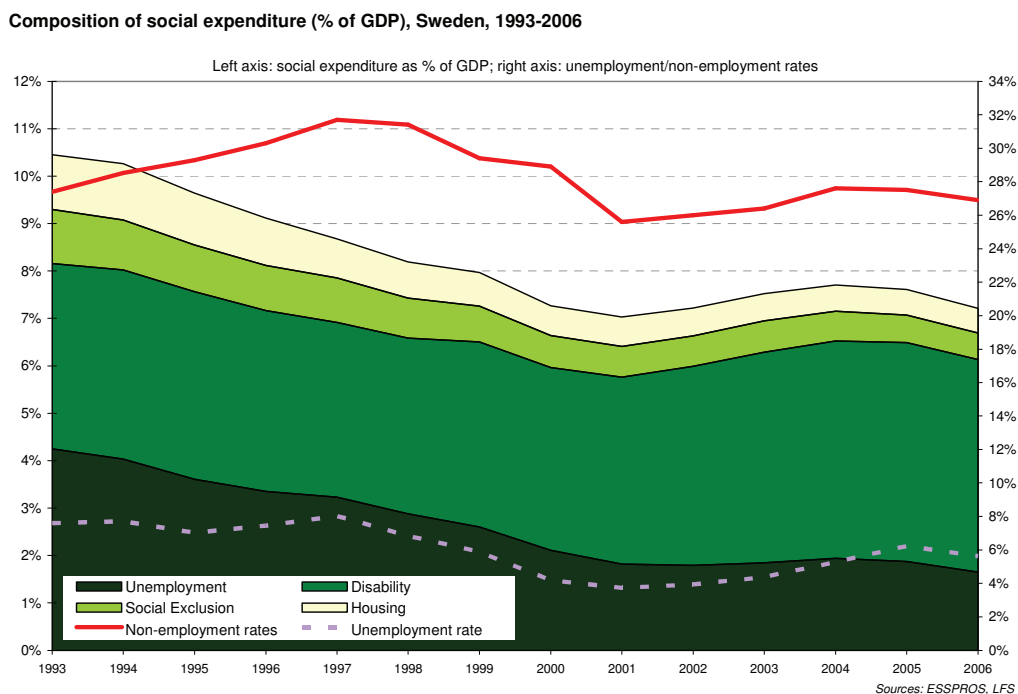
Source: EU LFS and ESPROSS

**Figure A 13: Composition of social expenditure (% of GDP), Finland, 1990-2006**



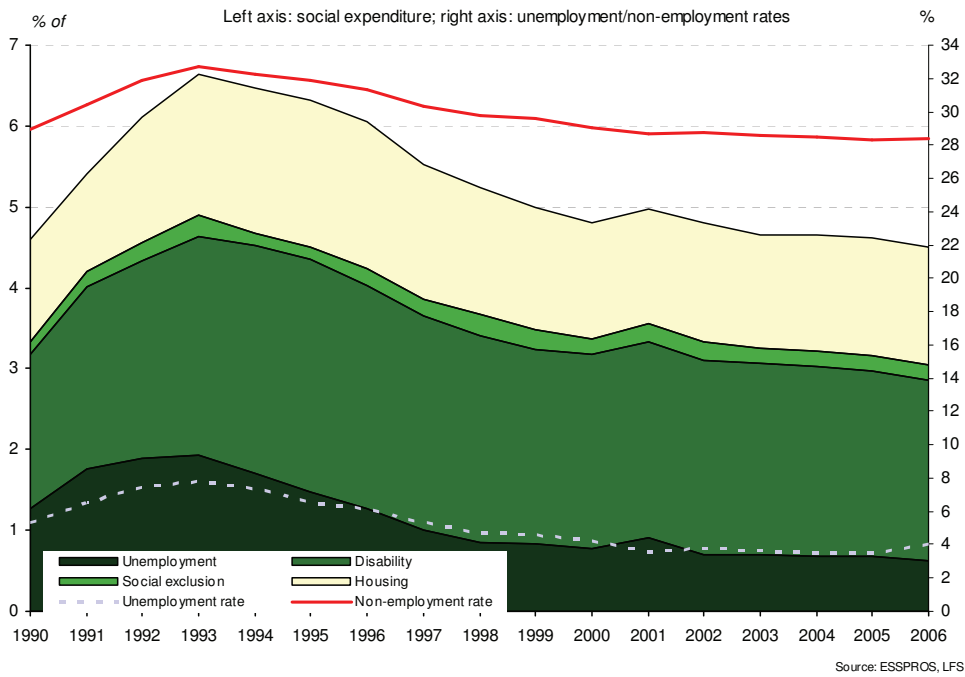
Source: EU LFS and ESPROSS

**Figure A 14: Composition of social expenditure (% of GDP), Sweden, 1993-2006**



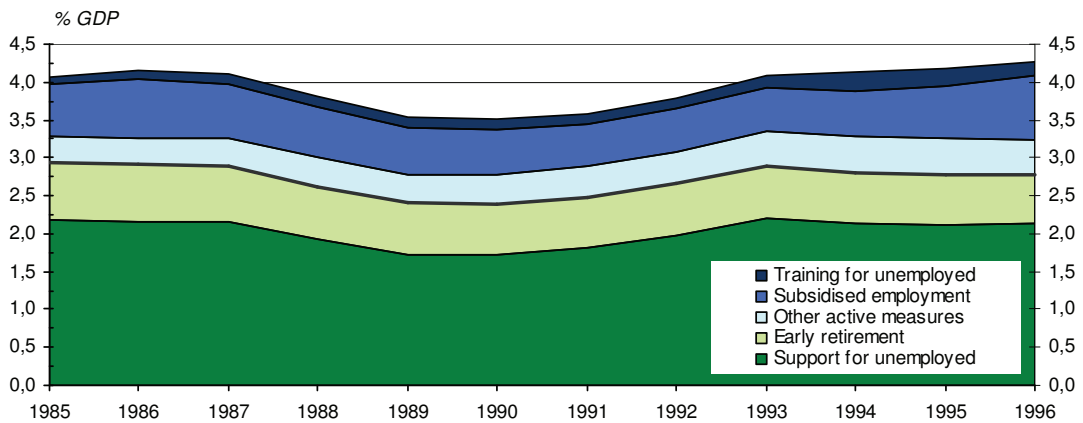
Source: EU LFS and ESPROSS

**Figure A 15: Composition of social expenditure (% of GDP), UK, 1990-2006**



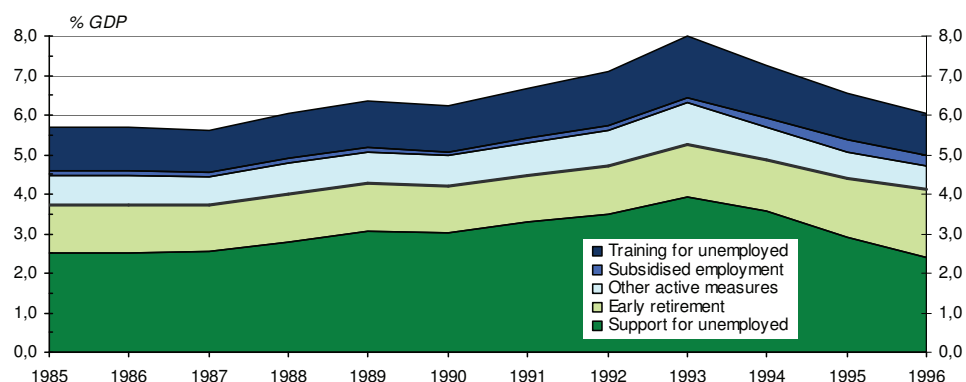
Source: EU LFS and ESPROSS

**Figure A 16: Labour market expenditure on active LMP measures and LMP support (passive) in the EU15, 1985-1996**



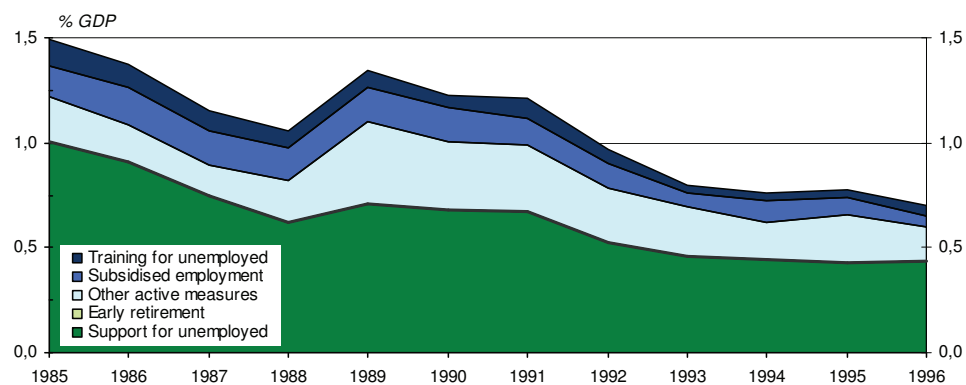
Source: OECD.

**Figure A 17: Labour market expenditure on active LMP measures and LMP support (passive) in Denmark, 1985-1996**



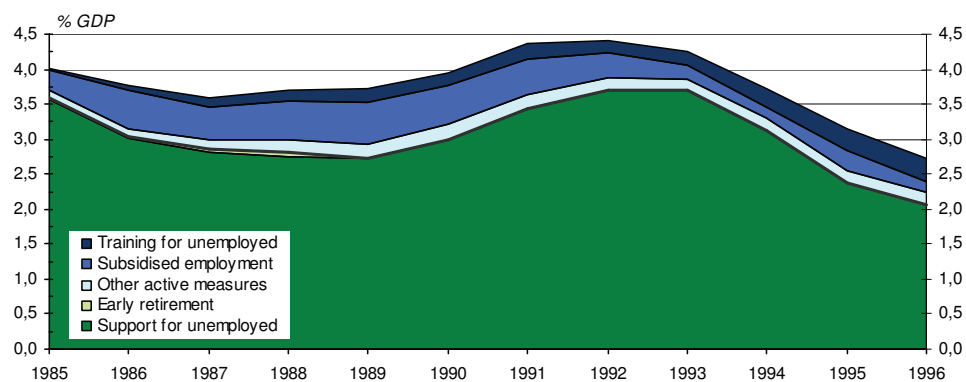
Source: OECD.

**Figure A 18: Labour market expenditure on active LMP measures and LMP support (passive) in Greece, 1985-1996**



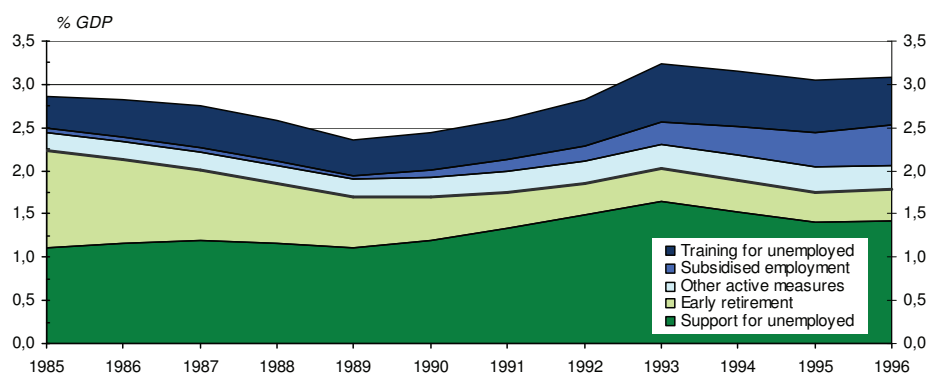
Source: OECD.

**Figure A 19: Labour market expenditure on active LMP measures and LMP support (passive) in Spain, 1985-1996**



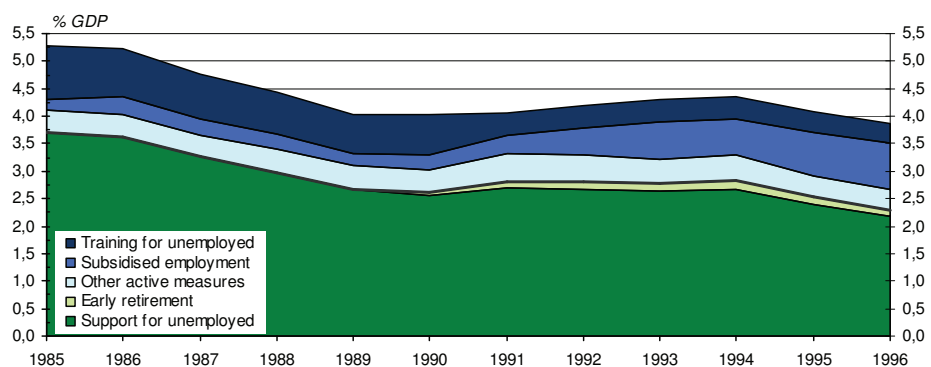
Source: OECD.

**Figure A 20: Labour market expenditure on active LMP measures and LMP support (passive) in France, 1985-1996**



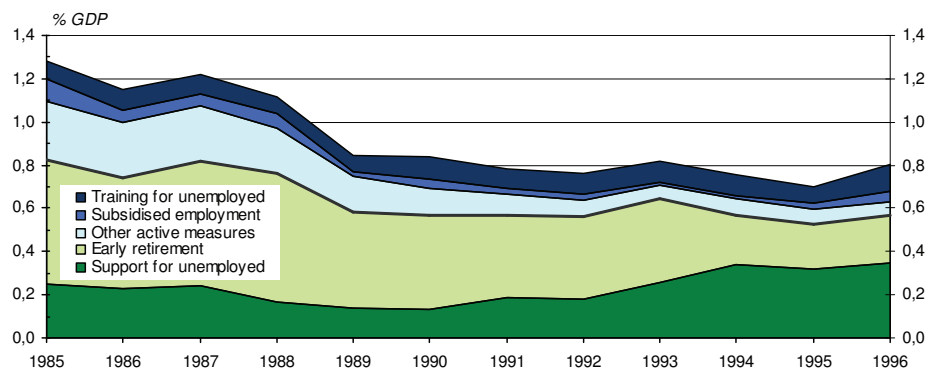
Source: OECD.

**Figure A 21: Labour market expenditure on active LMP measures and LMP support (passive) in Ireland, 1985-1996**



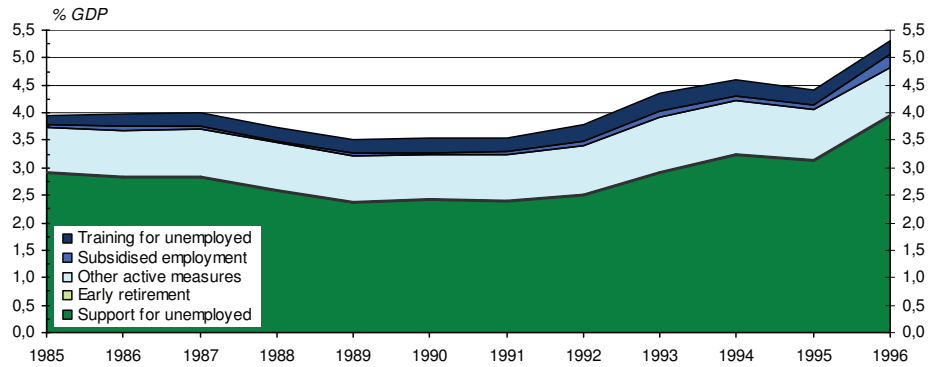
Source: OECD.

**Figure A 22: Labour market expenditure on active LMP measures and LMP support (passive) in Luxembourg, 1985-1996**



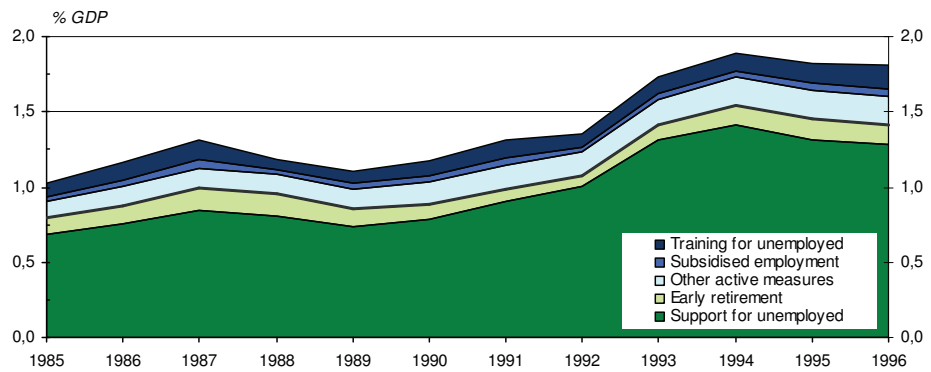
Source: OECD.

**Figure A 23: Labour market expenditure on active LMP measures and LMP support (passive) in the Netherlands, 1985-1996**



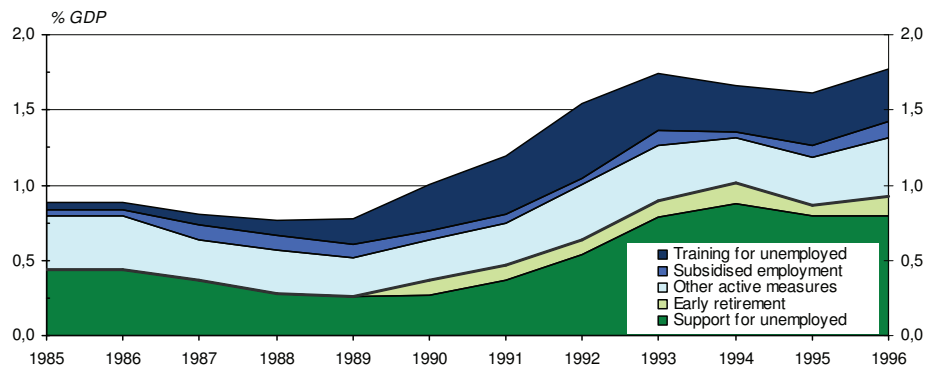
Source: OECD.

**Figure A 24: Labour market expenditure on active LMP measures and LMP support (passive) in Austria, 1985-1996**



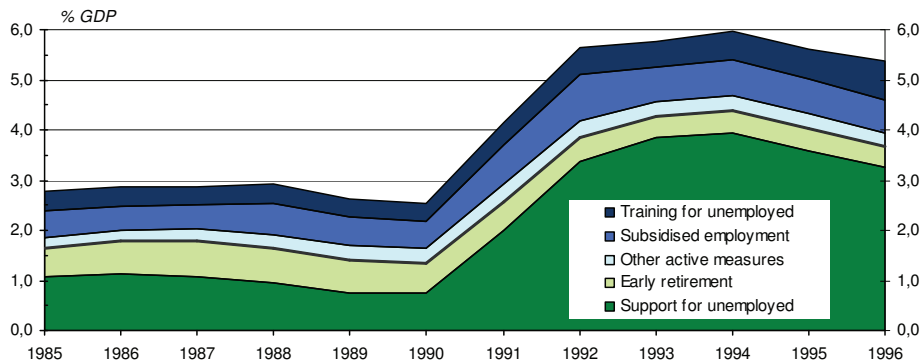
Source: OECD.

**Figure A 25: Labour market expenditure on active LMP measures and LMP support (passive) in Portugal, 1985-1996**



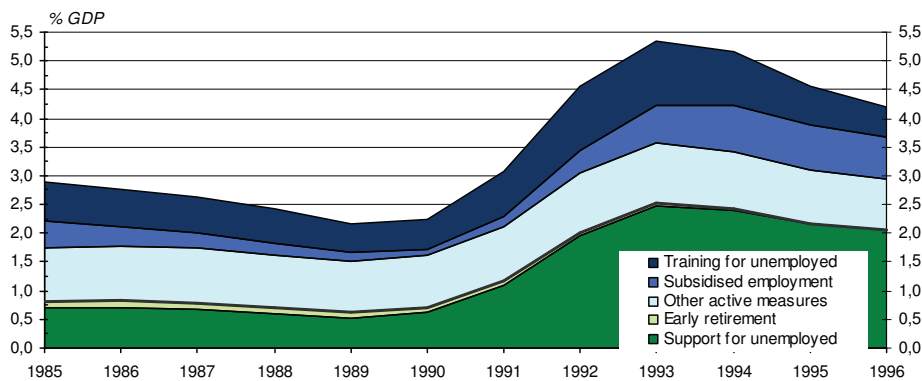
Source: OECD.

**Figure A 26: Labour market expenditure on active LMP measures and LMP support (passive) in Finland, 1985-1996**



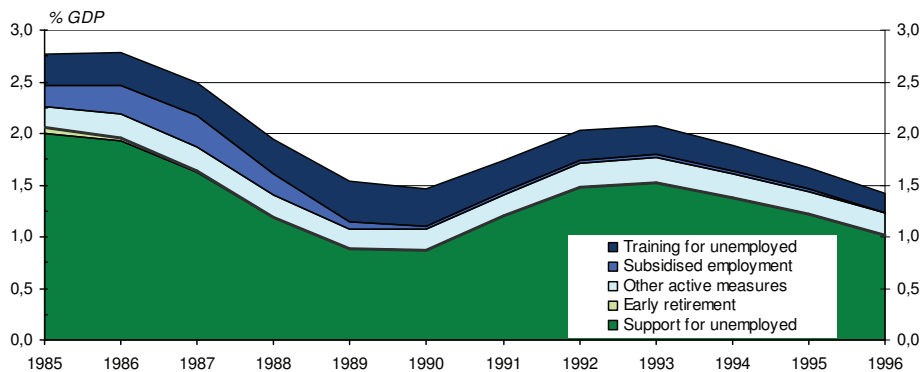
Source: OECD.

**Figure A 27: Labour market expenditure on active LMP measures and LMP support (passive) in Sweden, 1985-1996**



Source: OECD.

**Figure A 28: Labour market expenditure on active LMP measures and LMP support (passive) in the UK, 1985-1996**



Source: OECD.



## 2. HOUSING AND SOCIAL INCLUSION

Housing-related costs and expenditures consume a significant part of a household's income. As such, they can affect the extent to which households are at risk of poverty or deprivation: if a significant proportion of income is taken up in covering housing costs, then there may insufficient left over to cover other essentials. At the same time, those who own the homes they live, in or who enjoy rent-free or subsidised accommodation are at an advantage compared with others.

However, housing is also a durable consumer good which is a source of satisfaction like any other. Within limits, most people can choose to have a more or less attractive house depending on how much they are willing to spend on it, even if their choice is tightly constrained by their income and other circumstances.

Moreover, a house or an apartment is equally an asset, a store of wealth, which may increase in value and so yield a capital gain. At least it can be expected to maintain its value over the long run, and can therefore be used as collateral against which to borrow – thus adding to a household's purchasing power. This differentiates it from most other consumer durables.

These are complicating factors, since the cost of housing and its variation within and between countries reflects not only the situation in the housing market and the costs of maintaining, heating, cooling and lighting a house but also the individual's choice to opt for a more attractive house or to invest in this form of asset rather than others. In other words, if housing absorbs a high proportion of someone's disposable income, this may be because the person concerned chooses to have a high-quality home in an attractive and convenient location and/or to put their money into an asset which is expected to increase in value rather than to spend their income in other ways. This clearly has different policy implications than if people are obliged to pay a lot for housing and its associated costs because of the nature of the market or because their circumstances give them relatively little choice over how much they spend in this regard.

Thus, the main concern in this chapter is to examine the relative importance of housing as a charge on income and to consider how assessments of the risk of poverty and of the distribution of income (both in different EU Member States and across different social groups) are affected by taking account of housing. We shall see how the pattern of housing tenure varies across the EU and how this affects housing costs. We shall also consider the alternative ways of explicitly allowing for housing when measuring the risk of poverty.

A second concern is to try to distinguish between (i) high housing costs which represent a burden on households and (ii) high housing costs which reflect high-quality housing and the willingness of households to devote more of their income to paying for this.

A parallel concern is to distinguish the different elements of housing costs – to distinguish the costs of accommodation per se, in the form of rent or mortgage interest payments, from the cost of maintenance, fuel and so on. Whereas the former are the main element in many countries, in others they are of minor importance and the latter are the major element of costs. This is particularly the case in most of the countries which entered the EU in 2004 and 2007. Here, under the Communist system of government, all property was State-owned: since the demise of that system, many people have acquired ownership of their homes or apartments. In these countries, therefore, a key question is how far (despite widespread home ownership) housing still represents a major cost burden, especially for those on low incomes. This gives rise to a wider question about the importance of policies designed to combat poverty and deprivation by covering the cost of people's accommodation.

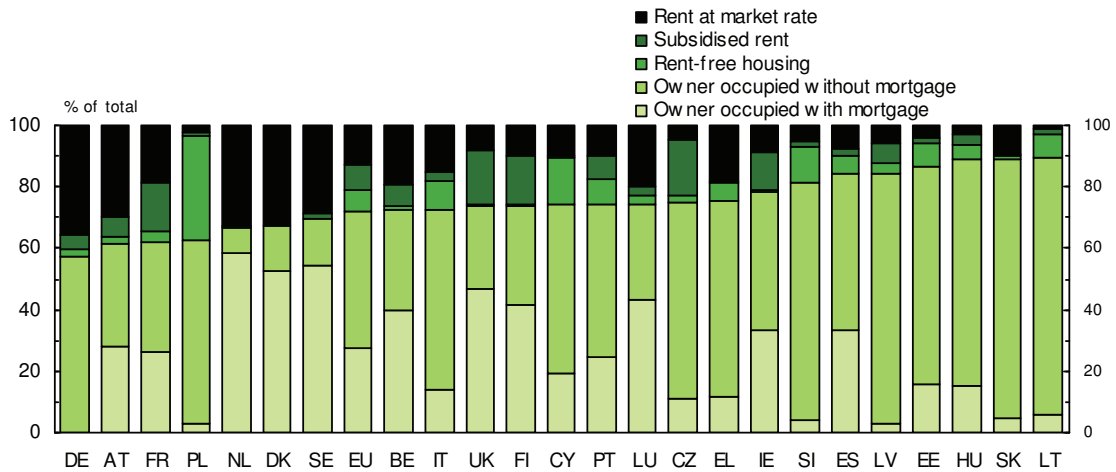
Access to good quality and affordable housing is a fundamental need and right, and a key factor determining people's social situation. However, access to adequate housing is not available for all and there are barriers and financial disincentives preventing or discouraging some groups from gaining such access. In addition, the economic crisis has adversely affected people's access to adequate housing.

## 2.1. The structure of housing in the EU

*Housing is a major factor shaping social conditions and a key driver of economic development. More than 70 % of Europeans live in a home owned by a member of their household, with the proportion of owner-occupiers being particularly high in the former Communist countries. Certain countries in continental Europe have large unsubsidised rental sectors. Over half the people with incomes below the at-risk-of poverty threshold live in owner-occupied housing, the vast majority without mortgages to service. However a significant proportion pay market rates to live in rented accommodation. The major social problem of homelessness is difficult to define and measure, but we present a brief overview of national survey results.*

The structure of housing tenure varies markedly across the EU. In all countries, most people own their own homes. This is especially so in the Central and Eastern European countries, where – with the transition to a market economy – most people acquired possession of the housing they occupied. The proportion owning their own homes, therefore, is as high as 85–90 % in the three Baltic States, Hungary and Slovakia and around three-quarters or more in all the other EU10 countries, except Poland. Home ownership is also high in Spain, Greece, Portugal, Ireland, the UK, Finland and Luxembourg, whereas in France, Poland and Austria, it is just over 60 % and in Germany, only 57 %. (Figure 47 and Table 12)

**Figure 47: Division of population by housing tenure, 2007**



Note: EU refers to EU25 but excluding MT. No mortgage data for DE  
Source: EU-SILC 2007

**Table 12: Division of population by housing tenure, 2007**

% proportion of individuals by tenure status for total population

Country	Owner occupied without mortgage	Owner occupied with mortgage	Rent at market rate	Subsidised rent	Rent-free housing	Total
Belgium	32.9	39.5	19.1	7.2	1.2	100.0
Czech Rep	63.3	11.3	4.8	17.8	2.8	100.0
Denmark	14.6	52.5	32.9	0.0	0.0	100.0
Germany	57.2		35.4	4.8	2.6	100.0
Estonia	70.9	15.9	4.4	1.6	7.3	100.0
Ireland	44.9	33.2	8.7	12.1	1.1	100.0
Greece	63.9	11.7	17.9	0.9	5.6	100.0
Spain	50.6	33.3	7.3	2.8	5.9	100.0
France	36.0	26.2	19.0	15.3	3.5	100.0
Italy	59.0	13.8	15.4	2.7	9.1	100.0
Cyprus	54.7	19.4	9.9	0.9	15.1	100.0
Latvia	81.5	2.9	5.7	6.4	3.4	100.0
Lithuania	83.5	5.8	1.2	1.8	7.8	100.0
Luxembourg	31.3	43.2	19.7	3.3	2.5	100.0
Hungary	73.7	14.9	2.7	3.7	5.0	100.0
Netherlands	8.5	58.5	32.7	0.0	0.3	100.0
Austria	33.1	28.1	29.6	6.6	2.6	100.0
Poland	59.4	3.0	2.6	1.1	34.0	100.0
Portugal	50.0	24.3	9.8	7.6	8.4	100.0
Slovenia	77.0	4.3	5.5	1.8	11.4	100.0
Slovakia	84.2	4.9	9.2	0.5	1.2	100.0
Finland	31.8	41.8	9.8	15.8	0.7	100.0
Sweden	15.2	54.3	28.5	2.0	0.0	100.0
UK	26.5	47.0	8.2	17.4	0.9	100.0
EU	44.8	27.2	13.1	7.7	7.2	100.0

Note: EU refers to EU25 but excluding MT. No available mortgage data for DE in year 2007

Source: EU-SILC 2007

The rest of the population live either in rented accommodation or as tenants in rent-free accommodation, in some cases because the house or apartment in question is tied to the job that they do. The proportion of tenants paying no rent tends to be larger in the newer Member States, varying from over a third in Poland, 15 % in Cyprus and around 11 % in Slovenia to zero in Denmark and Sweden and close to zero in the Netherlands.

At the same time, the large majority of those living in rented accommodation in several countries have their rents subsidised by the State, local authorities or housing associations. This is the case in Ireland (12 % of the total population), Finland (16 %), the UK and the Czech Republic (around 18 % of the total in both). The number of people receiving rent subsidies is also high in France (15 % of the population).

On the other hand, a substantial proportion of people live in rented housing and report paying market rents in Denmark, Germany and the Netherlands (around a third of the population) as well as Austria and Sweden (just under 30 %).

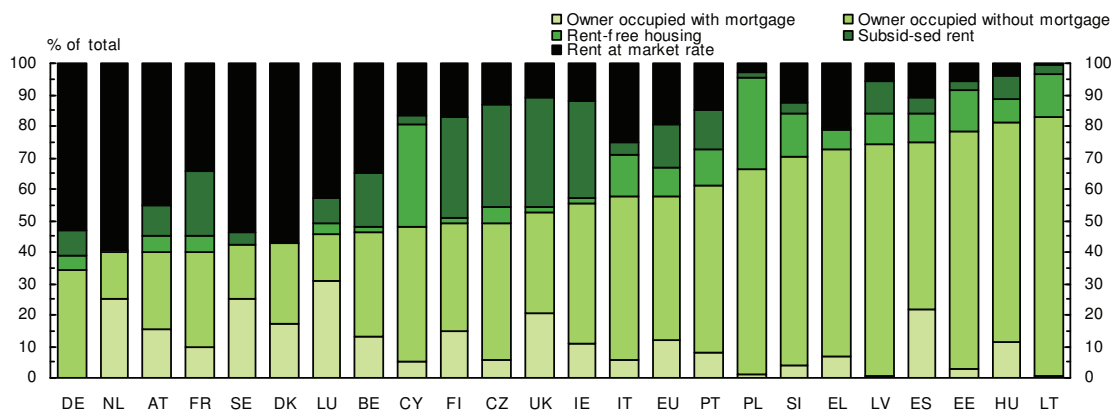
2.1.1. The housing status of people on low incomes

This raises the question of how far housing tenure is related to the distribution of income and whether, in particular, those at risk of poverty are more or less likely to live in rented accommodation.

The structure of housing tenure in the EU tends to vary with income. In all Member States except Poland, the proportion of people owning their own home increases as income rises. (In Poland, home ownership is highest among the lower income groups). Nevertheless, even among the bottom 20 % of income earners, home ownership is around 40 % or more in all countries except Germany (around a third) and over 50 % in the great majority of countries. Among the top 20 % of income earners, Poland apart, around 70 % or more of people are home-owners and in 16 EU countries the figure is over 85 %.

Accordingly, those on low incomes at risk of poverty are much more likely than those with higher incomes to live in rented accommodation, though they are also more likely to live in rent-free housing (Figure 48 and Table 13).

Figure 48: Division of population at risk of poverty by housing tenure, 2007



Note: EU refers to EU25 excluding MT and SK. No available mortgage information for DE in year 2007  
Source: EU-SILC 2007

**Table 13: Division of population at risk of poverty by housing tenure, 2007**

Country	Owner occupied without mortgage	Owner occupied with mortgage	Rent at market rate	Subsidised rent	Rent-free housing	Total
Belgium	32.8	13.4	34.8	17.3	1.6	100.0
Czech Rep	43.4	6.0	13.1	32.7	4.8	100.0
Denmark	25.5	17.4	57.1	0.0	0.0	100.0
Germany	34.0		53.1	8.1	4.7	100.0
Estonia	75.7	2.8	5.5	2.8	13.2	100.0
Ireland	44.4	10.9	12.2	31.0	1.6	100.0
Greece	66.0	6.7	20.5	0.9	6.0	100.0
Spain	53.5	21.5	10.6	5.3	9.0	100.0
France	30.8	9.5	34.2	20.9	4.6	100.0
Italy	51.7	5.8	24.9	4.2	13.5	100.0
Cyprus	42.5	5.3	16.7	2.7	32.8	100.0
Latvia	73.8	0.7	5.8	10.2	9.5	100.0
Lithuania	82.2	0.6	0.6	2.7	13.9	100.0
Luxembourg	14.4	31.1	42.8	8.2	3.4	100.0
Hungary	69.9	11.4	4.2	7.3	7.2	100.0
Netherlands	14.9	25.0	59.7	0.0	0.4	100.0
Austria	24.6	15.6	45.4	9.3	5.1	100.0
Poland	65.0	1.3	2.9	1.9	28.9	100.0
Portugal	53.1	8.1	14.8	12.3	11.6	100.0
Slovenia	66.3	4.1	12.6	3.7	13.4	100.0
Slovakia	79.4	3.9	14.5	0.8	1.4	100.0
Finland	33.9	15.0	17.3	31.6	2.1	100.0
Sweden	17.6	24.9	53.8	3.8	0.0	100.0
UK	32.1	20.5	10.8	35.2	1.5	100.0
EU	45.8	12.2	19.6	13.4	9.1	100.0

*Note: EU refers to EU25 excluding Malta. No available mortgage data for DE in year 2007.*

*Source: EU-SILC 2007*

The proportion of people paying no rent is around a third in Cyprus, just under 30 % in Poland (where it was smaller than the figure for those with high incomes) and around 13 % in Estonia, Lithuania, Italy and Slovenia. By contrast, it is only around 2 % or less in the three Nordic countries, Belgium, the Netherlands, Ireland, the UK and Slovakia.

In Finland, Ireland, the UK, and the Czech Republic, the large majority of people with income below the poverty threshold who live in rented accommodation have their rent subsidised (around a third of the total population with income of this level). Accordingly, only 10–15 % of people at risk of poverty report paying market rent in the last three of these countries. (In Finland the figure is 17 %.) The proportion is even smaller in many of the EU10 countries where most people, even with incomes this low, own their own home.

By contrast, over 40 % of people at risk of poverty in Luxembourg and Austria, around 55 % in Denmark, Germany and Sweden and around 60 % in the Netherlands report paying market rent.

In addition, some 30 % of people with income at this level in Luxembourg and around 25 % in the Netherlands and Sweden own their own homes but have mortgages to service, while the proportion is around 15-17 % in Denmark and Austria (there are no data on mortgage interest payments for Germany). Only a small minority of people at risk of poverty in these countries, therefore, have free or subsidised rents or are home-owners without mortgage costs to meet. This is in sharp contrast to the situation in all other countries where the majority – in nearly all cases, a large majority – fall into this category. The exceptions are Belgium and France where the proportion is just over 50 %.

### 2.1.2. *Housing status and age*

In half of the 24 countries for which data are available, there is no (or hardly any) tendency for the extent of home ownership to increase with age. In these countries, the proportion of home owners among people aged 65 and over is, therefore, much the same as or smaller than among those aged 25–64. On the other hand, in all countries except Cyprus (where home ownership is much lower among the older generation), the proportion of people aged 65 and over who are both home owners and have no mortgage is higher than among 25–64 year olds, in many cases considerably so. This is not too surprising since it is only to be expected that, once people are 65 or over and (in most cases) retired, they will already have paid off any mortgage they might have taken out to purchase their home.

In the majority of countries, most older people with income below the poverty threshold own their own home and have no mortgage to pay. The main exceptions are Germany (though there are no data on mortgages), Austria (where only just over 40 % fall into this category), Cyprus (35 %) and, most notably, the Netherlands (only 28 %). In the Netherlands, moreover, over half the people aged 65 and over with income this low are paying market rent, and around 20 % are paying mortgages on their homes. These two figures combined are much higher than anywhere else in the EU. The next highest figures are in Denmark and Sweden where around 45–50 % of older people at risk of poverty either pay market rent or have a mortgage. This is probably also the case in Germany, but there are currently no data on this. In most other countries, the proportion of older people with low income paying either market rent or a mortgage is considerably smaller — less than 15 % or so, except in Luxembourg and Austria. At the other end of the age spectrum, the proportion of children living in households with income below the poverty threshold and with either market rents to pay or mortgages to meet was high in Denmark and Austria (75–80 %, as probably also in Germany), and in Luxembourg, the Netherlands and Sweden (around 80–85 %). In most other countries, less than half of the people concerned (and in most cases much less than half) fell into this category. The exceptions are Belgium (65 %), Spain and France.

### 2.1.3. *Housing status in urban and non-urban areas*

Significantly fewer people live in owner-occupied housing in cities (61 % in the EU as a whole) than in other areas, especially thinly populated, or other non-urban, areas (78 %) and more people rent their accommodation<sup>26</sup>. The difference is especially marked in Denmark, Germany, France, Austria, Finland and Poland. The only countries where the opposite is the case are the three Baltic States and Spain, where there is relatively little difference between the two types of area. There is also relatively little difference in the UK, where over 70 % of people in cities live in owner-occupied housing (Table 14).

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<sup>26</sup> The types of areas in which people live are divided between densely populated areas, which are termed 'urban' or 'cities' here, intermediate areas and thinly populated areas, which here are termed 'non-urban'.

**Table 14: Division of population in urban and non-urban areas by housing tenure, 2007**

% total population in each area										
	Owner occupied without mortgage	Owner occupied with mortgage	Rent at market rate	Subsidised rent	Rent-free housing	Owner occupied without mortgage	Owner occupied with mortgage	Rent at market rate	Subsidised rent	Rent-free housing
	Urban areas					Non-urban areas				
BE	29.0	36.8	23.7	9.3	1.2	36.8	41.7	13.6	4.4	3.5
CZ	56.7	8.6	5.9	27.6	1.2	66.4	13.1	3.7	13.1	3.7
DK	10.3	39.8	49.9	0.0	0.0	20.5	58.2	21.3	0.0	0.0
DE	44.9		47.1	6.4	1.6	69.4		24.2	2.5	3.9
EE	70.8	16.8	5.7	1.3	5.4	70.9	15.1	3.1	1.8	9.1
IE	34.2	37.3	14.0	13.6	1.0	59.5	26.1	4.1	8.9	1.4
EL	54.6	13.1	25.3	1.5	5.6	73.2	9.2	11.8	0.5	5.4
ES	48.9	35.6	8.2	3.3	3.9	56.6	26.9	5.7	2.2	8.6
FR	27.9	22.0	25.6	20.3	4.2	49.0	28.1	9.5	10.2	3.1
IT	53.9	15.2	19.6	4.2	7.2	65.7	9.5	11.1	1.5	12.2
CY	48.7	20.8	12.2	0.9	17.4	61.1	15.8	9.1	1.0	12.9
LV	83.6	2.6	6.1	6.4	1.4	79.7	3.3	5.3	6.5	5.3
LT	81.4	9.4	2.1	2.0	5.1	85.0	3.2	0.5	1.6	9.7
LU	27.8	41.3	25.3	3.7	1.8	35.2	46.7	11.6	2.5	4.0
HU	65.6	15.9	4.2	7.8	6.5	79.2	13.7	1.3	1.5	4.3
NL										
AT	17.8	14.2	53.1	13.2	1.7	45.4	36.5	12.7	1.9	3.5
PL	34.1	3.7	4.3	1.4	56.5	75.0	2.4	1.4	0.9	20.3
PT	36.8	30.6	11.4	13.1	8.1	62.3	21.0	5.9	2.8	7.9
SI										
SK	82.8	3.5	13.0	0.1	0.6	85.8	5.0	7.7	0.4	1.1
FI	24.3	35.5	13.4	26.7	0.1	37.0	44.0	7.8	10.3	1.0
SE	10.7	47.3	40.4	1.6	0.0	16.6	56.5	24.7	2.2	0.0
UK	25.1	46.5	8.4	19.1	0.8	35.5	39.8	10.3	11.8	2.6
EU	37.7	27.7	15.0	11.4	8.2	59.6	20.4	7.8	3.8	8.3

Note: EU refers to EU25 excluding Malta. No available mortgage data for DE in year 2007.

Source: EU-SILC 2007

Only a minority of people living in cities in Poland live in owner-occupied housing (38 % as against 77 % in non-urban areas), most of the remainder (57 % of the total in cities) live in rent-free accommodation. The only other country where the proportion of people in cities living in such accommodation is in double figures is Cyprus. In the Czech Republic and Finland, however, 27–28 % of those in cities have their rents subsidised and in France and the UK the figure is 19–20 %.

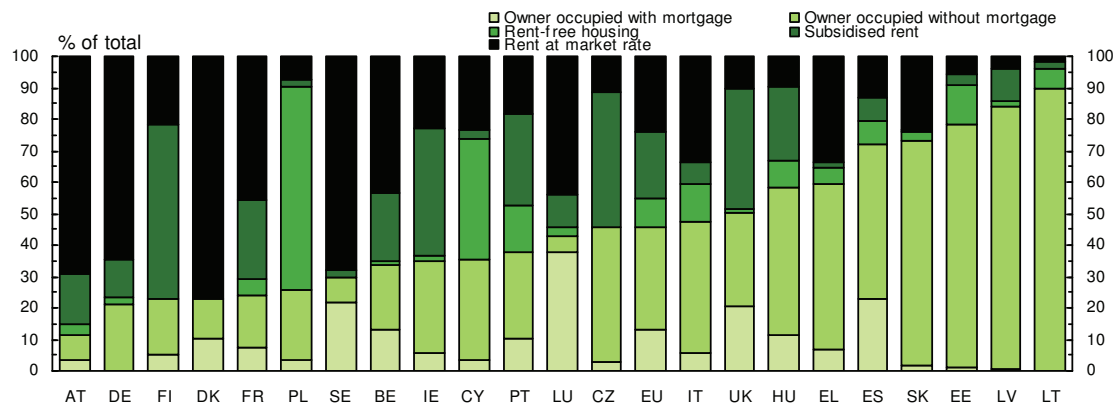
On the other hand, around half of the city dwellers in Denmark, Germany and Austria, and 40 % in Sweden, pay market rents. In Denmark and Sweden, moreover, a large proportion of people in owner-occupied housing have mortgages to pay, so that only just over 10 % have either no mortgage payments or live in subsidised or rent-free accommodation. This is much smaller than in other countries (there are no data for the Netherlands and Slovenia by type of area). Nevertheless, except in the southern countries and Finland, over half of the people living in cities in EU15 countries either pay market rent or have a mortgage. In all EU10 countries apart from Cyprus, the figure is around 20 % or less.

The pattern of difference in housing tenure between cities and non-urban areas is in general more pronounced for those with income below the poverty threshold. Many fewer of these live in owner-occupied housing in cities than in non-urban areas (Figures 49 and 50 and Table 14). The difference is especially marked in EU15 countries (except for Spain and the UK) and in Poland. In these countries, a large proportion of those with incomes below the poverty threshold in cities live in rent-free accommodation.

In Germany, Austria and Sweden, therefore, around two-thirds of those living in cities with income below the poverty threshold pay market rent. In Denmark the figure is 75 %, while in Belgium, France and Luxembourg, it is around 45 %. In all these cases, the proportion is much greater than for people with higher income levels. Moreover, when we add in all those who are still in the process of buying their homes it means that, in these 7 countries, well over half (the people on low income (over 80 % in Luxembourg and over 85 % in Denmark and Sweden) either pay market rent or have a mortgage. In non-urban areas, there are only three countries — Denmark, Sweden and Luxembourg — where this is the case. Elsewhere in the EU, the proportion of those at risk of poverty paying market rents or having a mortgage is less than a third in all countries (and much less than a third in most EU10 countries) apart from Spain (35 %) and Italy (40 %).

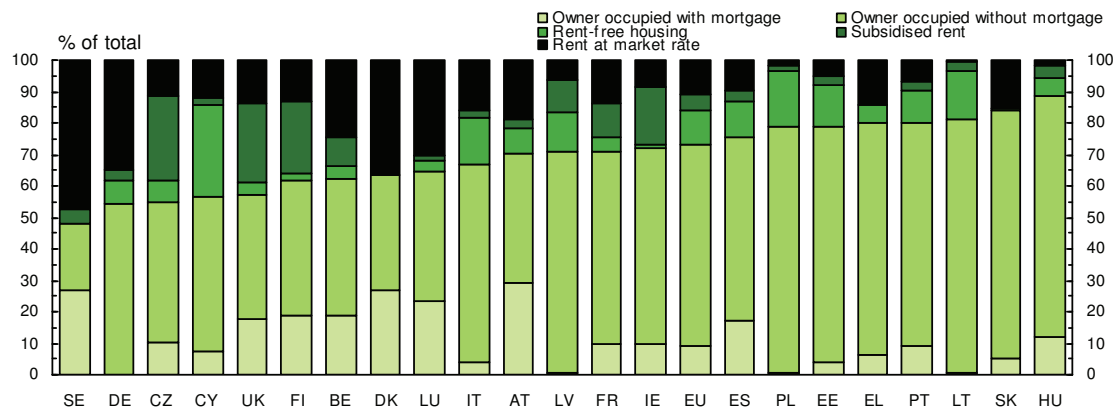


**Figure 49: Division of population at risk of poverty in urban areas by housing tenure, 2007**



Note: EU refers to EU25 excluding Malta. Countries are ranked by the share of population at risk of poverty owning their own homes in urban areas. No data for mortgages for DE; no data for type of location for NL and SI.  
Source: EU-SILC 2007

**Figure 50: Division of population at risk of poverty in non-urban areas by housing tenure, 2007**



Note: EU refers to EU25 excluding Malta. Countries are ranked by the share of population at risk of poverty in non-urban areas owning their own homes. No data for mortgages for DE; no data for type of location for NL and SI.  
Source: EU-SILC 2007

#### 2.1.4. Social housing

The purpose of social housing is to provide decent and affordable accommodation to people with low income and others who have difficulty accessing the private housing market, such as socially disadvantaged and vulnerable people. While in most countries social housing tends to be targeted at the poorest members of society, in some, such as Germany and the Netherlands, it covers a wider range. Nevertheless, in general, those living in social housing tend to consist disproportionately of people living alone, the elderly, ethnic minorities and migrant families.

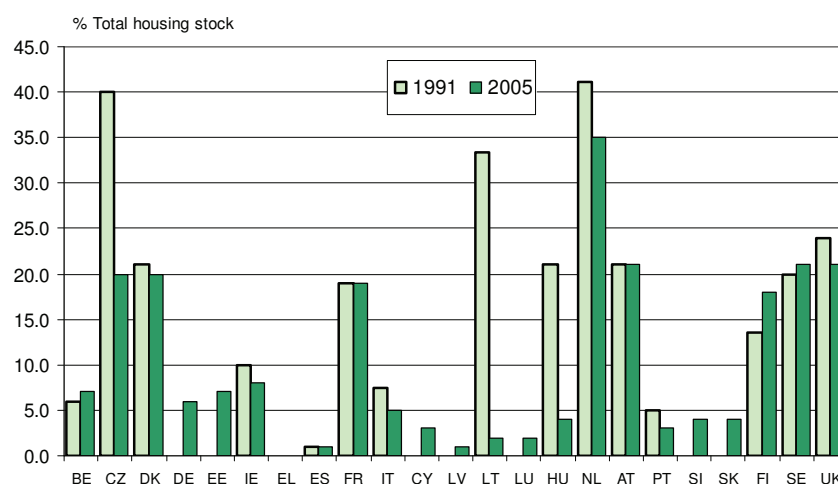
As such, social housing potentially shelters the most vulnerable groups from the adverse effects of the housing market. At the same time, in countries where the social housing sector is extensive, it arguably represents a source of stability in the market by providing an alternative means of obtaining accommodation and, accordingly, a buffer against excessive increases in rents or house prices – provided, of course, that the sector is sufficiently large and can meet the demand.

The protection it affords to vulnerable groups can be particularly important in the current recession when the people concerned are the ones most likely to lose their jobs and, therefore, have difficulty paying their rents. By the same token, however, social housing associations, local authorities and other providers are tending to experience a reduction in their income, and their growing financial difficulties make it hard to maintain expenditure on maintenance and repairs and to fund investment in new housing.

##### *The scale of social housing*

The importance of social housing varies considerably across the EU. According to CECODHAS (European Committee for Social Housing) estimates, it is especially high in the Netherlands, where it accounted for some 35 % of the housing stock in 2005, while in Denmark, Austria, Sweden, the UK and the Czech Republic, the figure was around 20 % and in France and Finland only slightly lower (Figure 51)<sup>27</sup>. On the other hand, except in the Czech Republic and Estonia, social housing amounted to 5 % of the housing stock or less in the new Member States and in the southern countries of the EU. The figure was only slightly higher in Belgium and Germany. Moreover, except in Belgium, Finland and Sweden, there has been a decline in the share of social housing since 1991.

**Figure 51: Social housing as a share of total housing stock, 1991 and 2005**



Source: CECODHAS

Note: EE, LV, SI, SK: no data for 1991 but proportion was high

<sup>27</sup> These figures do not seem to be consistent with the data from the EU-SILC on housing tenure described above, which indicate that most people living in rented accommodation in the Netherlands, Denmark, Sweden and the Czech Republic paid market rent, whereas social housing is intended to provide low cost accommodation. It would, therefore, appear that many of those living in social housing and reporting to the EU-SILC considered themselves to be paying market rent.

### *Problems of social housing*

In many countries, the problems of social housing are almost synonymous with those of post-war industrially built housing estates: poverty and unemployment, an unbalanced social mix, juvenile crime and rundown buildings. The policy in France, England and the Netherlands has tended to be to demolish the large estates and to replace them by mixed-tenure housing and mixed communities.

The timing and nature of the process of privatising of social housing has varied across the EU. In the former communist countries, as noted above, there was large-scale privatisation in the early 1990s. In Ireland and the UK, sales have been encouraged for many years, while in other countries (such as Denmark), privatisation initiatives are of more recent origin. In all cases, privatisation has tended to mean the better quality housing being sold off.

There is still a high demand for social housing and long waiting lists in many countries, especially in large cities. In Copenhagen, for example, people can wait many years before obtaining a house, while in France each year there are 1.2 million applicants for housing but only 450,000 homes available for letting.

The rent charged for social housing varies from country to country. In Italy for instance, the level is linked to the income of the tenant, which gives rise to a strong demand. In Ireland, and to a lesser extent, in some parts of Germany, rents are also related to tenant incomes. Such a system, however, has disadvantages, since rents set in this way do not necessarily cover costs or reflect the attractiveness of (and demand for) different homes<sup>28</sup>. In other countries, rents are often based on the historic costs incurred when the housing in question was first built or renovated which often means that older, often larger and better located estates have lower rents than newer, smaller, less well-located ones.

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<sup>28</sup> *Social Housing in Europe*, London School of Economics and Political Science, 2007  
<http://www.lse.ac.uk/collections/LSELondon/pdf/SocialHousingInEurope.pdf>

### The importance of social housing across the EU

Although there is no formal common definition of social housing, it can be identified in terms of its features – the rents charged, which are intended to be affordable; its ownership and management by public bodies, cooperatives or non-profit making organisations; and its social aims.

In *the Netherlands*, the high share of social housing is associated with a relative low share of home ownership. Almost all the housing concerned (around 2.4 million units) is owned by 500 housing associations, which freely buy and sell the homes. In Amsterdam and Rotterdam, social housing accounts for around 55 % of the total stock.

In *France*, where social housing amounts to around 19 % of the housing stock, there are big differences in its location across cities, with housing in the peripheral, most deprived areas often being rundown in contrast to the more desirable properties in the centre. The tenants of social housing are tending to become poorer over time, with some 40 % in the bottom quartile of the income distribution as opposed to 12 % in the 1970s.

In *Austria*, where the share of social housing amounts to 21 % of the total stock, some 53 % is owned by cooperatives and housing associations, 40 % by municipalities and the rest by states, provinces and others.

In *the UK*, social housing also accounts for 21 % of the total stock and this proportion has declined over time as a result of a policy of encouraging tenants to buy their homes. Ownership is spread across 2 000 or so housing associations and around 200 local authorities.

In *Denmark*, social housing is owned largely by non-profit making housing associations though some is also owned by municipalities for short-term emergency use. Social housing accounts for around a third of the stock in the greater Copenhagen region, though there is excess demand here and in Aarhus, and excess supply in Jutland and other non-urban areas<sup>29</sup>. A similar situation exists in Sweden.

In *Finland*, social housing is mainly provided by municipalities, though increasingly by non-profit making organisations.

In *Germany*, the stock of social housing (6 % of the total) is much smaller than that of the private rental sector, and has tended to decline over time. Unlike in other countries, it is targeted at skilled workers and the lower middle class rather than those with low incomes as such, who accordingly can have great difficulty finding decent reasonably-priced accommodation.

In *Belgium*, social housing has been provided by the regions since 1980 and unlike in most countries, its share has tended to increase (to around 7 % in 2005).

In *Ireland*, social housing is provided by local authorities and non-profit making organisations and is targeted specifically at the poorest households. Its share has declined since 1991 (to around 8 % in 2005).

In the southern EU Member States, the share of social housing is very small. In Greece, there is no public rental sector at all, though OEK (the social housing organisation) provides a small amount of social housing (around 1 500 units a year).

In *Spain*, social housing accounts for only around 1 % of the total stock, while in Portugal, it makes up around 3 %, (down from 5 % in 1991), owned two-thirds by municipalities and a third by cooperatives. In Italy, social housing, which is managed by the regions, accounts for 5 % of the stock, a decline from 8 % in 1991, which has resulted in a serious shortage.

In the former communist Member States in Central and Eastern Europe, most housing was publicly owned before the transition, though there were relatively high rates of private ownership in Hungary, Lithuania and Slovenia. As a result of privatisation, social housing now accounts for a very small share of the total stock. What remains is largely managed by municipalities, and houses the most needy families, but tends to be in poor condition. The Czech Republic and Poland are exceptions. In Poland, housing cooperatives manage some 20 % of the housing stock and accommodate nearly a third of the population, though the housing tends to be concentrated in large estates with a high turnover of tenants and significant rent arrears as a result of unemployment<sup>30</sup>. In the Czech Republic, social housing is also managed by housing cooperatives, rents being linked directly to floor space<sup>31</sup>.

<sup>29</sup> *Social Housing in Europe*, op cit

<sup>30</sup> Happach, M., *Housing Policy in Poland*, Warsaw University of Technology, 2008 <http://www.slideshare.net/dziarski/housing-policy-in-poland> This is should be noted seems to be inconsistent with the EU-SILC data described above, which show a comparatively small proportion of people living in subsidised rented

### 2.1.5. *The scale and nature of homelessness in the EU*

The number of people who are homeless across the EU is difficult to estimate. They are, for the most part, not included in household surveys by definition, since these cover only people living in private households. Consequently, homeless people do not feature in statistics of those at risk of poverty or social exclusion. Moreover, there is no uniform way of defining them in Member States let alone recording the numbers concerned or their characteristics. This is a serious problem, since they tend to suffer most from deprivation and extreme poverty and, accordingly, are arguably the group most in need of social support and assistance. There is an even more serious lack of information about the personal characteristics and wider circumstances of the people concerned, about their age, nationality and the period of time they are homeless for – whether temporarily or long-term – and about those who might be dependent on them or about their income and the extent of their deprivation.

While definitions of homelessness vary across countries, there is broad agreement on a few of the categories of people who should be included. In particular, there is little question that the definition should cover those sleeping rough or on the streets or those sleeping in shelters run by local authorities or charities. There is more of a question about the extent to which those living with friends or relatives or in precarious or unsuitable accommodation should be included, especially if they are doing so voluntarily rather than because they have no choice, and if they are included, how they should be identified and counted.

In a number of countries, homelessness is defined by legislation. In Ireland for instance, it is defined by the Housing Act 1988, which includes people sleeping rough but excludes those living in state institutions. In the UK, several categories of homeless are defined by the law: the street homeless (or those sleeping rough), the statutory homeless (households for which local authorities have a statutory duty to provide temporary accommodation) and the non-statutory homeless (who are regarded as “voluntarily” homeless). Similarly, in the Czech Republic and Italy, the homeless are considered to be those living on the streets and those using specific social services.

In Finland and France, 'the homeless' covers all who have no permanent accommodation and who sleep in places not meant for human habitation as well as in various types of temporary shelter, including those living in long-term hostels (such as women living with their children in refuges). In France, however, statistics on homelessness exclude those forced to stay in 'bed-and-breakfasts' or with friends or relatives. In Latvia, on the other hand, the homeless are more widely defined, under the law on social aid, as 'people with no permanent housing'.

It is therefore difficult to compare statistics between countries and over time because the definitions differ and change over time. Although FEANTSA<sup>32</sup>, the European Federation of National Organisations Working with the Homeless, has developed a typology of the different categories of homelessness (see Box), this has yet to be adopted by governments, and the data which it has compiled on the scale of the problem and its different components remain non-comparable between Member States.

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accommodation but a relatively large proportion living in rent-free accommodation. It may be that many of those living in social housing, therefore, pay little or no rent.

<sup>31</sup> ICA Housing, *Housing Co-operatives in the Czech Republic*: <http://www.ica.coop/al-housing/attachments/Housing%20co-ops%20in%20Czech%20Republic%20-%20FINAL.pdf>

<sup>32</sup> Edgar, B. and H. Meert, *Fifth Review of Statistics on Homeless in Europe*, FEANTSA (European Federation of National Organisations Working with the Homeless), 2006. [http://www.feantsa.org/files/transnational\\_reports/2006reports/06RSen.pdf](http://www.feantsa.org/files/transnational_reports/2006reports/06RSen.pdf)

### **The ETHOS categories of homelessness**

According to ETHOS – the European Typology of Homelessness and Housing Exclusion - the homeless can be classified into four categories:

- people without a roof over their heads who sleep rough or in overnight shelters;
- people without a home who, while they have a roof over their heads, are excluded from the legal rights of occupancy and do not have a place to pursue normal social relations (such as those living in hostels or temporary accommodation for the homeless, women living in refuge accommodation, migrants living in specific accommodation and people living in institutions);
- people living in insecure housing, who do not have a secure tenancy and/or are threatened with eviction or are a victim of domestic violence;
- people living in inadequate housing conditions (such as with friends or relatives, in squats, in caravans or illegal campsites, in conditions of extreme over-crowding and in other generally unsuitable places).

The problem of comparability, moreover, has to do not only with the categories of homelessness covered by national statistics but also with differing interpretations, or definitions, of what is included under each category. While sleeping rough, therefore, is interpreted and defined in much the same way in each country, the interpretation of what constitutes precarious or inadequate housing varies between them, partly according to what is regarded as the norm. Acute shortage of space or lack of access to an inside flushing toilet or to hot running water, for example, would be regarded as a sign of inadequacy in many countries, but not necessarily in those where a significant proportion of the population is accustomed to living in housing which suffers from such problems.

The size of the Roma population in a country can also affect the data since, in many parts of Central and Eastern Europe, a large number of Roma live in poor housing with a lack of amenities.

#### *Differing methods of counting the homeless*

Relatively few countries regularly collect data on homelessness and even fewer have legislation in place regarding data collection. Nevertheless, some data are available for most EU countries, even if they differ in terms of coverage and the period to which they refer. They also differ in terms of the unit of measurement used. While most relate to individuals, some, such as in Ireland, relate to households. Moreover, whereas most statistics refer to the number of homeless at a particular point in time, some relate to the prevalence of homelessness, or the number who have experienced homelessness over a particular period, such as a year, or even over their lifetime.

Several methods are used to collect data. The most common way of counting the people sleeping rough or in overnight hostels is through surveys conducted on a particular day or over a given period. Some surveys take a sample of places which are reckoned to be reasonably representative in terms of the numbers involved; others attempt to count all the people sleeping rough or in shelters in a particular city or area on a given night or sequence of nights.

Municipalities and local authorities, therefore, carry out *ad hoc* surveys of people sleeping rough in a number of countries. In the UK, for example, such surveys are undertaken regularly by London boroughs and in Ireland by the Homeless Agency in Dublin. Similarly, regular counts of those sleeping rough are conducted in Prague in the Czech Republic and in Pomorskie (Pomerania) in Poland.

## Homelessness in Major Cities

### *Ile-de-France (Paris metropolitan area)*

In January 2001, 15 000 people were recorded as being homeless in Ile-de-France, 35 % of whom were women, 34 % were less than 30 years old, 36 % were unemployed, but 35 % had a job (though two-thirds of these had only a temporary employment contract)<sup>33</sup>. Between April 2002 and April 2006, the region's capacity to accommodate the homeless expanded by around 55 %, from 17 211 to 26 642 places. There was also a big increase in emergency accommodation, from 4 746 places in 1999 to 7 237 in 2006. The system, however, remains incapable of accommodating everyone in need.

The people who are homeless or have particular difficulty in finding housing in the region include those unable to obtain social housing, who might be on the waiting list, victims of discrimination in the private rental sector, asylum seekers and young people unable to find a decent job<sup>34</sup>.

### *London*

Some 3 017 people were counted as sleeping rough in London in 2008, of whom 87 % were men, 39 % were non-nationals and 11 % nationals of new Member States<sup>35</sup>. In February 2009, Homeless Link (the national organisation for frontline homelessness agencies in England) carried out a survey of eight cold weather shelters in London<sup>36</sup>, in which 265 people using the facility were interviewed. Some 86 % of the people concerned were men and 39 % of them were less than 33 years old. The majority were unemployed and in receipt of social benefits. During the night before entering the shelter, 55 % slept rough and 16 % in the homes of friends or relatives. Around half had been sleeping rough for more than three months. Organisations working with the homeless in London have the capacity to help around 25 000 people every day<sup>37</sup>.

### *Madrid*

In 2006, a survey conducted by an organisation working with the homeless counted 621 people sleeping rough in Madrid<sup>38</sup>. Some 86 % were men (much the same as in London) and 55 % were foreigners. The majority (75 %) was living on the streets and had been doing so for around three years on average. During winter 2008, two years later, the organisation recorded 651 people<sup>39</sup>, the majority (70 %) of whom were unemployed. Of those who had a job, 27 % worked in the construction sector and 15 % in hotels or restaurants. Most of the people surveyed were either illegal immigrants (13 %) or had become homeless after losing their job (23 %) or because of family problems (21 %).

In many countries, surveys are carried out of the number of people in temporary accommodation provided by public authorities. For example, in North Rhine-Westphalia in Germany, a one-day count covers all homeless people in accommodation of this kind, while in Finland, municipalities have since 1986 recorded the number of homeless in contact with their services during one week in November.

Such counts are supplemented by administrative data in some cases, particularly from the local or regional authorities responsible for implementing housing and social welfare legislation. For instance, in the UK, data are collected on people who apply for homelessness assistance as well as on those deemed to be homeless under the formal definition used.

In addition, a number of countries keep official registers of organisations legally entitled to provide services to the homeless, or funded by public agencies, which can include information on the number of beds provided and their occupancy over a given period. In Belgium, for example, the Centres for General Welfare set up by the Flemish

<sup>33</sup> *Approches de la pauvreté en Ile-de-France*, INSEE, 2007

<http://www.insee.fr/fr/regions/idf/default.asp?page=publications/dossiers/pauvrete.htm>

<sup>34</sup> Fondation Abbé Pierre, *État des lieux: entre pénurie et ségrégation, quelles perspectives pour le logement en Ile-de-France?*, Colloque ESH-FAP, November 2006

[http://www.fondation-abbe-pierre.fr/\\_pdf/cahier\\_logement\\_idf.pdf](http://www.fondation-abbe-pierre.fr/_pdf/cahier_logement_idf.pdf)

<sup>35</sup> Homeless Link, *Rough Sleeping – Key Facts*:<http://www.homeless.org.uk/policyandinfo/facts/rskeystats1>

<sup>36</sup> Homeless Link, *Cold Weather - Shelter Report 2009*

<http://www.homeless.org.uk/inyourarea/london/CWS2009report/>

<sup>37</sup> Resource Information Service, *London's Homeless Sector – Results of the State of the Sector Survey, 2008*. <http://www.ris.org.uk/downloads/StateOfTheSectorReport.pdf>

<sup>38</sup> Cabrera, P.J., Operación de recuento nocturno de personas viviendo sin techo en las calles de Madrid, Universidad Comillas de Madrid, 2006 [http://www.enredpsh.org/documentacion\\_docu.php3?id\\_article=1199](http://www.enredpsh.org/documentacion_docu.php3?id_article=1199)

<sup>39</sup> Red Nacional de Entidades que trabajan con personas sin Hogar, *Informe del segundo recuento nocturno de personas sin hogar en Madrid*, Winter 2008 [http://www.enredpsh.org/documentacion\\_docu.php3?id\\_article=1267](http://www.enredpsh.org/documentacion_docu.php3?id_article=1267)



regional government, which cater for the homeless, are legally obliged to provide the authorities with information on those using their services. In the Netherlands, the Dutch Federation of Shelters and the Salvation Army both systematically record and report the number they give accommodation to, while in the Czech Republic, the Naděje organisation, an NGO working with the homeless, does the same.

National censuses and household surveys are also used as sources of information on the homeless living in institutions, with friends or relatives or in special accommodation for the homeless, as well as on those living in overcrowded conditions, in unfit housing or in accommodation lacking basic amenities. Indeed, the EU-SILC is a potential source of information on the latter, though there is a questionmark over the representativeness of the sample of households covered.

These various methods of data collection each has potential limitations. In particular, the period when the data are collected can significantly affect the results because of seasonal variations and changes from day to day in the numbers involved. Reliable sampling methods for counting those sleeping rough are difficult to establish and it is equally hard to identify people living temporarily with friends or relatives, or in unofficial shelters.

In practice, it is easier to count users of services for the homeless, but here the difficulty is to allow for those using multiple services and to record the number of individual people using the services rather than the number of uses as such.

Nevertheless, despite these limitations, the data collected in different countries provides some insight – albeit partial and incomplete – into the scale of homelessness across the EU. The data relate mainly to estimates of those sleeping rough or in overnight shelters and only in a few cases to those living with friends or relatives and not at all to those living in unsuitable accommodation.

#### *Recent data on homelessness in Member States*

<i>Belgium</i>	There are estimated to be around 17 000 homeless people in the country, though these figures do not include the growing number of people 'without official papers'. In the Walloon region, therefore, some 5 000 were counted as being homeless in 2006 <sup>40</sup> , while according to a recent study, nearly 12 000 people in the Flemish region use accommodation for the homeless (emergency shelters, accommodation for migrants, refuges for women, etc.). In November 2008, a census carried out in Brussels <sup>41</sup> , found that there were 1 771 homeless at the time, among whom some 545 lived on the streets or were squatters, and that the 950 places in shelters for the homeless were all occupied.
<i>Czech Republic</i>	Estimates by NGOs of the number of homeless in Prague put the figure at almost 5 000. According to Naděje, the NGO working with the homeless, there are around 1 000 living on the streets and another 1 000 in shelters <sup>42</sup> .
<i>Denmark</i>	A Census conducted across the country in February 2007 found that 5 200 people were homeless at the time, some 3 000 of them in Copenhagen. This compares with the 580 or so places available that exist to accommodate the homeless, though there is a network of 'night-time cafés' open all night where people can stay. A new survey is planned in 2009 <sup>43</sup> .
<i>Finland</i>	At the end of 2007, there were some 7 300 homeless people and around 300 families living in 'precarious' housing, this being defined as covering those living on the street or, more commonly, those with housing difficulties <sup>44</sup> . The people concerned are mainly in cities (some 75 % are in the 10 largest ones in the country, and 50 % in Helsinki alone). The number of homeless, however, has tended to decline over time, from around 15 000 in 1990 and 10 000 in 2000. In both years, some 20 % of the people concerned were non-nationals.

<sup>40</sup> A.M.A. (Association des Maisons d'Accueil et des Services d'Aide aux Sans-abri ASBL) : <http://www.ama.be/projets/>

<sup>41</sup> La Strada, *Une première tentative de dénombrement des personnes sans-abri dans la Région de Bruxelles-Capitale*, 2008 [http://www.feantsa.org/files/freshstart/Working\\_Groups/Data\\_collection/Data/comptagelastrada.doc](http://www.feantsa.org/files/freshstart/Working_Groups/Data_collection/Data/comptagelastrada.doc)

<sup>42</sup> Naděje, : <http://www.nadeje.cz/>

<sup>43</sup> Benjaminsen, L. and I. Christensen, *Homelessness in Denmark 2007*, The Danish National Centre for Social Research. <http://www.sfi.dk/Default.aspx?ID=4844&Action=1&NewsId=1275>

<sup>44</sup> ARA (The Housing Finance and Development Centre of Finland): <http://www.ara.fi/>

<i>France</i>	According to a one-week survey carried out across the country, some 86 500 people received social emergency help (accommodation in shelters and hot meals) in January 2001. Of these, 63 500 people, plus 16 000 children, had no home at all, while 6 500 were living in centres for asylum seekers <sup>45</sup> . In the same month, 15 000 people were recorded as being homeless in the Paris area, 35 % of whom were women, 34 % were less than 30, 36 % were unemployed, but 35 % had a job (though two-thirds one with a temporary contract of employment) <sup>46</sup> .
<i>Germany</i>	There is no national system for surveying homelessness, but, according to the organisation managing social help, there were an estimated 250 000 living in precarious housing conditions over the period 2004–2006. In addition, according to the umbrella organisation of NGOs providing assistance to the homeless ( <i>BAG-Wohnungslosenhilfe</i> ), there were around 18 000 people living on the streets in 2006 <sup>47</sup> . Estimates suggest that the number of homeless has tended to decline over recent years. In North Rhine-Westphalia, for instance, the number was estimated at around 14 000 in 2007 as against 52 000 ten years earlier <sup>48</sup> .
<i>Hungary</i>	Estimates suggest that there are around 25–30 000 people living on the streets in the country, of whom some 7–8 000 are thought to be in Budapest. Of these, 1 700–2 400 are sleeping rough, around 2 000 in night shelters for the homeless and the other 3 000 in temporary or long-term hostels <sup>49</sup> .
<i>Ireland</i>	Some 2 366 people, or 2 144 households, were assisted by homeless services in Dublin in 2008, a rise of around 4 % over the three years since 2005 but a slight decline relative to population (which grew by 5 % over the period). Just over twice as many men as women (68 % of the total as against 32 %) made use of such services and almost half of the people concerned became homeless for the first time over the three years concerned. Some 110 people reported that they were sleeping rough (only 5 % of the total), down from 185 in 2005, though 38 % of those sleeping rough were non-Irish nationals as compared with only 9 % in 2005 <sup>50</sup> .
<i>Italy</i>	According to a national survey in 2000, around 17 000 people were homeless across the country, while NGOs estimate there to be some 7 000 homeless in Rome (2 000 sleeping on the streets – most of them non-nationals – 2 000 in squats and 3 000 in shelters) <sup>51</sup> .
<i>Latvia</i>	In 2000, around 2 000 people were considered to be homeless in the sense of having no permanent accommodation <sup>52</sup> .
<i>Lithuania</i>	The Population and Housing Census carried out in 2001 recorded 1 250 people as being homeless in the country, in the sense of living in publicly-provided accommodation, some 250 of whom were in the capital, Vilnius <sup>53</sup> .
<i>Luxembourg</i>	Some 715 people were reckoned to be homeless in February 2006, of whom 30 were living on the streets and 38 sleeping with friends or relatives <sup>54</sup> .

<sup>45</sup>Brousse, C. et al., 'Hébergement et distribution de repas chauds – Le cas des sans-domicile', *INSEE Première* n°823, 2002. [http://www.insee.fr/fr/ffc/docs\\_ffc/IP823.pdf](http://www.insee.fr/fr/ffc/docs_ffc/IP823.pdf)

<sup>46</sup>*Approches de la pauvreté en Ile-de-France*, INSEE, 2007  
[http://www.insee.fr/fr/insee\\_regions/idf/rfc/docs/alapage259.pdf](http://www.insee.fr/fr/insee_regions/idf/rfc/docs/alapage259.pdf)

<sup>47</sup>BAG-Wohnungslosenhilfe: <http://www.bag-wohnungslosenhilfe.de/fakten/1.phtml>

<sup>48</sup>Information und Technik Nordrhein-Westfalen, *Obdachlosigkeit in Nordrhein-Westfalen*

<http://www.it.nrw.de/statistik/g/daten/eckdaten/r312obdachlos.html>

<sup>49</sup>Budapesti Módszertani Szociális Központ: <http://www.bmszki.hu/english>

<sup>50</sup>Homeless Agency Partnership, *Counted In, 2008 – A report on the extent of homelessness in Dublin*  
<http://www.homelessagency.ie/About-Homelessness/Homeless-Figures.aspx>

<sup>51</sup>Damon, J., *Les politiques de prise en charge des sans-abri dans l'Union Européenne*, Rapport au Ministre du Logement, 2009

<http://www.julien-damon.com/IMG/pdf/RapportJDamonSansAbridansUnion.pdf>

<sup>52</sup>Damon, J., *Les politiques de prise en charge des sans-abri dans l'Union Européenne*, Rapport au Ministre du Logement, 2009

<http://www.julien-damon.com/IMG/pdf/RapportJDamonSansAbridansUnion.pdf>

<sup>53</sup>Damon, J., *Les politiques de prise en charge des sans-abri dans l'Union Européenne*, Rapport au Ministre du Logement, 2009

<http://www.julien-damon.com/IMG/pdf/RapportJDamonSansAbridansUnion.pdf>

<i>Malta</i>	According to the main NGO working with the people concerned, there are around 300 homeless people in the country <sup>55</sup> .
<i>Netherlands</i>	Estimates put the number of homeless people in the country at around 20–25 000 <sup>56</sup> .
<i>Poland</i>	While there are no precise data available at national level, some 30–50 000 people are estimated to have been homeless in 2003 <sup>57</sup> . In Pomorskie (Pomerania), where Gdansk is situated, according to the surveys noted above, there were 2 144 people homeless in 2001, 2 384 in 2003 and nearly 2 800 in 2005 <sup>58</sup> . Most of those concerned were men (nearly 80 %) and, in 2003, some 12 % were sleeping rough and 15 % were living with friends or relatives, the rest being in shelters or special accommodation.
<i>Portugal</i>	In Lisbon, a survey conducted at the end of 2008 estimated the number of homeless at around 1 200 <sup>59</sup> .
<i>Romania</i>	According to the emergency social service, there are around 5 000 people homeless in the capital, Bucharest, and only 330 places in overnight shelters <sup>60</sup> . A substantial number of other people, however, live in very poor housing conditions.
<i>Slovakia</i>	Local NGOs estimate the number of homeless in Bratislava at around 2–3 000 <sup>61</sup> .
<i>Spain</i>	Estimates made by NGOs are that there were 30–50 000 living on the streets across the country and over 300 000 living in precarious housing conditions in 2006 <sup>62</sup> . In Madrid, in December, 2006, 1 400–1 500 people were recorded as being homeless (over 600 living on the street and 800 in shelters) <sup>63</sup> . In March 2008, the numbers were much the same <sup>64</sup> .
<i>Sweden</i>	Around 18 000 people were recorded as being homeless in 2005 <sup>65</sup> , some 75 % of them men and 26 % non-nationals. Of the total, some 20 % were sleeping rough or lived in hostels, women's refuges, emergency accommodation or on campsites, while 26 % were living in temporarily with relatives or friends or had tenancies of less than three months. Between 2004 and 2008, the number of homeless is estimated to have declined in Stockholm from nearly 3 400 to 3 000 <sup>66</sup> .

<sup>54</sup> Instead CEPS, *L'exclusion liée au logement des personnes prises en charge par les centres de jour, les foyers de nuit, les centres d'accueil et les logements encadrés; dénombrement et caractéristiques*, 2007. [http://www.gouvernement.lu/salle\\_presse/actualite/2007/03/29jacobs/etudeceps.pdf](http://www.gouvernement.lu/salle_presse/actualite/2007/03/29jacobs/etudeceps.pdf)

<sup>55</sup> Damon, J., *Les politiques de prise en charge des sans-abri dans l'Union Européenne*, Rapport au Ministre du Logement, 2009 <http://www.julien-damon.com/IMG/pdf/RapportJDamonSansAbridansUnion.pdf>

<sup>56</sup> Federatie Opvang: <http://www.opvang.nl/leo/domeinen/raadplegen.asp?display=2&atoom=8046&atoomsrt=9&actie=2>

<sup>57</sup> Pomeranian Forum in Aid of Getting Out of Homelessness, *The portrait of homeless community in the Pomeranian province 2003*. <http://www.pfwb.org.pl/en/files/Survey%20reports%202001%20&%202003.pdf>

<sup>58</sup> Pomeranian Forum in Aid of Getting Out of Homelessness : <http://www.pfwb.org.pl/en/index.php?id=4.4.1>

<sup>59</sup> Damon, J., *Les politiques de prise en charge des sans-abri dans l'Union Européenne*, Rapport au Ministre du Logement, 2009

<http://www.julien-damon.com/IMG/pdf/RapportJDamonSansAbridansUnion.pdf>

<sup>60</sup> Damon, J., *Les politiques de prise en charge des sans-abri dans l'Union Européenne*, Rapport au Ministre du Logement, 2009

<http://www.julien-damon.com/IMG/pdf/RapportJDamonSansAbridansUnion.pdf>

<sup>61</sup> Damon, J., *Les politiques de prise en charge des sans-abri dans l'Union Européenne*, Rapport au Ministre du Logement, 2009

<http://www.julien-damon.com/IMG/pdf/RapportJDamonSansAbridansUnion.pdf>

<sup>62</sup> Damon, J., *Les politiques de prise en charge des sans-abri dans l'Union Européenne*, Rapport au Ministre du Logement, 2009

<http://www.julien-damon.com/IMG/pdf/RapportJDamonSansAbridansUnion.pdf>

<sup>63</sup> Cabrera, P.J., Operación de recuento nocturno de personas viviendo sin techo en las calles de Madrid, Universidad Comillas de Madrid, 2006 [http://www.enredpsh.org/documentacion\\_docu.php3?id\\_article=1199](http://www.enredpsh.org/documentacion_docu.php3?id_article=1199)

<sup>64</sup> Red Nacional de Entidades que trabajan con personas sin Hogar, *Informe del segundo recuento nocturno de personas sin hogar en Madrid*, Winter 2008 [http://www.enredpsh.org/documentacion\\_docu.php3?id\\_article=1267](http://www.enredpsh.org/documentacion_docu.php3?id_article=1267)

<sup>65</sup> National Board of Health and Welfare, *Homelessness in Sweden 2005-scale and character*. [http://www.socialstyrelsen.se/Lists/Artikelkatalog/Attachments/9732/2006-131-23\\_200613123.pdf](http://www.socialstyrelsen.se/Lists/Artikelkatalog/Attachments/9732/2006-131-23_200613123.pdf)

<sup>66</sup> Stockholms Stad Socialtjänstförvaltningen, *Hemlösa i Stockholms Stad 15 april 2008 – tabeller och kommentarer* [http://www.feantsa.org/files/freshstart/Working\\_Groups/Data\\_collection/Data/stockholm.pdf](http://www.feantsa.org/files/freshstart/Working_Groups/Data_collection/Data/stockholm.pdf)

UK - England	There are 187 day centres for the homeless in England serving an estimated 10 000 people a day, and around 50 000 beds in hotels and second-stage accommodation for the non-statutory homeless. At the end of 2008, around 12 000 households were agreed by local authorities to be officially homeless, in the sense that they had a statutory duty to house them, while 67 480 households were in temporary accommodation, some 15 % less than a year earlier <sup>67</sup> . In 2008, 3 017 people were counted as sleeping rough in London, of whom 87 % were men, 39 % were non-nationals and 11 % nationals of new Member States <sup>68</sup> . Since 2000, however, over 9 000 people have been helped off the streets of the city.
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## 2.2. Housing costs

***On average, Europeans spend about one fifth of their disposable income on accommodation. Most of this is spent on charges for fuel, maintenance and repairs. The relative burden of housing is higher for people on low incomes, particularly if they rent accommodation at market rates. High home-ownership rates in the former communist countries do not result in lower housing cost burdens because substantial sums are still spent on fuel and maintenance charges. The cost of housing compared to incomes rose in most EU15 countries between 1994 and 2005. Poorer people have a higher housing costs burden: deducting housing costs from disposable income thus tends to increase income disparities and the proportion of people living in poverty. However, adding 'imputed rent' to income results in a more equal income distribution, as imputed rent represents a larger share of disposable income in low income households.***

It might be expected that people who own their own homes would tend to have lower housing costs than those who rent accommodation, especially if they have paid off any mortgage taken out to purchase them. By the same token, it might also be expected that countries in which the extent of home ownership is relatively widespread would tend to have lower housing costs than those where it is more limited. The first of these assumptions seems to be borne out by the facts, up to a point, but there is only limited evidence to support the second one.

### Definition of housing costs

Housing costs are measured to cover all the costs connected with the right of the household to live in the accommodation concerned, including the cost of utilities (water, electricity, gas and heating). For home owners, they include mortgage interest payments net of any tax relief, insurance on the house, mandatory services and charges (such as for sewage removal or refuse collection), and regular maintenance and repair costs. For tenants, they include rent payments (gross of housing benefits), any insurance on the house paid by the tenant, service charges where applicable and regular maintenance and repair costs, again if applicable. Any housing allowances received are deducted from the gross housing costs as defined above to give the net amount paid.

### Calculating average housing costs relative to income

Average housing costs are defined here as the mean net amount paid after deducting housing allowances. The net amount is related to disposable income less housing allowances in order to estimate the charge on income represented by housing costs. Housing allowances are measured throughout in net terms – i.e. after deducting any taxes paid on them – since the extent to which they add to income or reduce the effective cost of housing is net of any such taxes. (In practice, however, there is little or no difference between the net and gross amounts of allowances recorded by the EU-SILC).

It is not always straightforward to determine the level of income support received in respect of housing as this may be integrated into minimum income or social exclusion payments. In the EU-SILC, all social transfers relating to housing should be included under the heading Housing allowances. However, in the specific case of Germany, the data are not regarded as sufficiently reliable as certain benefits aimed at covering the costs of housing and heating were categorised as minimum income payments rather than as housing allowances for many of the households receiving these benefits. Consequently, the data from Germany in the 2007 EU-SILC do not reflect the full amount of support provided for housing costs. This results in the burden of housing costs relative to income being overstated (the full amount of housing support is not deducted from housing costs). For this reason, Germany is excluded from the relevant tables and figures. The German data is, however, included in the calculation of EU totals and averages, since the effect of the under-reporting of housing allowances at this scale is very small.

<sup>67</sup> *Statutory Homelessness 4th Quarter 2008 – England*, Communities and Local Government, Housing Statistical Release. <http://www.communities.gov.uk/documents/statistics/doc/1173145.doc>

<sup>68</sup> Homeless Link, *Rough Sleeping – Key Facts*:<http://www.homeless.org.uk/policyandinfo/facts/rskeystats1>

In calculating the mean across households, cases are assumed to equal 0 where net housing costs relative to disposable income are negative (because of allowances exceeding gross costs). Cases where net housing costs exceed 100 % of disposable income (because of households having very low or zero income) are assumed to equal 100 %.

In the first case, therefore, as might be expected, those living in owner-occupied houses or apartments on which there is no mortgage outstanding, tend to have lower housing costs than those with mortgage interest payments (N.B. only mortgage interest payments are included in housing costs in the EU-SILC). Across the EU as a whole, the former have housing costs which, on average, are just over 4 percentage points less than the latter relative to disposable income (Table 15 – See Box for details of the measurement of average housing costs).

**Table 15: Housing costs as % of disposable income by tenure, 2007**

Country	Owner occupied without mortgage	Owner occupied with mortgage	Rent at market rate	Subsidised rent	Rent-free housing	Total
<b>Belgium</b>	15.1	17.5	36.2	28.9	9.9	21.0
<b>Czech Rep</b>	22.3	25.2	33.0	24.8	20.3	23.5
<b>Denmark</b>	19.2	25.7	34.0			27.5
<b>Estonia</b>	15.2	12.7	30.6	17.9	16.8	15.6
<b>Ireland</b>	8.1	12.3	32.2	15.3	6.5	12.4
<b>Greece</b>	28.0	25.0	33.5	11.1	14.0	27.7
<b>Spain</b>	10.9	19.5	38.0	25.3	11.6	16.2
<b>France</b>	10.4	8.1	27.0	23.4	9.5	14.9
<b>Italy</b>	13.5	19.6	33.8	25.9	14.2	17.9
<b>Cyprus</b>	7.8	15.6	24.8	23.0	8.0	11.1
<b>Latvia</b>	19.4	30.9	21.3	22.7	16.2	19.9
<b>Lithuania</b>	15.3	19.0	34.7	21.5	17.0	16.0
<b>Luxembourg</b>	5.2	13.1	27.5	32.6	5.2	13.9
<b>Hungary</b>	20.6	21.1	20.3	18.1	21.8	20.7
<b>Netherlands</b>	16.3	28.8	38.7		12.4	30.9
<b>Austria</b>	12.2	14.9	25.6	21.5	16.6	17.7
<b>Poland</b>	21.5	21.2	35.8	30.5	24.1	22.8
<b>Portugal</b>	13.9	20.9	30.8	17.8	9.9	17.2
<b>Slovenia</b>	12.6	25.1	31.9	28.1	12.2	14.4
<b>Slovakia</b>	26.6	36.4	38.6	33.4	20.6	28.2
<b>Finland</b>	11.0	14.3	27.0	24.6	3.6	16.0
<b>Sweden</b>	13.5	12.0	32.7	30.1		18.5
<b>UK</b>	18.7	27.1	43.1	33.9	19.3	27.3
<b>EU</b>	16.0	20.3	33.4	27.3	18.4	20.5

Note: EU25 excluding Malta<sup>69</sup>. Missing values signify that the number of people concerned is too small for the data to be reliable; the values with bold font imply the figures that should be used with a statistical caution because of number of observations. Data for DE not shown (see explanation in the introduction of this section).

Source: EU-SILC 2007

As would also be expected, those living in rent-free accommodation tend to have even lower housing costs, though again there are two countries (Greece and Hungary) where the reverse is the case. This might reflect the different income levels of the people living in the two categories of housing (i.e. those on low incomes tend to have higher housing costs and are also more likely to have rent-free accommodation).

The difference in housing costs between those living in different types of housing follows a similar pattern for those with income below the at-risk-of poverty threshold, except that in each case the scale of costs relative to income is higher (Table 16).

There are, however, five Member States where the reverse is the case. It is also evident that housing costs tend to be higher (in many countries substantially higher) for those paying market rents than for owner-occupiers, and

<sup>69</sup> Data for Malta is not available and including Malta would only marginally affect the estimate of the EU average.

this is common across the EU – with the sole exception of Hungary, where housing costs for the two groups are much the same.

People whose rents are subsidised tend to have lower housing costs than those paying market rents (the average difference is 6 percentage points relative to disposable income), though there are two countries (Latvia and Luxembourg) where this is not the case.

**Table 16: Housing costs as % of disposable income by tenure for those at risk of poverty, 2007**

Country	Owner occupied without mortgage	Owner occupied with mortgage	Rent at market rate	Subsidised rent	Rent-free housing	Total
Belgium	30.6	38.6	52.2	35.7	<b>17.2</b>	39.9
Czech Rep	40.7	38.2	50.1	37.6	27.6	40.1
Denmark	35.3	64.8	55.3			51.9
Estonia	28.9	40.5	40.0	27.4	27.6	29.6
Ireland	16.3	26.9	55.7	18.1	14.3	22.8
Greece	51.9	56.1	59.8	<b>20.5</b>	31.6	52.3
Spain	22.7	41.0	56.3	38.5	20.9	30.9
France	22.7	12.9	27.5	25.8	15.7	23.7
Italy	27.2	40.4	49.5	39.7	26.8	34.0
Cyprus	13.2	22.8	37.9	<b>31.3</b>	10.3	17.4
Latvia	37.5		34.2	35.7	20.2	35.9
Lithuania	29.2			<b>33.2</b>	29.3	29.7
Luxembourg	13.1	19.9	38.9	50.9	10.7	29.3
Hungary	36.8	38.9	36.9	29.2	37.2	36.5
Netherlands	38.1	59.6	56.6			54.5
Austria	26.7	32.1	45.2	37.7	28.2	37.0
Poland	35.7	64.7	57.2	42.8	38.9	37.7
Portugal	24.3	34.9	48.7	27.3	17.0	28.3
Slovenia	24.1	48.2	46.5	49.6	22.7	28.6
Slovakia	45.6	67.5	63.9		<b>33.4</b>	49.0
Finland	19.7	27.3	39.4	29.5	4.3	27.1
Sweden	28.2	31.2	55.0	49.3		44.2
UK	36.9	55.7	62.8	46.7	36.3	47.0
EU	30.6	43.5	47.8	38.6	29.2	36.5

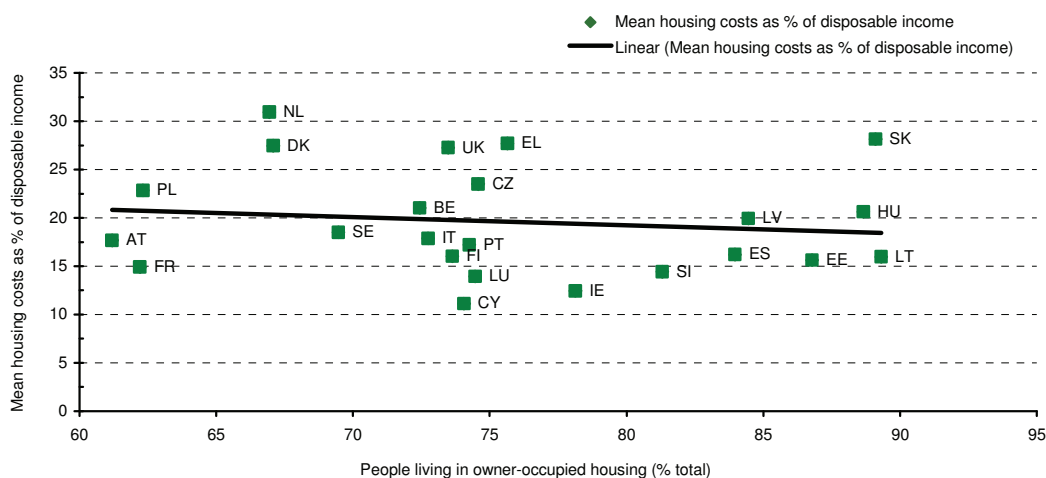
*Note: EU25 excluding Malta. Missing values signify that the number of people concerned is too small for the data to be reliable; the values with bold font imply the figures that should be used with a statistical caution because of number of observations. Data for DE not shown (see explanation in the introduction of this section). Source: EU-SILC 2007*

An important point to note about the two tables is that for each type of housing tenure, differences in housing costs relative to income tend to be as wide if not wider between countries than between types of tenure within countries. The implication is that differences in the pattern of tenure from one country to another are unlikely to explain much of the variations between them in housing costs. This is confirmed if housing costs relative to income are related to the proportion of people living in owner-occupied housing (Figure 52).

The lack of a close relationship is emphasised by the fact that France, Poland and Austria have comparatively similar proportions of home-ownership but their average housing costs vary widely – from around 15 % of disposable income in France and 18 % in Austria to 23 % and in Poland. Similarly, around 75 % of people live in owner-occupied housing in Cyprus, Portugal and Greece, yet average housing costs amount to 11 %, 17 % and 28 % of disposable income, respectively. Housing costs average 20 % of disposable incomes in Latvia, 21 % in Hungary and 28 % in Slovakia, yet in all three countries just under 90 % of people own their own homes.



**Figure 52: Relation between total housing costs and house ownership, 2007**



Note: Data for DE not shown (see explanation in the introduction of this section).  
Source: EU-SILC 2007

The picture does not change significantly if housing costs are related to the proportion of home owners without a mortgage or to the proportion either with mortgages or paying markets rents. These relationships, or the lack of them, reflect not only the wide variation in costs across countries but also the fact that rents and mortgage payments are by no means the only elements nor, in many cases, the most important elements of housing costs — even though they are the ones which policy attention tends to focus on. Other components of housing costs, therefore, need equally to be taken into account and these can vary markedly in scale across countries.

### 2.2.1. Breakdown of housing costs

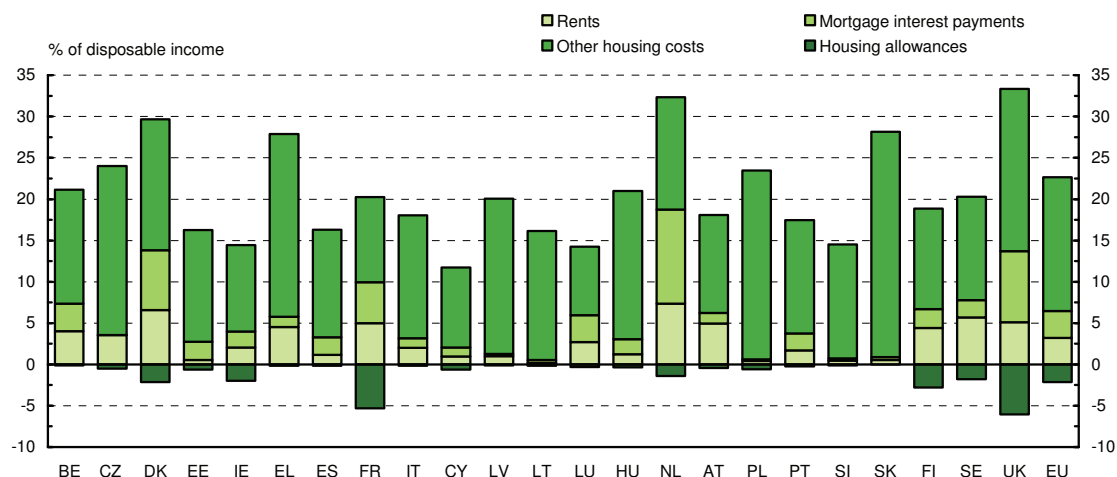
Across the EU as a whole, taking all households together, total rent payments on accommodation, whether subsidised or paid at the market rate, average just over 3 % of total disposable income, while interest paid on mortgage amount to much the same on average<sup>70</sup>. These make up only around 30 % of total gross housing costs (i.e. before deducting housing allowances), whereas other elements – repairs, maintenance, fuel and others costs of various kinds – make up some 70 %. At the same time, housing allowances, which are intended to help cover the housing costs of households with low income and/or in particular circumstances (such as in the event of unemployment), are equivalent, on average, to just over 2 % of disposable income and, therefore, effectively reduce housing costs by around 10 % (Figure 53, in which housing allowances are included as a negative item<sup>71</sup>).

The relative importance of these different components of costs varies considerably across the EU, in part reflecting the pattern of tenure. Member States can be divided, however, into three groups in this respect. The first group consists of the Central and Eastern European countries which entered the Union in 2004. Here, rent and mortgage interest payments account for under 10 % of gross housing costs in most cases and for 15-17 % in the Czech Republic and Cyprus and in all cases for under 4 % of disposable income (here defined to exclude housing allowances). In all cases too, housing allowances are very small amounting on average to less than 1 % of disposable income.

<sup>70</sup> It should be noted that rents paid and total housing costs refer to the survey year (i.e. 2007) while mortgage interest payments refer to the income year (i.e. 2006).

<sup>71</sup> Housing allowances are intended to help meet overall housing costs and as such cannot be attributed to any one individual component of these.

**Figure 53: Average housing costs in relation to disposable income, 2007**



*Note: EU refers to EU25 excluding MT. DE not included in the EU average. Data for DE not shown (see explanation in the introduction of this section).  
Source: EU-SILC 2007*

The second group consists of the four southern Member States, where mortgage interest payments and rent amount to 17–21 % of gross housing costs and under 6 % of disposable income on average. The third group comprises the other EU15 countries, in which rent and mortgage interest payments account for over a third of total housing costs, apart from Ireland (28 %) and for over 6 % of disposable income, again apart from Ireland (4 %).

Total housing costs apart from rent and mortgage interest payments, therefore, amount to between 1 % and 27 % of total disposable income in the former communist countries in the first group (though less than 19 % in all but the Czech Republic, Poland and Slovakia) and between 10 % and 22 % of total disposable income in the four Southern Member States, while in the other EU15 countries, they average between 8 % (in Luxembourg) and 120 % (in the UK).

Housing allowances are significant only in this third group, amounting to 5-6 % of disposable income in France and the UK, 2-3 % in Ireland and the three Nordic countries and around 1.55 % of disposable income in the Netherlands.

For people with income below the poverty threshold, rent is a much more important component of housing costs on average, accounting for over 20 % of the total across the EU as a whole and amounting to 10 % of disposable income (again defined to exclude housing allowances), while mortgage interest payments are less important (Figure 54). Costs other than rent and mortgage payments are still the main element, accounting for over 70 % of the total just as for people with higher incomes. Housing allowances are much more significant, averaging over 8 % of disposable income and reducing overall housing costs by over 18 %.

Member States can be divided into the same three groups as for the population as a whole, with similar differences between them.

In the new Member States, rent and mortgage interest payments for those with income below the poverty threshold once more make up only a small proportion of total housing costs in most cases and amount to less than 6 % of disposable income in all but the Czech Republic. Other housing costs apart from rent and mortgage interest payments amount to over 30 % of disposable income for this group except in Cyprus and Slovenia. In most cases, housing allowances are of relatively minor importance, the main exception being the Czech Republic (where they amount to over 4 % of disposable income).

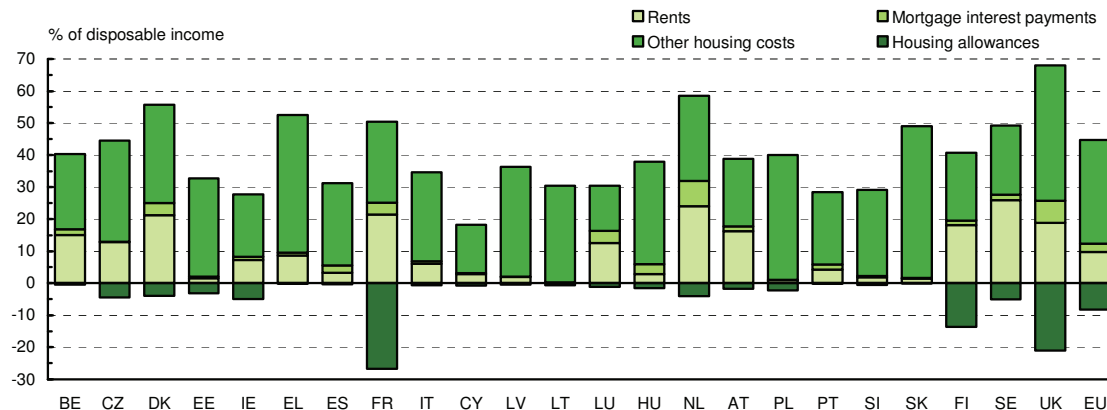
In the southern EU Member States, rent and mortgage interest payments account for 18–21 % of total housing costs for those at risk of poverty and amount to less than 10 % of disposable income on average. Other housing costs amount to 23–26 % of disposable income except in Greece (43 %, the highest in the EU apart from Slovakia). Housing allowances are of negligible importance in all cases.



In the other EU15 countries, rent and mortgage interest payments make up between 30 % (Ireland) and 56 % (Sweden) of total housing costs of those at risk of poverty and absorb on average 16–32 % of disposable income, except in Ireland (only just over 8 %). Other housing costs amount to over 19 % of disposable income except in Luxembourg (14 %) and housing allowances reduce effective housing costs markedly in France and the UK (by over 20 % of disposable income) as well as in Finland (by almost 14 %).

For most of these countries, therefore, the main burden on disposable income for people on low incomes, as for those with higher incomes, arises in general from maintenance, fuel and other housing costs and only to a minor extent from rent and mortgage interest payments.

**Figure 54: Average housing costs relative to disposable income for those at risk of poverty, 2007**



Note: EU refers to EU25 excluding MT. DE not included in the EU average. Data for DE not shown (see explanation in the introduction of this section).  
Source: EU-SILC 2007

### 2.2.2. Changes in housing costs over time

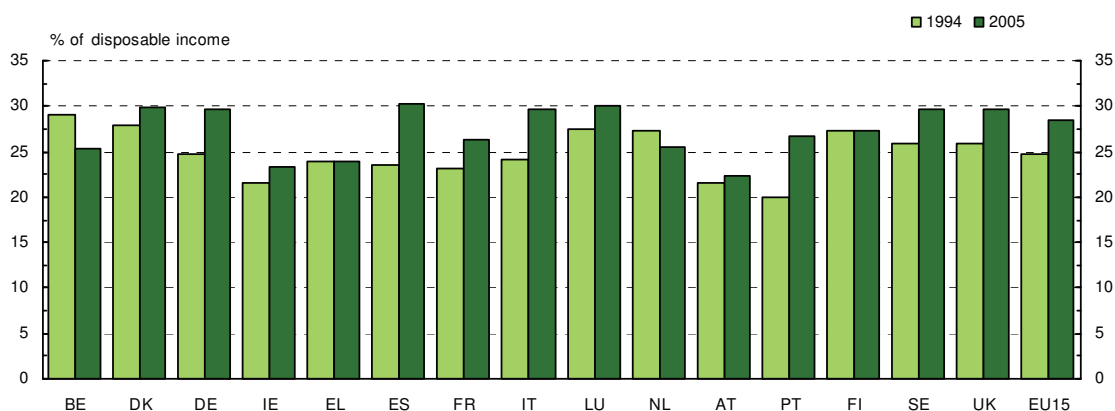
The Household Budget Survey (HBS) provides additional information on the components of housing costs and how they have changed over time in relation to income. Although the data are not fully comparable with those from the EU-SILC, because the terms are defined slightly differently, they are indicative of developments across the EU, at least for the EU15 countries.

The main difference between the data compiled by the HBS in the different Member States and those collected by the EU-SILC is that, in the HBS, mortgage interest payments are not included explicitly in housing costs: imputed rent of owner-occupation is included instead.

The slightly more detailed breakdown of housing costs in the HBS indicates that the main component of the 'other' cost element – i.e. of costs other than rent, actual and imputed – is electricity and gas, along with water charges. Together these amounted to around 7 % of the disposable income of households across the EU as a whole in 2005, and around 9 % for households in the bottom quintile of the income distribution (i.e. the 20 % with the lowest income levels). These costs, however, were much higher in many of the EU10 countries, amounting to between 15 % and 17 % of disposable income in Poland, Hungary and Slovakia and 13 % in the Czech Republic. For those on low incomes, these costs were higher still, amounting to 22 % of disposable income in Hungary and Slovakia as compared with 6 % or less in six of the EU15 Member States (Greece, Spain, Finland, Sweden, Ireland and the UK).

Over the 11 years 1994–2005, housing costs increased on average in the EU15 as a whole from just under 25 % of disposable income to just over 28 % – a rise of almost 4 percentage points. The increase, however, was slightly larger for those in the bottom quintile of the income distribution from just over 29 % of income to almost 34 % (Figure 55).

**Figure 55: Average housing costs relative to disposable income, 1994 and 2005**



Source: Household Budget Survey

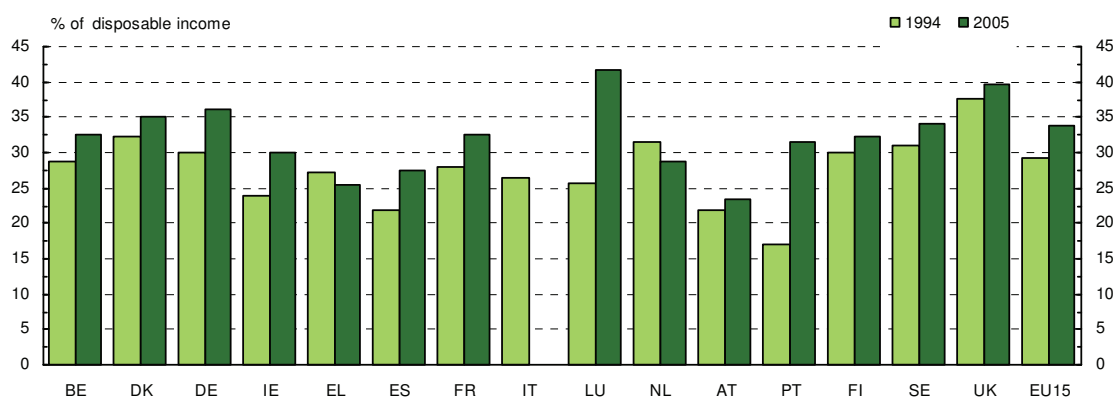
Although most countries experienced an increase in housing costs over this period relative to disposable income, they declined in Belgium (by almost 4 percentage points) and the Netherlands (by just under 2 percentage points), in both cases largely because of a fall in imputed rent<sup>72</sup>, while they remained unchanged in Greece and Finland and rose by very little in Austria. On the other hand, the increase was particularly large in Spain and Portugal (almost 7 percentage points), in both cases because of a large rise in imputed rent. Imputed rent also rose markedly over the period in Italy and the UK (by 6–7 % percentage points relative to disposable income, as in Spain and Portugal).

On the hand, over the same period, there was little increase in energy and water costs; they rose by more than 1 percentage point of income only in Belgium, France and the Netherlands and declined relative to income in Austria, Ireland and the UK.

The EU-wide tendency for housing costs to rise more for people in the bottom 20% of the income distribution than for those with higher incomes is also evident in 9 of the 14 Member States for which data are available (there are no data for Italy). The rise was particularly large in Ireland (6 percentage points relative to income) and, most especially, in Luxembourg and Portugal (15–16 percentage points). In Spain, although the increase was slightly less than for those with higher income, it was still substantial (almost 6 percentage points relative to income) (see Figure 56). For those on low incomes, the main reason for the increase in most countries was a rise in (actual) payments of rent, which went up by 7–9 % of disposable income in Belgium and the UK and by 6 % in Luxembourg. In Spain, the Netherlands and Portugal, on the other hand, the main reason was a rise in imputed rent. Only in Denmark, France and Luxembourg was there much of a rise in energy and water costs relative to income over the period.

<sup>72</sup> Imputed rent is estimated as the market rent which home owners would pay on their house if they did not own it. A fall, therefore, reflects a decline in such rent relative to income. This could perhaps be a result of a spread of home ownership to lower value houses (which in itself would tend to reduce the average) and/or due to a decline in market rents as such.

**Figure 56: Average housing costs relative to income for those in bottom quintile of income distribution, 1994 and 2005**



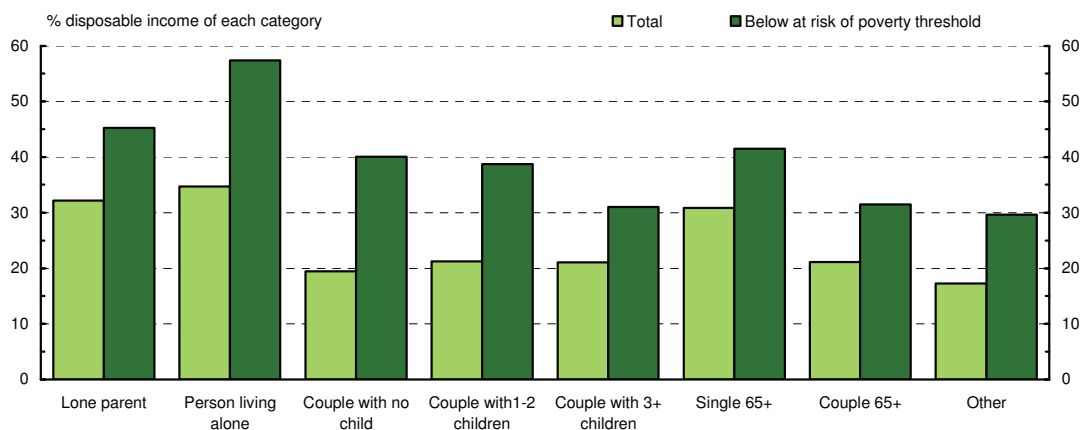
Source: Household Budget Survey.

### 2.2.3. Housing costs and household structure

Housing costs tend to represent a larger share of income for those living alone than for those sharing a household with other people. There is no tendency for housing costs to be higher for large families – those with three or more children – than for smaller ones. This reflects the fact that housing costs, considered overall, may be only slightly higher for larger families than smaller ones, given the large share of costs which are absorbed by fuel, maintenance, repair and so on, and given also the fact that house prices and rents do not tend to increase in proportion to the size of houses. Prices and rents are also affected by many factors other than size, especially location, while large families do not necessarily have larger houses than smaller ones.

In the EU as a whole, therefore, housing costs averaged around 34 % of disposable income for people of working age living alone and around 32 % for lone parents. Housing costs also represent a relatively large share of income (31 %) for those aged 65 and over living alone. These figures are substantially higher than for other households with more than one adult, whether they have children or not (Figure 57 and Table 17).

**Figure 57: Average housing costs as % of disposable income by household type for total population and those at risk of poverty in the EU, 2007**



Note: 'Other' includes households with more than two adults.  
Source: EU-SILC, 2007

**Table 17: Housing costs by household type, 2007**

	% disposable income								
	Lone parent	Person living alone	Couple with no child	Couple with 1-2 children	Couple with 3+ children	Single 65+	Couple 65+	Other	Total
<b>BE</b>	32.2	35.4	17.4	18.3	18.0	32.2	19.5	14.1	21.0
<b>CZ</b>	36.2	34.6	21.0	22.4	23.8	34.6	25.5	18.7	23.5
<b>DK</b>	32.0	39.4	22.6	24.7	25.2	32.0	26.5	19.5	27.5
<b>EE</b>	25.4	26.3	13.1	13.6	12.1	26.5	14.9	10.6	15.6
<b>IE</b>	19.1	22.6	12.3	12.6	11.2	13.7	8.6	7.4	12.4
<b>EL</b>	45.2	42.2	23.8	29.3	29.4	39.8	26.1	24.6	27.7
<b>ES</b>	32.2	31.3	13.6	17.3	20.8	21.5	13.9	13.1	16.1
<b>FR</b>	20.3	26.9	14.3	12.5	9.3	21.4	13.6	12.1	14.9
<b>IT</b>	29.4	28.5	14.2	17.6	19.5	26.1	17.7	15.2	17.9
<b>CY</b>	17.8	21.7	10.0	11.3	10.7	15.4	10.7	8.8	11.1
<b>LV</b>	28.8	36.2	18.1	18.3	23.9	36.0	22.5	14.3	19.9
<b>LT</b>	25.9	28.8	14.2	14.3	14.4	27.0	15.5	12.0	16.0
<b>LU</b>	24.9	23.9	11.5	14.1	14.1	13.9	8.4	9.9	13.9
<b>HU</b>	27.1	31.5	18.8	20.5	19.7	29.0	21.3	16.9	20.6
<b>NL</b>	46.9	41.3	27.1	28.8	30.8	42.7	29.7	19.4	30.9
<b>AT</b>	28.9	29.3	14.6	16.8	17.1	24.2	15.9	11.8	17.7
<b>PL</b>	31.1	34.1	22.0	24.1	22.8	31.0	20.4	18.9	22.8
<b>PT</b>	31.9	28.7	14.0	20.4	23.8	19.0	13.0	12.8	17.2
<b>SI</b>	20.6	27.3	13.7	13.8	12.2	25.7	15.3	11.2	14.4
<b>SK</b>	42.7	46.8	24.7	28.2	30.6	45.3	34.4	22.4	28.2
<b>FI</b>	23.0	25.3	13.1	14.6	14.7	21.1	12.5	10.5	16.0
<b>SE</b>	26.1	31.0	14.8	14.1	15.3	28.1	18.5	15.0	18.5
<b>UK</b>	38.4	40.2	23.6	27.3	28.4	35.3	22.5	20.5	27.3
<b>EU</b>	32.2	34.7	19.4	21.2	21.1	30.8	21.1	17.2	22.2

*Note: EU refers to EU25 excluding MT. Data for DE not shown (see explanation in the introduction of this section).*

*Source: EU-SILC 2007*

The figures, moreover, show a similar pattern in most countries. In all Member States without exception, therefore, housing costs represent a larger share of disposable income for people of working age living alone and for lone parents than for the population as a whole. They also represent a larger share for those aged 65 and over living alone in all countries except Luxembourg, where the share is similar to that for the rest of the population.

For large families with three or more children, housing costs are lower in relation to income than for others in all Member States apart from Greece, Spain, Portugal, the Czech Republic (marginally), Latvia, Slovakia and the UK.

The picture is similar for those with income below the poverty threshold. In all countries, people of working age living alone have higher housing costs relative to income than those living in other households. The average across the EU amounts to 57 % of disposable income as opposed to a figure of 35 % of income for the population as a whole (Table 18). Lone parents with low income also have higher housing costs than others in all countries except Denmark, Sweden and the UK. This is equally the case for elderly people aged 65 and over living alone in the majority countries, though unlike for the total population, there are 10 countries where the cost of their housing is less than for other people.

For large families with three or more children, there are only three countries – Latvia, Portugal and Slovakia (marginally), where housing costs represent a larger share of income than for others.

Table 18: Housing costs for those at risk of poverty by household type, 2007

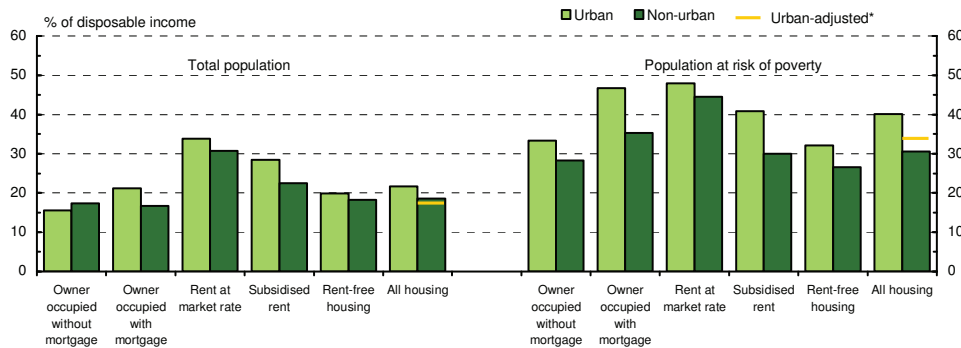
	% disposable income								
	Lone parent	Person living alone	Couple with no child	Couple with 1-2 children	Couple with 3+ children	Single 65+	Couple 65+	Other	Total
BE	43.2	55.8	42.4	37.7	29.2	43.4	30.0	30.4	39.9
CZ	51.6	52.4	40.3	39.3	30.8	38.8	27.6	31.2	40.1
DK	44.4	62.4	50.1	69.8	40.8	42.5	31.7	57.7	51.9
EE	34.4	41.8	26.0	30.2	18.0	28.7	18.5	20.8	29.6
IE	27.1	32.4	25.2	25.7	17.5	15.8	15.6	15.6	22.8
EL	74.3	78.3	48.0	55.8	49.8	62.2	39.9	42.7	52.3
ES	56.3	60.1	30.2	32.1	32.7	27.2	19.1	26.5	30.9
FR	27.4	39.0	27.0	20.7	9.5	29.2	24.4	20.4	23.7
IT	52.5	58.0	30.8	33.3	30.2	38.4	26.6	25.7	34.0
CY	26.6	30.9	16.9	18.6	16.7	16.4	11.7	17.3	17.4
LV	38.6	54.9	34.6	33.6	35.2	38.2	28.1	26.2	35.9
LT	35.7	46.2	28.5	30.2	19.5	29.5	18.6	23.9	29.7
LU	37.7	46.8	29.3	25.5	24.0	36.7	17.2	21.0	29.3
HU	40.2	53.3	42.0	36.2	28.3	43.7	47.8	26.1	36.3
NL	66.4	61.1	62.3	53.1	45.2	61.0	41.6	28.4	54.5
AT	45.0	58.1	34.8	34.3	29.0	33.2	28.1	21.3	37.0
PL	44.6	47.3	41.4	44.9	32.1	36.3	27.6	29.8	37.7
PT	44.6	37.8	26.0	33.7	31.4	26.6	18.7	20.5	28.3
SI	32.7	38.1	25.0	30.5	23.4	30.1	24.0	24.0	28.6
SK	57.7	69.8	45.4	52.0	48.7	49.9	63.6	39.9	49.0
FI	31.0	36.3	26.8	28.2	20.2	22.4	14.1	14.5	27.1
SE	40.5	63.3	45.8	37.4	28.9	39.1	34.3	41.4	44.2
UK	45.3	68.7	50.3	52.8	37.5	47.8	35.7	35.9	47.0
EU	45.2	57.4	40.1	38.7	31.0	41.5	31.5	29.6	39.3

Note: EU refers to EU25 excluding MT. Data for DE not shown (see explanation in the introduction of this section).  
Source: EU-SILC 2007

2.2.4. Housing costs and urban non-urban differences

On average across the EU, housing costs represent a larger share of disposable income in urban areas than in non-urban ones – 22 % as against just over 19 % (Figure 58). This difference, however, is not common to all Member States. In 5 countries – Belgium, Greece, Sweden, Lithuania and Hungary – housing costs are lower relative to income in cities than in non-urban areas, though in all these cases the difference is small (less than 2 percentage points) (see Table 19).

Figure 58: Average housing costs as % of disposable income by housing tenure in urban and non-urban areas for total population and those at risk of poverty in the EU, 2007



\* Applying the urban population housing tenure distribution to the non-urban housing cost ratios.  
Note: EU refers to EU25 excluding MT  
Source: EU-SILC 2007

**Table 19: Housing costs in urban and non-urban areas by type of housing tenure, 2007**

*% disposable income*

	Owner occupied without mortgage		Owner occupied with mortgage		Rent at market rate		Subsidised rent		Rent-free housing		All housing		
	Urban	Non-urban	Urban	Non-urban	Urban	Non-urban	Urban	Non-urban	Urban	Non-urban	Urban	Urban*	Non-urban
BE	15	17	18	20	38	38	29	33	9	14	23	20	22
CZ	23	21	24	25	33	32	26	23	18	20	25	24	22
DK	19	20	28	25	35	33					31	27	26
DE	30	30			35	32	36	26	21	16	32	31	30
EE	17	14	13	12	36	21	25	14	23	13	18	17	14
IE	7	9	12	13	37	26	15	15	5	5	14	10	11
EL	27	29	24	26	32	36	10	11	12	16	27	26	29
ES	11	11	19	19	42	33	27	17	12	11	17	15	15
FR	11	10	8	8	27	26	24	21	10	10	17	13	12
IT	13	14	20	18	35	30	26	23	13	14	19	17	16
KY	8	8	15	16	25	22	19	27	8	9	11	11	11
LV	20	19	35	28	20	22	23	23	14	17	21	20	19
LT	15	16	17	23	38	25	19	24	13	18	15	15	16
LU	5	6	15	13	29	25	37	22	5	5	16	13	12
HU	20	21	20	23	18	23	18	20	23	21	20	20	22
NL													
AT	12	12	15	15	26	25	22	20	17	16	21	15	15
PL	22	21	22	20	39	27	33	29	25	23	24	23	22
PT	14	13	21	20	29	29	18	17	10	11	18	16	16
SI													
SK	27	26	39	36	39	42	80	27	19	18	29	29	28
FI	11	11	14	14	29	25	26	23	3	4	18	15	15
SE	7	15	8	13	33	33	33	30	0	0	18	15	18
UK	19	20	27	29	44	40	34	31	19	18	28	27	27
EU	16	17	21	17	34	31	29	23	20	18	22	19	19

\* indicates housing costs assuming the same composition of housing tenure as in non-urban areas.

Note: EU refers to EU25 excluding MT. Data for DE not shown (see explanation in the introduction of this section).

Source: EU-SILC 2007

For those with income below the poverty threshold, the difference in costs between the two types of area tends to be much wider. On average, therefore, housing costs amount to almost 36 % of disposable income for such people living in cities across in the EU as a whole as against 31 % for those living in non-urban areas. Moreover, housing costs are higher relative to income in urban than in non-urban areas in all countries apart from Belgium and Greece, where there is no difference between the two types of area, though in Ireland, the UK, Sweden and Cyprus, the difference was very small (Table 20).

The question arises as to how far these variations in housing costs between the two types of area are related to difference in the pattern of housing tenure and to the age structure of the population. In particular, if people living in cities tend to have higher housing costs, to what extent is this related to them living in rented accommodation and/or being younger, on average, than those living in more non-urban areas?

Although the age structure of the population differs between cities and non-urban areas (there are more young people in cities and fewer people aged 65 and over), this in itself has only a marginal effect on the difference in average housing costs between the two, since housing costs vary only slightly between people in different age groups. On average, therefore, despite the larger extent of home ownership among those aged 65 and over and the fact that in most countries nearly all of those concerned no longer have mortgage interest payments, housing costs are slightly higher in relation to disposable income for older than for younger people. There are only five countries where this is not the case (Cyprus, Luxembourg, Portugal Finland and the UK), and in all but one of these cases (Luxembourg), the difference is small.

There is a difference, however, in average housing costs between age groups for those with income below the poverty threshold. In most countries, for those aged 65 and over with low incomes housing costs represented a smaller share of disposable income than for younger age groups. On average across the EU, the difference was almost 6 percentage points. This contributes to the difference in the weight of housing costs in cities as opposed to non-urban areas for this group.

There is also a difference in the pattern of tenure between the two types of area both for those with income above the poverty threshold and those with income below. This too is a factor underlying the difference in the importance

of housing costs between the two. Taking the population as a whole irrespective of income levels, the difference in the pattern of tenure explains over 60 % of the difference in housing costs relative to income between cities and non-urban areas on average across the EU. In Ireland and Austria, this difference explains all or almost all of the difference in costs, and in France and Finland over 80 %.

For those with income below the poverty threshold living in cities, housing costs also tend to be higher relative to disposable income than for those living in non-urban areas in respect of all types of housing. For example, across the EU as a whole, for owner-occupiers with mortgages, housing costs average around 45 % of income for those at risk of poverty living in cities as against 35 % for those living in non-urban areas. For those renting accommodation and paying the market rate, costs are also higher in cities than in non-urban areas in most countries, though the difference tends to be smaller. Nevertheless, the difference in the pattern of housing tenure between the two types of region – between the extent of owner-occupation, accommodation rented at the market rate and so on – explains almost half the difference in overall housing costs between the two and all or nearly all of the difference in Belgium, Ireland and Cyprus (Table 20).

**Table 20: Housing costs in urban and non-urban areas by type of housing tenure for those at risk of poverty, 2007**

	% disposable income												
	Owner occupied		Owner occupied		Rent at market rate		Subsidised rent		Rent-free housing		All housing		
	Urban	Non-urban	Urban	Non-urban	Urban	Non-urban	Urban	Non-urban	Urban	Non-urban	Urban	Urban*	Non-urban
BE	29	28	35	20	52	53	35	50	10	20	41	35	34
CZ	48	34	32	39	51	48	41	35	20	29	45	43	36
DK	42	33	70	67	59	51					58	56	49
EE	33	26							37	22	36	37	26
IE	16	17	32	31	74	34	15	19			30	23	20
EL	58	49	59	51	60	57			27	34	56	57	50
ES	26	20	43	36	65	45	42	25	22	18	36	33	25
FR	28	18	11	10	27	29	26	20	20	12	25	26	19
IT	29	25	47	33	51	43	39	37	25	28	38	33	29
CY	12	14	25	20	38	35	21	44	10	10	18	16	16
LV	46	34					47	32		20	46	44	32
LT	37	27						34	20	30	36	34	28
LU	20	11	18	24	40	35	47	50			31	26	22
HU	46	36	42	35	31		30	27	58	31	41	45	35
NL													
AT	22	27	38	30	46	44	36	41	34	25	42	33	31
PL	49	34			65			38	42	35	47	49	34
PT	30	21	34	36	49	45	28	29	18	17	31	30	24
SI													
SK	56	42		65	60	61					56	59	46
FI	26	18	34	24	44	38	31	28			33	31	24
SE	10	30	25	34	53	56					44	37	44
UK	36	39	55	74	65	59	47	43			47	46	49
EU	33	28	47	35	48	44	41	30	32	27	40	36	31

Notes: \* indicates housing costs assuming the same composition of housing tenure as in non-urban areas. Missing values signify that the number of people concerned is too small to be reliable except for the Netherlands and Slovenia where disaggregation is not possible. Note: EU refers to EU25 excluding MT. Data for DE not shown (see explanation in the introduction of this section).

Source: EU-SILC 2007

### **Housing costs and housing policy – the example of the former Communist countries**

As we have seen, home ownership is especially widespread, as indicated above, in the former centrally-planned countries which entered the EU in 2004. This is a result of a policy of transferring ownership of houses and apartments to the people living in them before the transition from communism. This policy seems designed to reduce housing costs for most of the population, thus helping to reduce the risk of poverty by relieving people of the need to cover rental costs from their income.

In practice, however, the result is not quite as simple. The above analysis shows that, while rent and payments of mortgage interest tend to make up a much smaller share of total costs in the new Member States than in the EU15, this in itself does not necessarily lead to overall lower housing costs in relation to disposable income. Although costs are lower than the EU25 average in 6 of the 9 countries for which data are available, they are higher in the Czech Republic, Poland and above all in Slovakia. They are also higher in the Czech Republic and Slovakia for people with income below the poverty threshold, whereas in the other countries, costs on average are lower than in most EU25 countries for people at risk of poverty. The fact that a larger proportion of people own their own homes in the countries concerned, therefore, seems in most cases to lead to housing costs being less of a burden for those on low incomes than in the rest of the EU. At the same time, however, the lower costs may mean that many of the people concerned are foregoing necessary repairs and maintenance of their homes. This, in turn, may in turn mean that they are both building up a future cost burden which will eventually have to be met and also putting up with living in low quality housing.

#### *2.2.5. Housing costs: a financial burden or a reflection of better quality housing*

How housing costs should be treated when assessing income distribution and the risk of poverty depends in some degree on the extent to which people have an element of choice over the scale of the costs involved – whether, in other words, people who have high housing costs have chosen to pay more in order to have a better house or whether they have little choice but to bear the high costs because that is the nature of the market. Which of the two is more important is reflected to some extent in the relationship between housing costs and housing quality – whether the two tend to go together or whether people who have high housing costs also have poor quality housing.

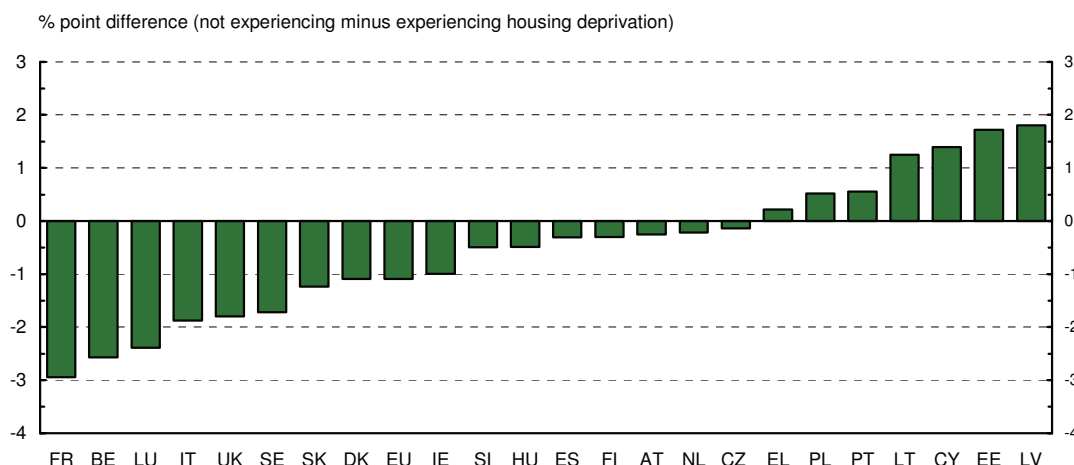
Several indicators describing housing conditions, based on the information available in the EU-SILC, have recently been adopted by the European Commission to monitor the situation in this respect across Member States. One of them covers those who live in a home which has structural problems (such as a leaking roof, damp walls, rotten floors or window frames), lacks an indoor toilet and bath or shower or is too dark. In addition, the special ad hoc module included in the EU-SILC for 2007 questioned people on their views about various aspects of their housing, including whether or not they considered it short of space and their overall satisfaction with it, given its location and access to amenities as well as its quality relative to the cost. The relationship between each of these various indicators and the cost of housing relative to income is explored below.

Contrary to what might be expected, the housing costs for people with income above the poverty threshold but experiencing housing deprivation (i.e. reporting at least one of the three problems included in this indicator) tend, on average, to be higher relative to disposable income than for people not experiencing deprivation (Figure 59). In the EU as a whole, therefore, housing costs are some 1 % of disposable income less for people not reporting a housing problem than for those reporting one. There are only 7 Member States (6 of the new Member States plus Portugal) where housing costs were higher for those without problems.

For people with lower incomes at risk of poverty, the pattern is the reverse. Those not experiencing housing deprivation according to the indicator tend to have higher housing costs on average than those experiencing such deprivation – around 1.5 % of disposable income across the EU as a whole (Figure 60). Costs are higher in 19 of the 24 countries, the only exceptions being the UK, Belgium, Denmark, Luxembourg and Italy. In most countries, therefore, people with low incomes who have relatively high housing costs tend, at least, to have a better quality house. Conversely, it might imply that many of those on low income are obliged to accept inferior standard housing as the price of keeping housing costs down.

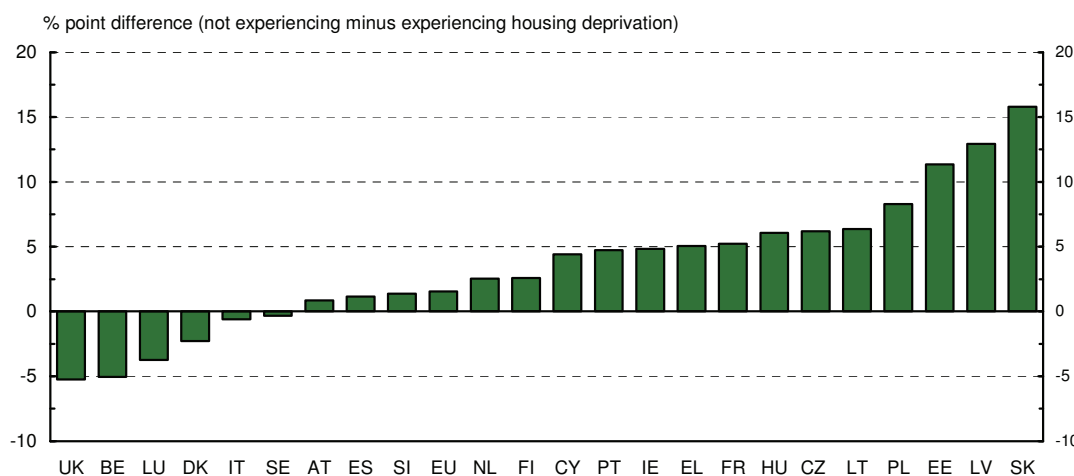


**Figure 59: Difference in housing costs as % of income between those experiencing and those not experiencing housing deprivation for those with income above the poverty threshold, 2007**



Note: EU refers to EU25 excluding MT. Data for DE not shown (see explanation in the introduction of this section).  
Source: EU-SILC 2007

**Figure 60: Difference in housing costs as % of income between those experiencing and those not experiencing housing deprivation for those at risk of poverty, 2007**



Note: EU refers to EU25 excluding MT. Data for DE not shown (see explanation in the introduction of this section).  
Source: EU-SILC 2007

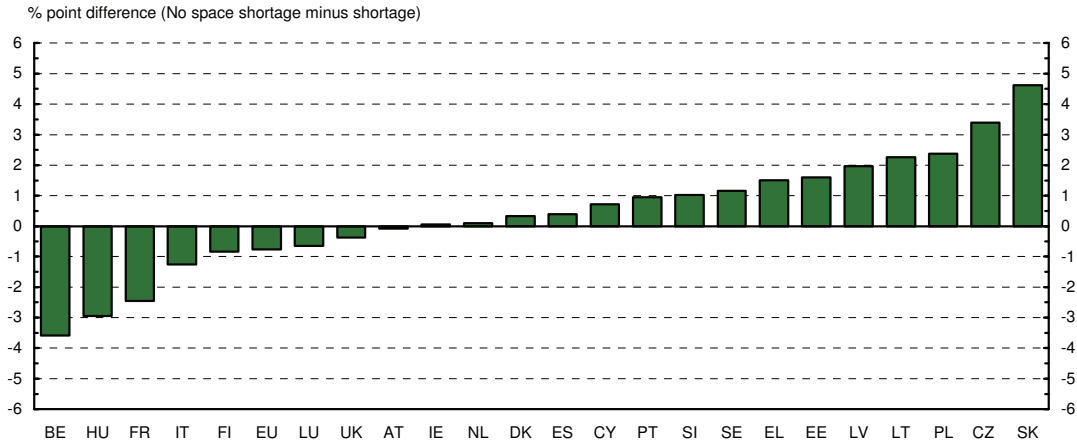
Size is a further dimension of housing quality, which again should be related to housing costs insofar as larger homes tend to be more expensive to purchase or rent and – in some degree – to maintain. In practice, there is a positive relationship between housing costs and spaciousness in some countries only: those reporting a shortage of space in their homes also tend on average to have lower housing costs in relation to disposable income.

For those with income above the poverty threshold, there are 10 countries where the difference in average housing costs between people reporting no shortage of space and those reporting a shortage was less than 1 % of disposable income. There are four countries (Belgium, France, Hungary and Italy), where housing costs relative to income are higher on average for people reporting a shortage of space. The opposite is true in just nine countries, in which shortage of space goes together with lower housing costs the opposite is the case. (Figure 61 and Table 21).

There is, however, a more widespread positive relationship between housing costs and space for people with income below the poverty threshold, suggesting that for those with low incomes, a shortage of space might be a

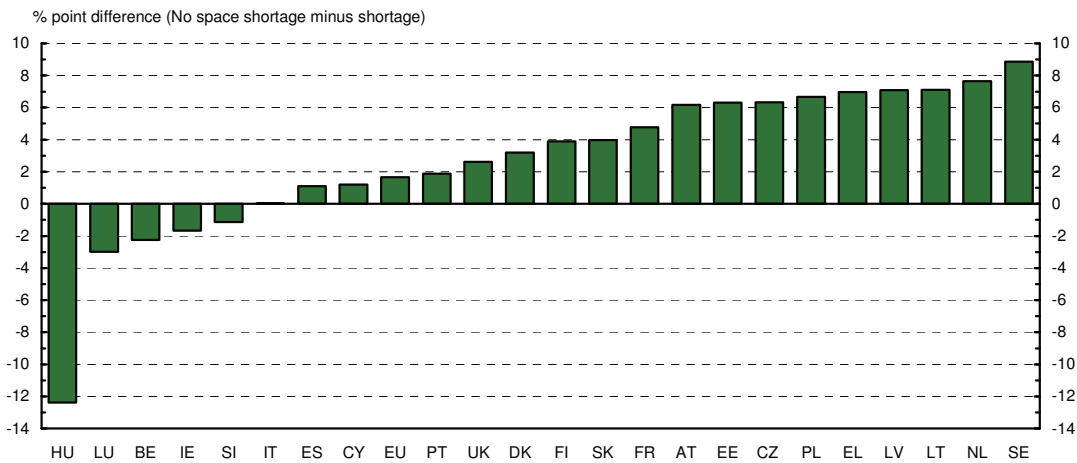
price paid for keeping housing costs down. Across the EU as a whole, average housing costs relative to income are only marginally higher for those reporting no shortage of space than for those reporting a shortage (Figure 62). Nevertheless, in 17 of the 23 countries covered, housing costs are higher for people reporting no space shortage. There are only five countries (Luxembourg, Belgium, Ireland, Slovenia and, above all, Hungary) where the reverse is the case.

**Figure 61: Difference in housing costs as % of income between those reporting no shortage of space and those reporting a shortage for the population with income above the poverty threshold, 2007**



Note: EU refers to EU25 excluding MT. Data for DE not shown (see explanation in the introduction of this section).  
Source: EU-SILC 2007

**Figure 62: Difference in housing costs as % of income between those reporting shortage of space and those reporting no shortage for the population with income below the poverty threshold, 2007**



Note: EU refers to EU25 excluding MT. Data for DE not shown (see explanation in the introduction of this section).  
Source: EU-SILC 2007

**Table 21: Housing costs and those reporting shortage of space problems, 2007**

	% disposable income			
	Above 60% median		Below 60% median	
	No	Yes	No	Yes
BE	17.4	21.0	39.4	41.6
CZ	22.1	18.8	41.8	35.5
DK	24.3	24.0	52.6	49.4
EE	12.8	11.2	31.0	24.7
IE	10.3	10.2	22.3	24.0
EL	21.8	20.3	54.4	47.4
ES	12.6	12.2	31.1	30.0
FR	13.2	15.7	24.9	20.1
IT	13.8	15.0	34.0	34.0
CY	10.2	9.4	17.7	16.5
LV	16.6	14.7	37.3	30.3
LT	13.3	11.1	31.2	24.1
LU	11.5	12.1	28.4	31.4
HU	15.9	18.9	26.7	39.0
NL	28.3	28.2	56.4	48.7
AT	15.1	15.1	38.9	32.7
PL	20.3	18.0	40.2	33.5
PT	14.9	14.0	28.8	26.9
SI	12.7	11.7	28.4	29.6
SK	26.6	22.0	50.2	46.2
FI	14.2	15.1	27.8	23.9
SE	15.6	14.4	45.9	37.1
UK	22.6	23.0	47.7	45.1
EU	17.4	22.5	37.6	42.6

*Note: 'No' No shortage of space in dwelling; 'Yes' dwelling is shortage of space. Note: EU refers to EU25 excluding MT. Data for DE not shown (see explanation in the introduction of this section). Source: EU-SILC 2007*

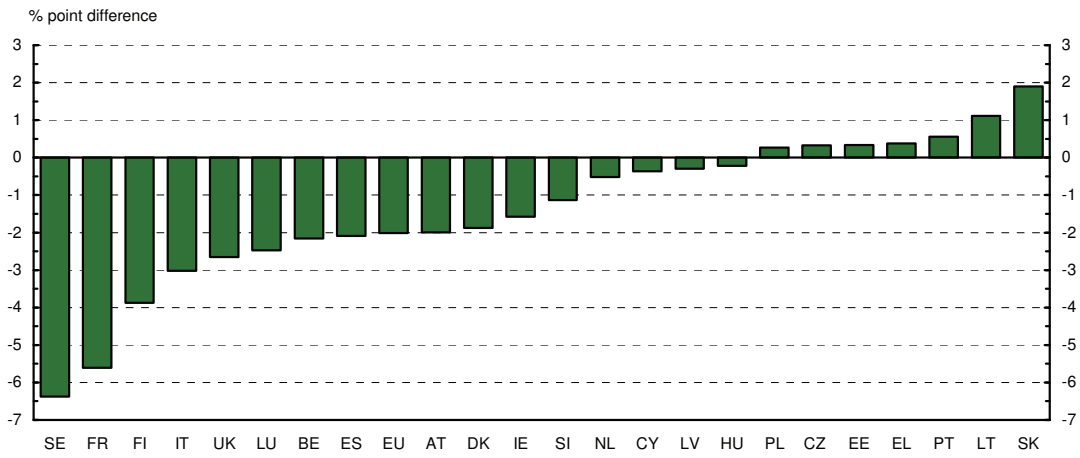
There does not appear to be a close relationship between housing costs and overall satisfaction with the house or apartment concerned – at least for those with income above the poverty threshold<sup>73</sup>. For such people, there are only two countries, Lithuania and Slovenia, where housing costs are, on average, higher relative to income for people expressing satisfaction with their home than for those expressing dissatisfaction (Figure 63). In 10 countries, there is not much difference in housing costs between the two groups, while in the remaining 12; housing costs are higher among the dissatisfied than the satisfied, which might be part of the reason for their dissatisfaction.

There are, again, many more countries where housing costs and housing quality seem to go together for those at risk of poverty. In 12 countries, housing costs are higher on average among those reporting being satisfied with their house than among the dissatisfied. There are eight other countries where the dissatisfied people have higher costs and four where there is not much difference (Figure 64 and table 22).

Accordingly, there is more evidence across the EU of a positive relationship between housing costs and housing quality for people on low income than for those with higher income levels.

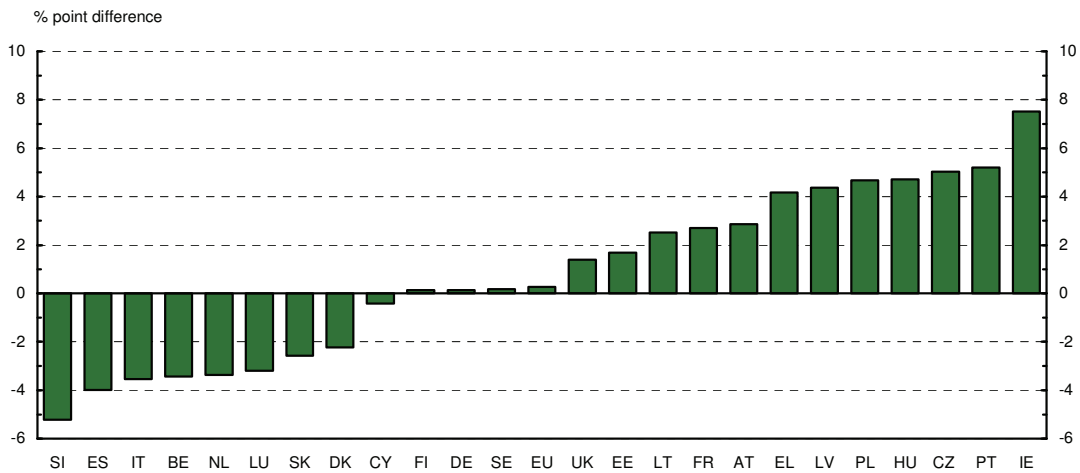
<sup>73</sup> People's overall satisfaction with their home relates to their feelings about whether it meets the household's needs, about the price, the space it provides, the neighborhood, distance to work, housing quality and other aspects.

**Figure 63: Difference in housing costs as % of income between those satisfied with their housing and those dissatisfied for the population with income above the poverty threshold, 2007**



Note: EU refers to EU25 excluding MT. Data for DE not shown (see explanation in the introduction of this section).  
Source: EU-SILC 2007

**Figure 64: Difference in housing costs as % of income between those satisfied with their housing and those dissatisfied for the population with income below the poverty threshold, 2007**



Note: EU refers to EU25 excluding MT. Data for DE not shown (see explanation in the introduction of this section).  
Source: EU-SILC 2007

Table 22: Average housing costs in relation to satisfaction/dissatisfaction with housing, 2007

% disposable income

	Above 60% median income			Below 60% median income		
	Very dissatisfied	Dissatisfied	Satisfied/very satisfied	Very dissatisfied	Dissatisfied	Satisfied/very satisfied
BE	18.3	21.5	17.5	40.8	43.4	39.1
CZ	21.4	21.5	21.8	46.8	34.3	41.8
DK	25.8	26.2	24.2	55.1	52.9	51.5
EE	13.1	11.9	12.4	21.3	30.3	30.2
IE	10.9	12.2	10.0	15.8	18.2	24.8
EL	20.1	21.3	21.5	44.3	50.3	53.1
ES	15.1	14.2	12.3	34.9	33.9	30.2
FR	19.6	18.6	13.1	19.1	22.3	24.3
IT	17.9	16.3	13.5	40.8	35.4	33.0
CY	10.4	10.3	9.9	17.3	17.9	17.3
LV	15.6	16.3	15.8	36.5	31.7	37.6
LT	12.0	12.0	13.1	29.8	27.6	30.7
LU	14.5	13.8	11.4	41.2	28.3	28.8
HU	18.8	18.5	18.4	34.5	33.8	38.7
NL	27.6	29.1	28.2	76.8	41.6	54.3
AT	18.3	16.7	14.9	34.4	34.8	37.6
PL	19.9	19.4	19.8	34.3	34.6	39.3
PT	13.8	14.5	14.9	20.5	26.5	29.7
SI	14.5	13.2	12.4	38.8	30.4	27.6
SK	23.5	24.4	26.1	38.5	55.5	48.1
FI	18.7	17.8	14.1	26.0	27.5	27.2
SE	22.7	21.4	15.2	65.3	41.1	44.1
UK	27.7	24.6	22.5	49.6	45.4	47.4
EU	22.8	19.3	18.7	39.9	36.7	39.8

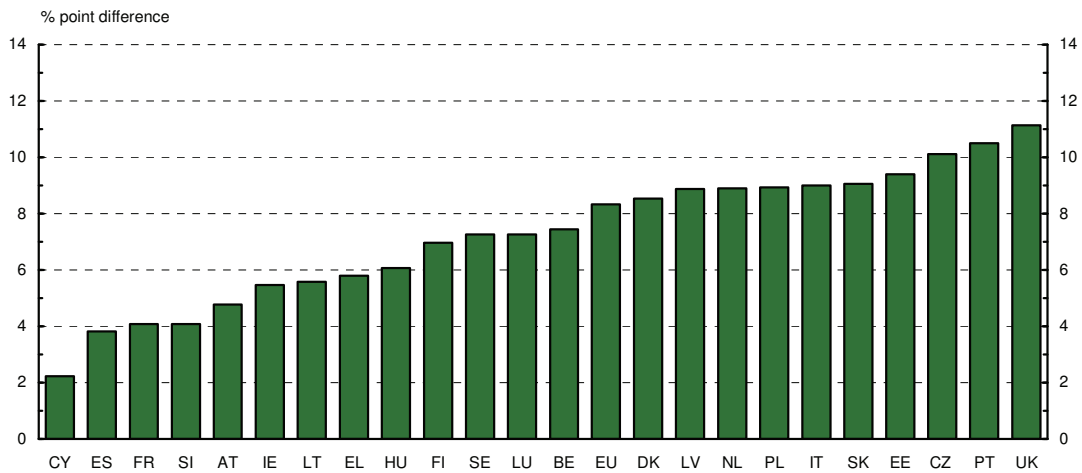
Note: EU refers to EU25 excluding MT. Data for DE not shown (see explanation in the introduction of this section).  
Source: EU-SILC 2007

### 2.2.6. Housing costs and financial burden

The extent to which housing costs represent a financial burden on households can be seen directly from the responses to the EU-SILC question on this subject. In particular, we can see the difference in housing costs between people who feel those costs to be 'a heavy financial burden' and those who say they are 'somewhat of a burden' or 'no burden at all'.

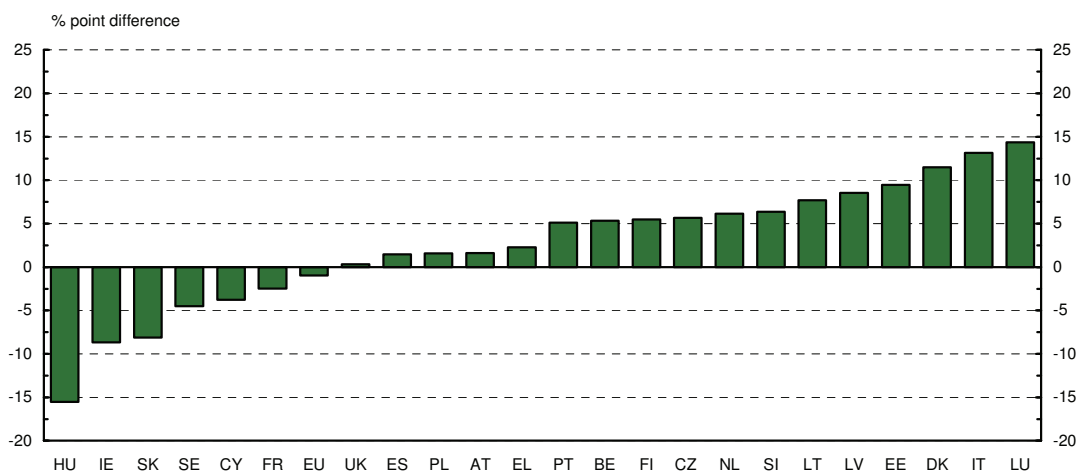
On average, across the EU, housing costs amount to around 23 % of disposable income for those with income above the poverty threshold who report housing costs are a heavy financial burden as against only around 14 % for those reporting no burden at all (Figure 65 and table 23).

**Figure 65: Difference in housing costs as % of income between those reporting housing costs as a heavy burden and those reporting no burden for the population with income above the poverty threshold, 2007**



Note: EU refers to EU25 excluding MT. Data for DE not shown (see explanation in the introduction of this section).  
Source: EU-SILC 2007

**Figure 66: Difference in housing costs as % of income between those reporting housing costs as a heavy burden and those reporting no burden for the population with income below the poverty threshold, 2007**



Note: EU refers to EU25 excluding MT. Data for DE not shown (see explanation in the introduction of this section).  
Source: EU-SILC 2007

**Table 23: Housing costs relative to income by financial burden or not, 2007**

	<i>Above 60% median income</i>			<i>Below 60% median income</i>		
	<b>Heavy burden</b>	<b>Some burden</b>	<b>No Burden</b>	<b>Heavy burden</b>	<b>Some burden</b>	<b>No Burden</b>
<b>BE</b>	22.4	17.9	14.9	40.8	38.6	33.6
<b>CZ</b>	27.4	21.2	17.3	42.4	37.7	35.8
<b>DK</b>	31.5	27.1	23.0	59.1	52.4	46.3
<b>EE</b>	18.0	12.8	8.6	31.6	27.6	22.3
<b>IE</b>	13.1	10.6	7.7	18.9	23.5	27.6
<b>EL</b>	23.4	21.1	17.6	53.1	49.5	52.0
<b>ES</b>	14.5	10.8	10.7	29.4	28.4	26.2
<b>FR</b>	16.2	14.0	12.1	21.5	24.8	22.1
<b>IT</b>	16.6	11.0	7.6	32.9	28.1	13.1
<b>KY</b>	10.6	8.7	8.4	17.2	17.0	20.3
<b>LV</b>	20.3	15.8	11.4	36.9	33.6	29.4
<b>LT</b>	15.8	12.5	10.2	31.5	27.3	24.8
<b>LU</b>	14.7	11.3	7.5	31.1	28.6	16.9
<b>HU</b>	20.3	18.2	14.2	34.3	37.4	49.4
<b>NL</b>	34.5	29.2	25.6	57.8	48.3	49.9
<b>AT</b>	18.7	14.9	14.0	38.0	36.6	36.4
<b>PL</b>	23.4	18.3	14.5	37.6	37.0	36.4
<b>PT</b>	20.4	14.6	9.9	30.0	27.6	24.9
<b>SI</b>	15.0	11.8	10.9	30.3	27.4	23.9
<b>SK</b>	28.7	25.0	19.7	46.9	51.3	55.3
<b>FI</b>	18.8	14.1	11.8	28.8	27.4	22.7
<b>SE</b>	21.5	16.2	14.2	37.8	46.9	40.2
<b>UK</b>	29.0	23.2	17.9	45.5	46.5	45.4
<b>EU</b>	21.1	19.1	16.1	36.7	39.4	36.5

*Note: EU refers to EU25 excluding MT. Data for DE not shown (see explanation in the introduction of this section).  
Source: EU-SILC 2007*

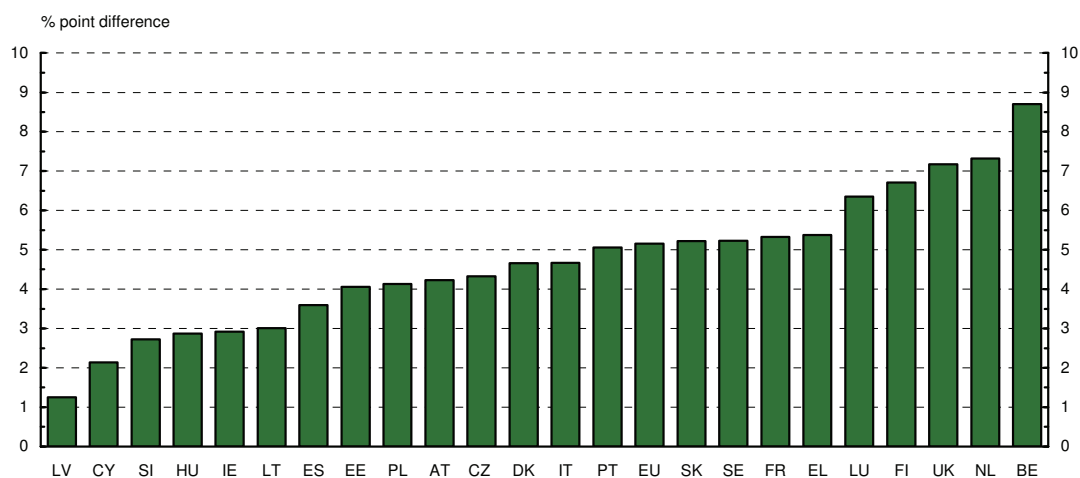
Moreover, though the extent of the difference between the two groups varies, in all countries people reporting housing costs to be heavy burden have higher costs than those for whom they are no burden. In most cases the difference in costs is more than 5 % of disposable income.

For those with income below the poverty threshold, however, the tendency is less marked. On average, the difference in housing costs relative to income between those reporting costs to be a heavy burden and those for whom they are no burden is only around half as large as for those with higher income levels (Figure 66). Nevertheless, in most Member States, housing costs are higher in relation to income among those reporting them to be a heavy burden than for those reporting no burden.

Housing costs are also higher in relation to income for people reporting in the EU-SILC that they are unable to face unexpected expenses than for people able to do so. In all countries, housing costs are higher for the first group than the second among those with income above the poverty threshold (Figure 67 and table 24).

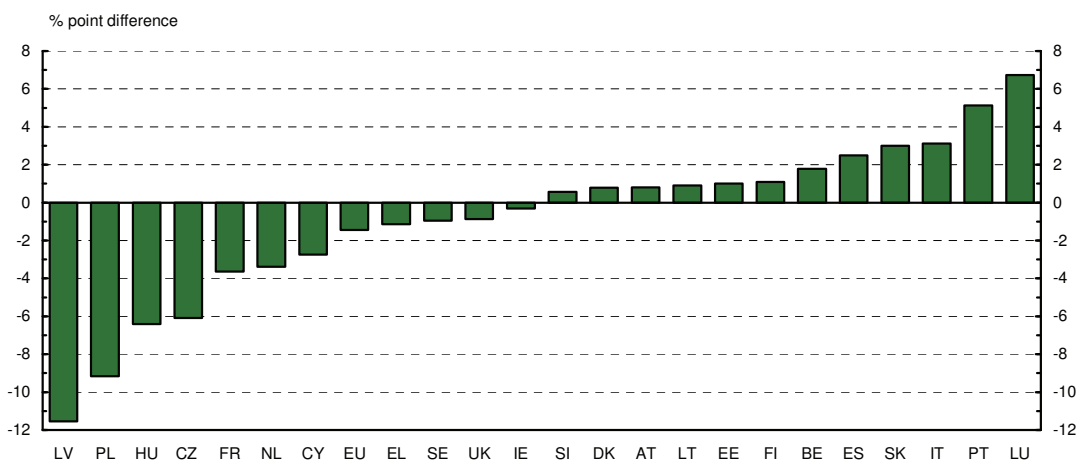
For those with income below the poverty threshold, however, there is no systematic relationship across the EU. In half the countries, housing costs are, on average, higher relative to income for people able to face unexpected expenses than those unable to do so; in 12 of the 24 countries they were lower for those able to face unexpected expenses (Figure 68).

**Figure 67: Difference in housing costs as % of income between those reporting not being able to face unexpected expenses and those reporting to be able to for the population with income above the poverty threshold, 2007**



Note: EU refers to EU25 excluding MT. Data for DE not shown (see explanation in the introduction of this section).  
Source: EU-SILC 2007

**Figure 68: Difference in housing costs as % of income between those reporting not being able to face unexpected expenses and those reporting to be able to for the population with income below the poverty threshold, 2007**



Note: EU refers to EU25 excluding MT. Data for DE not shown (see explanation in the introduction of this section).  
Source: EU-SILC 2007



**Table 24: Housing costs by ability to face unexpected expenses, 2007**

	% disposable income			
	<i>Above 60% median</i>		<i>Below 60% median</i>	
	Yes	No	Yes	No
BE	16.4	25.1	36.9	40.2
CZ	20.3	24.6	45.1	38.9
DK	23.6	28.2	48.1	51.3
EE	11.7	15.8	28.2	28.5
IE	9.3	12.2	22.2	22.1
EL	20.2	25.6	51.9	50.3
ES	11.6	15.2	27.9	30.1
FR	12.0	17.4	24.0	22.0
IT	12.7	17.4	30.2	32.3
KY	9.2	11.4	19.6	16.8
LV	15.1	16.3	44.6	33.6
LT	11.7	14.7	28.5	28.6
LU	10.6	16.9	24.9	31.5
HU	16.7	19.6	41.8	35.5
NL	26.9	34.3	50.5	52.5
AT	14.0	18.3	36.5	37.2
PL	17.7	21.8	44.0	35.8
PT	14.0	19.1	26.1	31.2
SI	11.5	14.3	28.0	28.8
SK	23.7	28.9	45.9	49.2
FI	12.6	19.3	25.6	27.6
SE	14.6	19.9	42.5	43.1
UK	21.2	28.3	46.3	45.4
EU	17.6	22.5	37.6	37.9

*Note: 'Yes' Able to face unexpected expenses; 'No' unable to do so.  
 Note: EU refers to EU25 excluding MT. Data for DE not shown  
 (see explanation in the introduction of this section).  
 Source:EU-SILC 2007*

*2.2.7. The effect of housing costs on the risk of poverty*

The question now arises as to how far assessments of the risk of poverty are altered by taking explicit account of housing costs – i.e. whether disposable income is calculated before or after deducting housing costs.

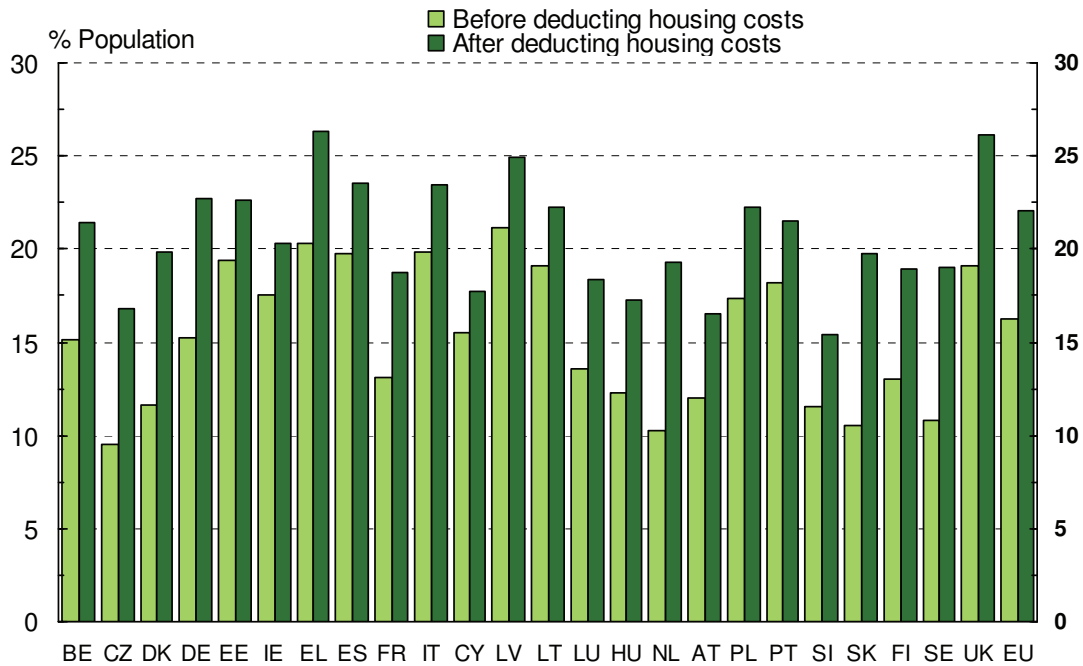
Since housing costs represent a charge on disposable income which arguably has to be met before other expenditure, there is a case for deducting such costs from income before assessing the distribution of purchasing power across society and identifying those whose income falls below a particular level relative to the median. On the other hand, people in most cases have some discretion over how much of their income they spend on housing, so that relatively high housing costs might reflect the choice of the people concerned to have a higher quality house in a more attractive and convenient area rather than to spend their income in other ways. As we have seen, however, there is no systematic relationship between costs and the quality and size of housing, so we cannot assume that most people who have higher housing costs relative to income than others live in a better or larger house. In practice, therefore, there are no clear grounds for deciding whether disposable income should be measured before or after housing costs when assessing income distribution and identifying the risk of poverty.

Nevertheless, it is instructive to see how assessment of the risk of poverty changes if disposable income is measured after deducting housing costs rather than before. For people on lower incomes, housing costs account, on average, for a larger proportion of their disposable income. Consequently, if we exclude housing costs when measuring disposable income, we increase the proportion of the population in all countries with income below the poverty threshold. This is true whether we define the poverty threshold as 60 %, 50 % or 40 % of median income. While, therefore, deducting housing costs reduces median income, the reduction is greater for people at the lower end of the scale.

Accordingly, if disposable income is defined after deducting housing costs, the proportion of people with income below 60 % of the (new) median is increased from 16 % to 22 % in the EU as a whole (Figure 69). Not surprisingly, the increase is particularly large (8–9 percentage points) in countries where housing costs are high

relative to income – in Denmark, the Netherlands, Sweden and Slovakia. On the other hand, the increase is relatively small in the southern countries, excluding Greece but including Cyprus, as well as in Ireland, Estonia, Lithuania and Slovenia, where housing costs were lower in relation to income.

**Figure 69: Proportion of population below at risk of poverty threshold (60 % below median) before and after deducting housing costs, 2007**



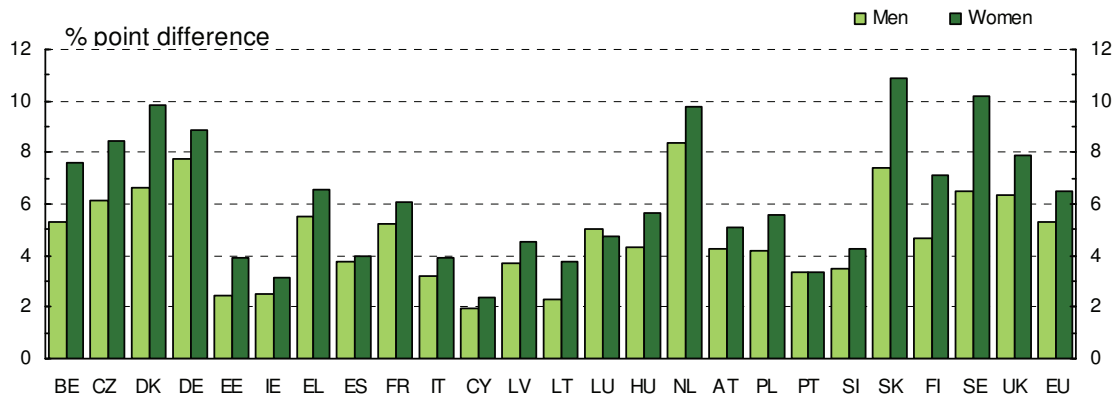
Note: EU refers to EU25 excluding MT.  
Source: EU-SILC 2007

As a result, after deducting housing costs, Germany becomes one of the countries with the largest proportions of the population having an income below the poverty threshold – above Portugal and to a lesser extent, Estonia, Lithuania and Poland, but still below Greece, Spain, Italy and the UK.

*The risk of poverty after housing costs by gender and age group*

The effect of measuring the risk of poverty after deducting housing costs varies between men and women and across broad age groups. In particular, defining income to exclude housing costs tends to result in the proportion below the poverty threshold being increased by more for women (by 6.5 percentage points on average across the EU) than for men (by 5.5 percentage points) (Figure 70). This is a reflection of the larger number of women, especially lone parents and those aged 65 and over, who live alone and who, accordingly, tend to have relatively high housing costs in relation to income. The larger effect on women is common to all countries, with the exception of Luxembourg and Portugal, where the effect is much the same for men as for women. It is especially large in Denmark, Sweden and Slovakia, where in each case the poverty rate among women is increased by around 10–11 percentage points. This is 3–4 percentage points more than for men.

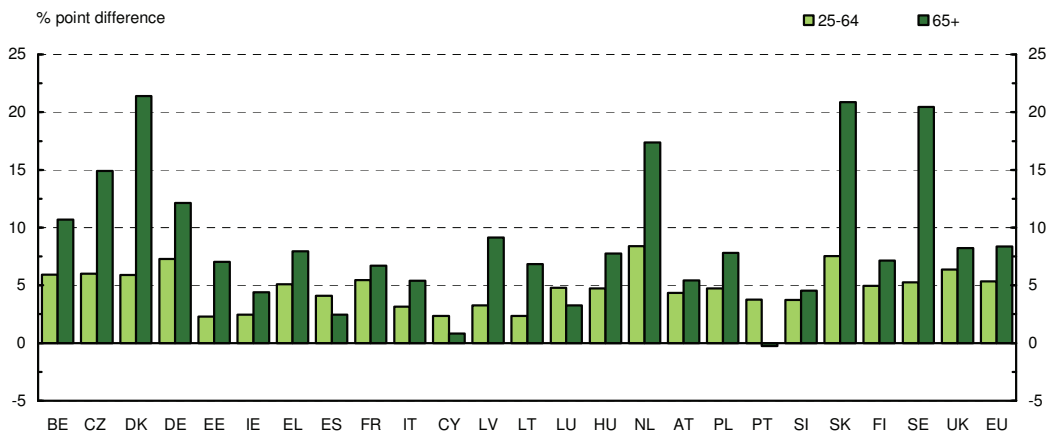
**Figure 70: Difference in the proportion of the population at risk of poverty before and after the deduction of housing costs, 2007**



Note: EU refers to EU25 excluding MT.  
Source: EU-SILC 2007

Housing costs also tend to affect people aged 65 and over more than younger age groups, though the scale of the effect varies greatly from country to country. The proportion of people aged 65 and over at risk of poverty is increased, on average, by around 8.5 percentage points if income is measured after housing costs as opposed to before. This is some 3 percentage points more than for those aged 25–64 (Figure 71). There are, however, four countries – Spain, Cyprus, Luxembourg and Portugal – where the effect of excluding housing costs is smaller for the older age group than for the younger one. (In Portugal, the effect of deducting housing costs from income is to reduce the risk of poverty among those aged 65 and over.) Conversely, measuring income after housing costs increases the proportion with income below the poverty threshold substantially more for those aged 65 and over than for those aged 25–64 in Denmark, Sweden and Slovakia, the same countries as in the case of women and for a similar reason.

**Figure 71: Difference in risk of poverty measured including and excluding housing costs for the population aged 25-64 and 65+, 2007**



Note: EU refers to EU25 excluding MT.  
Source: EU-SILC 2007

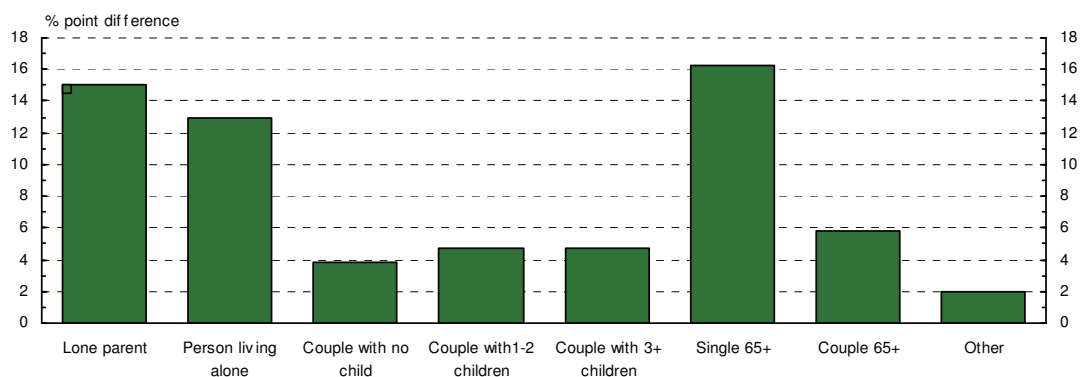
Overall, housing costs have a similar effect on the risk of poverty among children as on those aged 25–64, the proportion with income below the poverty threshold being increased by 5–6 percentage points, on average, in both cases. The effect, however, varies markedly between countries. In around half, it increases the risk among

children by more than among those aged 25–64 – the effect being especially large in Germany and the UK. In the other half, it increases the risk by less.

*The risk of poverty after housing costs by household type and location*

Measuring the risk of poverty after deducting housing costs rather than before has a much bigger effect on people living alone than on those living in households with other people. This reflects the higher costs of housing relative to income for the former than for the latter. The proportion with income below the poverty threshold is raised, on average, by between 13 and 16 percentage points for lone parents, those living alone under 65 and those living alone aged 65 and over, whereas for couple households, whether with children or not, the increase is only around 4–5 percentage points (Figure 72 and Table 25).

**Figure 72: Difference in the proportion of the population at risk of poverty before and after the deduction of housing costs by household type, 2007**



Note: EU25 excluding MT.  
Source: EU-SILC 2007

**Table 25: Difference between the proportion at risk of poverty before and after housing costs by household type, 2007**

	Lone parent	Person living alone	Couple with no child	Couple with 1-2 children	Couple with 3+ children	Single 65+	Couple 65+	Other
BE	15,4	14,3	4,3	4,3	1,3	23,0	4,5	2,1
CZ	16,1	17,4	4,6	5,9	4,6	34,6	6,1	2,1
DK	19,4	14,0	2,9	1,8	3,0	31,9	15,4	1,9
DE	14,7	10,4	6,2	6,7	8,7	19,8	8,4	2,4
EE	9,8	4,9	2,4	2,0	1,5	10,7	5,7	-0,4
IE	7,5	6,0	2,5	2,5	1,6	8,1	4,0	-0,2
EL	13,7	14,3	3,9	6,2	6,8	14,6	9,2	3,2
ES	11,0	12,0	2,9	4,7	6,3	4,4	2,5	1,6
FR	16,3	15,8	3,7	2,8	3,5	12,4	4,1	2,0
IT	6,2	8,1	2,2	3,4	-0,2	8,3	5,9	2,4
CY	8,7	8,7	2,2	2,1	3,1	0,1	0,6	0,3
LV	8,0	6,5	4,5	3,6	-0,9	8,0	19,7	0,5
LT	9,6	6,9	3,5	1,9	-2,7	12,4	5,5	-0,4
LU	5,9	10,5	2,1	6,1	5,1	4,1	4,2	2,1
HU	11,0	12,0	3,6	4,2	4,1	16,1	4,2	2,6
NL	23,7	21,2	5,5	4,3	8,2	28,1	12,7	-2,3
AT	12,1	10,0	2,2	4,6	6,2	11,8	2,6	0,6
PL	12,4	15,3	4,7	4,8	3,2	17,6	2,8	1,5
PT	10,9	12,5	0,8	6,2	3,1	2,1	-2,2	2,4
SI	5,5	10,0	2,9	3,9	5,0	8,8	4,4	2,3
SK	23,9	26,7	5,8	7,9	7,6	39,9	17,5	3,0
FI	16,4	11,7	3,1	3,8	5,9	17,1	1,1	0,9
SE	22,7	12,7	2,5	3,3	2,1	38,5	8,8	2,5
UK	18,8	14,7	3,8	6,3	6,5	17,4	4,0	3,3
EU	15,1	13,0	3,8	4,7	4,8	16,2	5,8	2,0

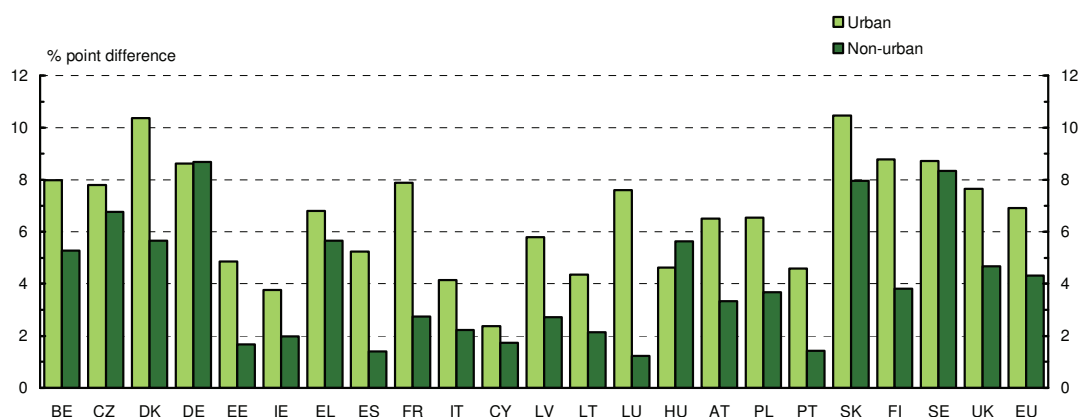
*Note: EU refers to EU25 excluding MT.  
Source: EU-SILC 2007*

A similar pattern of difference is evident for all Member States. However, in Denmark, Slovakia and Sweden (the three countries noted above) as well as in the Czech Republic, housing costs have an especially large effect on the risk of poverty among those aged 65 and over living alone and, to a lesser extent, among lone parents. Most of these people are women.

Equally, and partly reflecting the differential effect on lone-person households, measuring disposable income after housing costs increases the risk of poverty among those living in urban areas more than for those living in non-urban locations – on average, by some 7 percentage points as opposed to just over 4 percentage points (Figure 73).

The greater effect of housing costs on those living in urban areas is common to all countries apart from Germany (where there is not much difference between areas) and Hungary (where the effect is greater on those living in non-urban areas). It is especially marked in Denmark, France, Luxembourg and Finland: in each of these countries the risk of poverty in urban areas is increased by around 5–6 percentage points more than in non-urban areas.

**Figure 73: Difference in the proportion of the population at risk of poverty before and after the deduction of housing costs by type of area, 2007**



Note: EU refers to EU25 excluding MT.  
Source: EU-SILC 2007

#### *Effect of housing costs on the composition of the population at risk of poverty*

Thus, measuring income after housing costs rather than before has the effect of increasing the risk of poverty among:

- women relative to men,
- those aged 65 and over relative to younger age groups,
- those living alone, including lone parents, relative to those living in couple households with and without children,
- those living in urban – or densely populated – areas relative to those living in non-urban, or sparsely populated, ones.

These groups, therefore, would account for a larger proportion of the population with income below the poverty threshold if income is defined to exclude housing costs. Since the groups concerned already have a relatively high risk of poverty in most countries, the effect of taking explicit account of housing costs when assessing this risk is to widen the gap between population groups distinguished in this way.

#### *2.2.8. The effect of including imputed rent as part of income*

An alternative means of allowing explicitly for the differential effect of housing on living standards is to estimate the imputed rent associated with housing, either from home-ownership or from living in subsidised or rent-free accommodation, and to include this in the measurement of income. To do so, therefore, takes account of the fact that home owners and people living in either rent-free or subsidised housing effectively enjoy an income stream, as their housing costs are below what they would pay if they were charged the market rent for their accommodation. (In addition, for home owners, housing is also an asset and a store of wealth, which they can potentially borrow against to increase their purchasing power relative to people living in rented housing.)

A counter-argument to including imputed rent in income is that there are other consumer durables, such as cars, which equally provide an effective income stream over time and which should, therefore, also be included as part of income.

A more practical objection is that imputed rent is a fictitious sum which it is difficult to estimate with any precision because often the market does not exist, or exists on too small a scale, to provide a reliable measure of what the market rent would be for the house or apartment in question. This point is important for many of the Member States providing estimates at the present time, especially the former Communist countries in which there is very little rented accommodation and even less which is rented at a 'market' rate. Given the often small scale of the rental market and the limited information available on how the estimates of imputed rent included in the EU-SILC for 2007 have been made, there is a serious question mark over their reliability. Moreover, for many countries,

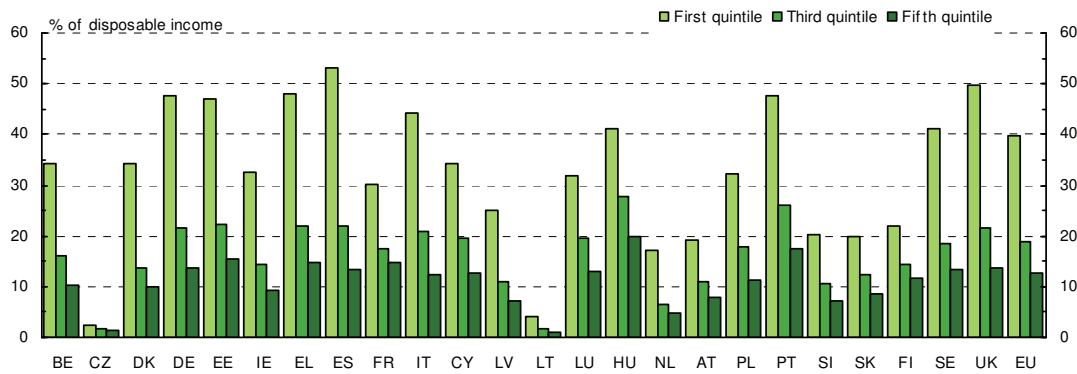
estimates are not included for a significant number of households, especially those with subsidised rent or paying no rent at all.

Nevertheless, despite the shortcomings and the evident problems in some countries, it is instructive to examine the estimates of imputed rent included in the EU-SILC for the first time, noting and how they vary from one household to another and the effect which treating imputed rent as part of disposable income would have on the assessment of the risk of poverty across the EU.

*Imputed rent relative to income*

In practice, imputed rent in relation to household income tends to vary in a similar way to housing costs. It represents, in general, a larger share of income for households at the bottom end of the income scale, many of which, as noted above, pay lower rents than the market rate or no rent at all. Conversely, the share is smaller for households at the upper end of the scale, reflecting the fact that the value of housing tends to increase by less than income as the latter rises. On average across the EU, imputed rent is estimated at around 40 % of disposable income for those in the bottom quintile of the income distribution, at 19 % for those in the middle fifth and just under 13 % for those in the top fifth (Figure 74).

**Figure 74: Estimated imputed rent as % of disposable income by selected income quintiles, 2007**



Note: EU refers to EU25 excluding MT.  
Source: EU-SILC 2007

This general pattern of variation is common to all countries. The overall scale of imputed rent estimated and the extent of its variation across income quintiles differ markedly from country to country, but this reflects measurement problems as much as, if not more than, genuine differences. (The estimates, for example, represent under 2 % of disposable income on average in the Czech Republic and Lithuania but around 29 % in Hungary despite the similarity in the pattern of housing tenure in these countries as well as in the nature of the housing market.

The estimates show less of a variation in relation to income between owner-occupiers and those living in rent-free accommodation (an average of 18 % across the EU for the former and 15 % for the latter). As would be expected, the figures for both groups are higher than for people paying subsidised rents (10 %). Again the pattern of variation, if not the overall level, is similar in all countries.

There are, however, national variations between age groups, reflecting differences in the pattern of housing tenure. Imputed rent is higher, on average, in relation to income for people aged 65 and over (almost 20 % at the EU-level) than among those aged 25–64 (just over 14 %). Moreover, in the same way as housing costs, imputed rent is estimated to be higher relative to income for people living alone than for those living in couple households (whose income tends to be higher) and higher in urban areas than in non-urban locations, though the difference in general is not large (around 3 % of disposable income on average).

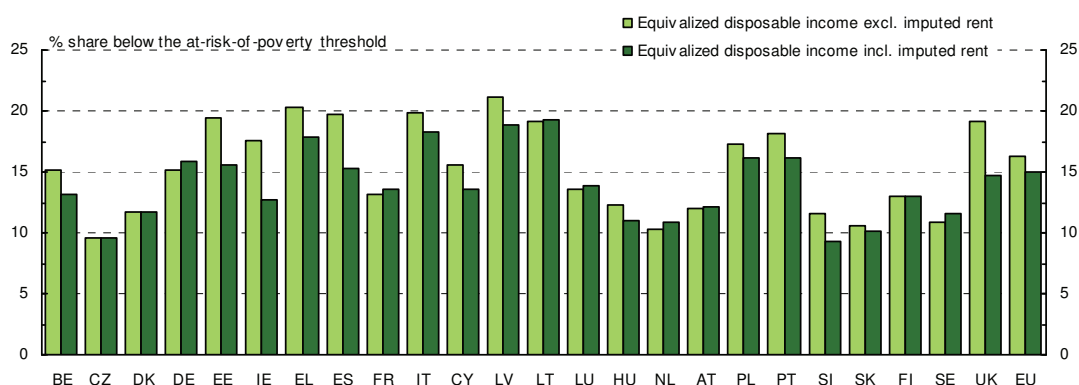
*The effect of including imputed rent in income on the risk of poverty*

The implication is that because imputed rent is estimated to be higher in relation to income for those towards the bottom of the income scale than for those further up, its inclusion in disposable income would tend to narrow

disparities in income distribution. It would, accordingly, tend to reduce the number of people with income below 60 % of the median even though the median itself is increased by the addition of imputed rent.

Across the EU, therefore, the inclusion of imputed rent has the effect of reducing the risk of poverty, measured in the usual way, from 16 % to just under 15 % (Figure 75). The effect, however, is not universal across the EU. In eight Member States, the effect is to increase the risk of poverty, though in all cases only slightly (by less than 1 percentage point). The reduction in the proportion of people with income below the poverty threshold is particularly large in Spain, Ireland and the UK (by 4–5 percentage points in each case).

**Figure 75: Risk of poverty measured including and excluding imputed rent, 2007**

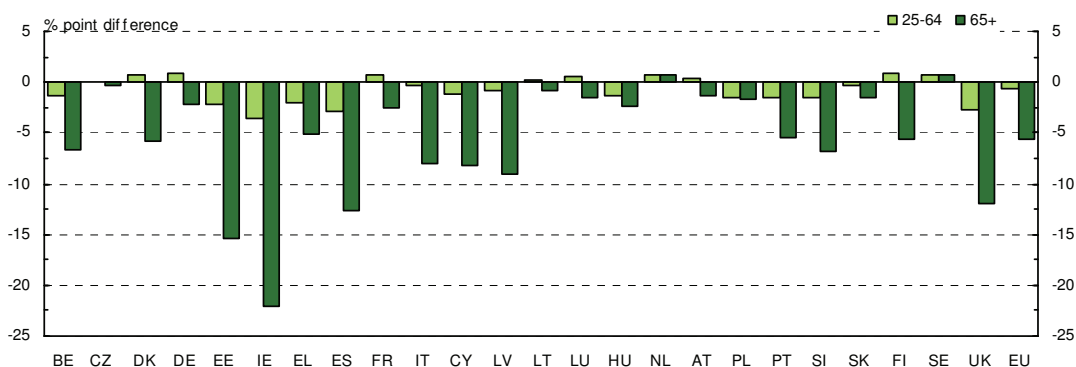


Note: EU refers to EU25 excluding MT.  
Source: EU-SILC 2007

The reduction in all countries is very much concentrated among people aged 65 and over. The proportion of these people at risk of poverty declines on average by almost 6 percentage points across the EU, as opposed to just 1 percentage point for people aged 25–64 (and very little effect as regards those younger than this) (Figure 76). This reflects the wider extent of home ownership and of free or subsidised rents among the older age group. The reduction, moreover, is especially large in countries where the risk of poverty among those aged 65 and over is relatively high – in Ireland, Spain, the UK, Estonia and Latvia – bringing down the proportion of people concerned closer to that of those aged 25–64, and in the case of Ireland, below this.



**Figure 76: Difference in risk of poverty measured including and excluding imputed rent for the population aged 25-64 and 65+, 2007**



Note: EU refers to EU25 excluding MT.  
Source: EU-SILC 2007

The effect differs not only between age groups but also between genders: the proportion of women at risk is reduced by more than for men (by around 2 percentage points on average across the EU as against 1 percentage point). The effects also varies between households: the risk among people aged 65 and over living alone is reduced by much more (by almost 10 percentage points) than for other types of household. Indeed, the effect generally is to reduce the risk of poverty among those living alone by more than for couple households (by 1.5 percentage points on average across the EU as against only around 1 percentage point or less). For couples with three or more children, the overall effect is to increase the risk (by 3 percentage points on average). However, in Spain, Ireland, Cyprus, the Netherlands, Portugal and, most especially the UK, the risk is actually reduced by 4 percentage points. This implies that for large families imputed rent tends, in general, to be relatively less important for those towards the bottom end of the income distribution than is the case for smaller families.

Finally, the inclusion of imputed rent in income has the effect, on average across the EU, of reducing the risk of poverty in urban areas by more than in non-urban ones, but the difference is relatively small – and in 11 of the 21 countries for which data are available the reverse is the case.

### 2.3. The quality of housing and social exclusion

***The general EU-SILC survey and its special module on housing offer detailed information on housing deficiencies. People at risk of poverty, defined as those with incomes under 60 % of the national median, are more likely to suffer from poor housing conditions. Shortage of space is particularly severe in the former communist countries although, across Europe, people's subjective perceptions of their situations are better than objective indicators would suggest. Poor people do not seem to be more exposed to problems of noise, pollution and crime in their neighbourhoods than people living above the at-risk-of poverty threshold. The main differences in terms of access to services such as shops, banks, health care and public transport seem to be between urban and non-urban areas, with the non-urban poor worst affected.***

The quality of housing is an important aspect of living standards. To live in an attractive and spacious house or apartment in a pleasant and convenient location is one of the main aspirations of most people, while, by the same token, living in a place which is the reverse of this is something to be avoided. The quality of housing, therefore, is a major element of a person's well-being and, conversely, housing deficiencies – defined in a broad sense to encompass environmental factors and the lack of accessibility of essential services – are a significant indicator of deprivation.

Although the quality of housing tends to be positively related to income, the relationship is by no means perfect, especially at the lower end of the income scale, where the standard of accommodation depends not only on relative income but more generally on the housing available in the location in question and prevailing levels of house prices and rents. These factors can vary from one region and even from one local area to another.

They can also vary from one country to another. The quality of housing is thus an important means of assessing living standards and the extent of deprivation in different parts of the EU. Since it is independent of income levels, it avoids having to compare income between countries with very different price levels and patterns of consumption. As such, it adds an extra dimension to comparisons of material deprivation based on what people can afford to purchase, and it is of major importance in its own right.

The specific issues examined here are:

- to what extent living in low quality housing goes together with a low income level and thus reinforces the risk of poverty and social exclusion;
- how far problems of low standard accommodation are further compounded by living in an area with environmental problems;
- to what extent difficulties of accessing essential services are more acute for people at risk of poverty than for those with higher income levels, especially if they live in more non-urban areas;
- to what extent problems of accessibility have different effects on different age groups, especially older people who may be less mobile;
- how far problems of low quality housing, an unfavourable environment and lack of access to services extend to those with income above the poverty threshold in different countries.

#### *On the measuring of housing quality*

The EU-SILC annual survey includes questions on housing quality. A first set relates to the physical condition of the accommodation (whether it has a leaking roof, damp walls or floor, rotten window frames and so on), whether there is a bath or shower or indoor flushing toilet for the sole use of household members and whether the accommodation is too dark. A second set of questions relates to local environmental factors, which to some extent are more subjective and likely to vary between individuals according to their attitudes, background and so on. They include problems of excessive noise from neighbours or the street, of pollution or grime or other environmental problems in the neighbourhood caused by traffic or industry, and of crime and vandalism.

In addition, there is a question on the number of rooms in the house which can, in principle, be compared with the number of people living in the house to obtain an indication of whether or not it is over-crowded. It is, however, hard to judge this without knowing the size of the rooms concerned, which is especially relevant in the case of someone living alone in one room which might be either small and cramped or large and spacious.

The first set of questions on housing conditions has been combined with a measure of shortage of space (relating the number of rooms to the number of household members) to give an indicator of housing deprivation, recently agreed at EU level. Specifically, someone is considered to be deprived if their home suffers from any one of the three first set of problems listed above (i.e. it is in a poor physical condition, or has no bath and indoor toilet or is too dark) and is also short of space.

A further insight into the quality of housing, broadly defined, can, however, be obtained from the information collected through a special *ad hoc* module to the 2007 EU-SILC survey. This contains a supplementary set of questions about the physical condition of the house and its amenities, and also questions on the accessibility of certain essential services, the frequency of moving and the reasons for doing so (see Box). We shall focus on what can be learned from this module, and from the annual questions on housing quality in different parts of the EU, with regard to the situation of different social groups including, in particular, people at risk of poverty.

## Questions relating to housing in the EU-SILC

### 1) Main survey

Areas	List of variables
Housing condition and facilities	Leaking roof, damp walls/floors/foundation, or rot in window frames or floor ( <i>yes, no</i> ) Bath or shower in dwelling ( <i>yes, no</i> ) Indoor flushing toilet for sole use of household ( <i>yes, no</i> ) Problems with the dwelling: too dark, not enough light ( <i>yes, no</i> )
Neighbourhood characteristics	Noise from neighbours or from the street ( <i>yes, no</i> ) Pollution, grime or other environmental problems ( <i>yes, no</i> ) Crime violence or vandalism in the area ( <i>yes, no</i> )

### 2) Special module on housing (2007)

Areas	List of variables
Shortage of space in dwelling	Shortage of space in dwelling: respondent's opinion ( <i>yes, no</i> )
Dwelling installations and facilities	Adequate electrical installations ( <i>yes, no</i> ) Adequate plumbing/water installations ( <i>yes, no</i> ) Dwelling equipped with heating facilities ( <i>yes, no</i> ) Dwelling comfortably warm during winter time ( <i>yes, no</i> ) Dwelling equipped with air conditioning facilities ( <i>yes, no</i> ) Dwelling comfortably cool during summer time ( <i>yes, no</i> )
Overall satisfaction with dwelling	Overall satisfaction with dwelling (very dissatisfied, somewhat dissatisfied, satisfied, very satisfied)
Accessibility of basic services	Accessibility of grocery services ( <i>with great difficulty, with some difficulty, easily, very easily</i> ) Accessibility of banking services ( <i>see above</i> ) Accessibility of postal services ( <i>see above</i> ) Accessibility of public transport ( <i>see above</i> ) Accessibility of primary health care services ( <i>see above</i> ) Accessibility of compulsory school ( <i>see above</i> ) ( <i>only concerns children whose age corresponds to the compulsory school attendance in the country</i> )
Change of dwelling	Change of dwelling ( <i>yes, no</i> ) Main reasons for change of dwelling ( <i>family, employment, housing, eviction/dstraint, landlord did not prolong contract, financial, other</i> ) Main reasons for change of dwelling ( <i>family, employment, housing, eviction/dstraint, landlord did not prolong contract, financial, other</i> )

### 2.3.1. Living in poor housing conditions

Although attempts have been made to include quantitative aspects in the EU-SILC questions on housing quality, the information obtained is bound to be somewhat subjective. While a home either does or does not have a bath and an indoor toilet, it remains a matter of individual judgement whether a leaking roof, damp walls or poor lighting are problems serious enough to report. Prevailing views on and attitudes to housing conditions — the state that people have come to expect houses to be in — are likely to affect the responses that people give. This can make comparisons between countries hazardous — as can major differences in climate and, therefore, in the protection which houses need to provide from the elements.

In practice, the proportion of people reporting the deficiencies in question varies little from one country to another. In most EU countries, the vast majority of people have housing with a bath or shower and an indoor toilet: only in the three Baltic States do more than 5% of the population lack these facilities (Table 26). In all countries, however, it is people at risk of poverty (with income below 60 % of the national median) who tend to report the lack of these amenities rather than those with higher income levels. In the three Baltic States, even for people with income above the poverty threshold, the proportion is over 10 %: for those at risk of poverty it rises to around 25 % in Estonia, over a third in Latvia and close to 40 % in Lithuania.

**Table 26: Aspects of housing deprivation for those with income above and below the at-risk-of-poverty threshold, 2007**

	No bath, shower and toilet		Leaking roof		Dwelling too dark		Deprived of at least 1 of 3	
	Not at risk	At risk	Not at risk	At risk	Not at risk	At risk	Not at risk	At risk
LU	0.2	0.7	13.2	22.9	4.2	9.6	15.8	27.8
UK	0.0	0.0	13.3	20.0	10.4	13.6	20.9	28.8
CY	0.6	5.5	28.4	39.3	6.1	8.5	31.3	43.1
AT	0.4	2.6	8.9	13.5	5.4	7.8	12.7	20.3
IE	0.2	0.7	12.7	24.9	8.2	13.7	17.5	28.2
NL	0.0	0.3	17.1	28.9	5.1	6.7	20.5	33.3
DE	0.2	0.5	12.0	19.8	3.7	8.3	14.4	25.2
DK			10.2	14.0	4.5	5.7	13.3	18.3
BE	0.2	0.9	12.7	22.2	7.9	12.5	18.0	30.5
SE			5.9	9.9	6.7	6.4	11.4	14.9
FR	0.4	1.0	12.8	23.8	7.9	11.8	18.0	30.4
FI	0.3	2.1	4.5	7.2	5.0	6.7	9.4	14.0
IT	0.1	0.2	19.3	28.1	7.3	12.4	22.3	31.9
SI	0.3	3.4	15.8	30.5	9.0	14.9	22.6	40.2
ES	0.1	0.7	16.0	26.0	10.1	11.9	23.5	32.5
EL	0.4	2.6	17.6	26.5	6.6	11.3	20.2	30.8
PT	1.9	7.1	16.8	31.6	15.5	24.9	28.3	45.7
CZ	0.3	3.1	14.1	30.0	3.7	10.5	16.4	34.7
SK	0.8	6.0	5.5	11.2	3.2	7.9	7.9	17.0
EE	9.7	24.2	17.7	38.1	6.2	11.1	25.8	50.1
HU	2.6	15.1	17.4	32.2	9.5	17.2	21.9	39.5
LT	11.6	40.4	21.7	39.5	9.7	14.4	32.6	60.2
PL	3.7	14.8	33.4	56.9	8.1	14.1	36.8	60.4
LV	13.3	37.4	23.0	38.6	11.2	15.1	34.9	57.7

Note: 'Deprived of at least 1 of 3' signifies a problem with one or more of the aspects in the first 3 columns  
Source: EU-SILC 2007

Outside of the Baltic States, more people report problems of a leaking roof and damp walls – more than 10 % in all countries apart from Austria, Sweden, Finland and Slovakia. Again, the proportion is larger for those at risk of poverty (around 10 percentage points more in most cases), the figure rising to around a quarter or more in Ireland, the Netherlands, Italy, Spain, Greece, Portugal, Slovenia, the Czech Republic and Hungary, close to 40 % in Cyprus and the three Baltic States and around 57 % in Poland.

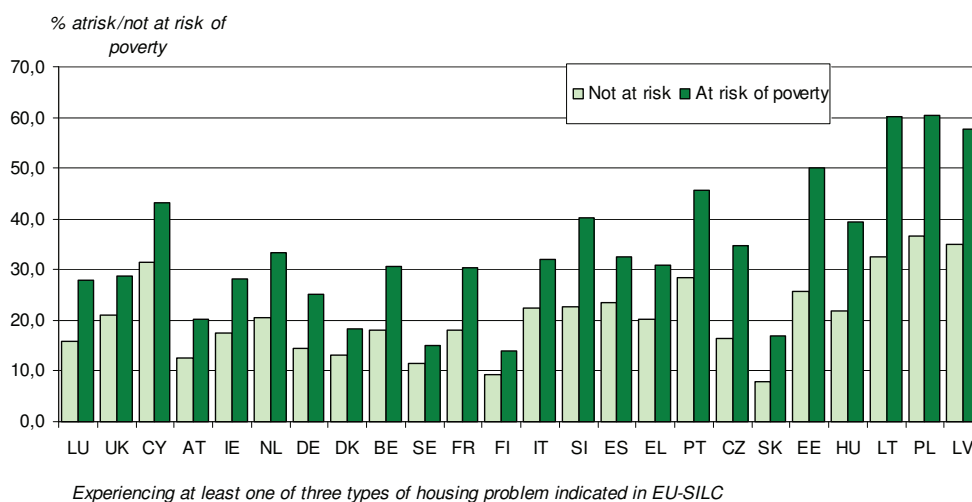
Fewer people report that their homes are too dark, the proportion slightly exceeding 10 % only in the UK, Spain and Latvia. In Portugal, however, it is just over 15 % even for people with income above the poverty threshold. Once again, in all countries the proportion is larger among those at risk of poverty, though in most cases by less than 5 percentage points. Only in Slovenia, Hungary, Poland and Portugal, does the proportion of those at risk of

poverty reporting their home being dark exceed 15 % and then only slightly, except in Portugal where it reaches 25 %.

Taking these three aspects together, the proportion of people reporting at least one of these problems varies from just under 10 % in Slovakia and Finland to close to 40 % in Lithuania, Latvia and Poland. In the latter three countries, around 33–37 % of people with income above the poverty threshold report at least one problem of this kind and 58–60 % of those with income below the threshold. The proportions are also relatively high in Estonia and Portugal (50 % and 47 % respectively for those at risk of poverty, 27–28 % for those with higher incomes) — two other Member States with relatively low levels of income per head (Figure 77).

Outside these five countries, however, there is only a limited tendency for the extent of housing problems to be related to the prosperity of households (Figure 78, in which countries in descending order of income per head, measured in purchasing power parity terms to adjust for differences in price levels between countries<sup>74</sup>). Nevertheless, there is a systematic tendency in nearly all countries for the proportion of people reporting at least one housing problem to decline as income increases.

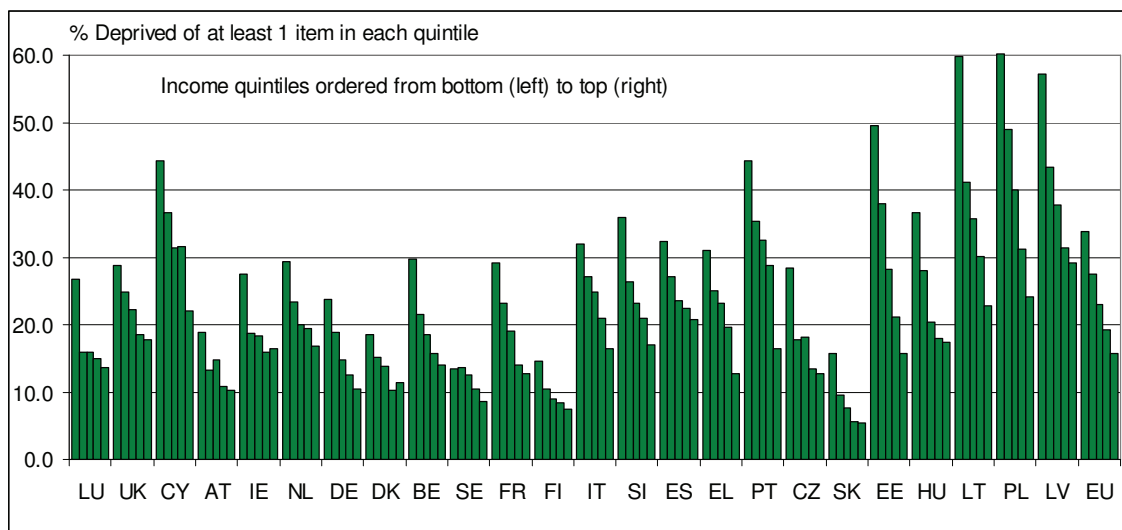
**Figure 77: Proportion of people with income above and below the at-risk-of-poverty threshold experiencing housing problems, 2007**



Source: EU-SILC 2007

<sup>74</sup> It should be noted that when median income is measured in purchasing power parity terms instead of in Euros, Cyprus moves from having the 12th highest level to having the third highest level because of the relatively low prices in this country compared to the EU average.

**Figure 78: Proportion of people by income quintiles experiencing housing problems, 2007**



Countries are ordered in terms of income per head, measured in purchasing power parity terms to adjust for differences in price levels across countries.  
 Note: EU refers to EU25 excluding MT.  
 Source: EU-SILC 2007

#### Indicators of poor housing conditions

The special EU-SILC module on housing, which formed part of the 2007 survey, also included a set of questions on the state of people's homes, intended to supplement the annual questions described above. In practice, the answers to the questions in the module (at least, those on home amenities) show only a very limited tendency to vary in line with the answers to the annual questions. This suggests that the specific questions asked have an important effect on the impressions gained of housing quality, and they highlight the many different aspects of housing quality which assessments must take into account.

The proportion of people reporting that their accommodation is not adequately equipped with electrical installations exceeds 10 % only in France, Italy, Portugal and Latvia, and is less than 13 % in all countries (Table 27, in which countries are in descending order of average household income). In every country, the proportion so reporting is higher among those at risk of poverty than for those with higher incomes. It was nevertheless below 10 % in the majority of cases and above 20 % only in Italy, Portugal and Latvia.

Those reporting inadequate plumbing installations also represent a similarly small proportion, the share being above 10 % only in France, Portugal and the three Baltic States<sup>75</sup>. Again in all countries, more of those at risk of poverty report such problems than those with higher income, but only in France, Portugal and Latvia is the proportion greater than 20 % (only slightly so in France and Portugal). In Latvia, however, as well as in Estonia and Lithuania, the proportions concerned are smaller than those reporting no indoor toilet and bath, indicating that the inadequacy of plumbing installations is not interpreted by many people as encompassing a lack of these amenities.

<sup>75</sup> A relatively small proportion of those reporting inadequate plumbing installations only report having no bath or indoor toilet. In the three Baltic States, where a relatively large number of people say they have no bath or indoor toilet, less than 20 % of these people reported problems with the plumbing.

**Table 27: Proportion of people with income above and below the at-risk-of-poverty threshold reporting inadequate electrical and plumbing installations, 2007**

*% people at risk/not at risk of poverty*

	No adequate electrical installations		No adequate plumbing/water installations	
	Not at risk	At risk	Not at risk	At risk
LU	5.0	13.1	8.3	14.7
UK	9.1	10.4	9.2	10.9
CY	7.1	14.3	7.3	13.9
AT	1.8	5.9	1.0	3.5
IE	8.4	13.0	5.0	11.7
NL	1.3	<i>3.9</i>	5.5	9.8
DE	4.3	9.1	5.4	10.3
DK	3.5	<i>4.4</i>	5.1	<i>7.4</i>
BE	3.7	11.4	2.4	7.0
SE	3.7	5.5	4.5	6.7
FR	10.2	17.7	14.1	21.8
FI	4.9	7.6	5.5	7.8
IT	12.6	20.2	7.0	14.3
SI	0.9	3.4	2.1	5.1
ES	4.3	9.4	3.8	8.2
GR	4.6	7.5	6.1	10.7
PT	12.4	21.5	11.8	20.7
CZ	7.8	12.7	5.2	10.3
SK	4.7	8.1	4.8	9.4
EE	7.9	17.1	10.4	17.8
HU		<i>0.8</i>	1.6	10.1
LT	8.7	15.5	11.3	16.4
PL	3.8	5.8	7.1	14.7
LV	9.9	20.9	14.4	27.2

*Note: In Hungary, the question on 'plumbing/water installations' referred to the availability of running water, whereas in others it specified whether the installation was sufficient to satisfy the general needs of the household.*

*Note: Figures in italics uncertain because of a small number of observations; data for Hungary in first column, too small to be reliable.*

*Source: EU-SILC, 2007*

Equally, relatively few people across the EU report their home not being comfortably warm in the winter. In this case, the proportion is above 15 % only in Italy, Latvia, Poland, Cyprus and, above all, in Portugal, where the proportion is well over 50 %. This is remarkable in a country which, like Cyprus and Italy, is not renowned for having cold winters (Table 28). Once again, a larger proportion of people at risk of poverty than of those with higher incomes report having a cold house in winter, though the figure exceeds 25 % only in the five countries listed above.

More people report their home not being comfortably cool in the summer in all countries apart from Portugal, and, in eight countries the proportion is above 30 % even among people with income above the poverty threshold. It is around 40 % in Cyprus, Portugal and Poland and only slightly below this in the Czech Republic, Slovakia and Latvia. There is, however, generally less of a difference in the proportions reporting their house being too warm in summer between those with income above the poverty threshold and those below.

**Table 28: Proportion of people with income above and below the at-risk-of-poverty line reporting problems with their housing, 2007**

*% people at risk/not at risk of poverty*

	Not comfortably warm during winter time		Not comfortably cool during summer time		Deprived of at least 1 of 3 aspects of housing conditions*	
	Not at risk	At risk	Not at risk	At risk	Not at risk	At risk
LU	7.6	17.3	15.9	30.9	15.8	27.8
UK	4.5	9.3	10.6	10.8	20.9	28.8
CY	24.3	44.8	39.9	46.8	31.3	43.1
AT	2.2	6.9	17.1	25.6	17.5	28.2
IE			7.2	10.4	12.7	20.3
NL	4.4	9.3	17.4	24.8	20.5	33.3
DE	10.4	21.0	21.4	29.9	14.4	25.2
DK	9.3	18.2	17.1	22.4	13.3	18.3
BE	4.4	14.8	12.9	22.0	18.0	30.5
SE	5.9	9.8	11.0	12.6	9.4	14.0
FR	9.8	16.3	28.9	30.2	11.4	14.9
FI	8.2	14.7	20.3	20.3	18.0	30.4
IT	15.1	32.0	30.9	43.8	22.3	31.9
SI	2.9	8.1	20.5	25.0	23.5	32.5
ES	9.9	21.9	24.6	31.3	22.6	40.2
GR	13.9	24.3	27.4	37.4	20.2	30.8
PT	54.0	63.4	40.5	51.3	28.3	45.7
CZ	9.4	14.0	38.6	43.8	16.4	34.7
SK	11.7	23.9	37.3	39.2	25.8	50.1
EE	14.2	22.6	23.4	22.8	7.9	17.0
HU	14.1	24.8	28.6	27.6	21.9	39.5
LT	16.4	24.3	35.5	22.8	36.8	60.4
PL	21.1	33.9	39.7	46.9	34.9	57.7
LV	16.7	32.8	37.6	46.2	32.6	60.2

\* One of leaking roof, damp walls and so on; lack of bath, shower or indoor toilet; problem of house being too dark  
Source: EU-SILC, 2007

Indeed, in the three Baltic States, most especially in Latvia, a larger proportion of those at risk of poverty report their house being insufficiently cool in Summer than those with higher income levels, while in another five countries (the UK, France, Finland, Sweden and Slovakia), there is very little difference between the two proportions (less than 2 percentage points). Nevertheless, there are five countries (Cyprus, Italy, the Czech Republic, Latvia and Poland), where 44–47 % of those at risk of poverty report having a home which is not comfortably cool and another one (Portugal), where the figure is over 50 %.

In practice, there is a relatively close association across countries between the proportion with a home which is uncomfortably warm in summer and the proportion experiencing at least one of the three problems with their house examined earlier (a leaking roof, damp wall, etc; no bath and indoor toilet and the house being too dark – see the last two columns of the table). In both cases, therefore, the proportion tends to be higher in countries where average household income is lower, and to some extent the countries which are exceptions to this (Cyprus, Sweden and, Estonia) are the same.

### 2.3.2. Shortage of space

There is equally a tendency for housing with potential space problems to vary across countries with the level of disposable income. The indicator adopted to gauge such problems, which relates the number of rooms in the house to the number of people, taking account of their age and sex (see Box), suggests that problems of overcrowding are particularly acute in many of the former communist countries which entered the EU in 2004, where disposable income in most cases is well below the EU average (Figures 79 and 80). In these eight countries, even among people with income above the poverty threshold, some 40 % or more (30% in the Czech Republic) live in housing which, by this measure, suffers from space problems. This is much more than in any of the other Member States, except Greece (27 %) — and only Greece and Italy have a figure of over 15 %. Indeed,



in the EU15 and Cyprus, few people seem to be affected by overcrowding — and even fewer if their income is above the poverty threshold (under 5 % of these in 9 of the 16 countries).

#### Definition of space shortages

The EU's agreed indicator of space shortages specifies that a house or apartment is short of space if it does not contain at least:

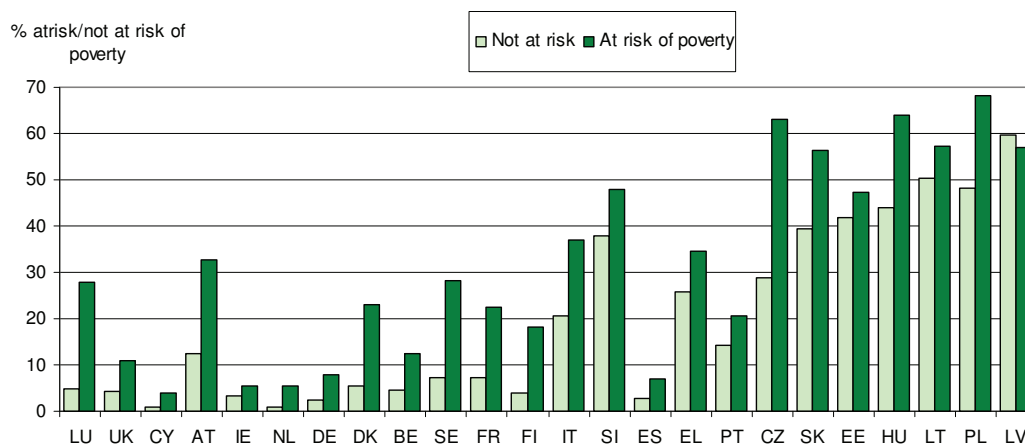
- one room for the household (in addition to the other rooms below)
- one room for each couple
- one room for each single person aged 18 and over
- one room - for two single people of the same sex between 12 and 17 years of age
- one room - for each single person of different sex between 12 and 17 years of age
- one room - for each two children under the age of 12

To be counted, rooms have to be at least 4 square metres in size, have a height of over two metres and be accessible from inside the unit. Kitchens used solely for cooking, bathrooms, toilets and corridors are not counted.

The main potential defect of this measure is that it denotes all single-room accommodation, such as studios, as being short of space, irrespective of the size of the room concerned. This poses a particular problem in respect of people living alone. However, for most countries, the result does not change much if those living alone are excluded from the measure. The main change is for the former communist countries, where the proportion of people living in housing with space shortages is increased – largely for those in the bottom quintile (i.e. the bottom 20 % of the income distribution) – though less so in Slovenia and Poland than the other eight. On the other hand, in Finland, the proportion is reduced if such households are excluded, again the reduction being concentrated in the bottom quintile.

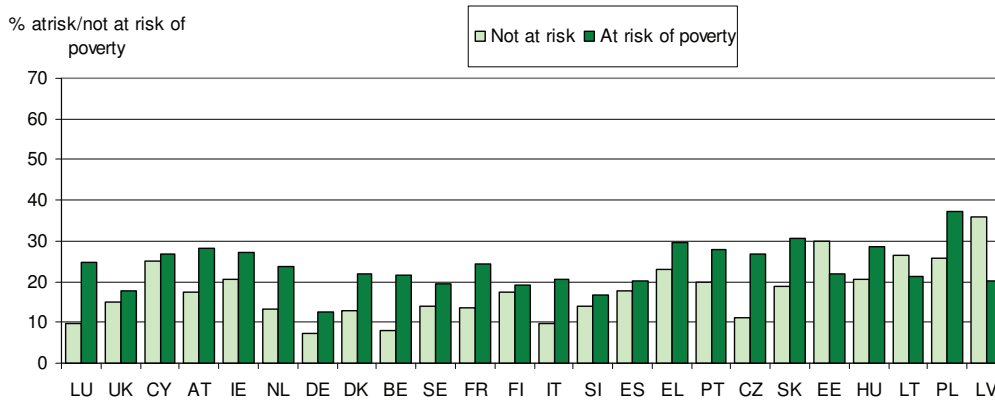
In all countries, however, overcrowding seems to go with having a low level of income. In the Czech Republic, Hungary and Poland, well over 60 % of those at risk of poverty are identified as having a problem of shortage of space in their house or apartment, and in Latvia, Lithuania and Slovakia over 55 %. In the EU15, the figure is around 35–37 % for this group in Greece and Italy and around a third in Austria, while in Denmark, Sweden, France, Portugal and Luxembourg it is over 20 % in each case.

**Figure 79: Proportion of people defined as having shortage of space according to indicator of number of rooms relative to people in household, by income above and below the at-risk-of poverty threshold, 2007**



Source: EU-SILC 2007

**Figure 80: Proportion of people reporting having shortage of space according to self-assessment, by income above and below the at-risk-of poverty threshold, 2007**



Source: EU-SILC 2007

At the same time, people identified by the EU indicator as being short of space do not always consider themselves as living in cramped conditions. In general, in the countries where the indicator showed most overcrowding, many fewer people actually reported having a shortage of space in their home than the indicator suggested. In all countries where the indicator shows more than 20 % of people living in houses which are short of space — mainly those in Central and Eastern Europe — the proportion of people reporting space problems is much smaller than 20%, and in many cases only around 10%. Conversely, in all the countries where the indicator shows less than 20 % having space shortages, the proportion reporting a problem is larger. So the difference between countries in terms of reported space shortages is much narrower than on the basis of the more 'objective' indicator.

In general, the gap between people at risk of poverty and those with higher income levels is also smaller when measured in terms of how many consider they are short of space than when measured by the indicator. Indeed, in all three of the Baltic States, the proportion reporting a problem in this respect is larger for those with income above the poverty threshold than for those with income below it.

### 2.3.3. Poor housing conditions and space shortages

The recently-agreed EU indicator of housing deprivation [is based on having a home with both a shortage of space (as measured by the number of rooms relative to the number of people) and one of the three kinds of problem covered in the annual EU-SILC survey — a leaking roof, damp walls and so on, no bath and indoor toilet or the house being too dark. This indicator] shows a relatively wide variation across the EU, though mainly between six countries — Slovenia, Hungary, Slovakia, Lithuania, Latvia and Poland — and the rest. These six are the only countries where the indicator shows more than 10 % of the population as being deprived. Among the remaining 21 countries there is a further divide, albeit less marked, between the Czech Republic, Greece, Italy and Portugal (where the proportion is 7–8 %) and the others, where it is below 5 % (Table 29).

In all countries, the proportion assessed by the indicator as being deprived is larger among people at risk of poverty than among those with higher incomes. However, the deprived proportion of people at risk of poverty is indicated as less than 10 % — except in Estonia, the six EU10 countries referred to above and the four Southern Member States. On the other hand, in seven of the countries listed, the proportion is over 20 %, and in three (Poland, Lithuania and Latvia) it is over a third.

The replies to the special module on housing problems do not entirely accord with the results of applying the new indicator. The proportion reporting that their home suffered from at least three of the five main problems covered by the module is small in most countries, but those where it is relatively large are not always the same as shown by the indicator. There are only three countries where the proportion is over 10 % — Cyprus, Portugal and Latvia — and apart from the last, these do not stand out when the indicator is applied. Equally, many of the countries which the indicator shows as having a relatively large proportion, such as Slovenia or the Czech Republic, do show up as having especially serious problems from the replies to the module.

The same is broadly the case if the comparison is confined to people with income below the poverty threshold, who — again in all countries — tend to experience problems to a greater extent than those with higher income levels. According to the module, the relative number of people at risk of poverty who have multiple housing

problems is especially high in the three countries listed above — Cyprus, Italy and, above all, in Portugal — but also in Poland and Latvia.

Finally, it is also possible to compare the relative numbers assessed as being deprived in terms of housing with the relative number who report being dissatisfied with their housing. This shows much more of a variation across countries, although this is broadly in line with relative levels of household income. (The proportion of people dissatisfied tends to be larger in the low-income countries.) There are, however, some countries with levels of household income above the EU average where the proportion of dissatisfied people is relatively high. One of these is Cyprus, where a large proportion of people report housing problems in response to the questions in the module, but not in the main survey. Another is Portugal. However, Austria, Ireland and Germany, where housing problems seem to be relatively mild according to both the indicator and the questions in the module, also register a relatively large proportion of people reporting being dissatisfied with their housing.

**Table 29: Proportion of people with income above and below the at-risk-of-poverty threshold with housing problems according to different measures, 2007**

*% people at risk/not at risk of poverty*

	Deprived of 1 of 3 and overcrowded		Reporting 3 of 5 'module' problems		Overall dissatisfied with housing	
	Not at risk	At risk	Not at risk	At risk	Not at risk	At risk
LU	1.1	8.4	2.9	13.0	4.3	15.5
UK	1.5	3.5	3.3	5.3	5.8	8.6
CY	0.6	2.2	10.2	16.7	13.1	22.7
AT	3.0	9.3	1.0	5.0	7.0	20.0
IE	1.0	2.3	1.4	4.9	14.6	27.0
NL	0.4	3.2	1.7	<b>3.9</b>	2.8	6.8
DE	0.6	2.8	3.5	8.5	16.0	21.3
DK	1.2	5.7	2.5	<b>7.0</b>	5.2	14.9
BE	0.9	5.1	1.7	8.3	9.6	22.5
SE	0.7	3.6	1.8	2.8	4.2	9.2
FR	2.4	8.1	5.0	11.9	7.8	22.1
FI	0.5	2.3	3.0	6.8	6.2	10.1
IT	5.4	13.8	5.6	16.4	12.2	28.8
SI	10.7	22.3	1.0	3.3	10.5	19.3
ES	1.2	3.9	3.2	9.6	10.1	16.6
GR	6.6	14.1	6.4	12.6	11.3	18.6
PT	6.2	13.3	15.0	26.8	16.2	25.9
CZ	6.2	25.3	4.3	11.1	13.1	31.9
SK	3.4	12.3	5.9	11.3	22.4	36.1
EE	12.2	23.8	5.9	10.4	29.1	34.5
HU	12.0	29.3	2.2	7.5	36.6	50.6
LT	18.3	35.3	8.9	10.2	37.2	41.7
PL	21.5	45.9	7.4	16.5	19.6	32.2
LV	24.8	34.5	10.0	19.5	30.2	39.6

Note: 'Deprived of 1 of 3 and overcrowded' indicates having at least one of a leaking roof, damp walls, etc., no bath and indoor toilet, too dark a house plus a shortage of space as measured by the number of rooms relative to the number of people.

Reporting 3 of 5 'module' problems indicates having at least 3 out of 5 of the aspects covered by the EU-SILC housing module - inadequate electrical installation, inadequate plumbing/water installations, dwelling not comfortably warm during winter, dwelling not comfortably cool during summer, shortage of space in dwelling.

Overall dissatisfied with housing' indicates those reporting being either greatly dissatisfied or somewhat dissatisfied with their dwelling.

Figures in bold italics uncertain because of small number of observations.

Source: EU-SILC, 2007

In Hungary, Lithuania and Poland, dissatisfaction with their housing is expressed by more than 30 % of respondents, even among those with income above the poverty threshold. Among those with income below this level, the proportion is some 40 % or more in these three countries (over 50 % in Hungary) and over 30 % in another four countries which entered the EU in 2004. Even outside the new Member States, the proportion at risk

of poverty reporting dissatisfaction with their housing is over a quarter in Austria, Italy and Portugal and below 10 % only in the UK, the Netherlands and France.

#### 2.3.4. *Environmental problems*

The quality of housing is not only to do with the houses or apartments in which people live but also the environment in which they are situated. To live in noisy or polluted surroundings or to face a high risk of crime or vandalism can be as distressing as living in house in need of repair or one which is cramped or too dark. In practice, however, the subjective nature of environmental problems and the differing attitudes towards them make it difficult to compare circumstances — not only between countries but also between individuals and social groups within the same country. At the same time, however, it is arguably the subjective views of people which matter in this respect since they affect their well-being. If people are bothered by what they consider excessive noise from the street or from their neighbours, or by dirt and pollution, then it hardly matters whether or not these are objective realities measured against a particular standard. Similarly, perceptions of crime and feeling at risk are arguably as important as the actual chances of being a victim. In addition there is evidence suggesting that the social distribution of environmental quality is unequal, and often biased against poorer or socially excluded groups, i.e. such groups are more likely to live in areas of poorer air quality than other groups.

In practice, the responses to the EU-SILC questions on environmental aspects of housing bear very little relation to differences in levels of household income between countries and have only a limited relationship to differences within countries. Thus the proportion of people reporting noise problems varies from 37 % in Cyprus and 32 % in the Netherlands to around 13 % in Ireland and Sweden — in each case, two pairs of different countries (Table 30). Moreover, while in most countries (18 of the 24) the proportion of people reporting noise problems is larger for those at risk of poverty than for those with higher income levels (the bold figures in the Table), in three of these countries the difference in the proportion is very small (less than 2 percentage points).

Much the same picture emerges for people reporting problems of dirt and pollution in their neighbourhood (in places where people usually walk or shop). The proportion is highest in Latvia, the country with the lowest level of income per head, but again shows little systematic variation with income. Poland, with the next lowest income levels, has among the smallest proportions reporting problems, while Cyprus (with the third highest income level) has among the largest proportions<sup>76</sup>. The relative number of people at risk of poverty reporting pollution problems is larger than for those with higher income in half of the countries but smaller in the other half. Having problems with pollution, therefore, does not invariably go together with having a low income.

Nor is there any evidence that the numbers of people bothered by crime varies with income either between or within countries. The proportion is highest, again, in Latvia — though it is only slightly less in the UK, the country with the second highest level of household income. It is also relatively high in Estonia, but in Lithuania (another Baltic State) it is lower than anywhere else in the EU. While in the majority of countries (17 of the 24) the proportion of people at risk of poverty reporting crime problems is larger than for people with higher incomes, in seven of these countries the difference is very small, so that overall there is no clear tendency for problems of crime to be experienced more by people with low income.

Clearly, therefore, perceived environmental problems — unlike many aspects of deprivation — are not closely linked to levels of household income. This might reflect a tendency for people with lower income to be more tolerant of such problems rather than a genuine lack of relationship. It is also evident, however, that there is equally little relationship between the three types of environmental problem, in the sense that countries in which a relatively large number of people report problems of noise are not typically the same as those in which large numbers report problems of pollution or crime. Exceptions are Latvia and Estonia — where the proportions reporting problems are high for all three types — and Sweden and Hungary (to a lesser extent), where the proportions are relatively low for all three.

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<sup>76</sup> It may seem surprising that median income is so high in Cyprus but, as noted above, this is because the average price level according to the purchasing power parity estimate is relatively low.

**Table 30: Proportion of people with income above and below the at-risk-of-poverty threshold reporting environmental problems, 2007**

*% people at risk/not at risk of poverty*

	Noise		Pollution		Crime, violence or vandalism	
	Not at risk	At risk	Not at risk	At risk	Not at risk	At risk
LU	20.7	30.0	15.9	18.5	<b>9.7</b>	<b>9.7</b>
UK	19.3	22.0	<b>13.2</b>	<b>12.2</b>	26.5	28.2
CY	36.7	37.1	<b>26.3</b>	<b>23.0</b>	<b>13.6</b>	<b>13.3</b>
AT	19.1	25.4	7.6	10.4	11.4	11.6
IE	12.3	16.0	8.8	11.8	14.1	21.1
NL	31.9	34.0	13.6	15.2	17.6	18.2
DE	25.8	34.7	21.1	25.6	11.4	18.3
DK	18.9	27.0	7.2	14.2	13.5	17.6
BE	22.3	25.9	16.7	21.0	16.7	20.9
SE	12.4	15.6	<b>7.2</b>	<b>5.3</b>	12.6	16.5
FR	18.0	25.4	16.5	18.0	15.6	21.9
FI	15.6	18.9	<b>14.2</b>	<b>12.5</b>	12.3	16.4
IT	25.1	26.5	<b>21.3</b>	<b>20.4</b>	15.5	18.3
SI	18.3	21.6	19.7	20.8	<b>10.2</b>	<b>10.0</b>
ES	<b>26.1</b>	<b>25.5</b>	<b>16.5</b>	<b>15.8</b>	18.0	18.1
GR	<b>22.6</b>	<b>18.4</b>	<b>19.8</b>	<b>14.6</b>	<b>10.8</b>	<b>8.7</b>
PT	<b>28.2</b>	<b>24.4</b>	21.8	23.3	12.4	13.5
CZ	18.3	20.0	16.7	20.2	12.6	17.8
SK	18.5	22.1	17.9	20.4	<b>8.3</b>	<b>7.5</b>
EE	<b>23.8</b>	<b>18.8</b>	<b>27.3</b>	<b>22.8</b>	21.1	22.7
HU	14.3	17.9	<b>13.5</b>	<b>12.9</b>	12.1	18.4
LT	<b>19.2</b>	<b>15.4</b>	<b>15.9</b>	<b>13.6</b>	<b>7.8</b>	<b>4.1</b>
PL	19.3	19.7	<b>13.2</b>	<b>11.3</b>	7.8	8.5
LV	<b>22.6</b>	<b>19.3</b>	<b>37.4</b>	<b>34.6</b>	<b>30.6</b>	<b>25.2</b>

*Note: Bold figures show those where the difference in the proportions reporting problems between those at risk of poverty and those not at risk is less than 2 percentage points*  
*Source: EU-SILC, 2007*

### 2.3.5. Access to essential services

Although access to services is not an integral part of the quality of housing, it is an important aspect of the location in which people live and, therefore, of their living standards. In practice, such access tends to vary not only between people at risk of poverty and those with higher income levels, but also between people living in densely-populated – or urban – areas and those living in non-urban – or sparsely populated – areas. Unlike environmental problems, difficulty of access to services also varies from country to country, tending to be more difficult in countries where household income is relatively low. Consequently, someone with income below the poverty threshold living in a non-urban area is likely to find it much more difficult to access a range of essential services than someone living in a city with income above the poverty threshold, and even more so if they live in a low-income country.

In all countries apart from Hungary, therefore, a larger proportion of people living in sparsely populated areas report having difficulty or great difficulty in accessing grocery services than those living in densely populated zones. This is particularly the case in Belgium, Austria, Ireland, Luxembourg and Estonia (Table 31). At the same time, in all countries apart from Spain, the Czech Republic, Slovakia and Luxembourg, the proportion reporting difficulty of access is larger for those at risk of poverty than for those with higher income in both types of area. The difference, however, is relatively small in non-urban areas in Belgium and Sweden and in urban areas in Germany, Portugal and Poland, as well as in the Netherlands, where different types of area are not distinguished in the data.

**Table 31: Proportion of people with income above and below the at-risk-of-poverty threshold reporting difficulty of access to grocery and banking services, 2007**

*% those at risk/not at risk of poverty*

	Access to grocery services				Access to banking services			
	Urban area		Non-urban area		Urban area		Non-urban area	
	Not at risk	At risk	Not at risk	At risk	Not at risk	At risk	Not at risk	At risk
LU	10.0	8.2	23.7	33.9	9.0	8.5	24.1	29.1
UK	2.8	6.3	=	>>	10.6	13.9	8.9	<b>24.3</b>
CY	5.8	20.5	9.6	28.8	4.8	18.3	8.3	24.2
AT	5.7	<b>6.4</b>	25.7	38.3	9.6	8.9	26.6	36.8
IE	3.9	9.9	18.1	25.5	15.9	24.5	29.2	38.9
NL	4.2	5.5			4.1	5.7		
DE	5.9	7.3	14.1	18.9	11.5	11.7	18.3	19.3
DK	4.5	=	10.2	<b>15.4</b>	9.1	<b>15.3</b>	15.9	20.9
BE	8.7	13.6	48.1	<b>48.8</b>	13.4	16.1	57.1	62.0
SE	2.7	=	4.5	6.3	10.0	14.8	11.0	15.8
FR	2.8	3.1	3.2	9.0	7.5	8.1	10.2	15.3
FI	4.3	>	5.4	14.2	7.7	13.0	6.8	14.3
IT	18.1	26.3	26.8	31.7	24.9	41.7	32.9	41.9
SI	12.6	26.4			16.4	33.4		
ES	9.3	7.6	18.2	18.1	7.6	7.5	20.6	21.4
EL	8.4	11.0	14.1	23.7	15.4	18.9	42.1	56.4
PT	6.2	<b>6.8</b>	17.1	24.1	9.9	15.8	19.8	32.4
CZ	10.8	7.1	16.4	16.4	14.4	9.9	35.6	37.7
SK	10.3	=	11.1	9.5	26.6	20.6	43.8	53.7
EE	8.8	16.2	22.1	36.3	11.2	18.7	32.8	49.0
HU	8.0	14.3	7.4	9.7	19.8	28.4	33.7	41.8
LT	11.5	23.5	18.0	40.1	15.6	18.6	28.7	49.9
PL	7.2	9.0	14.4	19.4	13.9	16.7	34.0	46.0
LV	17.0	21.7	23.6	36.3	19.7	24.0	33.5	51.8
EU	7.1	9.9	13.8	20.5	12.5	16.3	24.5	33.7

Note: Data under 'urban area' for the Netherlands and Slovenia relate to the whole of the country. EU refers to EU25 excluding MT.

Blanks in columns indicate that the number reporting was too small to be reliable. An indication is given of whether the figure is higher (>) or lower (<) than those not at risk of poverty or similar - within 5 percentage points - (=). In the UK, for access to grocery services, the observations are too small to be reliable for both those at risk and not at risk of poverty in non-urban areas. The '=' sign is intended to indicate that the proportion reporting problems is similar (within 5 percentage points) to that for those in the same income group living in urban areas. For those in non-urban areas, the two '>' signs indicate that the proportion reporting problems is larger than for both those at risk of poverty in urban areas and those not at risk in non-urban areas. Figures in bold italics are uncertain because of small number of observations.

Source: EU-SILC 2007

A similar pattern of disparities, though more pronounced, is evident for access to banking services. In all countries, apart from the UK and Finland, the proportion of people reporting difficulty in accessing these is larger in non-urban areas than in urban ones, considerably so in a number of cases including Belgium, Austria and Ireland (as in the case of grocery services, as well as most of the Central and Eastern European countries

In non-urban areas in all countries, accessing banking services is more problematic for people with income below the poverty threshold, while in urban areas in a number of countries (Luxembourg, Austria, Germany, France and Spain) the proportion reporting difficulties is much the same among people with low income as among those with higher levels. In the Czech Republic, the low-income proportion is actually smaller.

Disparities in access to postal services as between urban and non-urban areas are in general less marked, though again the proportion reporting difficulty of access is greater in non-urban in most countries. There also tends to be less difference between the proportion of people at risk of poverty reporting difficulties and the proportion of those with higher incomes (Table 32).

**Table 32: Proportion of people with income above and below the poverty threshold reporting difficulty of access to postal services and primary health care, 2007**

*% those at risk/not at risk of poverty*

	Access to postal services				Access to primary health care			
	Urban area		Non-urban area		Urban area		Non-urban area	
	Not at risk	At risk	Not at risk	At risk	Not at risk	At risk	Not at risk	At risk
LU	11.4	7.0	24.2	25.7	7.9	5.3	15.7	19.4
UK	6.2	7.9	=	<i>18.3</i>	6.2	9.0	5.2	<i>16.6</i>
CY	10.0	18.6	9.9	23.1	11.7	36.1	17.7	41.2
AT	14.9	14.3	32.6	42.7	7.8	8.4	28.9	37.3
IE	10.1	14.2	20.6	25.2	10.2	20.2	28.9	32.4
NL	11.2	11.9			9.6	7.8		
DE	23.4	22.5	32.0	34.3	7.5	8.7	21.4	24.7
DK	16.8	<i>12.3</i>	18.5	19.9	13.4	<i>12.8</i>	29.1	32.6
BE	20.8	20.0	61.8	59.9	6.8	9.8	31.9	35.7
SE	9.2	14.5	9.5	8.7	15.3	29.2	17.6	17.2
FR	17.7	12.2	23.1	17.5	4.9	4.6	8.4	6.9
FI	10.3	13.2	7.5	15.8	15.6	14.2	17.1	23.9
IT	25.4	34.7	28.1	37.4	26.9	41.1	33.1	41.3
SI	14.7	26.1			22.6	35.3		
ES	20.5	19.4	21.1	17.4	13.5	14.6	25.4	28.9
GR	19.1	22.2	30.8	42.7	13.0	16.1	33.3	46.4
PT	16.5	21.4	18.5	28.2	23.1	38.3	29.9	40.3
CZ	13.1	7.1	24.9	28.8	11.3	8.0	29.2	34.6
SK	21.4	<i>17.7</i>	23.6	24.3	19.9	<i>18.2</i>	37.6	37.9
EE	11.1	18.3	20.2	33.6	20.2	23.1	26.8	39.8
HU	18.8	22.1	12.8	16.8	11.8	16.9	17.1	22.5
LT	12.9	23.4	15.7	31.4	23.2	29.5	30.7	44.5
PL	12.2	11.0	28.6	41.2	17.0	18.2	35.9	45.0
LV	18.6	25.2	26.0	37.8	26.9	42.3	34.7	50.9
EU	17.1	17.8	23.6	30.5	11.6	15.3	25.0	33.2

Note: Data under 'urban area' for the Netherlands and Slovenia relate to the whole of the country. EU refers to EU25 excluding MT.

In the UK, the observations on the access to postal services are too small to be reliable for those not at risk of poverty in non-urban areas. The '=' sign is intended to indicate that the proportion reporting problems is similar to those in the same income group living in urban areas.

Figures in italics are uncertain because of small number of observations.

Source: EU-SILC 2007

Access to primary healthcare is particularly critical. Again, however, access tends to be more difficult in non-urban areas than in cities. Except in the UK, the proportion who say they have problems accessing such services is larger in sparsely populated areas than in densely populated ones.

In most countries, healthcare access problems reportedly affect people with income below the poverty threshold more than those with higher incomes. However, in a number of countries, the reverse is the case, or there is little difference between the two in one or other of the two types of area. (This is particularly the case in the three Nordic countries, France, Luxembourg, the Czech Republic and Slovakia.) At the same time, there are several countries (notably Cyprus, Italy, Portugal and Latvia) where the proportion of people at risk of poverty reporting difficulties is substantially larger in both types of area

#### *Access to public transport*

In nearly all countries access to public transport is significantly more difficult for people living in non-urban areas than in urban areas. This is especially so in Belgium, Ireland, Germany and Estonia, where over half of those in non-urban areas report problems. By contrast the gap in reported access difficulties is much smaller between people with income below the poverty threshold and those who are better off. In other words, where you live is more important than your income in determining whether you will have difficulty accessing public transport (Table 33).



**Table 33: Proportion of people with income above and below the at-risk-of-poverty threshold reporting difficulty of access to public transport and compulsory schools, 2007**

	Access to public transport				Access to compulsory school			
	Urban areas		Non-urban areas		Urban areas		Non-urban areas	
	Not at risk	At risk	Not at risk	At risk	Not at risk	At risk	Not at risk	At risk
LU	6.5	3.2	21.5	18.1	15.3	7.3	16.7	14.4
UK	9.2	11.9	24.2	<	9.3	14.3	=	= >
CY	51.0	39.2	41.5	51.4	7.8	<b>7.5</b>	8.3	13.4
AT	3.9	3.6	37.7	41.2	12.9	17.0	17.1	34.6
IE	6.5	5.3	50.2	53.4	11.0	6.9	15.7	19.4
NL	20.2	17.3			9.3	9.7		
DE	8.4	5.4	52.0	42.6	12.2	11.7	24.2	21.2
DK	6.0	=	21.9	26.7	8.3	>	10.3	>
BE	7.7	8.9	73.7	82.6	6.2	<	17.5	<
SE	5.0	=	22.0	17.8	10.1	=	8.4	12.4
FR	11.4	14.0	23.1	>	9.1	8.8	9.1	=
FI	8.3	7.3	47.4	52.3	6.0	=	9.7	17.7
IT	23.3	35.5	34.6	37.4	16.6	27.3	25.9	26.6
SI	22.6	28.0			15.1	15.2		
ES	10.2	9.3	23.5	25.9	16.6	13.7	20.4	21.7
GR	9.1	15.2	28.4	37.5	7.8	11.7	13.5	19.4
PT	15.0	14.6	23.7	37.6	16.3	20.2	27.7	38.4
CZ	5.6	=	27.6	24.4	7.6	=	19.0	25.8
SK	8.1	=	25.4	23.4	8.5	=	22.8	24.2
EE	5.9	12.8	32.5	44.8	9.7	=	17.3	26.7
HU	9.5	18.8	24.6	26.1	10.8	23.3	13.8	16.5
LT	12.6	18.7	31.5	46.0	12.9	11.7	14.4	30.4
PL	11.6	11.3	33.5	42.7	9.1	8.1	23.9	31.3
LV	15.8	26.8	25.3	38.1	23.4	19.9	21.5	37.2
EU	11.3	13.8	34.0	37.3	11.7	14.4	18.9	24.6

Note: Data under 'urban area' for the Netherlands and Slovenia relate to the whole of the country. EU refers to EU25 excluding MT.

Blanks in columns indicate that the number reporting was too small to be reliable. An indication is given of whether the figure is higher (>) or lower (<) than those not at risk of poverty or similar - within 5 percentage points - (=). In the UK, for access to compulsory school, the observations are too small to be reliable for both those at risk and not at risk of poverty in non-urban areas. An indication is given of whether the proportion reporting problems is (first sign) larger (>) or smaller (<) than for those in the same income group living in urban areas, as well as of the difference between income groups in non-urban areas (second sign).

Figures in italics are uncertain because of small number of observations.

Source: EU-SILC 2007

Households with children tend to find access to compulsory schools more difficult in non-urban areas. This is especially the case for those with income below the poverty threshold. Thus in non-urban areas in most countries, a larger proportion of poor households with school-age children report difficulties accessing schools than those with higher levels of income. The exceptions are in Luxembourg, Belgium, Germany and France, where the proportions are much the same. In turn, more of those with low incomes in non-urban areas report difficulties than equivalent households in urban areas in all countries except Italy, Hungary, the UK and France. Low-income families in non-urban areas in Austria, Portugal and Latvia suffer particularly from poor access to schools.

Older people aged 65 and over seem to face particular problems in accessing services in many countries, but especially public transport and primary health care if they live in non-urban areas – the more so if they have low income. In all countries, therefore, more of those aged 65 and over in non-urban areas report difficulties of access to public transport than those in urban areas, the difference being especially large in Ireland, Germany, Finland and Greece as well as most of the new Member States (Table 34). In non-urban areas in most countries, the proportion of older people reporting such difficulties is greater among those with income below the poverty threshold than among the better off. However, the main factor seems to be where people live rather than their income level.

The difficulties older people report in accessing public transport in non-urban areas may either be because public transport in these areas does not suit their particular needs or because they have to rely on public transport more than younger people and are therefore more affected by deficiencies in the service. In practice, both factors are probably important.



**Table 34: Proportion of those aged 65 and over with income above and below the at-risk-of-poverty threshold reporting difficulty of access to public transport and primary healthcare, 2007**

	Access to public transport				Access to primary healthcare			
	Urban areas		Non-urban areas		Urban areas		Non-urban areas	
	Not at risk	At risk	Not at risk	At risk	Not at risk	At risk	At risk	Not at risk
LU	<b>8.7</b>	>	<b>24.0</b>	=	17.0	>	<b>20.6</b>	>
UK	9.8	10.8	>	><	13.4	13.4	<	>=
CY	53.8	48.7	<b>60.0</b>	63.1	24.4	47.7	28.2	56.4
AT	<b>7.0</b>	=	41.6	52.4	11.5	>	37.4	50.9
IE	7.6	<b>17.1</b>	55.7	57.5	14.9	<b>24.1</b>	39.8	45.4
DE	8.1	7.0	43.1	<b>39.2</b>	8.5	<b>9.6</b>	20.1	<b>26.8</b>
DK	<b>8.3</b>	=	23.4	<b>22.0</b>	14.3	=	32.4	<b>31.2</b>
BE	9.9	<b>18.6</b>	<b>73.8</b>	>	9.0	<b>14.7</b>	>	>>
SE	<b>5.1</b>	=	19.5	<b>30.2</b>	<b>10.2</b>	>	17.4	<b>17.1</b>
FR	9.1	>	>	>>	4.0	=	<b>5.1</b>	=
FI	<b>9.7</b>	>	49.3	54.4	17.5	>	22.3	31.8
IT	22.0	26.3	45.0	44.4	28.7	34.7	39.9	50.9
ES	8.5	10.7	24.1	24.4	18.1	22.2	32.5	35.1
GR	8.1	=	39.0	52.3	15.4	=	44.1	58.9
PT	15.0	=	25.6	41.5	27.4	<b>38.1</b>	33.0	54.4
CZ	10.0	=	34.1	<b>46.7</b>	17.4	=	37.4	47.5
SK	<b>11.0</b>	=	31.1	<b>46.9</b>	24.8	=	49.0	<b>52.7</b>
EE	<b>7.1</b>	17.5	37.1	43.3	19.2	30.8	35.6	43.9
HU	9.9	>	22.2	28.8	12.4	>	18.7	<b>24.1</b>
LT	18.3	<b>29.1</b>	47.7	58.5	34.2	40.5	47.9	57.8
PL	16.7	<	42.1	51.1	23.0	=	44.3	54.3
LV	18.4	32.1	38.2	49.2	34.0	47.2	47.8	63.2
EU	11.3	13.3	37.2	42.8	14.6	17.5	29.5	38.0

Note: In many cases, the number of observations is too small for the data to be reliable. These relate mainly to those at risk of poverty. In these cases, an indication is given of whether the figure is higher (>) or lower (<) than those not at risk of poverty or similar - within 5 percentage points - (=). In the UK and France for public transport and the UK and Belgium for primary care, the observations are too small to be reliable for both those at risk and not at risk of poverty in non-urban areas. For these countries, an indication is given of whether the proportion reporting problems is (first sign) larger (>) or smaller (<) than for those in the same income group living in urban areas, as well as of the difference between income groups in non-urban areas (second sign). Figures in bold italics are uncertain because of the small number of observations. EU refers to EU25 excluding MT. Source: EU-SILC 2007

A relatively large proportion of older people living in non-urban areas also report difficulties in accessing primary care in many countries, especially in Italy, Greece, Slovakia, Poland, Lithuania and Latvia (over 40 % in each case). Moreover, the proportion of people at risk of poverty reporting such problems is significantly greater. It exceeds 50 % in all of the above countries as well as in Austria, Portugal, Cyprus and the Czech Republic.

In urban areas, the relative number of people in this age group reporting difficulties of access to care also tends to be larger among those with low income, but the proportion in most cases is much smaller than their counterparts in non-urban areas.

#### *Multiple problems of access to services*

Many of the people who report difficulty accessing one service also say they have difficulty accessing other services. (This does not apply to compulsory schooling, as the question is addressed only to households with school-age children). This is especially so in the case of people living in non-urban areas, particularly if they have low income.

**Table 35: Proportion of people in urban areas with income above and below the at-risk-of-poverty threshold reporting difficulty of access to more than one essential service, 2007**

	% those at risk/not at risk							
	2 services		3 services		4 services		5 services	
	Not at risk	At risk	Not at risk	At risk	Not at risk	At risk	Not at risk	At risk
LU	10.6	9.4	6.3	5.7	4.1	2.5	1.8	=
UK	6.2	9.6	2.7	5.6	1.7	3.5	0.5	=
CY	8.7	27.0	4.3	17.7	2.1	10.4	0.8	=
AT	9.6	9.3	5.7	<b>4.4</b>	3.5	=	1.7	=
IE	10.4	19.7	4.6	8.8	2.1	5.8	0.9	=
DE	13.2	13.4	5.5	5.0	2.5	<b>1.9</b>	1.1	=
DK	11.0	<b>11.3</b>	4.8	=	2.3	=	<b>1.0</b>	=
BE	14.4	18.3	7.1	9.9	3.8	5.8	1.3	<b>2.8</b>
SE	8.4	13.4	2.9	=	1.0	=	=	=
FR	7.1	8.5	1.3	<b>2.1</b>	=	=	=	=
FI	10.6	12.0	5.2	<b>8.3</b>	2.3	=	<b>0.8</b>	3.3
IT	28.8	44.1	20.8	<b>33.2</b>	14.7	22.9	8.8	14.7
ES	12.1	11.5	5.9	4.0	2.5	1.7	0.4	=
EL	16.8	20.6	11.7	16.5	7.5	11.8	4.1	<b>6.5</b>
PT	11.9	14.5	6.1	8.9	3.4	<b>4.7</b>	<b>0.8</b>	=
CZ	14.0	9.3	8.2	<b>5.5</b>	5.5	=	3.1	=
SK	24.6	21.7	12.9	<	6.1	=	3.4	=
EE	13.4	21.3	7.5	15.3	4.4	<b>7.2</b>	1.7	=
HU	18.1	27.2	10.7	17.7	5.6	<b>11.1</b>	3.0	<b>6.7</b>
LT	18.2	27.7	8.9	16.8	4.8	10.8	2.9	<b>6.9</b>
PL	15.0	16.6	9.2	9.7	6.3	7.2	4.3	4.0
LV	19.0	29.4	13.7	17.7	10.3	12.8	5.2	=
EU	13.1	16.7	6.9	9.7	4.1	6.0	2.1	3.1

Note: In many cases, the number of observations is too small for the data to be reliable. These relate mainly to those at risk of poverty. In these cases, an indication is given of whether the figure is higher (>) or lower (<) than those with higher income or similar - within 5 percentage points - (=). In the UK and France for public transport and the UK and Belgium for primary care, the observations are too small to be reliable for both those at risk and not at risk of poverty in non-urban areas. For these countries, an indication is given of whether the proportion reporting problems is (first sign) larger (>) or smaller (<) than for those in the same income group living in urban areas, as well as of the difference between income groups in non-urban areas (second sign). Figures in bold italics are uncertain because of the small number of observations. EU refers to EU25 excluding MT.

Source: EU-SILC 2007

Among people living in urban areas, the proportion who report difficulty of access to at least two services tends to be larger if their income is below the poverty threshold. This is the case in most countries, but not in Luxembourg, Austria, Spain, the Czech Republic or Slovakia (Table). In Italy, the figure is as high as 44 %, but it is below 30 % everywhere else and below 25 % in countries other than Latvia, Lithuania and Hungary. In Italy, one third of people on low income in densely populated areas report difficulties of access to at least three services — almost twice as much as in any other country — and 15 % report difficult access to all five services.

In non-urban areas, the relative number reporting difficulties of access to more than one service is much higher. For those with income below the poverty threshold, it amounts to 35 % across the EU as a whole, and a quarter report difficulty accessing three or more services (Table 36). In Greece, over half of those at risk of poverty in non-urban areas report having difficult access to at least two services and over 40 % say that have difficulty accessing at least three, while over 15 % report access problems in respect of all five. In Italy and Estonia, the proportion is even higher at 18–19 %, and in both countries, a third or more of the people report difficulties in accessing three or more services. This, however, is also the case in the other two Baltic States, and in Austria and Poland – which goes to show the relatively widespread problem of access to services across the EU, especially for people with low income.

**Table 36: Proportion of people in non-urban areas with income above and below the at-risk-of-poverty threshold reporting difficulty of access to more than one essential service, 2007**

	2 services		3 services		4 services		5 services	
	Not at risk	At risk	Not at risk	At risk	Not at risk	At risk	Not at risk	At risk
LU	26.3	28.6	21.7	27.2	8.5	15.0	3.9	11.5
UK	6.4	23.1	3.3	>		>		=
CY	13.3	33.7	7.4	25.9	4.3	17.2	1.8	<b>6.3</b>
AT	33.2	45.2	27.2	37.1	22.7	30.8	14.8	21.4
IE	32.7	38.7	23.9	30.3	18.4	25.0	14.3	22.1
DE	33.9	35.3	19.6	21.1	11.8	12.3	5.8	<b>6.2</b>
DK	22.6	27.8	13.7	15.6	8.4	<b>12.7</b>	3.8	<b>10.1</b>
BE	67.3	62.0	53.9	51.5	39.7	<b>40.0</b>	19.9	<b>31.4</b>
SE	14.1	14.4	5.4	6.2	2.1	<b>2.8</b>	0.7	0.7
FR	9.2	10.1	1.5	<b>7.6</b>		=		=
FI	14.6	22.5	6.2	16.4	4.1	11.8	2.1	7.1
IT	35.0	44.1	27.4	33.2	22.8	27.8	13.9	17.9
ES	22.8	23.3	14.4	13.3	7.3	6.0	1.3	=
EL	38.6	50.6	29.9	42.6	19.6	31.4	8.6	15.6
PT	13.9	21.2	9.0	13.2	6.9	7.8	2.6	<b>3.8</b>
CZ	31.7	32.9	23.8	25.5	16.5	18.6	8.7	10.0
SK	36.9	40.9	23.8	25.0	12.6	11.2	5.2	<b>4.9</b>
EE	31.9	46.6	23.5	37.6	15.5	28.3	8.6	<b>19.2</b>
HU	24.4	30.1	13.0	16.3	6.7	10.6	3.6	5.2
LT	30.3	45.4	17.2	33.8	9.1	24.8	3.9	12.4
PL	36.0	48.7	28.1	39.5	21.0	29.8	9.6	12.6
LV	31.4	44.6	25.2	35.7	19.7	25.9	9.1	12.9
EU	26.8	35.0	17.9	25.3	12.1	17.8	6.2	9.4

Note: In some cases, the number of observations is too small for the data to be reliable. In these cases, an indication is given of whether the figure for those at risk of poverty is higher (>) or lower (<) than those with higher income or similar - within 5 percentage points - (=). Blanks indicate that the figure is too small to be reliable for those not at risk of poverty as well. Figures in bold italics are uncertain because of the small number of observations. EU refers to EU25 excluding MT. Source: EU-SILC 2007

#### 2.4. Housing and the economic crisis

*In many Member States housing represents a large proportion of household wealth and in most Member States house prices have risen faster than earnings. Mortgage debt has also risen sharply in relation to household income, especially in former communist countries. The recession is likely to increase the numbers of people unable to afford mortgage or rent payments, as well as the number of evictions and repossessions. The bursting of the housing market bubble has caused extensive job losses in the construction industry, many of them among low-skilled and migrant workers. In some Eastern European countries, much of the increase in household debt had been in foreign currencies, adding the risk of currency fluctuations to those of unemployment and income loss.*

The present recession, which has spread throughout Europe, has its origins in the financial crisis in the US which, in turn, arose from problems in the sub-prime mortgage market. A growing volume of bad debts and a substantial downward revaluation of assets led to the collapse of a number of major lending institutions. While developments in the housing market ignited the financial crisis, the financial crisis and subsequent economic recession have hit the housing market in various ways and thus households too. These effects have potentially increased the number of people at risk of poverty and exclusion.

In this chapter we shall examine both the role of housing in the recession and how housing is being affected by the economic downturn – or more specifically, how people are being affected by problems in the housing market. We shall look at:

- the importance of houses in the wealth of households,
- the extent to which this has been affected by fluctuations in house prices,
- the consequences of market developments for employment in the construction industry,

- the risk to people of losing their home through repossession or eviction, and
- the chances of this leading to homelessness.

There are two main ways in which the housing market can affect households and their income. The first is the through its direct effect on employment. Problems in the housing market as a result of an actual or anticipated decline in demand mean a cutback in new house-building and a consequent fall in activity in the construction industry. This can lead to job losses not only among construction workers but also in industries supplying the construction industry or dependent on it in other ways, such as estate agents, solicitors and removal firms. Many workers are likely to be affected, since construction represents a sizable part of the overall European economy in terms of the value-added it produces and the number of people it employs.

Secondly, problems in the housing market mean that house prices will fall. Houses or apartments are an important component of household wealth — indeed, for most people, the major component. A reduction in house prices, together with a cutback in mortgage lending because of financial market turbulence, can therefore significantly affect the wealth of home-owners and, accordingly, their ability or willingness to spend — either directly or through the increased difficulty of borrowing against their home.

The two effects are, of course, linked. In other markets, a decline in supply would tend to moderate the reduction in prices: in the housing market, however, this moderation tends to be minimal since the construction of new houses typically represents only a very small part of the total housing stock.

The people vulnerable to losing their jobs in a downturn in the housing market are, in the first instance, those employed in the construction industry. As the downturn persists, however, jobs in other sectors are also put at risk, especially those in companies supplying the industry, though, in addition, those in wider economy through the multiplier effects caused by a decline in income and, therefore, spending from both the contraction of construction and the effects on asset values — i.e. on the price of housing.

The scale of these effects across the EU depends on a number of factors:

- on the size of the construction industry and the extent of the downturn in it;
- on the nature of the housing market in different countries;
- on the importance of housing in the wealth of households and, accordingly, on the prevalence of home ownership;
- on the value, or price, of housing itself; and
- on the level of mortgage debt among the households concerned.

By the same token, these factors equally affect the vulnerability of the economy, and the stability of the financial system, to fluctuations in the housing market.

These factors and the extent to which they vary across the EU are considered in turn below, focusing on those Member States which have been particularly affected by developments in the housing market over the recent past and attempting to put recent events into a longer-term perspective.

We begin by examining the extent of home ownership across the EU and how it varies between Member States as well as between income groups, and the extent to which the value of the homes concerned is offset by debt in the form of mortgages taken out to purchase them.

Secondly, we consider the change in house prices, and, therefore, in the value of housing, which has occurred across the EU in recent years and, in particular, during 2008 and the beginning of 2009. The fall in prices was both a trigger for the downturn and a consequence of it. We compare this with changes over the preceding years, noting how the rise in house prices boosted investment in housing and how this increased demand, fuelled by the easing of credit, became a source of economic and financial imbalance.

Thirdly, we examine the effect of the downturn in the housing market on the construction industry and, in particular, on value-added and employment, in relation to the marked growth in a number of countries over the preceding decade.

Fourthly, we consider the housing difficulties of the people hardest hit by the recession, in particular the greater financial stress and the increases in repossessions and evictions. We compare what happened during the initial months of the present recession (insofar as it can be identified from the data available) with what happened during similar downturns in the past.

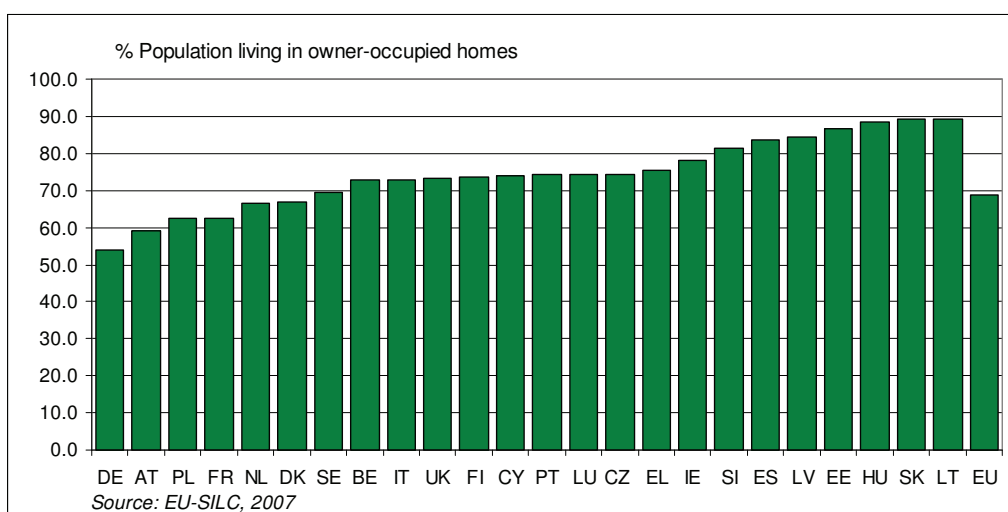
Finally, we look at possible pathways into homelessness. Although repossession or eviction does not necessarily lead to homelessness, in many instances it does — at least temporarily. Even when it does not lead directly to homelessness, it can be an important step on the way.

#### 2.4.1. Housing as a component of wealth

Across the EU as a whole, according to the latest data available (from the EU-SILC for 2007), almost 70 % of the population live in houses or apartments which they own – or, more precisely, which one or more of the people living in the household own (Figure 81). This proportion is similar to that in the US, but it varies markedly across Member States, from around 54 % in Germany and just under 60 % in Austria to close to 90 % in Hungary, Slovakia and Lithuania.

Apart from Germany, Austria, Poland and France, over two-thirds of people in the EU live in homes they own: and in the majority of the EU10 countries plus Spain, 80 % do so. Accordingly, the great majority of the population in most parts of the EU have their homes as a part of their wealth, but by the same token they are exposed to fluctuations in the value of this component as house prices vary. Any fall in house prices during the recession, therefore, are likely to have a widespread effect on wealth portfolios across the EU.

**Figure 81: Home ownership in the EU, 2007**



At the same time, not all the people concerned wholly own their own home, many have a mortgage on the house and, consequently, debt which offsets in some degree the value of the house as part of their wealth. Moreover, since house prices fluctuate while mortgages tend to be related to the initial price paid, the value of a house and the mortgage outstanding on it can diverge markedly from each other. The property's value exceeds the mortgage by an increasing amount as house prices rise, but the reverse happens when house prices fall. Such a fall can lead to home owners having negative equity when the price declines below the value of the mortgage. In the US, this led many of the people concerned to default on their debt and relinquish the house to the bank or other lender, so leaving the latter with the financial loss and, accordingly, adding to the credit crisis. In the EU, by contrast, borrowers cannot escape from mortgage agreements simply by handing over possession of their homes to the lender.

In the EU, as in the US, while the proportion of people owning their own homes tends to increase significantly with income, the proportion of home owners with mortgages also tends to increase equally significantly – and most home-owners with low incomes have little or no such debt (Table 37).

Indeed, in most of the EU10 countries, those in the bottom 10% of the income range (the bottom 'decile') tend to live in houses or apartments which they own outright. This is also the case in Poland, where — unlike elsewhere — home ownership tends to decline with income. While these people, along with those on higher incomes, will experience a decline in their wealth as house prices fall, they do not risk losing their home because of not being able to afford their monthly mortgage payments. On the other hand, they still have to meet energy, maintenance and other costs which are often high (see section above).

**Table 37: Home ownership and the proportion of home owners without mortgages by income quintile, 2007**

	1st quintile		2nd quintile		3rd quintile		4th quintile		5th quintile	
	% own	% wholly	% own	% wholly	% own	% wholly	% own	% wholly	% own	% wholly
BE	49.6	68.1	67.7	55.4	77.6	43.2	83.0	36.1	86.6	37.4
CZ	57.7	88.0	75.8	88.4	78.9	87.6	80.0	82.0	80.0	79.3
DK	42.9	52.6	53.9	30.7	69.0	16.8	81.9	13.0	87.7	14.0
DE	32.8	na	47.4	na	58.0	na	60.7	na	70.6	na
EE	78.6	96.5	85.4	88.8	90.0	85.1	90.5	77.4	89.4	62.6
IE	56.7	80.1	72.2	60.0	82.4	58.0	88.8	49.9	90.6	48.3
EL	72.9	91.0	71.0	90.9	77.0	85.5	78.4	80.3	78.9	75.8
ES	74.3	71.0	82.8	67.4	84.4	63.4	86.9	53.2	89.7	49.0
FR	39.3	73.9	55.3	59.3	63.9	53.9	72.9	53.2	80.4	56.4
IT	57.8	90.0	67.9	83.7	74.2	81.2	80.8	76.8	84.5	76.9
CY	53.6	86.6	72.3	75.1	77.0	73.7	81.3	70.7	86.1	68.1
LV	73.6	99.0	84.5	97.4	87.0	97.5	88.7	96.9	88.5	92.6
LT	83.2	98.7	88.3	98.2	91.4	95.7	90.5	92.9	93.2	82.9
LU	49.2	33.8	77.7	40.1	77.8	47.5	84.7	38.6	82.6	47.1
HU	82.4	84.1	87.7	82.5	90.0	82.4	90.8	84.5	91.4	82.4
NL	40.6	29.5	50.7	11.2	72.4	10.9	80.8	8.7	88.3	10.9
AT	41.0	60.1	55.8	57.6	62.4	52.0	67.1	50.1	69.7	53.2
PL	66.0	97.9	64.6	98.2	62.6	97.4	58.8	94.5	59.6	87.7
PT	62.6	86.5	64.5	74.5	76.1	64.7	79.8	60.7	88.2	56.7
SI	72.5	94.5	79.6	96.6	80.0	94.8	85.7	93.6	88.7	94.3
SK	83.8	95.6	88.8	97.4	91.4	94.8	89.8	92.8	91.7	91.9
FI	51.2	65.7	66.7	48.9	77.8	38.8	82.1	37.0	90.4	35.7
SE	45.2	38.8	64.5	30.1	74.1	18.8	78.4	16.5	85.0	14.3
UK	53.0	58.6	60.6	43.3	75.8	31.6	85.0	28.6	92.5	26.8
EU25	52.6	68.5	62.9	58.9	71.1	52.1	75.8	48.0	81.2	45.8

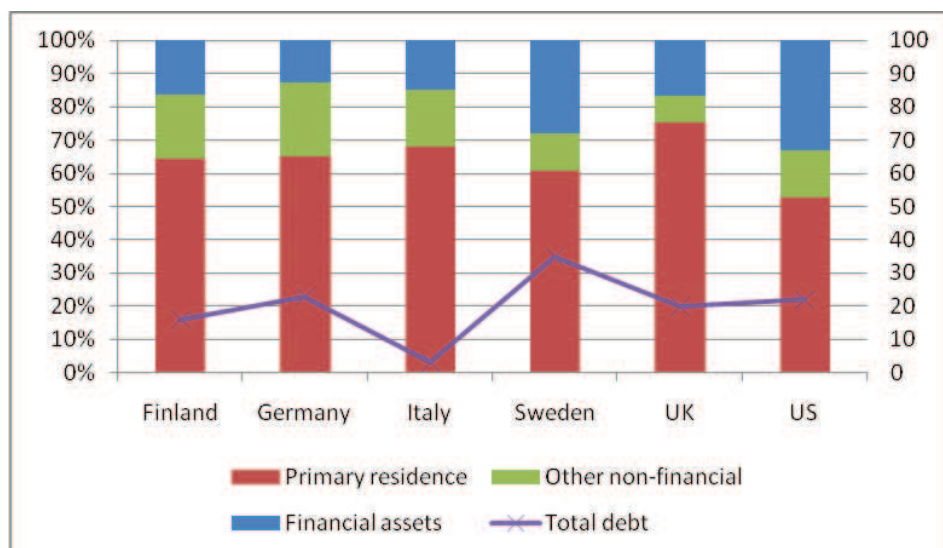
Source: EU-SILC, 2007

Note: '% own' shows the % in each income quintile owning their own homes; '% wholly' shows the % of these who have no mortgage

Although the proportion of people who own their homes is a guide, data are not available for most countries either on the value of the houses concerned or on that of other assets. It is therefore impossible to say with certainty what proportion of a household's wealth is accounted for by its housing. Nevertheless, for some EU Member States, this proportion has been estimated (largely on the basis of data compiled as part of the Luxembourg Wealth Survey Study). According to these estimates, in 2002 or thereabouts, housing represented at least 60 % of the total wealth of households in all the countries concerned. The figure was close to 70 % in Italy and around 75 % in the UK (Figure 82). This compares with just over 50 % in the US. Other types of non-financial assets, such as holiday homes and other property, are estimated to account for around 20 % of total assets in Finland and Germany and 10–15 % in Italy, Sweden and the UK.

The scale of borrowing used to finance the purchase of both housing and consumer goods varies between countries, reflecting their different institutional arrangements. It ranges from less than 5 % of the value in Italy and between 15 % and 25 % in Finland, Germany and the UK (as well as the US) to 35 % in Sweden. In net terms, therefore, housing makes up a large element in the accumulated wealth of households. Consequently, changes in house prices can have a major effect on the real value of this wealth and thus on the purchasing power of households.

**Figure 82: The composition of household wealth portfolios (% of total assets), 2002**



*Note: The data relate to 1998 for Finland and 2000 for the UK.*

*Source: Luxembourg Wealth Study*

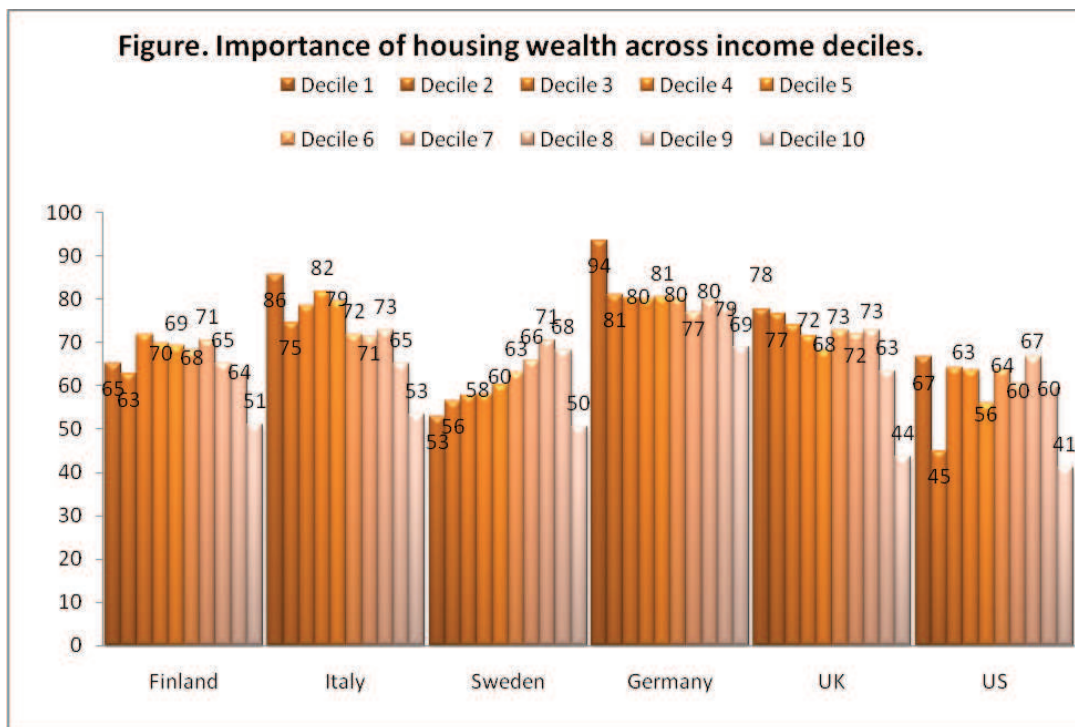
Unquestionably, therefore, the fall in house prices which has occurred from mid-2008 onwards in many countries (and which is examined below) has significantly reduced the real wealth of households and reinforced the effect of the recession on their income and purchasing power.

The above figures on the distribution of home ownership across income groups in the different EU countries indicate the widespread nature of this effect. While home ownership tends to increase with income, and so is less widespread for those on low incomes, this tendency is offset in some degree by the smaller proportion of home owners who have mortgages. The relative importance of the two tendencies varies from country to country: in some, housing is a more important component of household wealth for people at the bottom end of the income scale than for those further up; in other countries the reverse is true (Figure 83).

Thus in Italy, Germany and the UK, the share of a household's assets accounted for by housing tends to decline as income rises so that it represents a larger share of assets for people with low incomes than for those who are better off. For people in the middle part of the income distribution, the decline is only modest in Germany and the UK. In Sweden, on the other hand, the share of housing in household wealth tends to increase with income at least up to the 8<sup>th</sup> decile. For those in the top decile, however, the share is smaller than for those at the very bottom of the income scale. In Finland as in the US, there is no systematic tendency for the share of housing in wealth to vary with income.



Figure 83: Importance of housing wealth across income deciles



Note: Housing wealth is calculated as a share of total assets.  
Source: Luxembourg Wealth Study.

Given the importance of housing in the accumulated assets of people of all income levels, changes in house prices are likely to affect nearly everyone’s wealth to a major extent, though in some countries (Italy, Germany and the UK), this is particularly the case for people with low incomes.

#### 2.4.2. Changes in house prices

This section examines the changes in house prices which occurred in the run-up to the current recession and in the first few months of the economic downturn.

The price of housing has changed in very different ways across the EU over recent years, reflecting differences in the nature of the housing market, in the extent of home ownership and its growth over time, in the availability of credit for house purchase and in the regulations governing access to this credit.

In most countries, prices rose markedly in the 10 years preceding the onset of the current recession, and even earlier than that in many cases. However, in a few countries, house prices showed little tendency to change much faster than the general rate of inflation. Similarly, though prices in a number of countries declined significantly during 2008 and in the early months of 2009, elsewhere prices have fallen hardly at all or have continued to rise, albeit at a slower rate (though see Box on the difficulty of measuring changes in house prices).

Thus, in 11 of the EU15 Member States, prices more than doubled in the 10 years 1997–2007, and in Finland they increased by 86 % (Table 38). In eight of these countries, moreover, prices increased at a faster pace in the second half of the period than the first half. In Greece and France, houses prices almost trebled over these 10 years. In Germany, in sharp contrast, prices declined slightly over the period, while in Austria they rose by only 4 % over the five years 2002–2007 and in Portugal by only 9 %.



### Measuring changes in house prices

It is not easy to tell how far house prices have changed. A complicating factor is that the market consists of both newly-built houses and existing properties which are changing hands. In addition, as for any other good, when measuring changes in price allowance needs to be made for differences in quality. In the case of housing, quality is multi-faceted, encompassing the location of house as well as its size, state of repair, level of equipment, the grounds it stands in and so on. Moreover, the quality of housing which is bought and sold tends to change over the cycle, with lower value houses becoming more difficult to sell as the market declines (see below), and this has to be taken into account when estimating price developments.

However, the method typically used to measure price changes – and which underlies the estimates shown in Table 38 – leaves such quality changes out of account by taking as its basis the average price of houses on the market. This can lead to a significant under-estimate of price falls at times of downturn in the market when the houses changing hands tend to be the higher quality ones which are easier to sell. The Irish experience illustrates this very well: the average price of houses sold during the year up to the first quarter of 2009 fell by 11 % while estimates comparing like with like (and thus allowing for changes in the quality of the houses sold) show a decline of around 24 % over the same period<sup>77</sup>. The figures shown in Table 38 need to be interpreted with this in mind.

**Table 38: Change in house prices, 1997-2009**

	% change in average house prices			% change relative to average wages			% change in house prices 2008-09, Q2
	1997-02	2002-07	1997-07	1997-02	2002-07	1997-07	
BE	31	59	108	13	41	60	6
DK	46	63	138	20	34	61	-11
DE	-1	-3	-3	-7	-6	-13	1
IE	79	39	149	34	6	42	-11
EL	57	84	189	10	44	58	-3
ES	41	75	146	23	51	86	-8
FR	100	48	196	77	27	125	-7
IT	40	46	105	31	30	70	3
LU	45	52	120	8	20	30	
MT	na	57		na	38		-10
NL	82	25	127	48	10	62	0
AT	na	4		na	-7		4
PT	33	9	45	4	-6	-2	-2
FI	35	38	86	15	17	34	-3
SE	53	58	141	28	33	70	-2
UK	79	61	188	41	31	85	-12

Source: European Mortgage Federation. *Hypostat 2007. A Review of Europe's Mortgage and Housing Markets for change in house prices 1997-2007.*; Eurostat, *National accounts for changes in average earnings and Global Property Guide Europe, for changes in the year up to mid-2009.* (<http://www.globalpropertyguide.com/Europe/>)

This means that, in most countries, house prices rose substantially relative to average earnings over these 10 years, implying an increase in the real value of housing as an asset relative to income from employment. It is also likely to have acted as an incentive to invest in housing in expectation of a future capital gain. In France, house prices more than doubled relative to average wages over the period 1997–2007, while in Spain and the UK, they rose by 85–86 %, in Italy and Sweden, by 70 % and in Belgium, Denmark and the Netherlands, by 60–62 %.

On the other hand, over the same period, prices in Germany fell by 13 % relative to wages, and in Portugal by 2 %, while in Austria they fell by 7 % over the last five years of the period. In the other EU15 countries, although house prices did not rise as much, they nevertheless went up by 30 % or more relative to wages over this ten-year period – which is still a significant rate of increase.

<sup>77</sup> See David Duffy, 'Measuring house price rises', *ESRI, Working paper, No. 291*, April 2009.

During 2008, house prices began to stabilise or to decline in most countries. Indeed, in Ireland, they started falling during 2007. In the year up to mid-2009, prices fell in 10 of the 15 Member States and remained unchanged in the Netherlands. In Denmark, Ireland, the UK and Malta, they fell by 10–12 % and in Spain and France, by 7–8 %. In Belgium, however, average house prices rose by 6 % and in Austria, by 4 %.

The decline in the average price of houses sold in these countries, moreover, is likely to understate the actual reduction which occurred once account is taken of the change in the types of houses changing hands over the period (see Box).

A similarly large increase in house prices was evident in a number of the new Member States over the years leading up to the financial crisis. In Slovenia, for example, average prices rose by 1–14 % over the three years 2004–2006, while in Poland they rose by almost 20 % in 2007 and in Slovakia, by 24 % that same year. In the year up to mid-2009, however, prices fell in most of these countries – dramatically in a number of cases. In Lithuania, they fell by 20 %, in Bulgaria, by 22 %, in Estonia, by 31 % and in Latvia by a staggering 60 %.

#### *2.4.3. The build-up of mortgage debt*

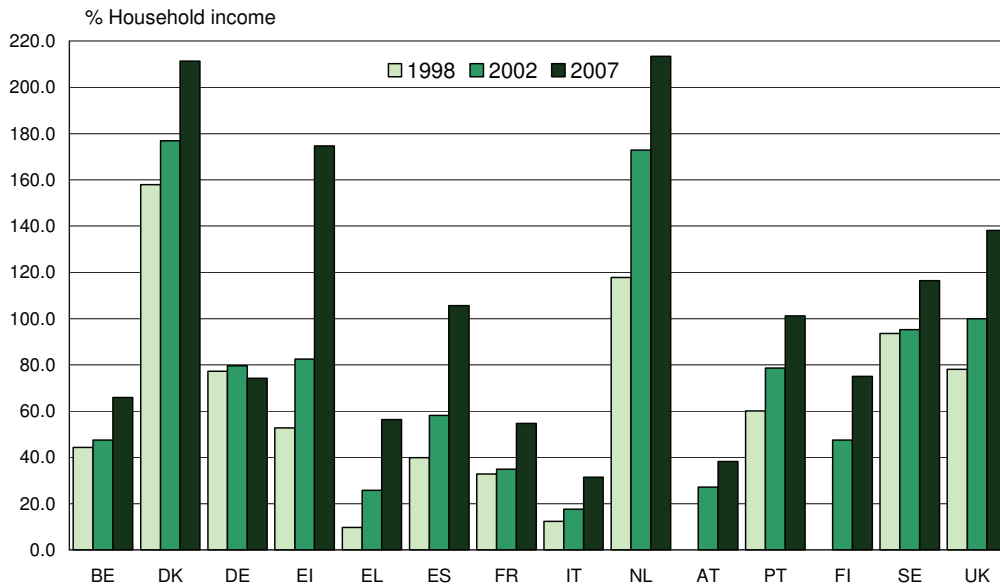
The substantial rise in house prices over the 10 years leading up to the financial crisis in much of Europe was accompanied by a significant expansion of household debt as people borrowed more to finance house purchases. This growth in borrowing, in part a consequence of the easing of credit and the increasing willingness of banks and building societies to extend loans against assets which were rising in value, fed an upward spiral in which price increases resulting from higher demand for houses led to additional speculative demand because by raising expectations of further price increases and the prospect of larger capital gains.

With the exception of Germany, therefore, outstanding mortgage debt increased in all countries over the 10 years leading up to the financial crisis, most especially in the last five years. In Ireland, mortgage debt more than tripled relative to household income over the nine years 1998-2007, more than doubling over the last five years of the period from just over 80 % of household income to 175 % (Figure 84). In Spain, such debt increased by a factor of over 2.5 times during the 9-year period, and again the increase was especially steep in the second part of that period, rising to over 100 % of household income. In the Netherlands and the UK, where it was already high in 1998, mortgage debt increased by around 80 % — to over twice household income in the Netherlands and to almost 1.4 times household income in the UK.

In Germany, on the other hand, the amount of mortgage debt outstanding was slightly smaller in relation to household income in 2007 than in 1998 and some 7 % smaller than in 2002.

An even larger increase in borrowing to finance house purchases occurred in the Member States in Central and Eastern Europe which entered the EU in 2004. Here, the growth in mortgage debt was at least three times as great as the rise in household income in all countries in the five years 2002–2007, though it rose from a much lower level (Figure 85). In Estonia, it increased by five times more than the growth of household income over this period, eventually exceeding 80 % of household income — more than in many EU15 countries. In Latvia, meanwhile, it increased by almost eight times to over 60 % of household income. Much of this increase in debt in both cases, as elsewhere in the region, took the form of mortgages denominated in foreign currency terms, mostly Euros or Swiss francs.

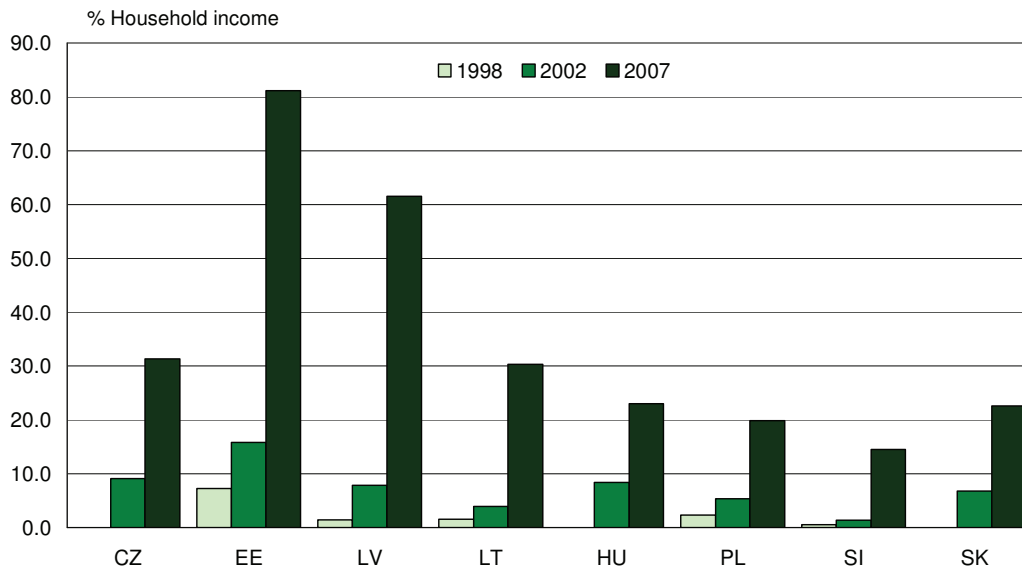
**Figure 84: Mortgage debt as % of household income in EU15 Member States, 1998, 2002, 2007**



PT: 1999, AT, FI: no data for 1998

Source: European Mortgage Federation. Hypostat 2007, A Review of Europe's Mortgage and Housing Markets, plus own calculations

**Figure 85: Mortgage debt as % of household income in the new Member States, 1998, 2002 and 2007**



LV, SI: 1999; CZ, HU, SK: no data for 1998

Source: European Mortgage Federation. Hypostat 2007, A Review of Europe's Mortgage and Housing Markets, plus own calculations

Mortgage debt outstanding has risen to significant levels in a number of other new Member States as well, increasing in the Czech Republic and Lithuania to over 30 % of household income and in Hungary and Slovakia to well over 20 %. It is all the more significant since, as noted below, much of the debt is denominated in Euros rather than domestic currency, which means that its value, and the potential burden it poses for households, is sensitive to exchange rate fluctuations. Any significant fall in the domestic exchange rate, therefore, has the potential to substantially increase the value of outstanding debt and the mortgage payments on this debt.

While the value of houses rose over the years preceding the financial crisis, thus increasing household wealth, so too did household debt — imposing a growing burden of servicing costs which needed to be met from income. Although interest rates have been cut to combat recession, this reduction has typically not been fully passed on in lower mortgage rates because of the increased insecurity attached to housing and the pressure on lenders to protect and strengthen their financial position. Moreover, many people have fixed-rate mortgages, unaffected by interest rate falls, and although they could — in theory — remortgage their house, in practice this might involve significant cost. According to the European Central Bank, around 60 % of household debt in the Euro zone is fixed rate, while in the UK it is around half. For two-thirds of the debt concerned in both cases, however, the fixed rate period is less than two years.

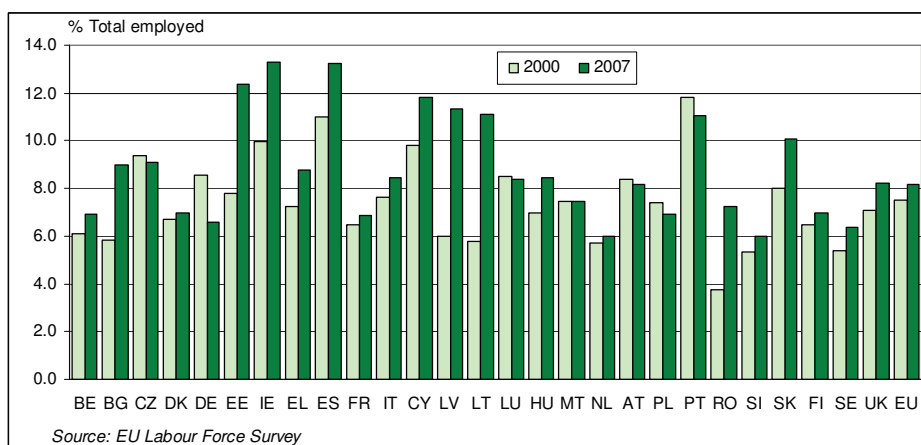
At the same time, despite possibly lower mortgage payments, many households have faced mounting difficulties in meeting these payments as their income has declined. Moreover, borrowing to cover this cost has become increasingly difficult due to the fall in house prices, the financial problems of banks and other lenders and their growing reluctance to extend loans. New mortgages declined markedly during 2008 and the early months of 2009. In the UK, for example, the number of mortgages granted to first-time buyers and existing home-owners moving house halved during 2008, while the overall number of housing transactions in the year were at a lower level than at any time since the 1950s<sup>78</sup>. Moreover, in Spain, mortgage lending in August 2008 was almost 45 % down on a year earlier<sup>79</sup>.

In a number of cases, home owners have found themselves with negative equity as price falls have lowered the value of their home below the amount of their outstanding mortgage.

#### 2.4.4. Developments in the construction industry

The trend in house prices throughout much of Europe (a substantial increase over the years leading up to the financial crisis followed by a fall during 2008) is mirrored by developments in the building industry. This industry accounts for a significant number of jobs in all Member States. In 2007, in the EU as whole, eight out of every hundred workers — some 18 million people — were employed in the construction industry. The figure was even higher (almost 14 %) in Ireland and Spain, and was around 11–12 % in the three Baltic States and Cyprus (Figure 86). Fluctuations in the housing market, therefore, can have a major direct effect on a sizable proportion of jobs across the EU

**Figure 86: Employment in construction in EU Member States, 2000 and 2007**



<sup>78</sup> See Council of Mortgage Lenders, *Annual Report, 2008*

<sup>79</sup> *European Housing Review — February 2009*, published by RICS (Royal Institution of Chartered Surveyors) <http://www.eukn.org/binaries/eukn/eukn/research/2009/05/2009europeanhousingreviewl.pdf>

As prices (and the demand for housing) went up, providing an incentive to construct new houses, activity in the industry increased and the number of people employed expanded — considerably in some countries. Similarly, as prices began to fall along with sales, and more importantly as sales deteriorated (see Box), builders cut back on new construction and began to lay off workers, on a large scale in some countries.

Between 2003 and 2007, therefore, employment in the construction industry increased by around 12 % in the EU15. Between the last quarter of 2007 and the last quarter of 2008, it declined by almost 7 % — a loss of some 700 000 jobs — with further losses occurring in early 2009.

In Spain, the turn-around in employment from growth to decline was even more dramatic. Over the five years 2002–2007, employment in construction increased by 36 %: by 2007, the construction industry was employing 14 out of every hundred workers. In the year up to the last quarter of 2008, the number employed fell by 21 %, or by some 550 000. In Ireland, in the years preceding the financial crisis, jobs in construction grew by much the same as the EU average but the industry accounted for a similar proportion of employment as in Spain. Then, between the end of 2007 and the end of 2008, the number of construction jobs fell by 20 %. The fall was 25 % over the two years up to the last quarter of 2008.

#### Developments in the housing market in 2008

In France, housing transactions declined by an estimated 30 % between 2007 and 2008 and the number of houses on the market waiting to be sold increased substantially<sup>80</sup>. The fall continued in the first two months of 2009, when transactions were down by 37 % as compared with the same months a year earlier. In Paris, they were 47 % lower in January 2009 than in January 2008.

In Italy, the number of house sales declined by 13 % in 2008, when sales were 23 % below the peak in 2003<sup>81</sup>. In Cyprus, the number of properties registered with estate agents was 24 % lower in October 2008 than in October 2007 and sales in coastal areas were down by 40 % over the same period because of a decline in foreign buyers<sup>82</sup>.

In Spain, the slowdown in the housing market intensified during 2008. In the first quarter of that year 28 percent fewer homes were sold compared to the same period the previous year<sup>83</sup>, and in the third quarter housing transactions were 30 % lower than a year earlier. At the end of 2008, some 1.1 million housing units remained unsold<sup>84</sup>.

In Ireland, the number of new houses completed in 2008 (as indicated by new connections to the electricity network) was down by a third as compared with 2007 and by 45 % as compared with 2006. Moreover, since houses completed fell steadily month by month during 2008 and continued to fall in the first few months of 2009, the number completed in March 2009 was two-thirds lower than two years earlier and 70 % less than in March 2006<sup>85</sup>.

In the UK, in mid-Summer 2008, site visits and reservations of sites by builders were around 80 % fewer than a year earlier<sup>86</sup>, and private housing starts in England in the third quarter of 2008 were 55 % down on the same period in 2007<sup>87</sup>. Sales of new houses were down by 64 % in August 2008 as compared with a year earlier<sup>88</sup> and reached record lows in November 2008.

Most of the workers affected by job losses in the housing industry are manual workers with either low skills or skills which are specific to construction, limiting their chances of finding another job. Many in both Spain and Ireland, moreover, are migrant workers with limited access to income support, while many of the other workers are either self-employed (in Ireland) or with temporary contracts of employment, which also limits their entitlement to social benefits.

<sup>80</sup> FNAIM (Fédération Nationale de l'Immobilier): <http://www.fnaim.fr/index.html>

<sup>81</sup> *European Housing Review* — February 2009, published by RICS (Royal Institution of Chartered Surveyors) <http://www.eukn.org/binaries/eukn/eukn/research/2009/05/2009europeanhousingreviewl.pdf>

<sup>82</sup> RICS: *Cyprus economy and financial system will weather the crisis*, Financial Mirror, 15 March 2009 [http://www.financialmirror.com/News/Cyprus\\_and\\_World\\_News/14461](http://www.financialmirror.com/News/Cyprus_and_World_News/14461)

<sup>83</sup> According to the data from the Housing Ministry, APCE and the National Central Bank, see *Real Estate Crisis Threatens Spanish Economy*, Der Spiegel, 18 July 2008.

<http://www.spiegel.de/international/business/0,1518,566701,00.html>

<sup>84</sup> *Los españoles huyen de la vivienda*, ABC, 3 May 2009

<http://www.abc.es/20090503/economia-economia/espanoles-huyen-vivienda-20090503.html>

<sup>85</sup> Data from the Department of Environment, Heritage and Local Government, *Housing Statistics*.

<sup>86</sup> According to the Home Builders Federation:

<http://www.hbf.co.uk/Research-Home-Builders-Federation-81cfaf9>

<sup>87</sup> Communities and Local Government: <http://www.communities.gov.uk/housing/>

<sup>88</sup> According to the Land Registry:

<http://www.landregistry.gov.uk/>

Although in other parts of the EU15 employment in construction had not yet fallen by the end of 2008, there were signs of an impending steep decline in the figures for new orders. In Portugal, for example, new orders for building work were down by 23 % in the last quarter of 2008 as compared with a year earlier, while in the UK, they were down by 35 %, in Sweden, by 38 % and in Luxembourg, by 60 %.

The growth in employment in construction in the years preceding the crisis was even more substantial in many of the new Member States, though this reflected investment in infrastructure rather than new house building. Moreover, the recession in the industry had not yet reached most of them by the end of 2008 and employment continued to rise during the year. In both Slovenia and Slovakia, the number employed in construction increased by around 25 % in the four years 2003–2007 and by a further 10–11 % in 2008. In both Estonia and Lithuania it rose by over 50 % over the five years taken together, while in Latvia it more than doubled between 2003 and 2007. However, employment in Latvia fell by 23 % in the year up to the first quarter of 2009.

Employment in construction also declined during 2008 in Hungary, where recession hit earlier than in other countries because of budgetary and financial problems. In the two years up to the last quarter of 2008 it fell by 17 % — more than offsetting the increase in the three years 2003–2006. Figures for new orders, moreover, fell by around 45 % between the last quarter of 2007 and the last quarter of 2008, making it likely that there will be a continuing decline in the number of people employed in the industry in Hungary. These figures also indicate an impending decline in employment in other new Member States, showing a fall over this period of 15 % in Slovenia and 21 % in Poland.

#### 2.4.5. *The effect of the recession on housing*

The onset of the recession has seen many people across the EU facing financial difficulties which have led to them being unable to meet their mortgage payments or pay their rents. In extreme cases, such difficulties can result in them having their home repossessed by the bank or mortgage company or, in the case of people in rented accommodation, being evicted from their house or apartment. From one country to another there are variations in the attitudes taken by financial institutions and landlords to such extreme action — i.e. in their willingness to see families forced to leave their homes. There are also variations in the measures taken by governments to help people meet their payments, or to prevent them being evicted. This is reflected in the relevant statistics.

##### *Mortgage arrears and repossessions*

In Greece, it has been observed that many cases of repossession occur when relatively small amounts of debt are outstanding<sup>89</sup>. In Ireland, by contrast, repossession seems to be the very last resort and is seldom implemented in practice. Thus in 2008, despite the sharp fall in GDP and employment and the equally large rise in unemployment, there were just 96 cases of home-owners having their house repossessed.

In France, in the same year, according to a study by CREDOC, some 12 % of households on low income faced the threat of repossession during the three months preceding the survey — three times more than the proportion for households in general<sup>90</sup>.

In Spain, the number of cases of repossession more than doubled in 2008 to almost 58 700, as compared with around 25 950 in 2007<sup>91</sup>. There was a tendency, moreover, for the relative number of repossessions to be higher in the less prosperous regions. Thus Andalucía, the largest but one of the least prosperous regions, had the largest number of repossession cases — almost 20 % of the national total, which is more than its share of the national population (around 18 %). More strikingly, some 18 % of repossession cases were in Valencia, again a region with a relatively low level of GDP per head and which accounts for just 11 % of Spain's population.

At the same time, Cataluña, one of the most prosperous regions, also accounted for a larger share of repossessions (19 %) than its share of population (16 %)<sup>92</sup>. This was equally the case for the Basque country

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<sup>89</sup> *The role of housing in pathways into and out of homelessness*, FEANTSA, 2008. [http://www.feantsa.org/files/Housing\\_Annual\\_Theme/European\\_Report/08\\_European\\_Report\\_FEANTSA\\_Housing\\_final\\_EN.pdf](http://www.feantsa.org/files/Housing_Annual_Theme/European_Report/08_European_Report_FEANTSA_Housing_final_EN.pdf)

<sup>90</sup> Angotti, M. et al., *Les conséquences de la crise auprès des ménages et plus particulièrement des plus pauvres*, CREDOC (Centre de recherche pour l'étude et l'observation des conditions de vie), 2008. <http://doc.politiquessociales.net/serv1/credoc.pdf>

<sup>91</sup> Data from the General Council of Judiciary Power (Consejo General del Poder Judicial –CGPJ).

<sup>92</sup> *La ruta de las casas embargadas*, El País, 3 May 2009 [http://www.elpais.com/articulo/andalucia/ruta/casas/embargadas/elpepiespand/20090503elpand\\_1/Tes](http://www.elpais.com/articulo/andalucia/ruta/casas/embargadas/elpepiespand/20090503elpand_1/Tes)

(Pais Vasco), another relatively industrialised region which was badly hit by the recession and which accounted for 2.5 % of repossession cases but only 2 % of the population<sup>93</sup>.

For 2009, estimates suggest that the number of repossessions could increase further, by around 44 % to around 84 500<sup>94</sup>, potentially increasing the number of homeless people while simultaneously pushing up the number of unsold houses on the housing market.

In the UK, around 182,600 mortgages (1.6 % of the total) were in arrears of more than 2.5 % of the balance outstanding at the end of 2008, — up from 1.3 % of the total at the end of the third quarter and 1.1 % at the end of 2007. This is a rise of some 50 % over the year. The number of loans with arrears of more than 2.5 % of the outstanding balance went up to 205 300 by the end of the first quarter of 2009, which is 62 % higher than in the first quarter of 2008. In the second quarter of 2009, however, the number of mortgages in arrears increased only slightly, partly reflecting low interest rates and the policy of lenders to try to help borrowers get through their temporary payment problems.<sup>95</sup>

Since 2003, the number of court orders made for repossession in the UK has risen significantly from under 40 000 to just over 110 000 in 2008 (Figure 87). Actual repossessions are much less than court orders, since many of them are never served or result in a negotiated agreement to reschedule repayments. Nevertheless, there were some 40 000 repossessions in 2008 (1 in 290 mortgages) according to the Council of Mortgage Lenders. In the first quarter of 2009, the rate of repossessions rose, the number increasing to 12 700 over the three months, around 50 % more than in the first quarter of 2008<sup>96</sup>. In the second quarter, however, the number fell back, however, to 11 400. At the same time, the number of possession orders made by the courts also declined and in the first half of 2009 was 30 % less, on a seasonally adjusted basis, than a year earlier.

The reduction in court orders and in actual repossessions by lenders during a time a deepening recession and rising unemployment reflect the UK's adoption of the 'Mortgage Pre-action Protocol' in November 2008. This Protocol encouraged lenders to regard repossession very much as a last resort and to search instead for ways of helping people in arrears to reschedule their repayments. Accordingly, possession orders have so far peaked at a level significantly below what they reached in the recession of the early 1990s, though this does not necessarily mean that if the recession continues they will not begin to rise again. It is still the case, however, that repossessions are well above what they have been for most of the past 20 years.

Although it is important to recognise that repossessions do not necessarily lead to homelessness, a significant number do, as discussed further below.

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<sup>93</sup> 1400 familias vascas perdieron sus casas por embargo en 2008, Gara, 18 April 2009  
<http://www.gara.net/azkenak/04/132859/es/1400-familias-vascas-perdieron-casas-embargo-2008>

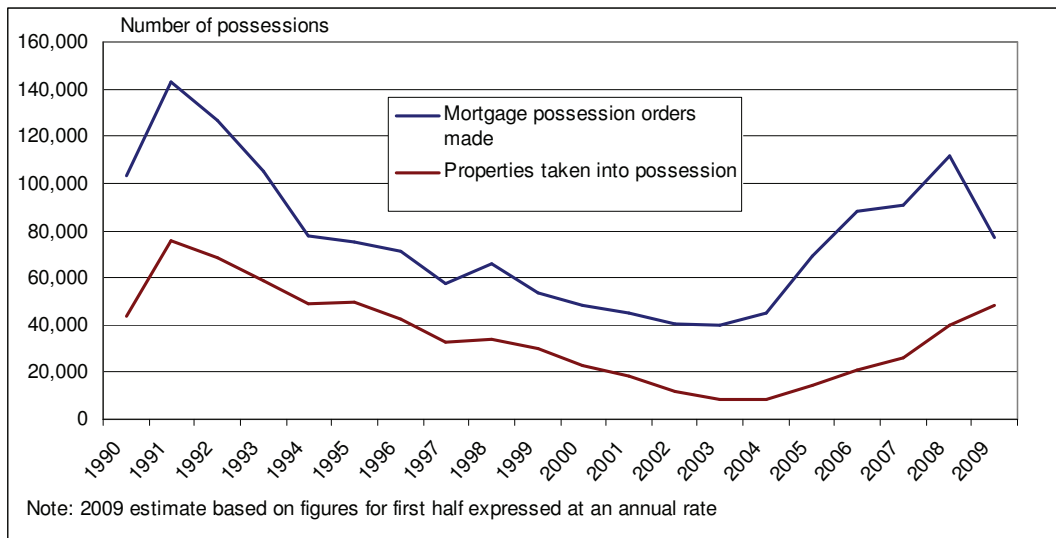
<sup>94</sup> Estimates made by the CGPJ: *La crisis duplica los embargos de inmuebles a lo largo de 2008*, El País, 13 April 2009.  
[http://www.elpais.com/articulo/economia/crisis/duplica/embargos/inmuebles/largo/2008/elpepueco/20090413elpepueco\\_2/Tes](http://www.elpais.com/articulo/economia/crisis/duplica/embargos/inmuebles/largo/2008/elpepueco/20090413elpepueco_2/Tes)

<sup>95</sup> Council of Mortgage Lenders: <http://www.cml.org.uk/cml/media/press>

<sup>96</sup> Council of Mortgage Lenders: <http://www.cml.org.uk/cml/media/press>



**Figure 87: Court orders made for repossession and the number of repossessions in England and Wales**



Source: Ministry of Justice and Council of Mortgage Lenders

#### Rents arrears and evictions

The importance of the rented part of the housing market varies across the EU inversely with the extent of home-ownership. It is particularly important in Germany, where almost half of housing is rented, and only slightly less important in Austria, France and the Netherlands, where the rented sector accounts for around 40 % of the total (There are more homes than people, since a disproportionate number of people living alone are in rented accommodation, so that the average size of a household in the rented sector tends to be smaller). On the other hand, the rental market is very small in Spain and also in most of the new Member States where most people acquired the housing they are living in with privatisation.

The importance of social housing within the rented sector (which affects the scale of evictions) also varies across countries. In the Netherlands it accounts for around three-quarters of all rented accommodation<sup>97</sup>, while in France it accounts for just under 40 %. It is also relatively important in the Nordic countries, but elsewhere makes up only a small proportion of the rented sector.

Just as the financial strain of the recession can make it difficult for people to meet their mortgage payments, so it can also mean that people in rented accommodation fall behind with their rents, which could lead to them being evicted from their home. Indeed, many of the most vulnerable groups live in rented accommodation and are more at risk from the recession than home-owners. Eviction, of course is not only the result of the non-payment of rent: it can also be a consequence of anti-social behaviour, problems with neighbours, disagreement over the revision of terms at end of a contract period or simply the landlord wishing to terminate the rental agreement. In practice, however, non-payment seems to be the most frequent cause of eviction. The Centre for Secure Tenancy (*Fachstelle für Wohnungssicherung*) in Vienna, for example, has estimated that over 90 % of all evictions in the city occur because of financial problems and consequent rent arrears.

Keeping up with rental payments can be difficult, especially where they absorb a large proportion of income. This is often the case for younger people with relatively low earnings, particularly for those starting families. In Spain, for example, the Youth Council has estimated that, on average, young people need to spend almost 60 % of their salary on rent if they rent accommodation in the private market<sup>98</sup>.

Legislation governing evictions and the rights of landlords relative to the rights of tenants vary across markedly across the EU. In Germany and Italy it is particularly difficult to evict tenants and landlords have an obligation to renew contracts if the tenant so wishes. In a number of countries, however, vulnerable groups are not fully protected by law. In the UK, for example, many private tenants have very limited security of tenure, landlords being required in many cases to give tenants only 28 days written notice to quit (though, by the same token, tenants can leave by giving the same period of notice).

<sup>97</sup> 'Housing Finance in the Euro Area', European Central Bank, *Occasional Paper Series n°101*, March 2009 <http://www.ecb.int/pub/pdf/scpops/ecbocp101.pdf>

<sup>98</sup> Consejo de Juventud de España: <http://www.cje.org/C18/Inicio/default.aspx?lang=es-ES>



In addition, particularly vulnerable groups, such as illegal migrants, drug users or those with a criminal record may be forced to rent accommodation without any legally-binding contract at all, which can mean immediate eviction if they fall behind with their payments.

The impact of the recession on the number of people being evicted from their homes is hard to estimate because of the limited data available. However, it is not difficult to identify those who will be most affected, namely the most disadvantaged groups on the labour market who are at greater risk of unemployment and of a sudden reduction in income. In the Paris area, the number of evictions was increasing even before the onset of recession, rising to over 19 000 in 2007<sup>99</sup>. According to a survey carried out by ADIL (*Association Départementale d'Information sur le Logement*) between July and November 2008, some 29 % of the people interviewed reported either being behind with their rents or being at risk of falling behind<sup>100</sup>. In Spain, the number of evictions in Barcelona is reported to have increased by 16 % in 2008 as compared with 2007, largely because tenants were in financial difficulties as a result of the recession.<sup>101</sup>

In the countries which have entered the EU over the past five years, the great majority of people own their own homes and do not have mortgages. Thus the threat of repossession or eviction is limited to a smaller group of people. The cost of housing in these countries, however, still represents a significant burden for many people, even if they have no rent or mortgages to pay, because of the high price of energy — coupled, in many cases, with the high cost of maintaining their homes. In most of these countries, housing costs are lower in relation to income than in other parts of the EU. However, the difference is not large and for many of the poorer households these costs still amount to a substantial proportion of their income.

In Hungary in 2008, for example, nearly 270 000 households are estimated to have accumulated debts on maintaining their homes and were over three months in arrears on repaying these debts. According to recent surveys, some three-quarters of homes are in need of repair, 40 % require partial restoration and another 20 % full restoration. The situation is particularly bad in Budapest, where 90 % of homes are thought to require work and almost 40 % full restoration or demolition.

A further problem is that the outstanding amount of borrowing by households, as indicated above, has increased rapidly over recent years. Moreover, much of this is denominated in foreign currency, thus putting households at risk from exchange rate fluctuations, or more specifically from a depreciation of the domestic currency against the foreign currency concerned. Such depreciation has, indeed, occurred in recent years, resulting in a substantial increase in the domestic currency value of loans which households need to service. In Hungary, loans in foreign currency accounted for 60 % of net household borrowing in 2008<sup>102</sup>, while in Poland, they accounted for two-thirds of outstanding borrowing for housing purposes in October 2008<sup>103</sup> and in Romania for nearly 90 % at the end of 2007<sup>104</sup>.

#### 2.4.6. Social housing in the recession

Although the full effects of the recession on social housing cannot yet be identified, some things are obvious. In countries where there is a policy of selling off social housing, sales have fallen. In the UK for example, they declined by 20 % in 2008. At the same time, advocates of social housing have pointed to the potential in this sector for alleviating the effects of the recession and saving jobs through renovating homes and building new ones<sup>105</sup>.

In some countries, social housing providers have experienced problems accessing credit. In Belgium and the Netherlands for example, fewer banks are prepared to provide finance for building new homes or renovating existing ones<sup>106</sup>.

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<sup>99</sup> *Recueil statistique relatif à la pauvreté et à la précarité en Île-de-France*, MIPES, 2008  
[http://www.ile-de-france.pref.gouv.fr/mipes/documents/Mipes\\_donnees\\_31\\_12\\_2007.pdf](http://www.ile-de-france.pref.gouv.fr/mipes/documents/Mipes_donnees_31_12_2007.pdf)

<sup>100</sup> *La part du loyer dans le budget des ménages parisiens*, ADIL75 (Association départementale d'information sur le logement), 2009  
<http://www.adil75.org/pdf/LA%20PART%20DU%20LOYER%20DANS%20LE%20BUDGET%20DES%20MENAGES%20PARISIENS.pdf>

<sup>101</sup> *La crisis dispara hasta un 15 % los desahucios por impagos en BCN*, el Periódico, 27 January 2009  
[http://www.elperiodico.com/default.asp?idpublicacio\\_PK=46&idioma=CAS&idnoticia\\_PK=581991&idseccio\\_PK=1022](http://www.elperiodico.com/default.asp?idpublicacio_PK=46&idioma=CAS&idnoticia_PK=581991&idseccio_PK=1022)

<sup>102</sup> Hegedüs, J., *Housing affordability issues in Eastern and Central European countries*, seminar on Housing, social inclusion and the economy, April 2009, Brussels <http://www.socialsituation.eu/WebApp/Events.aspx>

<sup>103</sup> National Central Bank ( Narodowy Bank Polski):

[http://www.nbp.pl/Homen.aspx?f=en/onbp/informacje/funkcje\\_banku\\_centralnego.html](http://www.nbp.pl/Homen.aspx?f=en/onbp/informacje/funkcje_banku_centralnego.html)

<sup>104</sup> 'Housing Finance in the Euro Area', European Central Bank, *Occasional Paper Series n°101*, March 2009  
<http://www.ecb.int/pub/pdf/scpops/ecbocp101.pdf>

<sup>105</sup> National Housing Federation:

<http://www.housing.org.uk/Default.aspx?tabid=232&mid=1150&ctl=Details&ArticleID=1996>

<sup>106</sup> Cecodhas, *Newsletter March 2009*: <http://www.cecodhas.org/>

As noted above, income from rents is tending to decline as tenants lose their jobs or experience a reduction in earnings. This means less finance for maintenance and repair work, which is badly needed in Central and Eastern European countries in particular.

Conversely, social housing offers a potential safety net for people losing their jobs and not being able to pay their mortgage. In Italy, for instance, a new scheme was introduced at the end of 2008 which allows social housing associations to buy the houses of people in this position who then rent them back from the association but with the option of repurchasing them in the future<sup>107</sup>.

In Spain, the housing department in the Basque region has implemented a similar policy of buying houses from people who have been unemployed for at least three months and cannot pay their mortgage (so long as their income in the previous year was below a certain amount) again with the option of buying back in the future. Under this scheme, the department undertakes to pay off the remainder of the mortgage to the bank, though at a reduction of around 20 % on the amount due<sup>108</sup>.

Through such schemes, the recession could lead to an expansion of the social housing sector in a number of countries. In Sweden, for example, social housing providers report being able to buy property at lower prices, while the housing itself is viewed as a more attractive and safe option by potential tenants<sup>109</sup>. Moreover, investment in social housing, as noted above, offers a way of overcoming the downturn in the private housing market and so of combating the recession by assisting the construction industry. At the same time it helps meet the additional demand for low-cost accommodation from people hit by the recession.

#### 2.4.7. Pathways into homelessness

The reasons why people become homeless are multiple and complex and in most cases involve factors stretching back over many years. These include, in particular, behavioural and social problems including mental health disorders, drug abuse, low education levels, family conflict or domestic violence and social isolation. Repossession or eviction do not necessarily lead to homelessness, nor are they the primary reasons for it: but in many instances they can be the final trigger or, at least, an important step on the way.

Recent studies on the pathways into homelessness in the EU highlight the many contributory factors and emphasise that a single event, such as an eviction for failing to pay rent, is rarely the sole or even major cause of homelessness. Accordingly, it is difficult to judge how far the current recession is likely to lead to a big increase in homelessness, given the dearth of statistics on the numbers at risk and the differing degrees to which governments strive to prevent evictions and repossessions and to assist those who lose their home.

The factors likely to contribute to someone becoming homeless can be divided into three broad groups:

- structural factors, such as lack of access to, or unavailability of, affordable housing; limited access to the labour market; lack of social services;
- social factors, such as barriers to social inclusion or the marginalisation of a particular group in society;
- personal factors, such as poor mental health, alcohol or drug addiction, a low level of education and lack of qualifications, gambling problems, a criminal record, exposure to domestic violence or lack of family support.

These factors can not only lead to someone being evicted, or having their home repossessed, but also be obstacles to that person finding a new home<sup>110</sup>.

Evidence for the link between loss of home and homelessness is sparse, but the data available suggests that a significant proportion of the people concerned do indeed become homeless and have difficulty obtaining another place of their own. In Denmark, for example, where there has been a substantial rise in the number of evictions since 2002, in 25 % of the cases, the people concerned were still homeless one year after eviction<sup>111</sup>.

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<sup>107</sup> Federcasa: <http://www.federcasa.it/>

<sup>108</sup> El País: <http://www.elpais.com/buscar/vivienda>

<sup>109</sup> Cecodhas, *Newsletter March 2009*: <http://www.cecodhas.org/>

<sup>110</sup> Pillinger, J., *Homeless Pathways*, Focus Ireland, 2007  
[http://www.focusireland.ie/html/research\\_policy/pdfs/HomPat07.pdf](http://www.focusireland.ie/html/research_policy/pdfs/HomPat07.pdf)

<sup>111</sup> *The role of housing in pathways into and out of homelessness*, FEANTSA, 2008  
[http://www.feantsa.org/files/Housing\\_Annual\\_Theme/European\\_Report/08\\_European\\_Report\\_FEANTSA\\_Housing\\_fi nal\\_EN.pdf](http://www.feantsa.org/files/Housing_Annual_Theme/European_Report/08_European_Report_FEANTSA_Housing_fi nal_EN.pdf)

In the Netherlands, a survey was carried out in 2004 of 120 homeless adults in Amsterdam living on the streets, in day centres and overnight shelters. Of these, 88 % were men with an average age of 38. The survey found that eviction was a significant direct cause of their situation (accounting for 38 % of cases), while the break-up of a relationship was almost as important (35 % of cases). Among those evicted, alcohol abuse was a significant contributory factor, while many of those experiencing the break-up of a relationship had a drug addiction problem. Most of them (62 %) had had no contact with social services before becoming homeless and only just over a quarter (27 %) had had contact with medical services<sup>112</sup>.

In Ireland, a survey carried out in 2007 indicated that loss of tenancy was the most important factor triggering homelessness, especially for women, while health problems were an important longer-term contributory factor for men. For around two-thirds of the people surveyed, therefore, the loss of a tenancy or insecure housing was the main direct reason for them becoming homeless, while 28 % had experienced marital breakdown, 44 % family breakdown and 61 % suffered from alcohol or drug addiction<sup>113</sup>.

In the UK, statistics have been compiled from local authority records of people accepted as being homeless — in the statutory sense that local authorities are obliged to house them. These figures indicate that, while eviction or repossession are significant direct causes, other factors tend to be more important<sup>114</sup>. For 14 % of the households concerned, the main direct cause was the end of a short-term tenancy. However, for another 6 % it was mortgage or rent arrears, and for 5 % the loss of rented or tied housing. For 57 % of them, the main reason was the breakdown of a relationship, or the fact that family or friends were no longer able or willing to provide accommodation. This breakdown in personal relationships also emerged as the main cause of homelessness — or 'rooflessness' — from a survey carried out in England in 2007 of people living rough on the streets<sup>115</sup>.

Moreover, a recent survey in the UK on families' concerns about how the current recession would affect them revealed that their main worry was not repossession or eviction but rather losing their job. While, in practice, the one could lead to the other, most people did not think this likely<sup>116</sup>.

In Spain, according to a survey carried out in Madrid in the winter of 2008, the main reasons for people living rough on the street were unemployment (23 %) and family problems (21 %). Difficulties in paying rent or a mortgage were mentioned by only 7 % of the people surveyed, though this was twice as many as two years earlier<sup>117</sup>.

These surveys, therefore, show that although repossession or eviction may trigger homelessness, they do not seem to be the major reason why people are homeless in the sense of living on the streets. However, they are an important factor in people becoming homeless in the broader sense of living with friends or relatives or in temporary accommodation of various kinds. What happens to these people once they lose their home depends not only on the friends and relatives that they are able to call on for help but also the accommodation and wider support provided by public authorities and voluntary organisations. This support is not only crucial in preventing them ending up on the street but also in enabling them to get out of the situation they are in, in particular to find a job and to avoid becoming marginalised in society.

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<sup>112</sup> van Laere IR, de Wit MA, and Klazinga NS, *Pathways into Homelessness*, GGD Municipal Public Health Service, Amsterdam, 2009.

<sup>113</sup> See Jane Pillinger, *Homeless Pathways*, Focus Ireland, 2007 ([http://www.focusireland.ie/htm/research\\_policy/pdfs/HomPat07.pdf](http://www.focusireland.ie/htm/research_policy/pdfs/HomPat07.pdf)) and Megan Ravenhill, *The Culture of Homelessness*, Ashgate Publishing, 2008.

<sup>114</sup> Communities and Local Government: <http://www.communities.gov.uk/housing/>  
<sup>115</sup> *Reaching out – a consultation with street homeless people 10 years after the launch of the Rough Sleepers Unit*, Shelter, 2007  
[http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0019/66421/1385\\_Reaching\\_Out\\_report\\_FIN\\_Lo.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0019/66421/1385_Reaching_Out_report_FIN_Lo.pdf)

<sup>116</sup> *The economic downturn – the concerns and experiences of women and families*, Government Equalities office, March 2009 <http://www.equalities.gov.uk/pdf/GEO%20Summary-%20WEB.pdf>

<sup>117</sup> Red Nacional de Entidades que trabajan con personas sin Hogar, *Informe del segundo recuento nocturno de personas sin hogar en Madrid*, Winter 2008 [http://www.enredpsh.org/documentacion\\_docu.php3?id\\_articulo=1267](http://www.enredpsh.org/documentacion_docu.php3?id_articulo=1267)



## PART 2 - KEY AREAS OF SOCIAL POLICY: STATISTICAL PORTRAITS

**The content 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 structure of the statistical portraits:** Each statistical portrait is presented in the form of tables, charts and commentary. The portraits may be read as separate articles but there is some overlap between subjects. For example, gender issues are not confined to the “Earnings of women and men” portrait in the gender equality domain but are also covered elsewhere.

**Key indicators:** Each portrait is built around some selected indicators (the most important ones are listed on the next page) and comprises a short analytical description, the policy context and methodological notes, with some further reading suggestions at the end.

The portrait on the economic situation provides contextual information, as do the portraits on demography, and on households and families. They each have a *context* key indicator whereas the other portraits include 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 27 Member States, the three Candidate Countries and the four EFTA countries.

**The portraits cover some of the structural and overarching OMC indicators:** The structural indicators provide an instrument for the objective assessment of progress made towards the Lisbon objectives, and support the key messages of the annual progress report (more about the Lisbon Strategy can be found on the website: <http://ec.europa.eu/growthandjobs/>).

The OMC indicators are instruments for monitoring the overarching objectives within the Open Method of Coordination (OMC) on social protection and social inclusion (more information about this process can be found on the website: <http://ec.europa.eu/social/main.jsp?catId=753&langId=en>).

Whenever possible the most recent data for each geopolitical entity, i.e. a country or a group of countries (e.g. EU-27, EA-16), have been used. The tables with time series consist of the latest 10 available years. Symbols, country codes, country groupings, other abbreviations and acronyms are explained in Annex.

**Data used:** The portraits are based mainly on data that were available in early autumn 2008. Every effort has been made to use the most recent data available and to ensure that these are used consistently throughout this report. However, as the various sections were prepared by different authors and required different degrees of analysis, some inconsistencies in the datasets used in different sections may remain.

**Sources of additional data:** Additional or more recent data can be found on the Eurostat website <http://europa.eu.int/comm/eurostat/>, where you can also 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 the 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 on the website [http://publications.europa.eu/others/agents/index\\_en.htm](http://publications.europa.eu/others/agents/index_en.htm) or you can ask for a paper copy by sending a fax to +352 2929-42758.

Domain		Statistical Portrait	Selected key indicator(s) Structural indicators are in italics and OMC indicators are underlined (see the previous page)
<b>Demography, households and families</b>	1	Population	<ul style="list-style-type: none"> <li>• Total population</li> </ul>
	2	International migration	<ul style="list-style-type: none"> <li>• Population by main group of citizenship</li> </ul>
	3	Households and families	<ul style="list-style-type: none"> <li>• Average household size</li> </ul>
<b>Economy</b>	4	Economic situation	<ul style="list-style-type: none"> <li>• <i>Real GDP growth rate</i></li> </ul>
<b>Education and training</b>	5	Education and its outcomes	<ul style="list-style-type: none"> <li>• <i>Total public expenditure on education, Youth education attainment level and Early school leavers</i></li> </ul>
	6	Lifelong learning	<ul style="list-style-type: none"> <li>• <i>Lifelong learning</i></li> </ul>
<b>Labour market</b>	7	Employment	<ul style="list-style-type: none"> <li>• <i>Employment rate,</i></li> <li>• <i>Employment rate of older workers</i></li> <li>• <i>Dispersion of employment rates by Member-State at NUTS level 2</i></li> </ul>
	8	Unemployment	<ul style="list-style-type: none"> <li>• <i>Unemployment rate</i></li> <li>• <i>Long-term unemployment rate</i></li> <li>• <i>People aged 18-59 living in jobless households</i></li> </ul>
	9	Labour Market Policy expenditure	<ul style="list-style-type: none"> <li>• Public expenditure on LMP services (category 1), measures (categories 2-7) and support (categories 8-9) as a percentage of GDP</li> </ul>
<b>Social protection</b>	10	Social protection and social benefits	<ul style="list-style-type: none"> <li>• Expenditure on social protection as a percentage of GDP</li> <li>• <i>Projected total public social expenditures</i></li> </ul>
			<ul style="list-style-type: none"> <li>• Old age and survivors' benefits as a percentage of total social benefits</li> <li>• Sickness and healthcare benefits as a percentage of total social benefits</li> </ul>
<b>Income, social inclusion and living conditions</b>	11	Pensions	<ul style="list-style-type: none"> <li>• <i>Relative median income ratio and Aggregate replacement ratio</i></li> <li>• <i>Theoretical replacement rates</i></li> </ul>
	12	Income distribution	<ul style="list-style-type: none"> <li>• <i>Inequality of income distribution S80/S20 income quintile share ratio</i></li> </ul>
	13	Income poverty	<ul style="list-style-type: none"> <li>• <i>At-risk-of-poverty rate before social transfers</i></li> <li>• <i>At-risk-of-poverty rate after social transfers</i></li> <li>• <i>Relative median poverty risk gap</i></li> <li>• <i>At-risk-of-poverty rate anchored at a fixed moment in time</i></li> </ul>
	14	Material deprivation	<ul style="list-style-type: none"> <li>• <i>Material deprivation rate by gender</i></li> </ul>
<b>Gender equality</b>	15	Earnings of women and men	<ul style="list-style-type: none"> <li>• <i>Gender pay gap in unadjusted form</i></li> </ul>
<b>Health and safety</b>	16	Life and health expectancies	<ul style="list-style-type: none"> <li>• Life expectancy at birth</li> <li>• <i>Healthy Life Years at birth</i></li> </ul>
	17	Accidents and work-related health problems	<ul style="list-style-type: none"> <li>• <i>Serious accidents at work and Fatal accidents at work</i></li> </ul>

## 1. POPULATION

*On 1 January 2009 the population of the EU-27 stood at some 499.7 million. Although the EU-27 population continues to grow, population decline is already in evidence in several Member States.*

*Eurostat's 2008-based population projections (convergence scenario) show the population of the EU-27 rising gradually to 520.7 million in 2035 and thereafter gradually declining to 505.7 million in 2060. The working-age population is expected to decrease substantially by 2060 as baby boomer generations begin to reach the age of retirement from 2012 onwards.*

### 499.7 million inhabitants in the EU-27 on 1 January 2009

On 1 January 2009 the population of the EU-27 stood at some 499.7 million, compared with 497.7 million on 1 January 2008. The population thus grew by about 2.1 million in 2008, a growth rate of 4.3%, due to a natural increase of 0.6 million and net migration of 1.5 million.

#### Total population, 1 January 2009

(in thousand)

<b>EU-27</b>	<b>EA-16</b>	<b>BE</b>	<b>BG</b>	<b>CZ</b>	<b>DK</b>	<b>DE</b>	<b>EE</b>	<b>IE</b>	<b>EL</b>
499747 p	328653 p	10755 p	7607	10468	5511	82002 p	1340	4466 p	11257 p
<b>ES</b>	<b>FR</b>	<b>IT</b>	<b>CY</b>	<b>LV</b>	<b>LT</b>	<b>LU</b>	<b>HU</b>	<b>MT</b>	<b>NL</b>
45828	64351 p	60053 p	794 p	2261	3350	494	10031 p	414	16487 p
<b>AT</b>	<b>PL</b>	<b>PT</b>	<b>RO</b>	<b>SI</b>	<b>SK</b>	<b>FI</b>	<b>SE</b>	<b>UK</b>	
8355	38136	10627 p	21499	2032	5412	5326	9256	61635	
<b>HR</b>	<b>MK</b>	<b>TR</b>		<b>IS</b>	<b>LI</b>	<b>NO</b>	<b>CH</b>		
4435	2049 p	71517		319	36	4799	7700 p		

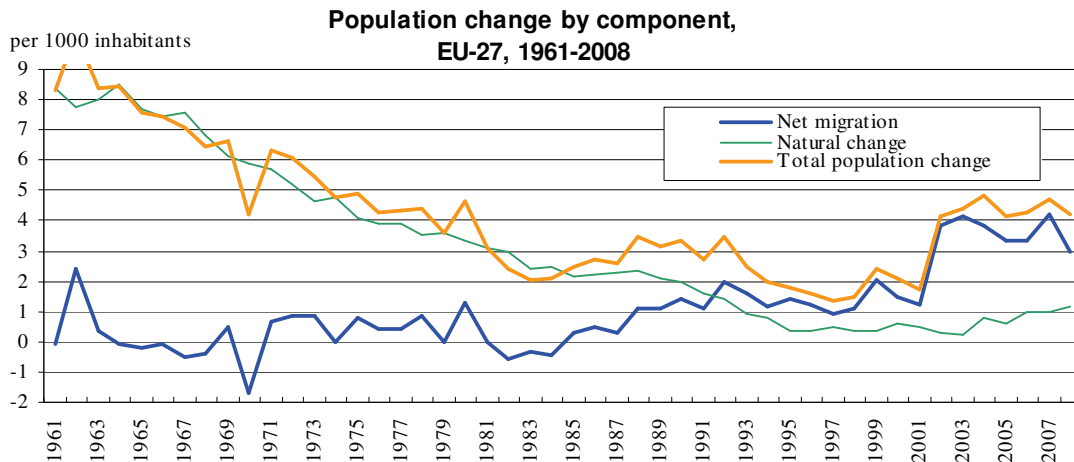
*Note: The number of inhabitants of the area on 1 January (or on 31 December of the previous year) in 1000 inhabitants  
p Provisional*

*Source: Eurostat - Demographic statistics*

Within the EU-27, the four largest Member States in terms of population size (Germany: 82.0 million on 1 January 2009, France: 64.4 million, United Kingdom: 61.6 million and Italy: 60.0 million) account for more than half of the total EU-27 population.

## Population change

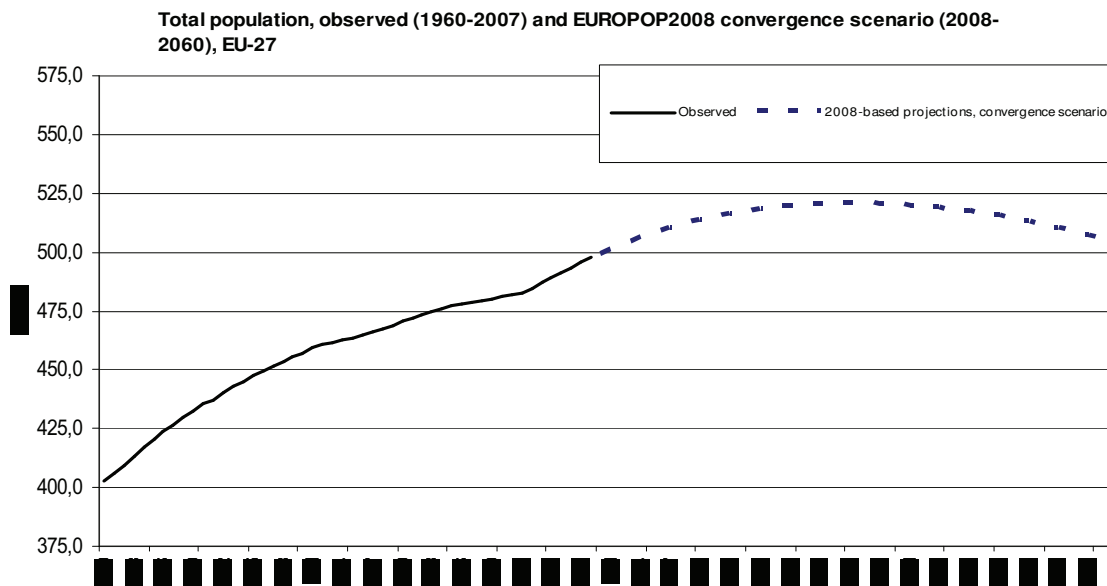
The EU-27 population continued to grow in 2008, a trend which has been unbroken since 1960. Twenty Member States reported an increase in their population in 2008. The population growth was mainly due to net migration, with the exception of Ireland, Cyprus, France and the Netherlands where positive natural change is still the main demographic driver of population growth.



Note: The graph presents the crude rates of population change, of natural change and of net migration. The net migration includes the statistical adjustment that corresponds to all changes in the population that cannot be classified as births, deaths, immigration or emigration.

Source: Eurostat - Demographic Statistics

At the EU-27 level, net migration is still the major determinant of population growth. The contribution of net migration to EU-27 population growth has become more significant than the natural change since 1992, measuring 73% of the total growth in 2008. However, the natural increase (measuring 27% of the population growth in 2008) has showed a recovering upward trend from 2006.



Note: In EU-27 aggregation in this figure data for France refer to metropolitan France

Source: Eurostat - Demographic statistics (for time series 1960-2007) and Eurostat - 2008-based population projections, convergence scenario (for 2010-2060)

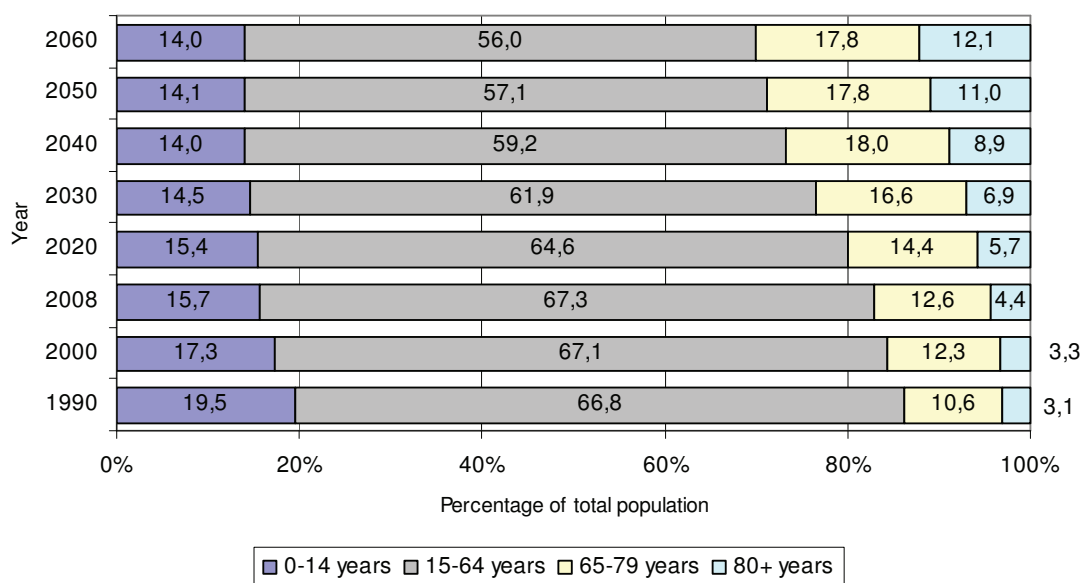


There has been a gradual slowing of population growth in the European Union over the last three decades. Over the period 2000-2008 the population increased on average by about 4 per 1000 inhabitants per year compared with an annual average of around 8 per 1000 inhabitants per year in the 1960s. According to Eurostat's 2008-based population projections (convergence scenario), the total population of the EU-27 is expected to increase by more than 25 million inhabitants over the next two and a half decades. This population growth is likely to be due mainly to migration flows. Afterwards, the population is expected to decline gradually because net migration will no longer outweigh the "natural decline" (i.e. more deaths than live births). The EU-27 population is projected to fall to around 505.7 million by 2060.

## Ageing of the population

Between 1960 and 2008, the proportion of older people (65 years and over) in the EU-27 population has rose from 10 % to 17 %. According to Eurostat's 2008-based population projections (convergence scenario) this trend will continue. The proportion of people aged 65 and more in the total population is expected to rise in the period to 2060. In the EU-27 it is expected to go up from 17 % in 2008 to 30 % in 2060, reflecting an increase in the number of older persons from 84.6 million in 2008 to 151.5 million in 2060. The largest percentages of elderly people in 2060 are expected in Poland (36.2 %), Slovakia (36.1 %), Romania (35.0 %), Lithuania (34.7 %), Latvia (34.4 %) and Bulgaria (34.2 %), and the lowest in Luxembourg (23.6 %), the United Kingdom (24.7 %) and Denmark (25.0 %).

**Population structure by major age groups, EU-27**

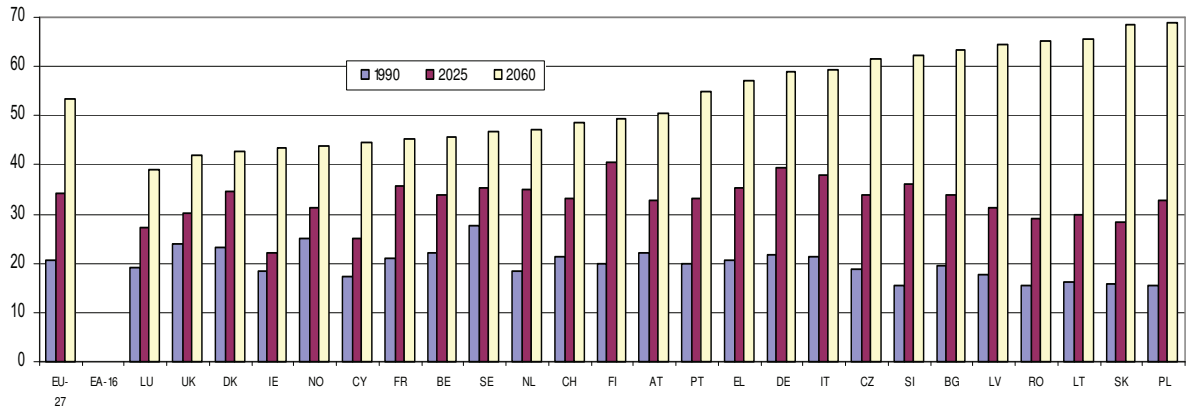


Source: Eurostat - Demographic statistics

In 1990, the EU-27 population aged 65 and over corresponded to 20.6 % of what is considered to be the working-age population (15-64 years). In 2008, this old age dependency ratio rose to 25.3 %. All Member States are expected to see an increase in this ratio, although the extent of the rise will vary considerably from one country to another. In the long run, the old age dependency ratio in the EU-27 is expected to rise to 53.5 % in 2060.

The total dependency ratio in the EU-27 (i.e. the percentage of people aged 0-14 years and 65 and over in the working-age population aged 15-64) is projected to increase from 48.7% in 2008 to 78.5 % in 2060. This means that, in 2008, for every four persons of working age, there were *two* persons of non-working age (i.e. young or elderly persons). The ratio is expected to increase to over *three* young or elderly persons for every four people of working age by 2060.

Old age dependency ratio; 1990, 2025 and 2060



## Fertility

The total fertility rate in the EU-27 was estimated at 1.55 children per woman in 2007. The fertility of the post-war generations has been steadily declining since the mid-1960s, but in recent years the total fertility rate at the EU-27 level has remained relatively stable at around 1.5 children per woman.

In 2007, total fertility was below the level of 1.3 children per woman in Slovakia. Values above 1.8 children per woman were registered in Denmark, Ireland, France, Finland, Sweden, and the United Kingdom.

All Member States now have total fertility rate levels below 2.1 children per woman, the level needed for the replacement of generations. However, 14 Member States registered an increased fertility rate in 2007 compared to 2000. The increase in the total fertility rate observed in some countries may be partly due to a catching-up process following postponement of the decision to have children. When women have babies later in life, the total fertility rate initially indicates a decrease in fertility, followed later by a recovery.

### Total fertility rate, 2007

(number of children per woman)

<b>EU-27</b>	<b>EA-16</b>	<b>BE</b>	<b>BG</b>	<b>CZ</b>	<b>DK</b>	<b>DE</b>	<b>EE</b>	<b>IE</b>	<b>EL</b>
1.55 e	:	:	1.42	1.44	1.84	1.37	1.63	2.01	1.41
<b>ES</b>	<b>FR</b>	<b>IT</b>	<b>CY</b>	<b>LV</b>	<b>LT</b>	<b>LU</b>	<b>HU</b>	<b>MT</b>	<b>NL</b>
1.40	1.98	1.37	1.39	1.41	1.35	1.61	1.32	1.37	1.72
<b>AT</b>	<b>PL</b>	<b>PT</b>	<b>RO</b>	<b>SI</b>	<b>SK</b>	<b>FI</b>	<b>SE</b>	<b>UK</b>	
1.38	1.31	1.33	1.30	1.38	1.25	1.83	1.88	1.90p	
<b>HR</b>	<b>MK</b>	<b>TR</b>		<b>IS</b>	<b>LI</b>	<b>NO</b>	<b>CH</b>		
1.40	1.46	:		2.09	1.42	1.90	1.46		

e Eurostat estimate, BE not included.

p Provisional

: Data not available

Source: Eurostat - Demographic statistics

The postponement of motherhood, another factor characterising fertility in the EU-27 nowadays, is shown by the mean age of women at childbearing. The highest values for the mean age at childbearing in 2007 were reported by the Netherlands and Ireland (both with 31.1 years), Sweden (30.9 years), Spain (30.8 years) and Greece (30.7 years).

#### Mean age of women at childbearing, by country, 2007

BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL
29.8	26.7	29.1	30.4	30.2	28.5	31.1	30.7	30.8	29.8	:	29.8	28.2	28.0	30.2	29.1	28.5	31.1

AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH
29.4	27.9	30.0	27.0	29.8	28.1	30.0	30.9	:	28.7	27.2	27.3	29.4	31.2	30.3	30.8

: Data not available  
Source: National estimates

## Life expectancy at birth

Life expectancy at birth 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. However, the difference in life expectancy at birth throughout EU is still significant. In 2007 the difference between the lowest and the highest life expectancy at birth registered within EU was 8.3 for females and 14.1 for males. Throughout the EU-27, women live longer than men. In 2006, the life expectancy of women was 82.0 years, while for men it was 75.8 years, showing a gender gap of 6.2 years.

### Life expectancy at birth, 2007

(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.)

	EU-27	EA-16	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT
Total	79.0	80.4	79.9	73.0	77.0	78.4	80.1	73.1	79.8	79.4	81.1	81.3	81.4	80.1	71.2	70.9	79.5	73.6	79.9
Females	82.0	83.3	82.6	76.7	80.2	80.6	82.7	78.8	82.1	81.8	84.3	84.8	84.2	82.2	76.5	77.2	82.2	77.8	82.2
Males	75.8	77.3	77.1	69.5	73.8	76.2	77.4	67.2	77.4	77.1	77.8	77.6	78.5	77.9	65.8	64.9	76.7	69.4	77.5

	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH
Total	80.4	80.4	75.4	79.1	73.2	78.4	74.6	79.6	81.1	79.7	75.8	73.8	:	81.5	81.4	80.6	82.0
Females	82.5	83.1	79.8	82.2	76.9	82.0	78.4	83.1	83.1	81.8	79.3	75.9	:	83.4	83.6	82.9	84.4
Males	78.1	77.4	71.0	75.9	69.7	74.7	70.6	76.0	79.0	77.6	72.3	71.8	:	79.6	79.1	78.3	79.5

Note: EU-27, EA-16, IT:2006  
: Data not available  
Source: Eurostat - Demographic statistics

## Policy context

The prospect of ageing populations has been under discussion for some time now. Today, as the first baby boomers turn 60, it is an imminent reality. Sixty years ago, the number of babies born rose sharply and remained high for about 20 to 30 years. Now the first of these large cohorts born are about to retire. This marks a turning point in the demographic development of the European Union and makes it all the more important to consider the policy responses that are required by this major change. Luckily there are numerous policy opportunities for tackling the challenges of ageing and for 'modernising' European societies, creating better living conditions for people of all ages. The Commission argued in its Communication, presented in October 2006, on The Demographic Future of Europe — From Challenge to Opportunity<sup>118</sup> that Europe can look to its demographic future with confidence. Population ageing is above all the result of economic, social and medical progress, as well as greater control over the timing of births and the numbers of children people want to have. Europe's response to the challenges of demographic change concern policies in five key areas:

- Better support for families;
- Promoting employment;
- Reforms to raise productivity and economic performance;
- Immigration and integration of migrants;
- Sustainable public finances.

The Communication made the point that there is still a window of opportunity of about 10 years during which further employment growth would remain possible. Couples have become less stable and choose to have children at a later age, often without being married. Women today have much better opportunities on the labour market and, thanks to their rapidly rising levels of educational attainment, are much better equipped to seize those opportunities. In this context, better gender and reconciliation policies have become crucial to securing good living conditions for families and children.

In just a few years our societies will start to age at a faster pace, once the baby-boom cohorts stop boosting the working-age population, as they did in previous decades, and start increasing the population over the pensionable age. In 15 to 20 years this may cause a dramatic rise in the demand for health and social care services. Mobilising the full potential of the older baby boomers has become more urgent than ever now that much larger cohorts are reaching their 60s. Although most people in this age group are still fit and capable of contributing to the economy and society only about 40 % of men and 30 % of women are still in employment at the age of 60. Thanks to the Lisbon Strategy employment rates of people aged 55-64 are rising, reversing the trend towards ever earlier retirement, but more needs to be done. Opinion surveys also indicate a willingness to engage in community work or volunteering after retirement. This represents a major opportunity for social progress, but figures on actual engagement fall far short of this declared willingness to volunteer. Clearly, more and better opportunities for employment and voluntary engagement of older people are needed.

## Methodological notes

Sources: Eurostat - Demographic Statistics and Eurostat - 2008-based population projections, convergence scenario.

Population projections are what-if scenarios that aim to provide information about the likely future size and structure of the population. Eurostat's population projections convergence scenario is one of several population change scenarios based on assumptions for fertility, mortality and migration. In particular, the assumptions have been developed in a conceptual framework of convergence of demographic values as a result of decreasing socio-economic and cultural differences between the Member States of the European Union, Norway and Switzerland. The current scenario is primarily used in the context of the European Commission's analysis of the impact of ageing populations on public spending.

## Further reading

- Demographic outlook - National reports on the demographic developments in 2007, Eurostat 2008: [http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-RA-08-013/EN/KS-RA-08-013-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-08-013/EN/KS-RA-08-013-EN.PDF)
- Statistics in Focus (Theme 3 - Population and social conditions), Eurostat: "Ageing characterises the demographic perspectives of the European societies", No 72/2008: [http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-SF-08-072/EN/KS-SF-08-072-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-08-072/EN/KS-SF-08-072-EN.PDF)
- The demographic future of Europe – from challenge to opportunity – Commission Communication (COM (2006) 571), [http://ec.europa.eu/employment\\_social/news/2006/oct/demography\\_en.pdf](http://ec.europa.eu/employment_social/news/2006/oct/demography_en.pdf)
- Promoting solidarity between the generations (COM (2007) 244), European Commission, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2007:0244:FIN:EN:PDF>
- Demography report 2007: Europe's demographic future: facts and figures, European Commission, <http://ec.europa.eu/social/main.jsp?langId=en&catId=502&newsId=420&furtherNews=yes>
- Demography report 2008: Meeting Social Needs in an Ageing Society, European Commission, <http://ec.europa.eu/social/main.jsp?langId=en&catId=502&newsId=419&furtherNews=yes>

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

	1960	1970	1980	1990	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
EU27	402607	435474	457053	470388	482768	483797	484638	486650	488797	491159	493206	495321	497660	499747 p
EA16	257075	278688	292539	300882	312725	314046	315613	317555	319577	321685	323481	325212	327122	328653 p
BE	9129	9660	9855	9948	10239	10263	10310	10356	10396	10446	10511	10585	10667	10755 p
BG	7829	8464	8846	8767	8191	8149	7891	7846	7801	7761	7719	7679	7640	7607
CZ	9638	9906	10316	10362	10278	10267	10206	10203	10211	10221	10251	10287	10381	10468
DK	4565	4907	5122	5135	5330	5349	5368	5384	5398	5411	5427	5447	5472	5511
DE	72543	78269	78180	79113	82163	82260	82440	82537	82532	82501	82438	82315	82218	82002 p
EE	1209	1356	1472	1571	1372	1367	1361	1356	1351	1348	1345	1342	1341	1340
IE	2836	2943	3093	3507	3778	3833	3900	3964	4028	4109	4209	4313	4401	4466 p
GR	8300	8781	9584	10121	10904	10931	10969	11006	11041	11083	11125	11172	11214	11257 p
ES	30327	33588	37242	38826	40050	40477	40964	41664	42345	43038	43758	44475	45283	45828
FR	45465	50528	53731	56577	60545	60979	61424	61864	62292	62773	63229	63623	63983	64351 p
IT	50026	53685	56388	56694	56924	56961	56994	57321	57888	58462	58752	59131	59619	60053 p
CY	572	612	573	690	698	698	706	715	730	749	766	779	789	794 p
LV	2104	2352	2509	2668	2364	2364	2346	2331	2319	2306	2295	2281	2271	2261
LT	2756	3119	3404	3694	3512	3487	3476	3463	3446	3425	3403	3385	3366	3350
LU	313	339	363	379	434	439	444	448	455	461	469	476	484	494
HU	9961	10322	10709	10375	10222	10200	10175	10142	10117	10098	10077	10066	10045	10031 p
MT	327	303	315	352	380	391	395	397	400	403	405	408	410	414
NL	11417	12958	14091	14893	15864	15987	16105	16193	16258	16306	16334	16358	16405	16487
AT	7030	7455	7546	7645	8002	8021	8065	8102	8140	8207	8266	8299	8319	8355 p
PL	29480	32671	35413	38038	38654	38254	38242	38219	38191	38174	38157	38125	38116	38136
PT	8826	8698	9714	9996	10195	10257	10329	10407	10475	10529	10570	10599	10618	10627 p
RO	18319	20140	22133	23211	22455	22430	21833	21773	21711	21659	21610	21565	21529	21499
SI	1581	1718	1893	1996	1988	1990	1994	1995	1996	1998	2003	2010	2010	2032
SK	3970	4537	4963	5288	5399	5379	5379	5379	5380	5385	5389	5394	5401	5412
FI	4413	4614	4771	4974	5171	5181	5195	5206	5220	5237	5256	5277	5300	5326
SE	7471	8004	8303	8527	8861	8883	8909	8941	8976	9011	9048	9113	9183	9256
UK	52200	55546	56285	57157	58785	59000	59218	59438	59700	60060	60393	60817	61194	61635 p
HR	4127	4403	4598	4773	4498	4439	4445	4443	4442	4444	4443	4441	4436	4435
MK	1384	1617	1878	1873	2022	2031	2039	2024	2030	2035	2039	2042	2045	2049 p
TR	27120	34881	44021	55495	66889	67896	68838	69770	70692	71610	72520	69689	70586	71517
IS	174	204	227	254	279	283	287	288	291	294	300	308	315	319
LI	16	21	26	28	32	33	34	34	34	35	35	35	35	36
NO	3568	3863	4079	4233	4478	4503	4524	4552	4577	4606	4640	4681	4737	4799
CH	5296	6169	6304	6674	7164	7204	7256	7314	7364	7415	7459	7509	7593	7700 p

Note: Data for France refer to metropolitan France until 1997 and to France including overseas departments starting from 1998.

p Provisional value, b Break in series, : Data not available. Source: Eurostat - Demographic statistics

**Total population, 1 January (The number of inhabitants of the area on 1 January (or on 31 December of the previous year) in 1000 inhabitants), Eurostat 2008-based population projections, convergence scenario**

	2010	2015	2020	2025	2030	2035	2040	2045	2050	2055	2060
EU-27	499389	507727	513838	517811	519942	520654	520103	518362	515303	510396	505719
EA-16	328262	334943	339541	342517	344409	345435	345475	344425	342209	338957	335109
BE	10784	11070	11322	11547	11745	11906	12033	12125	12194	12247	12295
BG	7564	7382	7188	6974	6753	6535	6330	6129	5923	5710	5485
CZ	10394	10497	10543	10516	10420	10288	10158	10036	9892	9722	9514
DK	5512	5591	5661	5736	5808	5858	5882	5890	5895	5903	5920
DE	82145	81858	81472	80907	80152	79150	77821	76249	74491	72621	70759
EE	1333	1323	1311	1292	1267	1243	1221	1202	1181	1159	1132
IE	4614	5052	5404	5673	5881	6057	6221	6381	6531	6654	6752
EL	11307	11476	11556	11575	11573	11575	11567	11531	11445	11301	11118
ES	46873	49381	51109	52101	52661	53027	53290	53409	53229	52701	51913
FR	62583	64203	65607	66846	67982	69021	69898	70553	71044	71442	71800
IT	60017	60929	61421	61683	61868	61995	62002	61777	61240	60413	59390
CY	821	888	955	1017	1072	1121	1167	1211	1251	1288	1320
LV	2247	2200	2151	2095	2033	1970	1913	1858	1804	1746	1682
LT	3337	3275	3220	3158	3083	2998	2912	2825	2737	2645	2548
LU	494	523	551	579	607	633	657	678	697	715	732
HU	10023	9964	9893	9790	9651	9501	9352	9213	9061	8898	8717
MT	414	421	427	431	432	429	424	419	415	410	405
NL	16503	16717	16896	17069	17208	17271	17226	17085	16909	16740	16596
AT	8405	8570	8723	8866	8988	9075	9122	9138	9127	9088	9037
PL	38092	38068	37960	37612	36975	36141	35219	34257	33275	32244	31139
PT	10723	10947	11108	11224	11317	11395	11452	11475	11449	11373	11265
RO	21334	21103	20834	20484	20049	19619	19161	18679	18149	17584	16921
SI	2034	2053	2058	2047	2023	1992	1958	1921	1878	1830	1779
SK	5407	5427	5432	5402	5332	5231	5115	4993	4859	4712	4547
FI	5337	5429	5501	5549	5569	5557	5521	5481	5448	5422	5402
SE	9306	9588	9853	10094	10270	10382	10470	10565	10672	10780	10875
UK	61984	63792	65683	67543	69224	70685	72009	73282	74506	75647	76677
HR	:	:	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:	:
IS	:	:	:	:	:	:	:	:	:	:	:
LI	:	:	:	:	:	:	:	:	:	:	:
NO	4816	5000	5178	5351	5506	5634	5735	5820	5898	5970	6037
CH	7695	7947	8192	8424	8631	8798	8924	9021	9096	9152	9193

Note: Data for France refer to metropolitan France. Sources: Eurostat - 2008-based population projections, convergence scenario

Crude rate of total population change (per 1000 inhabitants)

	1960	1970	1980	1990	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU-27	8.0	4.2	4.7	3.4	2.1	1.7	4.1	4.4	4.8	4.2	4.3	4.7	4.2
EA-16					4.2	5.0	6.1	6.3	6.6	5.6	5.3	5.9	4.7
BE	5.4	-1.0	0.8	3.9	2.4	4.5	4.5	3.9	4.7	6.3	6.9	7.7	8.2 p
BG	9.7	6.0	3.4	-11.2	-5.1	-32.2	-5.8	-5.7	-5.2	-5.5	-5.1	-5.1	-4.4
CZ	-7.5	-9.8	-2.2	-5.6	-1.1	-5.9	-0.3	0.8	0.9	3.0	3.5	9.1	8.3
DK	6.2	8.9	0.4	2.2	3.6	3.6	2.8	2.6	2.5	3.0	3.6	4.6	7.2
DE	7.5	-2.6	2.8	8.1	1.2	2.2	1.2	-0.1	-0.4	-0.8	-1.5	-1.2	-2.6 p
EE	10.8	9.1	6.8	-1.8	-3.7	-4.2	-3.8	-3.7	-2.6	-2.1	-1.7	-1.1	-0.4
IE	-4.9	9.4	11.7	4.0	14.5	17.3	16.2	16.0	20.0	24.0	24.3	20.4	14.5 p
GR	7.5	2.8	12.1	7.1	2.5	3.4	3.4	3.1	3.8	3.8	4.2	3.8	3.9 p
ES	8.4	13.4	10.5	1.2	10.6	12.0	16.9	16.2	16.2	16.6	16.2	18.0	12.0 p
FR	9.6	9.6	5.5	4.6	7.1	7.3	7.1	6.9	7.7	7.2	6.2	5.6	5.7 p
IT	6.9	5.1	1.6	0.9	0.7	0.6	5.7	9.8	9.9	4.9	6.4	8.2	7.3 p
CY	2.7	8.0	9.8	25.0	10.2	11.4 b	13.5	21.1	25.4	22.7	15.9	13.5	5.9 p
LV	15.9	6.2	2.3	-3.7	-7.4	-7.8	-6.1	-5.3	-5.5	-5.1	-5.8	-4.6	-4.2
LT	16.5	13.2	5.3	2.2	-7.2	-3.3	-3.8	-4.8	-6.0	-6.5	-5.4	-5.5	-4.9
LU	5.9	4.0	3.8	13.4	12.4	11.4	9.5	14.7	13.7	16.9	15.0	15.9	19.9
HU	4.6	3.1	0.3	-0.2	-2.1	-2.5	-3.2	-2.5	-1.9	-2.1	-1.0	-2.1	-1.4 p
MT	-4.0	1.0	8.7	9.8	6.1	8.2	6.7	6.5	7.0	5.8	6.9	6.1	8.1
NL	12.1	12.4	8.3	7.9	7.7	7.4	5.4	4.0	2.9	1.8	1.5	2.9	4.9 p
AT	-4.9	3.2	1.0	8.6	2.3	5.5	4.6	4.7	8.1	7.2	4.0	2.4	4.4
PL	10.6	-0.4	9.0	3.8	-10.4	-0.3	-0.6	-0.7	-0.4	-0.4	-0.8	-0.3	0.5
PT	7.2	-4.0	10.8	-2.6	6.0	7.1	7.5	6.4	5.2	3.8	2.8	1.7	0.9 p
RO	9.5	10.9	9.9	-0.8	-1.1	-27.0	-2.8	-2.8	-2.4	-2.2	-2.1	-1.7	-1.4
SI	5.3	8.0	8.7	1.8	1.2	2.0	0.5	0.7	0.6	2.9	3.5	7.7	10.9 b
SK	48.4	0.7	6.6	4.3	-3.7	0.0	0.0	0.2	0.9	0.8	0.8	1.4	2.1
FI	7.5	-3.5	3.4	4.8	1.9	2.7	2.2	2.6	3.2	3.6	4.1	4.4	4.9
SE	3.6	9.6	1.8	7.4	2.4	3.0	3.5	3.9	4.0	4.0	7.2	7.6	8.0
UK	7.6	4.2	1.0	3.2	3.6	3.7	3.7	4.4	6.0	5.5	7.0	6.2	7.2 p
HR	6.2	4.0	0.7	2.0	-13.2	1.3	-0.4	-0.2	0.5	-0.2	-0.4	-1.1	-0.3
MK	10.7	15.1	14.0	9.4	4.7	3.7	-7.4	3.1	2.6	1.6	1.7	1.6	1.7 p
TR	23.1	23.4	22.5	21.7	14.9	13.8	13.4	13.1	12.9	12.6	12.4	12.8 b	13.1
IS	19.6	3.9	10.4	8.2	15.3	11.3	6.6	7.2	10.3	21.3	25.6	25.0	12.3
LI	21.5	19.9	-23.2	20.2	13.4	19.9	10.0	12.6	8.9	8.8	7.5	5.3	6.6
NO	7.6	6.5	3.3	3.9	5.6	4.6	6.2	5.5	6.3	7.3	8.8	11.9	13.0
CH	12.1	3.9	5.0	12.4	5.5	7.1	8.0	6.9	6.9	5.9	6.6	11.2	14.0 p

Note: Data for France refer to metropolitan France until 1997 and to France including overseas departments starting from 1998.  
p Provisional value, b Break in series, : Data not available. Source: Eurostat - Demographic statistics

Crude rate of natural change (per 1000 inhabitants)

	1960	1970	1980	1990	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU-27	5.9	3.4	2.0	0.6	0.5	0.3	0.2	0.8	0.6	1.0	1.0	1.0	1.2
EA-16				1.1	1.0	0.9	0.6	1.3	0.9	1.3	1.3	1.2	1.3
BE	4.3	2.4	1.1	2.0	1.0	1.0	0.5	0.5	1.3	1.4	1.9	1.9	2.2 p
BG	9.7	7.3	3.4	-0.4	-5.1	-5.5	-5.9	-5.7	-5.2	-5.5	-5.1	-4.9	-4.3
CZ	3.6	2.5	1.8	0.1	-1.8	-1.7	-1.5	-1.7	-0.9	-0.6	0.1	1.0	1.4
DK	7.1	4.6	0.3	0.5	1.7	1.3	1.0	1.3	1.6	1.7	1.7	1.6	1.9
DE	5.3	0.9	-1.1	-0.2	-0.9	-1.1	-1.5	-1.8	-1.4	-1.8	-1.8	-1.7	-2.0 p
EE	6.1	4.7	2.7	1.8	-3.9	-4.3	-3.9	-3.8	-2.7	-2.2	-1.8	-1.2	-0.5
IE	9.9	10.4	11.9	6.2	6.1	7.1	7.9	8.2	8.3	8.1	8.6	9.8	10.4 p
GR	11.6	8.1	6.3	0.8	-0.2	0.0	0.0	-0.1	0.1	0.2	0.6	0.2	0.8 p
ES	13.1	11.3	7.5	1.8	0.9	1.1	1.2	1.4	1.9	1.8	2.5	2.4	2.9 p
FR	6.5	6.0	4.7	4.2	4.4	4.3	4.0	3.7	4.5	4.3	4.8	4.5	4.5 p
IT	8.8	7.4	1.5	0.5	-0.2	-0.3	-0.3	-0.8	0.3	-0.6	0.0	-0.2	-0.1 p
CY	9.4	11.1	10.0	4.5	4.8	3.8	4.0	4.2	3.7	4.7	4.1	5.2 p	
LV	6.7	3.3	1.4	1.2	-5.0	-5.7	-5.3	-4.9	-5.1	-4.9	-4.7	-4.3	-3.1
LT	14.7	8.7	4.7	4.6	-1.4	-2.5	-3.2	-3.0	-3.2	-3.9	-4.0	-3.9	-2.6
LU	4.2	0.8	0.2	3.0	4.5	3.9	3.6	2.8	4.1	3.8	3.7	3.4	4.1
HU	4.5	3.1	0.3	-1.9	-3.7	-3.4	-3.5	-4.1	-3.7	-3.8	-3.2	-3.5	-3.1 p
MT	17.6	7.4	7.5	7.4	3.8	2.7	2.3	2.3	2.2	1.8	1.6	1.9	2.1
NL	13.2	9.9	4.7	4.6	4.2	3.9	3.7	3.6	3.5	3.2	3.0	2.9	3.0 p
AT	5.2	1.8	-0.2	1.0	0.2	0.1	0.3	0.0	0.6	0.4	0.4	0.2	0.3
PL	15.0	8.6	9.7	4.1	0.3	0.1	-0.1	-0.4	-0.2	-0.1	0.1	0.3	0.9
PT	13.4	10.1	6.5	1.4	1.4	0.7	0.8	0.4	0.7	0.2	0.3	-0.1	0.0 p
RO	10.4	11.5	7.5	2.9	-0.9	-1.8	-2.7	-2.5	-2.0	-1.9	-1.8	-1.7	-1.5
SI	8.0	5.8	5.8	1.9	-0.2	-0.5	-0.6	-1.1	-0.3	-0.3	0.4	0.6	1.3 b
SK	14.0	8.5	8.9	4.8	0.5	-0.2	-0.1	-0.1	0.4	0.2	0.1	0.1	0.8
FI	9.6	4.4	3.9	3.1	1.4	1.5	1.2	1.5	1.9	1.9	2.0	1.8	2.0
SE	3.6	3.7	0.6	3.4	-0.3	-0.3	0.1	0.7	1.2	1.1	1.6	1.7	1.9
UK	6.0	4.5	1.6	2.7	1.2	1.1	1.1	1.4	2.2	2.3	2.9	3.2	3.5 p
HR	8.4	3.8	3.9	0.7	-1.5	-1.9	-2.4	-2.9	-2.1	-2.1	-2.0	-2.4	-1.9
MK	21.6	15.6	13.9	11.0	5.9	5.0	4.8	4.4	2.7	2.0	1.9	1.5	1.9 p
TR				14.1	13.7	13.5	13.2	12.9	12.6	12.6	12.8	12.8	11.5
IS	21.4	12.5	13.1	12.0	8.8	8.3	7.7	8.0	8.3	8.2	8.3	8.4	9.0
LI	15.6	12.3	8.5	6.4	5.5	5.5	5.3	3.8	5.1	4.8	4.0	3.5	4.1
NO	8.2	6.7	2.4	3.5	3.4	2.8	2.4	3.1	3.4	3.4	3.7	3.5	3.9
CH	7.9	6.8	2.3	3.0	2.2	1.5	1.5	1.2	1.7	1.6	1.7	1.8	2.0 p

Note: Data for France refer to metropolitan France until 1997 and to France including overseas departments starting from 1998.

p Provisional value, b Break in series, : Data not available. Source: Eurostat - Demographic statistics



Crude rate of net migration<sup>1</sup> (per 1000 inhabitants)

	1960	1970	1980	1990	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU-27	-1,7	1,3	1,4	1,5	1,2	3,8	4,2	5,7	5,0	4,4	4,1	5,5	3,4
EA-16				3,1	3,9	5,2							
BE	1,0	-3,4	-0,2	2,0	1,4	3,5	3,9	3,4	3,4	4,8	5,1	5,9	6,0 p
BG	0,0	-1,3	0,0	-10,9	0,0	-26,7	0,1	0,0	0,0	0,0	0,0	0,0	-0,1
CZ	-11,1	-12,3	-4,0	-5,7	0,6	-4,2	1,2	2,5	1,8	3,5	3,4	8,1	6,9
DK	-0,9	4,3	0,1	1,7	1,9	2,2	1,8	1,3	0,9	1,2	1,9	3,0	5,3
DE	2,2	-3,5	3,9	8,3	2,0	3,3	2,7	1,7	1,0	1,0	0,3	0,5	-0,7 p
EE	4,6	4,5	4,1	-3,6	0,2	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1
IE	-14,8	-0,9	-0,2	-2,2	8,4	10,2	8,3	7,8	11,7	15,9	15,7	10,6	4,0 p
GR	-4,1	-5,3	5,8	6,3	2,7	3,5	3,5	3,2	3,7	3,6	3,6	3,6	3,1 p
ES	-4,7	2,2	3,0	-0,5	9,7	10,8	15,7	14,9	14,3	14,8	13,7	15,6	9,1 p
FR	3,1	3,6	0,8	0,5	2,7	3,0	3,1	3,2	3,2	3,0	1,4	1,1	1,2 p
IT	-1,9	-2,3	0,1	0,4	0,9	0,9	6,0	10,6	9,6	5,5	6,4	8,4	7,3 p
CY	-1,5	-1,3	15,0	5,7	6,6	9,7	17,1	21,3	19,0	11,2	9,4	0,8 p	
LV	9,2	2,9	1,0	-4,9	-2,3	-2,2	-0,8	-0,4	-0,5	-0,2	-1,1	-0,3	-1,1
LT	1,8	4,5	0,6	-2,4	-5,8	-0,7	-0,6	-1,8	-2,8	-2,6	-1,4	-1,6	-2,3
LU	1,7	3,2	3,7	10,3	7,9	7,5	5,9	12,0	9,6	13,1	11,3	12,5	15,8
HU	0,1	0,0	0,0	1,8	1,6	1,0	0,3	1,5	1,8	1,7	2,1	1,4	1,7 p
MT	-21,6	-6,4	1,2	2,4	2,3	5,5 b	4,4	4,2	4,8	4,0	5,3	4,2	6,0
NL	-1,1	2,5	3,6	3,3	3,6	3,5	1,7	0,4	-0,6	-1,4	-1,6	-0,1	1,9 p
AT	-0,3	1,4	1,2	7,6	2,2	5,4	4,3	4,7	7,6	6,8	3,5	2,2	4,1
PL	-4,4	-9,0	-0,7	-0,3	-10,7	-0,4	-0,5	-0,4	-0,2	-0,3	-0,9	-0,5	-0,4
PT	-6,3	-14,0	4,3	-3,9	4,6	6,3	6,8	6,1	4,5	3,6	2,5	1,8	0,9 p
RO	-0,9	-0,6	2,4	-3,7	-0,2	-25,2	-0,1	-0,3	-0,5	-0,3	-0,3	0,0	0,1
SI	-2,7	2,2	2,9	-0,1	1,4	2,5	1,1	1,8	0,9	3,2	3,1	7,1	9,6 b
SK	34,4	-7,7	-2,3	-0,4	-4,1	0,2	0,2	0,3	0,5	0,6	0,7	1,3	1,3
FI	-2,1	-7,9	-0,5	1,7	0,5	1,2	1,0	1,1	1,3	1,7	2,0	2,6	2,9
SE	-0,1	5,8	1,2	4,1	2,7	3,2	3,5	3,2	2,8	3,0	5,6	5,9	6,0
UK	1,6	-0,3	-0,6	0,4	2,4	2,6	2,7	3,0	3,8	3,2	4,1	2,9	3,7 p
HR	-2,2	0,2	-3,2	1,3	-11,7	3,2	1,9	2,7	2,6	1,9	1,6	1,3	1,6
MK	-10,8	-0,5	0,1	-1,6	-1,2	-1,3	-12,2	-1,4	-0,1	-0,4	-0,3	0,1	-0,3 p
TR				0,9	0,0 <sup>2</sup>	0,0 <sup>2</sup>	0,0 <sup>2</sup>	0,0 <sup>2</sup>	0,0 <sup>2</sup>	0,0 <sup>2</sup>	0,0 <sup>2</sup>	0,0 <sup>2</sup>	1,6
IS	-1,8	-8,7	-2,7	-3,9	6,5	3,0	-1,2	-0,7	2,0	13,0	17,3	16,6	3,3
LI	5,9	7,6	-31,8	13,8	7,8	14,5	4,7	8,8	3,8	4,0	3,5	1,8	2,5
NO	-0,7	-0,2	0,9	0,4	2,2	1,8	3,8	2,5	2,9	4,0	5,1	8,4	9,1
CH	4,2	-2,9	2,7	9,4	3,3	5,6	6,5	5,7	5,1	4,3	4,9	9,4	12,0 p

Note: Data for France refer to metropolitan France until 1997 and to France including overseas departments starting from 1998.

1) Including the statistical adjustment that corresponds to all changes in the population that cannot be classified as births, deaths, immigration or emigration.

2) The net migration in Turkey is assumed to be zero due to lack of information.

p Provisional value, b Break in series, : Data not available. Source: Eurostat - Demographic statistics

Total fertility rate (in number of children per woman)

	1960	1970	1980	1990	2000	2001	2002	2003	2004	2005	2006	2007
EU27							1.45 e	1.47 e	1.49 e	1.50 e	1.53 e	1.55 e
EA16												
BE	2.54	2.25	1.68	1.62								
BG	2.31	2.17	2.05	1.82	1.26	1.21	1.21	1.23	1.29	1.32	1.38	1.42
CZ	2.11	1.90	2.10	1.90	1.14	1.14	1.17	1.18	1.23	1.28	1.33	1.44
DK	2.57	1.95	1.55	1.67	1.78	1.76	1.72	1.76	1.78	1.80	1.85	1.84
DE					1.38	1.35	1.34	1.34	1.36	1.34	1.33	1.37
EE				2.05	1.38	1.34	1.37	1.37	1.47	1.50	1.55	1.63
IE				2.11	1.89	1.94	1.97	1.96	1.94	1.86	1.89	2.01
GR		2.40	2.23	1.40	1.26	1.25	1.27	1.28	1.30	1.33	1.40	1.41
ES			2.20	1.36	1.23	1.24	1.26	1.31	1.33	1.35	1.38	1.40
FR	2.73	2.47	1.95	1.78	1.89	1.89	1.88	1.89	1.92	1.94	2.00	1.98
IT	2.37	2.38	1.64	1.33	1.26	1.25	1.27	1.29	1.33	1.32	1.35	1.37
CY					1.64	1.57	1.49	1.50	1.49	1.42	1.45	1.39
LV								1.29	1.24	1.31	1.35	1.41
LT		2.40	1.99	2.03	1.39	1.30	1.24	1.26	1.26	1.27	1.31	1.35
LU		1.76	1.38	1.60	1.76	1.66	1.63	1.62	1.66	1.63	1.65	1.61
HU	2.02	1.98	1.91	1.87	1.32	1.31	1.30	1.27	1.28	1.31	1.34	1.32
MT					1.70	1.48	1.45	1.48	1.40	1.38	1.39	1.37
NL	3.12	2.57	1.60	1.62	1.72	1.71	1.73	1.75	1.72	1.71	1.72	1.72
AT	2.69	2.29	1.65	1.46	1.36	1.33	1.39	1.38	1.42	1.40	1.40	1.38
PL				2.06	1.35	1.31	1.25	1.22	1.23	1.24	1.27	1.31
PT	3.16	3.01	2.25	1.56	1.55	1.45	1.47	1.44	1.40	1.40	1.36	1.33
RO			2.43	1.83	1.31	1.27	1.25	1.27	1.29	1.32	1.32	1.30
SI				1.46	1.26	1.21	1.21	1.20	1.25	1.26	1.31	1.38
SK	3.03	2.41	2.31	2.09	1.30	1.20	1.19	1.20	1.24	1.25	1.24	1.25
FI	2.72	1.83	1.63	1.78	1.73	1.73	1.72	1.77	1.80	1.80	1.84	1.83
SE		1.92	1.68	2.13	1.54	1.57	1.65	1.71	1.75	1.77	1.85	1.88
UK			1.90	1.83	1.64	1.63	1.64	1.71	1.76	1.78	1.84	1.90 p
HR							1.34	1.32	1.34	1.41	1.38	1.40
MK					1.88	1.73	1.80	1.77	1.52	1.46	1.46	1.46
TR												
IS		2.81	2.48	2.30	2.08	1.95	1.93	1.99	2.04	2.05	2.08	2.09
LI					1.57	1.52	1.47	1.36	1.44	1.49	1.43	1.42
NO		2.50	1.72	1.93	1.85	1.78	1.75	1.80	1.83	1.84	1.90	1.90
CH	2.44	2.10	1.55	1.58	1.50	1.38	1.39	1.39	1.42	1.42	1.44	1.46

Note: Data for France refer to metropolitan France until 1997 and to France including overseas departments starting from 1998.  
e Eurostat estimate, BE not included. p Provisional. : Data not available. Source: Eurostat - Demographic statistics

### 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))

	1960		1970		1980		1990		2000		2001		2002		2003		2004		2005		2006		2007		
	T	F	M	F	M	T	F	M	T	F	M	T	F	M	T	F	M	T	F	M	T	F	M	T	
EU27	69.7	72.8	66.8	71.0	74.2	67.9	73.3	76.7	69.9	76.2	79.5	72.7													
EA16	69.3	71.1	67.5	71.2	73.5	69.1	71.1	73.9	68.4	71.2	74.7	68.0													
BE	70.7	73.5	67.8	69.6	73.1	66.1	70.4	74.0	66.9	71.5	75.5	67.6													
BG																									
CZ																									
DK	69.2	71.7	66.5	70.7	73.6	67.5	73.1	76.2	69.6	75.4	78.5	72.0													
DE																									
EE																									
IE																									
EL																									
ES																									
FR																									
IT																									
CY																									
LV																									
LT																									
LU																									
HU	68.1	70.2	65.9	69.2	72.1	66.3	69.1	72.8	65.5	69.4	73.8	65.2													
MT																									
NL																									
AT																									
PL																									
PT	64.0	66.7	61.1	66.7	69.7	63.6	71.5	74.9	67.9	74.1	77.5	70.6													
RO																									
SI																									
SK	70.3	72.7	67.9	69.8	73.1	66.8	70.4	74.4	66.7	71.1	75.7	66.7													
FI																									
SE																									
UK																									
HR																									
MK																									
TR																									
IS																									
LI																									
NO	73.8	76.0	71.6	74.3	77.5	71.2	75.8	79.3	72.4	76.6	79.9	73.4													
CH	71.4	74.1	68.7	73.2	76.2	70.0	75.7	79.0	72.3	77.5	80.9	74.0													

Note: Data for France refer to metropolitan France until 1997 and to France including overseas departments starting from 1998.

: Data not available

Source: Eurostat - Demographic statistics

## 2. INTERNATIONAL MIGRATION

**Migration is the main driver of population change in the EU. In 2008, the annual net migration rate was 3.0 per 1 000 population in the 27 Member States, representing around 73 % of total population growth.**

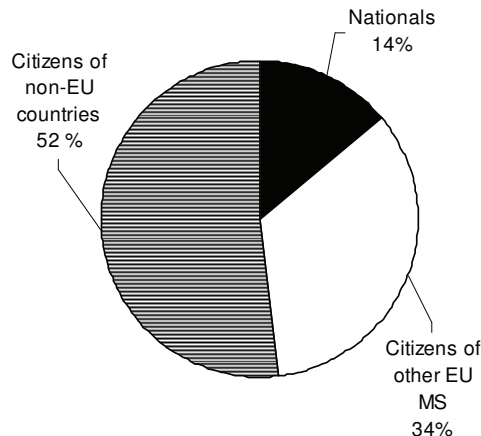
### Important role of international migration in population growth

In most of the EU Member States international migration plays an important role in population growth. Between 2003 and 2007 net migration ranged between 1.64 and 2.04 million. It accounted on average for 84 % of the total population growth in the EU during this period (see the figure in the section on Population Demography).

According to estimates based on currently available data the number of immigrations arrivals increased to more than 4 million in 2007. It is more difficult to estimate the number of people emigrating from EU Member States because of the unavailability of emigration data for a number of countries, including some countries with the biggest populations. Nevertheless, according to available information (existing data and feasible estimates) the number of people emigrating is considerably smaller than the number immigrating - between 2.0 million and 2.5 million emigrations in 2007.

The proportion of foreign citizens living in EU countries is steadily increasing. In 2006 86% of all immigrants were not citizens of the country to which they migrated, while the other 14% were nationals returning to their home country. More than one third of all immigrants were EU citizens migrating to another Member State and the remaining approximately 2 million immigrants were citizens of non-EU countries, who had arrived either from a country outside the European Union, or from a Member State different from the country of immigration.

### Immigrants by citizenship group, EU-27, 2006

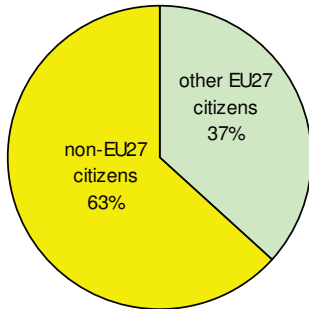


Source: Eurostat estimates

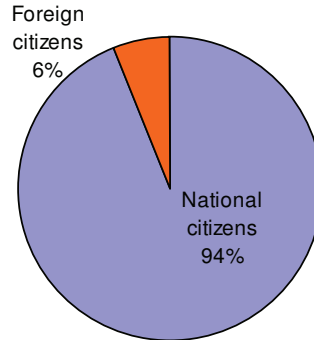
In 2007 the highest numbers of immigrants (including short-term migrants) were reported by Germany (more than 680,000) and Spain (more than 958,000). In the United Kingdom, the number of immigrants who entered for a stay of at least one year was nearly 527,000. More than 100,000 immigrants were also registered in Italy, Belgium, the Czech Republic, Greece, the Netherlands and Austria (see Annex. Immigration by main group of citizenship).

As a result of long-standing positive net migration, in several Member States the population now consists of considerable groups of non-nationals: 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 EU Member States at the end of 2007 was 30.8 million, representing 6.2 percent of the total population. Over half of the foreign citizens in the EU hold citizenship of a non-EU country.

**Share of EU and non-EU foreign citizens among non-national population**



**Share of nationals and foreign citizens in total population**



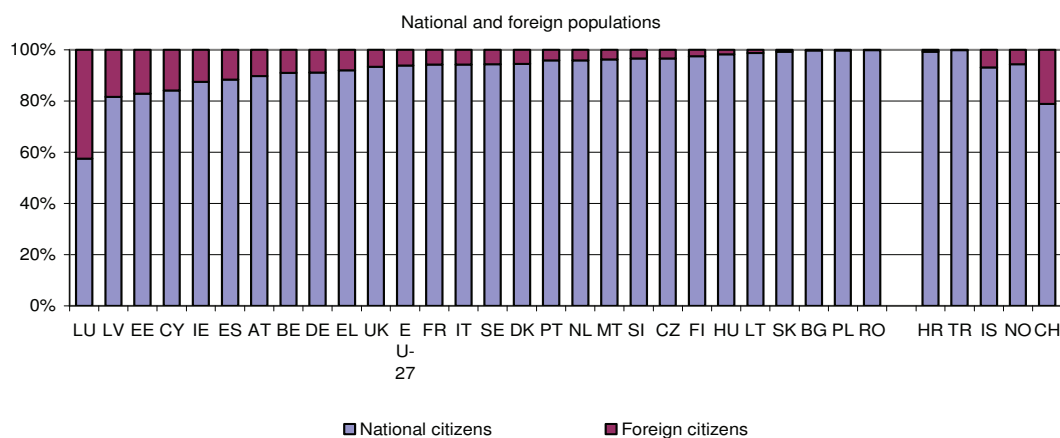
*Source: Eurostat estimates*

In absolute terms, the largest numbers of foreign citizens reside in Germany (7.3 million), Spain (5.3 million), the United Kingdom (4.0 million), France (3.7 million) and Italy (3.4 million) (see Annex: Population by main group of citizenship)

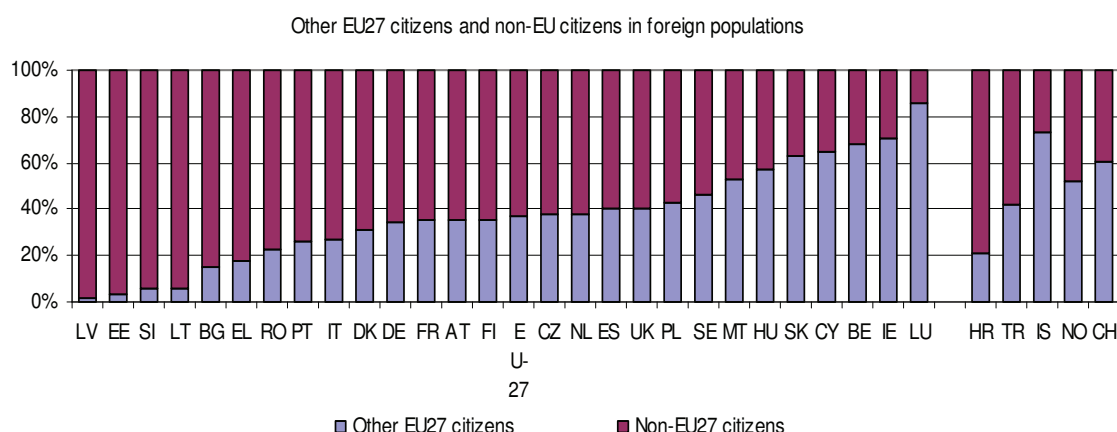
In relative terms, the non-national population varied from less than 1 percent of the total population in Romania, Poland, Bulgaria and Slovakia to 42 percent in Luxembourg at the end of 2007. The proportion of non-nationals to total population is 10 percent or higher in Latvia (18 %), Estonia (17 %), Cyprus (16 %), Ireland (13 %), Spain (12 %) and Austria (10 %).

In all 27 Member States, with exception of Luxembourg, Ireland, Belgium, Cyprus, Slovakia, Hungary and Malta, the majority of foreigners are citizens of a country outside the European Union.

**Population by main groups of citizenship in EU Member States, Candidate countries and EFTA, 1 January 2008.**



Source: Eurostat, Migration statistics and Eurostat estimates.

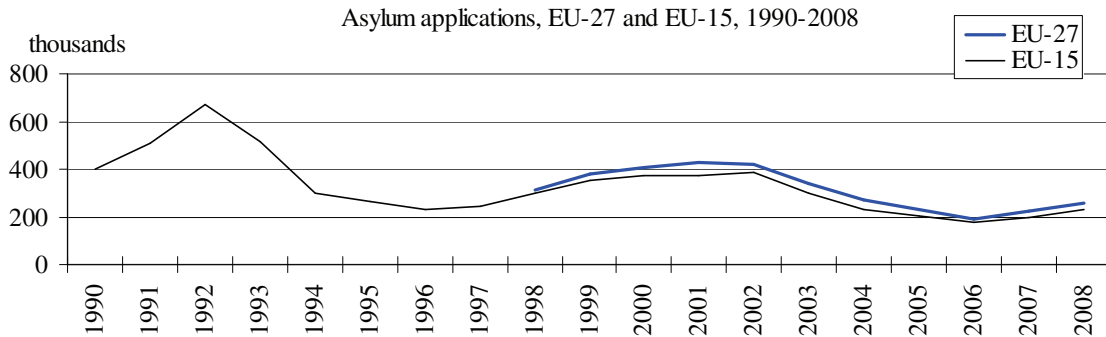
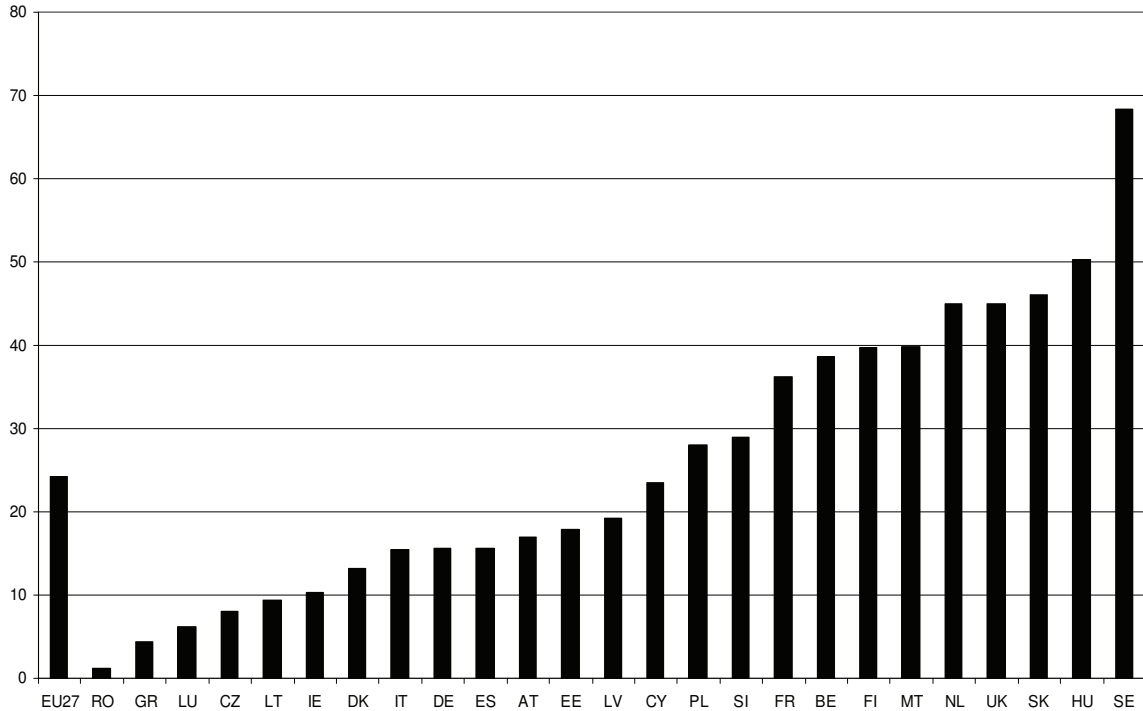


The citizenship structure of foreign populations in the EU Member States varies greatly. The composition of the non-national population in each country strongly reflects labour migration flows, recent political developments, geographical proximity and historical links. Citizens of Turkey, Morocco and Romania are the three most numerous non-national groups in the EU as a whole. The largest group of foreign citizens in Denmark, Germany and the Netherlands are Turkish citizens, while Moroccans are the most numerous non-EU foreigners in Belgium and Spain. On 1 January 2008, Romanian citizens were the biggest non-national group in Spain, Italy and Hungary.

The number of foreigners living in a country, just like the total population of a country, depends not only on migration flows but also on other drivers of population change, such as vital events. However, more significant changes compared to natural increase or decrease are usually due to naturalisation and other means of acquiring citizenship after birth. The national laws on citizenship vary between Member States. In consequence, the ratio of of citizenships acquired to the number of foreigners living in the country is also different.

In 2007, Sweden had the highest ratio of acquisition of citizenship with 68 grants of citizenship per thousand non-nationals registered in the country, well above Hungary, the country in second position. A significant ratio, above 40 grants per thousand foreigners, was also recorded in Slovakia, the United Kingdom and the Netherlands, while the lowest ratios were observed for Romania and Greece. For the vast majority of the countries, however, the ratio varies between 10 and 40 acquisitions per thousand non-nationals.

**Acquisition of citizenship per thousand non-nationals, 2007**



Source: Eurostat - Migration Statistics

After decreasing for five consecutive years, the number of asylum seekers in the EU has begun to rise slightly again and in 2008 there were 256 000 persons in the 27 EU Member States submitting an application for international protection (the increase in 2008 compared to the previous year may have been, to a limited extent, influenced by the changes in the asylum methodology<sup>119</sup>). However, compared to over 670 000 applications in 1992 (data for EU-15), this still marks a significant decrease over the last two decades.

In relative terms there were about 515 applicants per 1 million citizens in the EU-27 in 2008. With 6 300 applications per million citizens, Malta received the highest number of applications relative to its total population,

<sup>119</sup> Since the implementation of Regulation (EC) No 862/2007 on Community statistics on migration and international protection in 2008, asylum statistics collected by Eurostat entirely relate to persons who are the subject of an application or its related decision. Previous data may for some Member States and for some years relate to administrative cases rather than persons (an administrative case may include several people e.g. family members).

followed by Cyprus (4 400) and Sweden (2 700) while at the other end of the scale 11 applicants per million citizens were registered in Estonia and 15 in Portugal.

**First instance decisions and final decisions on appeal on asylum applications in EU/EFTA in 2008**

	Total decisions		Positive decisions								Rejections	
	First instance	Final decisions on appeal	Total		Refugee status		Subsidiary protection		Humanitarian protection		First instance	Final decisions on appeal
			First instance	Final decisions on appeal	First instance	Final decisions on appeal	First instance	Final decisions on appeal	First instance	Final decisions on appeal		
EU27	206690	62360	56735	15670	27305	9860	20760	3570	8670	2240	149955	46690
EA16	145135	59845	38170	14600	20000	9520	12880	3085	5285	1995	106965	45245
BE	13620	5240	3505	395	3040	315	470	85	-	-	10115	4840
BG	670	25	295	10	25	0	265	10	-	-	375	20
CZ	1555	:	350	:	170	:	150	:	30	:	1200	:
DK	1250	480	730	165	200	110	315	50	210	5	520	315
DE	19330	11070	7870	2775	7310	1625	560	1150	0	0	11465	8295
EE	15	0	5	0	5	0	0	0	0	0	10	0
IE	4790	2460	1465	295	295	5	-	1165	-	-	3325	2165
GR	29580	1340	55	360	15	345	15	0	25	15	29525	980
ES	5130	1120	275	10	150	10	110	5	15	:	4850	1110
FR	31765	24350	5150	6320	4475	5190	675	1125	-	-	26610	18030
IT	18605	1655	8120	1620	1805	0	6310	0	0	1620	10485	30
CY	:	2845	:	35	:	10	:	5	:	20	:	2810
LV	10	15	5	0	0	0	0	0	0	0	10	15
LT	105	35	65	0	15	0	50	0	-	-	35	35
LU	485	480	185	55	50	55	0	0	140	0	300	425
HU	910	55	395	0	170	0	65	0	160	0	510	55
MT	2685	230	1410	0	20	0	1385	0	0	0	1275	225
NL	10925	800	5675	415	515	75	1610	165	3550	175	5245	390
AT	5905	7795	3640	2035	2205	1550	1180	485	255	:	2270	5760
PL	4245	185	2770	30	185	5	1075	5	1510	20	1475	155
PT	105	0	70	0	10	0	60	0	-	-	40	0
RO	675	45	110	45	85	15	10	30	15	:	565	:
SI	160	100	5	0	0	0	0	0	0	0	155	100
SK	370	70	90	10	20	0	65	10	5	0	280	65
FI	1675	95	655	80	90	0	435	55	135	25	1020	10
SE	29545	1680	7845	825	1695	210	4825	390	1325	225	21700	855
UK	23665	:	7080	:	4750	:	2190	:	135	:	16585	:
HR	:	:	:	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:	:	:
IS	55	10	10	0	5	0	5	:	0	0	45	10
LI	15	0	:	0	:	0	-	-	:	0	15	:
NO	9015	655	3050	655	1075	30	1170	50	805	570	5965	:
CH	7550	6255	4830	895	2090	170	2740	725	-	-	2720	5360

: not available  
- not applicable

Statistics on decisions on asylum applications give insight into the outcomes of the asylum procedures. Apart from the data on decisions taken at first instance, since 2008 Eurostat has been collecting statistics on final decisions taken by administrative or judicial bodies in cases of appeal or review.

In 2008 protection status was granted to 56.7 thousand asylum applicants at first instance in the EU and an additional 15.7 thousand asylum seekers received protection as a result of appeals against negative decisions taken at first instance. Out of this, 27.3 thousand applicants received refugee status at first instance and a further 9.8 thousand on appeal. The rate of recognition<sup>120</sup> may differ significantly between the Member States and between the levels of the procedure (first instance vs. final appeal decisions). While nearly zero percent (55 in absolute terms) of asylum seekers were granted a positive decision at first instance in Greece in 2008, the rate of recognition in that country rises to 27 percent for final decisions following appeal or review. The rate of recognition in the EU-27 at both first and final instance is nearly the same (27 and 25 percent respectively). The highest numbers of positive decisions during 2008 (at both first and final instance, in absolute terms) were issued in France (11.5 thousand), Germany (10.6 thousand) and Italy (9.7 thousand).

<sup>120</sup> Theoretical recognition rate was calculated as a relation of: type of decision / (total positive + rejections)\*100



## 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 at 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 instruments such as directives. The European Council at its meeting in Tampere in October 1999, called for the development in the following five 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: one on a single permit and on the socio-economic rights of third-country nationals; and another one on the admission of highly-skilled migrants. The latter was adopted by the Council in May 2009<sup>121</sup>. Three further proposals on legal migration (admission of seasonal workers, intra-corporate transferees and remunerated trainees) will be presented by the Commission by 2010. Among the non-legislative measures, the Commission is setting up an EU Immigration Portal designed to provide immigrants and potential immigrants with information on a broad spectrum of migration-related issues (conditions of entry and stay, the risks of illegal migration, remittances, etc). In parallel, measures aiming at reducing illegal immigration have also been adopted, like the directive on sanctions for employers of illegally staying immigrants<sup>122</sup>, and the recently adopted directive on common standards on returning of illegally staying immigrants<sup>123</sup>.

Asylum policy is also an important priority. After the adoption between 1999 and 2005 (first phase of the Common European Asylum System – CEAS) of a number of legislative instruments in this area, the Commission launched a debate about the future direction of European asylum policy with the presentation of a Green Paper in June 2007. The results of the Green Paper consultation helped to shape a Policy Plan on Asylum presented on 17 June 2008<sup>124</sup>, which set out the Commission's intentions for the second phase of the CEAS and listed all the policy initiatives to be taken between 2008 and 2010. Most of those initiatives have been proposed since December 2008: amendments to the directive on reception conditions for asylum-seekers<sup>125</sup>, and to the Dublin<sup>126</sup> and Eurodac<sup>127</sup> regulations; proposals for the establishment of a European Asylum Support Office<sup>128</sup> and of a joint resettlement scheme<sup>129</sup>.

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<sup>121</sup> Council Directive 2009/50/EC of 25 May 2009, OJ L 155 18 June 2009, p. 17-29

<sup>122</sup> Council and Parliament Directive 2009/52/EC of 18 June 2009, OJ L 168 30 June 2009, p. 24-32

<sup>123</sup> Council and Parliament Directive 2008/115/EC of 16 December 2008, OJ L 348 24 December 2008, p. 98-107

<sup>124</sup> COM (2008) 360

<sup>125</sup> COM (2008) 815

<sup>126</sup> COM (2008) 820

<sup>127</sup> COM (2008) 825

<sup>128</sup> COM (2009) 66

<sup>129</sup> COM (2009) 447 and COM (2009) 456

## Methodological notes

Source: Eurostat - Migration Statistics.

'Immigrant' means a person undertaking immigration, which is the action of establishing usual residence in the territory of a Member State for a period that is, or is expected to be, of at least 12 months, having previously been usually resident in another country. This definition does not apply to persons already living in the country who migrated in the past. Total immigration flows include return migration of nationals and immigration of non-nationals and the latter category encompasses both citizens of other EU Member States and third-country nationals. The citizenship of an immigrant does not reflect the country of previous residence, thus not all non-EU immigrants are newcomers to the EU.

Member States apply definitions of migration that consider different duration of stay as the criterion for identifying migration. In some countries national definitions on immigrants exclude some categories of migrants (temporary migrants for longer than one year, students, asylum seekers, etc.).

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

Some countries include some dependents in their figures for asylum applications, others do not. The same applies to repeat applications.

The implementation of Regulation (EC) No 862/2007 of 11 July 2007 on Community statistics on migration and international protection (repealing Council Regulation (EEC) No 311/76 on the compilation of statistics on foreign workers) will improve the collection and analysis of data on immigration and asylum in the EU, by harmonising statistical definitions and providing a binding framework for the compilation of data on a wide range of categories: residence permits, asylum data, statistics on returns, on resident foreign population, etc. Its first reference year is 2008; data compiled in accordance with the Regulation will therefore be made available to the Commission (Eurostat) in the course of 2009.

A further valuable source on 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 gender, age, employment status and 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", 2006 edition. Eurostat.
- Data in Focus (Population and social conditions): "First demographic estimates for 2007" No. 3/2008, Eurostat.
- Statistics in Focus (Population and social conditions): "First demographic estimates for 2006" No. 41/2007, Eurostat.
- Statistics in Focus (Population and social conditions): "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 2005-2006", pages 61-63, 2006. European Commission, DG for Employment and Social Affairs and Eurostat.
- Statistical annex to the Policy Plan on Asylum – COM (2008) 360, adopted on 17 June 2008
- Statistics in Focus (Population and social conditions): "Asylum applications in the European Union", No.110/2007, Eurostat.
- Statistics in Focus (Population and social conditions): "Recent migration trends: citizens of EU-27 Member States become ever more mobile while EU remains attractive to non-EU citizens" No. 98/2008, Eurostat.
- Statistics in Focus (Population and social conditions): "Acquisition of citizenship in the European Union" No. 108/2008, Eurostat.

Population by main group of citizenship, 2008

	in thousands					in percentages			
	Total	Nationals	Non nationals			Nationals	Non nationals		
			Total	Nationals of other EU-27 member states	Non-EU-27 nationals		Total	Nationals of other EU-27 member states	Non-EU-27 nationals
EU-27	497,431	466,653	30,778	11,302	19,476	93.8%	6.2%	2.3%	3.9%
EA-16	326,908	302,293	24,614	9,068	15,547	92.5%	7.5%	2.8%	4.8%
BE	10,667	9,695	971	659	312	90.9%	9.1%	6.2%	2.9%
BG	7,640	7,616	24	4	21	99.7%	0.3%	0.0%	0.3%
CZ	10,381	10,033	348	132	216	96.7%	3.3%	1.3%	2.1%
DK	5,476	5,177	298	93	205	94.5%	5.5%	1.7%	3.7%
DE	82,218	74,962	7,255	2,516	4,740	91.2%	8.8%	3.1%	5.8%
EE	1,341	1,112	229	8	221	82.9%	17.1%	0.6%	16.5%
IE	4,401	3,848	554	392	162	87.4%	12.6%	8.9%	3.7%
EL	11,214	10,307	906	158	748	91.9%	8.1%	1.4%	6.7%
ES	45,283	40,021	5,262	2,113	3,149	88.4%	11.6%	4.7%	7.0%
FR	63,753	60,079	3,674	1,283	2,391	94.2%	5.8%	2.0%	3.8%
IT	59,619	56,187	3,433	934	2,498	94.2%	5.8%	1.6%	4.2%
CY	789	664	125	81	44	84.1%	15.9%	10.3%	5.6%
LV	2,271	1,855	415	8	408	81.7%	18.3%	0.3%	17.9%
LT	3,366	3,323	43	3	40	98.7%	1.3%	0.1%	1.2%
LU	484	278	206	177	29	57.4%	42.6%	36.6%	6.0%
HU	10,045	9,869	177	101	76	98.2%	1.8%	1.0%	0.8%
MT	410	395	15	8	7	96.2%	3.8%	2.0%	1.8%
NL	16,405	15,717	688	263	425	95.8%	4.2%	1.6%	2.6%
AT	8,319	7,483	835	290	545	90.0%	10.0%	3.5%	6.6%
PL	38,116	38,058	58	25	33	99.8%	0.2%	0.1%	0.1%
PT	10,618	10,171	446	116	331	95.8%	4.2%	1.1%	3.1%
RO	21,529	21,503	26	6	20	99.9%	0.1%	0.0%	0.1%
SI	2,026	1,957	69	4	65	96.6%	3.4%	0.2%	3.2%
SK	5,401	5,360	41	26	15	99.2%	0.8%	0.5%	0.3%
FI	5,300	5,168	133	47	86	97.5%	2.5%	0.9%	1.6%
SE	9,183	8,658	524	241	284	94.3%	5.7%	2.6%	3.1%
UK	61,176	57,155	4,021	1,615	2,406	93.4%	6.6%	2.6%	3.9%
HR	4,436	4,399	37	8	29	99.2%	0.8%	0.2%	0.7%
MK	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:
IS	:	:	:	:	:	:	:	:	:
LI	:	:	:	:	:	:	:	:	:
NO	4,737	4,471	266	138	128	94.4%	5.6%	2.9%	2.7%
CH	7,593	5,991	1,602	968	634	78.9%	21.1%	12.8%	8.3%

Source: Eurostat - Migration statistics

Notes: Reference date 1/01/2008; Table includes Eurostat estimates. CY: Government controlled area only. EE and LV: The non-EU nationals for Estonia and Latvia include recognised non-citizens - persons who are not citizens of the reporting country nor any

Immigration and emigration by main group of citizenship, 2007

	Immigration by main group of citizenship, 2007 <sup>1)</sup>					Emigration by main group of citizenship, 2007				
	Total	Nationals	Non nationals			Total	Nationals	Non nationals		
			Total	Nationals of other EU-27	Non-EU-27 nationals			Total	Nationals of other EU-27	Non-EU-27 nationals
EU-27										
EA-16										
BE	146409	36483	109926	58025	51901	91052	45615	45437	19849	25588
BG	1561	1498	60	6	54	2958	2923	35	6	29
CZ	104445	1934	102511	23026	79485	20500	2076	18424	2221	16203
DK	64656	22033	42623	21381	21242	41566	23771	17795	8708	9087
DE	680766	106014	574752	343851	230901	636854	161105	475749	278428	197321
EE	3741	1789	1952	1089	863	4384	3940	444	123	321
IE	88779	17136	71643	52259	19384	42538	:	:	:	:
EL	133185	:	133185	21247	111938	:	:	:	:	:
ES	958266	37732	920534	389203	531331	227065	28091	198974	23383	175591
FR	:	:	:	:	:	:	:	:	:	:
IT	556714	:	:	:	:	65213	:	:	:	:
CY	19017	953	18064	8680	9384	11389	816	10573	1594	8979
LV	3541	986	2555	1642	913	4183	1881	2302	165	2137
LT	8609	6141	2468	315	2153	13853	11422	2431	476	1955
LU	16675	909	15766	12859	2907	10674	2033	8641	7506	1135
HU	24361	1754	22607	9059	13548	4500	367	4133	3037	1096
MT	6730	1171	5559	3767	1792	5029	1350	3679	3129	550
NL	116819	36561	80258	43228	37030	91287	62250	29037	15199	13838
AT	106659	14911	91748	52251	39497	71928	19324	52604	26623	25981
PL	14995	13384	1611	196	1415	35480	35301	179	90	89
PT	46300	:	:	:	:	26800	:	:	:	:
RO	9575	:	9575	2216	7359	8830	8830	:	:	:
SI	29193	1689	27504	2646	24858	14943	3178	11765	1516	10249
SK	16265	1417	14848	9183	5665	3570	1574	1996	956	1040
FI	26029	8525	17504	6827	10677	12443	9330	3113	1879	1234
SE	99485	15949	83536	31352	52184	45418	24990	20428	10607	9821
UK	526714	71424	455290	171863	283427	317587	159339	158247	64958	93289
HR	14622	13704	915	251	664	9002	8084	273	33	240
MK	1320	366	954	147	807	240	224	16	7	9
TR	:	:	:	:	:	:	:	:	:	:
IS	10434	3130	7304	6224	1080	7337	:	:	:	:
LI	:	:	:	:	:	:	:	:	:	:
NO	61774	8276	53498	33426	20072	22122	8798	13324	8466	4858
CH	165634	21779	143855	99054	44801	90175	29487	60688	40986	19702

Source: Eurostat - Migration statistics

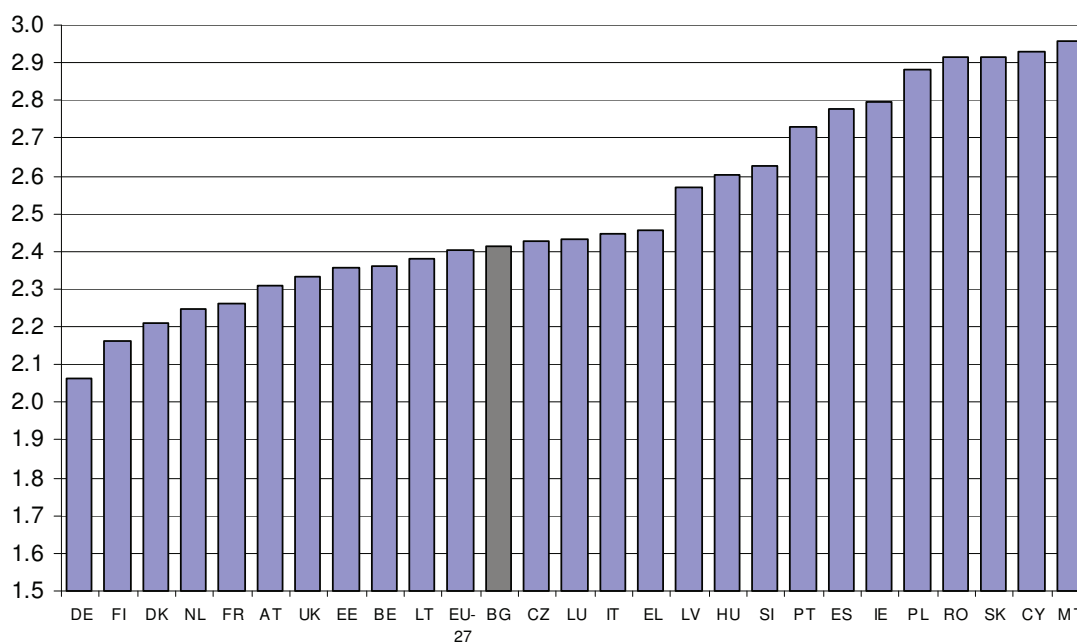
Notes: According to national definitions of international migration. IT, PT (Total only); PL: permanent migrations only; RO: immigration total figure doesn't include nationals, while emigration total figure includes only nationals.

### 3. HOUSEHOLDS AND FAMILIES

*The average household size varied between 2 and 3 persons in the EU Member States in 2008. The share of persons living alone differs considerably between Member States. Germany and Finland showed relatively high proportions of single-person households in 2008. In all Member States, young women leave the parental home considerably earlier than men. In the EU, the age at which half or more of the women are living without their parents is 23.4 while for men it is 25.9*

#### No major differences in average household size in the EU

Average household size, 2008



Source: Eurostat - EU Labour Force Survey

In 2008, the average household size in the EU was 2.4 persons per household. The average number of persons per household has decreased slowly over the last 10 years. Within the EU differences in household size are not very large. In Germany, Finland, Denmark and the Netherlands households are relatively small with an average size of 2.2 persons or less. In contrast, households are bigger in Malta, Cyprus, Romania and Slovakia with an average size of 2.9 persons or more.

### Household composition, 2008

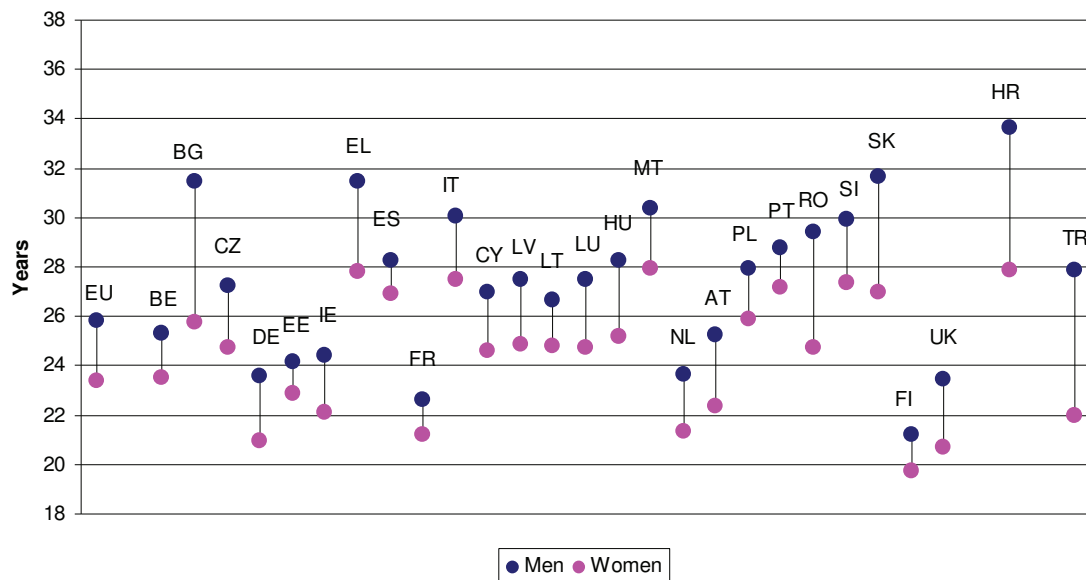
%	No children			Children				Total
	single	2 adults	≥ 3 adults	1 adult	≥ 2 adults			
					1 child	2 children	≥ 3 children	
EU-27	12	24	13	4	18	19	9	100
BE	13	26	9	7	15	19	11	100
BG	10	24	17	3	24	19	3	100
CZ	11	25	13	5	18	22	6	100
DK	:	:	:	:	:	:	:	
DE	19	31	9	4	15	15	6	100
EE	12	24	11	8	20	18	7	100
IE	12	21	19	2	21	20	5	100
EL	11	24	20	2	16	21	6	100
ES	7	20	21	2	22	22	6	100
FR	15	27	6	6	16	19	11	100
IT	8	19	15	5	16	19	18	100
CY	5	21	16	2	18	22	15	100
LV	10	20	15	6	24	17	8	100
LT	14	17	11	7	23	21	7	100
LU	13	22	8	4	16	23	14	100
HU	9	22	15	4	20	19	11	100
MT	5	17	22	2	23	22	9	100
NL	15	28	5	5	13	21	11	100
AT	15	23	15	3	18	18	8	100
PL	7	18	14	3	24	22	12	100
PT	6	20	19	3	27	20	5	100
RO	7	16	15	2	27	23	10	100
SI	10	18	18	3	21	21	8	100
SK	6	16	18	3	22	24	11	100
FI	18	31	5	2	13	16	14	100
SE	:	:	:	:	:	:	:	
UK	13	28	11	8	14	17	9	100
HR	10	21	19	2	17	20	10	100
MK	:	:	:	:	:	:	:	
TR	2	9	11	2	21	27	28	100

Source: Eurostat - EU Labour Force Survey

These differences in average household size across countries are to a large extent due to the number of single-person households. Out of the EU population, on average 12% were living in a single-person household in 2008. In Germany and Finland more than 17% of people were living alone, while in contrast in Cyprus, Malta, Portugal, Slovakia, Spain and Poland this share was less than 7%. In 2008, about half of the EU population lived in households with dependent children and almost one quarter belonged to a two-adult household without children. The share of single-parent households was highest in the UK: more than 8%. Relatively high shares of single-parent households were also observed in the Baltic States, Belgium and France, while in most countries the share was lower than 4%, the EU average.

## Women leaving parental home earlier than men

### Age half of population not living in parental home, 2008



Source: Eurostat - EU Labour Force Survey

In 2008, on average in the EU half of the female population were no longer living with their parents at the age of 23. (For men this age is almost three years higher: 26 years.) Women leave the parental home earlier in all Member States. The age at which half of them were not living in the parental home varied from less than 22 years in Finland, the UK, Germany, France and the Netherlands to 27 years or more in Slovakia, Portugal, Slovenia, Italy, Greece and Malta. For men differences were even higher. The age at which half of them were not living with their parents ranged from less than 22 in Finland to more than 30 in Bulgaria, Slovakia, Greece and Malta. Women also start living with a partner earlier than men. In 2008, the age at which half of the female population were living with a partner was 26 years while for men it was 29 in the EU.

## Fewer marriages, more divorces

The number of marriages registered in 2007 in the EU-27 was 2.4 million and the number of divorces was 1.2 million. The crude marriage rate, i.e. the number of marriages per 1000 of the population, was 4.9, and the crude divorce rate was 2.4. So hypothetically, half of the current contracted marriages might end in divorce.

Since 1970, the crude marriage rate in the EU-27 has fallen by 38% (from 7.9 in 1970 to 4.9 in 2007). At the same time, marriages have become less stable, which is reflected in the increase of the crude divorce rate from 0.9 in 1970 to 2.4 in 2007.

## Marriages and divorces

### Marriages and divorces

(crude rates, per 1000 inhabitants)

	Crude marriage rate						Crude divorce rate					
	1960	1970	1980	1990	2000	2007	1960	1970	1980	1990	2000	2007
EU27	:	7.9	6.8	6.3	5.2	4.9	:	0.9 <sup>e</sup>	1.5 <sup>e</sup>	1.6 <sup>e</sup>	1.8	2.4
EA16	:	7.6	6.2	5.9	5.1	4.5	:	0.3 <sup>e</sup>	0.6 <sup>e</sup>	0.7 <sup>e</sup>	1.7	2.4
BE	7.1	7.6	6.7	6.5	4.4	4.3	0.5	0.7	1.5	2.0	2.6	2.8
BG	8.8	8.6	7.9	6.9	4.3	3.9	0.0	1.2	1.5	1.3	1.3	2.1
CZ	7.7	9.2	7.6	8.8	5.4	5.5	1.4	2.2	2.6	3.1	2.9	3.0
DK	7.8	7.4	5.2	6.1	7.2	6.7	1.5	1.9	2.7	2.7	2.7	2.6
DE	9.5	7.4	6.3	6.5	5.1	4.5	1.0	1.3	1.8	1.9	2.4	2.3
EE	10.0	9.1	8.8	7.5	4.0	5.2	2.1	3.2	4.1	3.7	3.1	2.8
IE	5.5	7.0	6.4	5.1	5.0	5.2	:	:	:	:	0.7	0.8
GR	7.0	7.7	6.5	5.8	4.5	5.5	0.3	0.4	0.7	0.6	1.0	1.2
ES	7.7	7.3	5.9	5.7	5.4	4.5	:	:	:	0.6	0.9	2.8
FR	7.0	7.8	6.2	5.1	5.0	4.3	0.7	0.8	1.5	1.9	1.9	4.3
IT	7.7	7.3	5.7	5.6	5.0	4.2	:	:	0.2	0.5	0.7	0.8
CY	:	8.6	7.6	9.7	14.1	7.5	:	0.2	0.3	0.6	1.7	2.1
LV	11.0	10.2	9.8	8.9	3.9	6.8	2.4	4.6	5.0	4.0	2.6	3.3
LT	10.1	9.5	9.2	9.8	4.8	6.8	0.9	2.2	3.2	3.4	3.1	3.4
LU	7.1	6.4	5.9	6.1	4.9	4.1	0.5	0.6	1.6	2.0	2.4	2.3
HU	8.9	9.3	7.5	6.4	4.7	4.1	1.7	2.2	2.6	2.4	2.3	2.5
MT	6.0	7.9	8.8	7.1	6.7	6.1	-	-	-	-	-	-
NL	7.8	9.5	6.4	6.4	5.5	4.3	0.5	0.8	1.8	1.9	2.2	2.0
AT	8.3	7.1	6.2	5.9	4.9	4.3	1.1	1.4	1.8	2.1	2.4	2.5
PL	8.2	8.6	8.6	6.7	5.5	6.5	0.5	1.1	1.1	1.1	1.1	1.7
PT	7.8	9.4	7.4	7.2	6.2	4.4	0.1	0.1	0.6	0.9	1.9	2.4
RO	10.7	7.2	8.2	8.3	6.1	8.8	2.0	0.4	1.5	1.4	1.4	1.7
SI	8.8	8.3	6.5	4.3	3.6	3.2	1.0	1.1	1.2	0.9	1.1	1.3
SK	7.9	7.9	7.9	7.6	4.8	5.1	0.6	0.8	1.3	1.7	1.7	2.3
FI	7.4	8.8	6.1	5.0	5.1	5.6	0.8	1.3	2.0	2.6	2.7	2.5
SE	6.7	5.4	4.5	4.7	4.5	5.2	1.2	1.6	2.4	2.3	2.4	2.3
UK	7.5	8.5	7.4	6.6	5.2	4.4 <sup>p</sup>	0.5	1.0	2.6	2.7	2.6	2.4
HR	8.9	8.5	7.2	5.8	4.9	5.2	1.2	1.2	1.2	1.1	1.0	1.1
MK	8.6	9.0	8.5	8.3	7.0	7.6	0.7	0.3	0.5	0.4	0.7	0.7
TR	:	:	8.2	:	:	9.1	:	:	:	:	:	1.3
IS	7.5	7.8	5.7	4.5	6.3	5.5	0.7	1.2	1.9	1.9	1.9	1.7
LI	5.7	5.9	7.1	5.6	7.2	5.2	0.0	0.0	0.8	0.9	3.9	2.8
NO	6.6	7.6	5.4	5.2	5.6	5.0	0.7	0.9	1.6	2.4	2.2	2.2
CH	7.8	7.6	5.7	6.9	5.5	5.3	0.9	1.0	1.7	2.0	1.5	2.6

Note: Data for France refer to metropolitan France until 1997 and to France including overseas departments starting from 1998.

<sup>e</sup> Eurostat estimate

: Data not available

- Not applicable. In Malta divorce is not legal.

Source: Eurostat - Demographic statistics

## A rise in births outside marriage

The proportion of live births outside marriage in the EU-27 continues to increase, reflecting the changing pattern of family formation. The extramarital births can be attributed to cohabiting couples as well as to lone parents.

In the EU-27 this phenomenon has been on the rise in recent years in almost every country and in some, mostly in northern Europe, it accounts for the majority of live births. Mediterranean countries like Greece, Cyprus, Italy and Malta, along with Lithuania, Luxembourg, Poland, Romania and Slovakia are less affected by this trend, all reporting percentages below 30% in 2007.



## Live births outside marriage

Live births outside marriage  
(as % of total live births)

	1960	1970	1980	1990	2000	2007
EU27	:	:	:	:	:	:
EA 16	:	4.7	8.1	15.9	:	:
BE	2.1	2.8	4.1	11.6	:	39.0
BG	8.0	8.5	10.9	12.4	38.4	50.2
CZ	4.9	5.4	5.6	8.6	21.8	34.5
DK	7.8	11.0	33.2	46.4	44.6	46.1
DE	7.6	7.2	11.9	15.3	23.4	30.8
EE	:	:	:	27.2	54.5	57.8
IE	1.6	2.7	5.9	14.6	31.5	:
GR	1.2	1.1	1.5	2.2	4.0	5.8
ES	2.3	1.4	3.9	9.6	17.7	:
FR	6.1	6.9	11.4	30.1	43.6	51.7
IT	2.4	2.1	4.3	6.5	9.7	20.7
CY	:	0.2	0.6	0.7	2.3	8.7
LV	11.9	11.4	12.5	16.9	40.3	43.0
LT	:	3.7	6.3	7.0	22.6	29.2
LU	3.2	4.0	6.0	12.8	21.9	29.2
HU	5.5	5.4	7.1	13.1	29.0	37.5
MT	0.7	1.5	1.1	1.8	10.6	24.9
NL	1.4	2.1	4.1	11.4	24.9	39.5
AT	13.0	12.8	17.8	23.6	31.3	38.3
PL	:	:	:	:	12.1	19.5
PT	9.5	7.3	9.2	14.7	22.2	33.6
RO	:	:	:	:	25.5	26.7
SI	9.1	8.5	13.1	24.5	37.1	50.8
SK	4.7	6.2	5.7	7.6	18.3	28.8
FI	4.0	5.8	13.1	25.2	39.2	40.6
SE	11.3	18.6	39.7	47.0	55.3	54.8
UK	5.2	8.0	11.5	27.9	39.5	44.4
HR	7.4	5.4	5.1	7.0	9.0	11.5
MK	5.1	6.2	6.1	7.1	9.8	12.6
TR	:	:	:	:	:	:
IS	25.3	29.9	39.7	55.2	65.2	63.8
LI	3.7	4.5	5.3	6.9	15.7	17.1
NO	3.7	6.9	14.5	38.6	49.6	54.5
CH	3.8	3.8	4.7	6.1	10.7	16.2

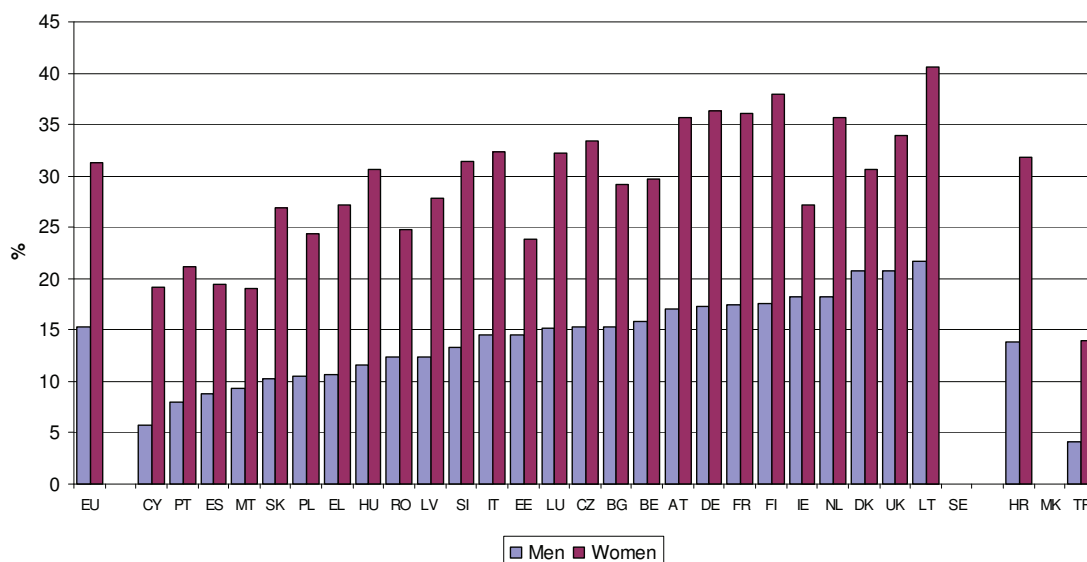
Note: Data for France refer to metropolitan France until 1997 and to France including overseas departments starting from 1998.

: Data not available

Source: Eurostat - Demographic statistics

## In the EU more elderly women live alone than men

### Share of persons aged 55 and more, living alone, 2008



Source: Eurostat - EU Labour Force Survey

A considerable number of older persons live alone. In 2008 on average, 33 % of women aged 55 and over were living alone whereas the corresponding figure for men in the same age group was only 15 %. This share is much higher for women than for men mostly because of the higher life expectancy of women. More than half of women above 75 years who were still in a private household were living alone, compared to less than a quarter of men. All Member States show consistent differences between men and women. In Germany and the Netherlands the share of women above 75 years who live alone in private households exceeds 60 % while the figure for men is considerably less than 30 % for men.<sup>130</sup>

Owing to population ageing, the increase in the number of single-person households is expected to continue as a result of the rising number of older people living alone.

## Policy context

The Commission argued in its Communication, presented in October 2006, on The Demographic Future of Europe — From Challenge to Opportunity<sup>131</sup> that Europe can look to its demographic future with confidence. Population ageing is above all the result of economic, social and medical progress, as well as greater control over the timing of births and the number of children that people want to have. Europe also has considerable scope for responding to the challenges of demographic change in five key areas:

- Better support for families;
- Promoting employment;
- Reforms to raise productivity and economic performance;
- Immigration and integration of migrants;

<sup>130</sup> Please note that these figures refer only to people living in private households. Many elderly people live in collective households, like residential homes, which are not or only partly covered in the EU LFS. The figures above could therefore give a biased picture, in a different way across countries, depending on whether elderly people with no partner tend to live on their own or with their descendents or in homes.

<sup>131</sup> COM(2006) 571, adopted on 12 October 2006.

- Sustainable public finances.

The Communication made the point that there is still a window of opportunity of about 10 years during which further employment growth would remain possible. Couples have become less stable and choose to have children at a later age, often without being married. Women today have much better opportunities on the labour market and, thanks to their rapidly rising level of educational attainment, are much better equipped to seize those opportunities. In this context, better gender and reconciliation policies have become crucial in securing good living conditions for families and children.

At the European Summit in March 2007 the EU Heads of State and Government decided to establish a European Alliance for Families. The aim of this Alliance is to create impetus for more family-friendly policies through exchanges of ideas and experience in the various Member States and to foster EU-wide cooperation and fruitful learning from each other.

## **Methodological notes**

Sources: Eurostat - EU Labour Force Survey, Demographic statistics.

## **Further reading**

- The demographic future of Europe – from challenge to opportunity – Commission Communication (COM (2006) 571). <http://ec.europa.eu/social/main.jsp?catId=502&langId=en>
- Promoting solidarity between the generations (COM (2007) 244), European Commission. <http://ec.europa.eu/social/main.jsp?catId=502&langId=en>
- Demography report 2007: Europe's demographic future: facts and figures, European Commission, <http://ec.europa.eu/social/main.jsp?langId=en&catId=502&newsId=420&furtherNews=yes>
- Demography report 2008: Meeting Social Needs in an Ageing Society, European Commission, <http://ec.europa.eu/social/main.jsp?langId=en&catId=502&newsId=419&furtherNews=yes>
- European Alliance for Families web portal, [http://ec.europa.eu/employment\\_social/emplweb/families/index.cfm](http://ec.europa.eu/employment_social/emplweb/families/index.cfm)

Average household size

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU-27	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.4	2.4	2.4
EA-16	2.5	2.5	2.5	2.4	2.4	2.4	2.4	2.4	2.4	2.3
BE	2.4	2.4	2.4	2.5	2.5	2.5	2.4	2.4	2.4	2.4
BG	:	:	2.8	2.8	2.7	2.6	2.6	2.5	2.5	2.4
CZ	2.7	2.7	2.6	2.6	2.5	2.5	2.5	2.5	2.5	2.4
DK	:	:	:	2.2	2.2	2.2	2.2	2.2	2.2	2.2
DE	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1	2.1	2.1
EE	2.6	2.6	2.6	2.7	2.6	2.6	2.5	2.4	2.4	2.4
IE	:	:	:	:	:	:	:	:	:	2.8
EL	2.7	2.7	2.6	2.6	2.6	2.6	2.5	2.5	2.5	2.5
ES	3.1	3.0	3.0	3.0	2.9	2.9	2.9	2.8	2.8	2.8
FR	2.4	2.4	2.4	2.4	2.3	2.3	2.3	2.3	2.3	2.3
IT	2.7	2.6	2.6	2.6	2.6	2.6	2.5	2.5	2.5	2.4
CY	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.9	2.9	2.9
LV	:	:	2.4	2.8	2.8	2.8	2.7	2.6	2.6	2.6
LT	:	:	:	3.0	2.9	2.9	2.9	2.8	2.6	2.4
LU	2.7	2.6	2.5	2.5	2.5	2.5	2.5	2.4	2.5	2.4
HU	0.0	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
MT	0.0	3.1	3.1	3.1	3.0	3.1	3.1	3.0	3.0	3.0
NL	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.2	2.2
AT	2.5	2.4	2.4	2.4	2.4	2.4	2.3	2.3	2.3	2.3
PL	:	:	3.1	3.1	3.1	3.0	3.0	3.0	2.9	2.9
PT	2.9	2.9	2.9	2.9	2.8	2.8	2.8	2.8	2.8	2.7
RO	3.0	2.9	3.0	2.9	2.8	3.0	2.9	2.9	2.9	2.9
SI		2.7	2.6	2.6	2.6	2.6	2.7	2.7	2.7	2.6
SK	3.1	3.2	3.2	3.1	3.1	3.1	3.1	3.0	2.9	2.9
FI	:	:	:	:	2.2	2.2	2.2	2.2	2.2	2.2
SE	:	:	:	:	:	:	:	:	:	:
UK	2.4	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
HR	:	:	:	2.8	2.8	2.7	2.7	2.7	2.7	2.6
MK	:	:	:	:	:	:	:	3.8	3.7	3.9
TR	:	:	:	:	:	:	:	3.8	3.8	3.7
IS	:	:	:	:	:	:	:	:	:	:
LI	:	:	:	:	:	:	:	:	:	:
NO	:	:	:	:	:	:	:	:	:	:
CH	:	:	:	:	:	:	:	:	:	:

Source: Eurostat - EU Labour Force Survey

#### 4. ECONOMIC SITUATION

**Economic growth in 2008 in the EU-27 decelerated to 0.9 % after the robust growth of 2.9 % in 2007. Most of the new Member States, EFTA countries and Candidate Countries outgrew the EU-15 Member States. In the euro area the government debt to GDP ratio increased from 66.0% at the end of 2007 to 69.3 % at the end of 2008, and in the EU-27 from 58.7 % to 61.5 %**

#### Economic growth decreased sharply in 2008, negative growth forecasted for 2009

Real GDP growth rate, 2008 (Growth rate of GDP volume)

EU-27	EA-16	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT
0.9	0.7	1.1	6.0	3.0	-1.2	1.3	-3.6	-2.3	2.9	1.2	0.4	-1.0	3.7	-4.6	3.0	-0.9	0.6	2.1
NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH		
2.0	2.0	5.0	0.0	7.1	3.5	6.4e	1.0	-0.2	0.7	2.4	5.0f	1.1f	1.3	:	2.1	1.8		

Source: Eurostat - National Accounts. "e" denotes estimation; "f" denotes a forecast by the Commission services.

In 2008, the European Union's (EU-27) gross domestic product rose by 0.9 % in volume, falling off from the robust growth rate observed in 2007 (+2.9 %). Different growth patterns can be identified when looking at the performance of individual Member States in 2008. A first group is composed of economies that registered negative or zero GDP growth: Latvia (-4.6 %), Estonia (-3.6 %), Ireland (-2.3 %), Denmark (-1.2 %), Italy (-1.0 %), Luxembourg (-0.9 %), Sweden (-0.2 %) and Portugal (0.0 %). A second group comprises Member States that attained growth rates around the EU-27 average: France (0.4 %), Hungary (0.6 %), the United Kingdom (0.7 %), Finland (1.0 %), Belgium (1.1 %), Spain (1.2 %) and Germany (1.3 %). A third group is formed by Member States that experienced considerably higher growth rates than the EU-27 average: Austria (2.0 %), the Netherlands (2.0 %), Malta (2.1 %), Greece (2.9 %), the Czech Republic (3.0 %), Lithuania (3.0 %), Slovenia (3.5 %), Cyprus (3.7 %), Poland (5.0 %), Bulgaria (6.0 %), Slovakia (estimated 6.4 %) and Romania (7.1 %).

Preliminary results for 2009 reflect markedly the consequences of the turmoil in world financial markets (autumn 2008) on the real economy. Both in the EU-27 and in the euro area (EA16) GDP fell by 5.2 % in the first quarter and by 5.6 % in the second quarter of 2009 (growth rates compared to the same quarter of the previous year). Particularly the small economies of the Baltic countries recorded the biggest drops in GDP in the second quarter of 2009 (GDP growth up to -20.2 % compared to the same quarter of the previous year). For the whole of the year 2009, GDP is projected by the Directorate-General for Economic and Financial Affairs of the European Commission to contract by 4.0 % for both the EU-27 and the euro area (EA16).

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

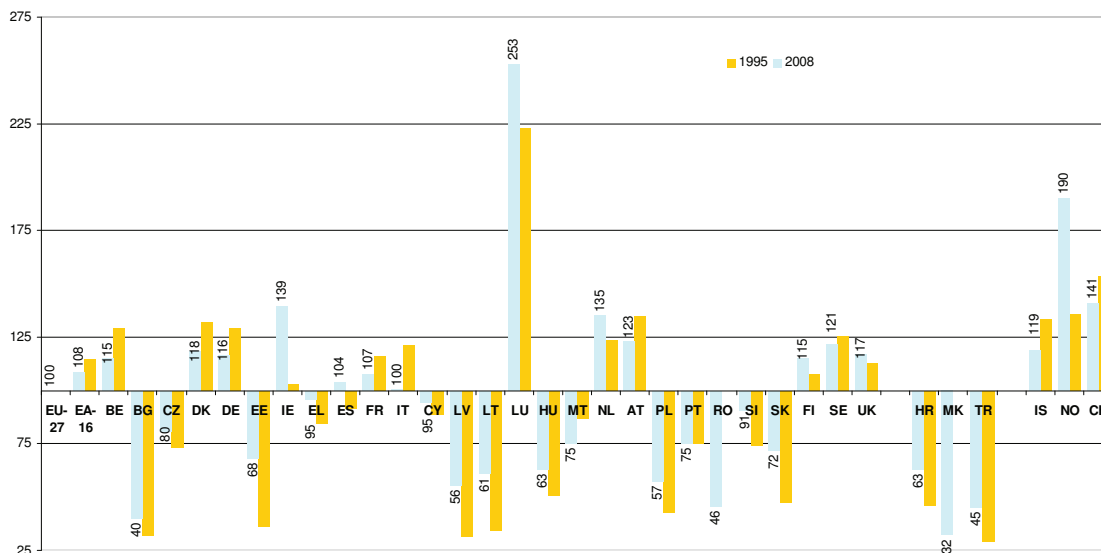
### GDP per capita

	Index EU-27=100, in PPS			in Euro		
	1995	2007	2008	1995	2007	2008
EU-27	100	100	100	14700	24900	25100
EA-16	114	109	108	18000	27600	28300
BE	129	118	115	21400	31500	32400
BG	32e	37	40	1200	3800	4500
CZ	73e	80	80	4100	12300	14200
DK	132	120	118	26600	41500	42300
DE	129	115	116	23600	29500	30400
EE	36e	69	68	2000	11600	12000
IE	103	150	139	14200	43700	41800
EL	84	95	95f	9500	20400	21600f
ES	92	105	104	11600	23400	24000
FR	116	109	107	20200	29700	30400
IT	121	102	100	15100	26000	26300
CY	89e	91	95	10900	20000	21400
LV	31e	58	56	1500	9300	10200
LT	34e	59	61	1400	8400	9600
LU	223	267	253	38600	75900	75100
HU	51	63	63	3300	10100	10500
MT	87e	77	75	7300	13300	13800
NL	124	131	135	20700	34700	36200
AT	135	124	123f	22900	32600	33800f
PL	43e	54	57	2800	8100	9500
PT	75	76	75	8700	15400	15700
RO	:	42f	46f	:	5700f	6400f
SI	74e	89	91	8000	17100	18400
SK	48	67	72e	2800	10200	12000e
FI	108	116	115	19600	34000	34800
SE	125	122	121	22000	36200	35600
UK	113	118	117	15200	33500	29600
HR	46e	61	63	3600	9700	10800
MK	:	31	32f	:	2800	3200f
TR	29e	45f	45f	2100	6700f	7000f
IS	133	121	119	20100	47700	31900
LI	:	:	:	:	:	:
NO	135	178	190	26100	60400	65000
CH	154	139	141p	34300	42000	44600p

"e": estimate; "f": forecast by the Commission Services, "p": prevision.

In 2008, GDP per capita in the EU-27 amounted to 25 100 euro, some 11 % below the 28 300 euro per capita for the euro area. The highest figures occurred in Luxembourg (75 100 euro), Denmark (42 300 euro) and Ireland (41 800 euro), the lowest in Bulgaria (4 500 euro), Romania (6 400 euro), Poland (9 500 euro) and Lithuania (9 600 euro).

GDP per capita in PPS (Index EU-27 = 100)

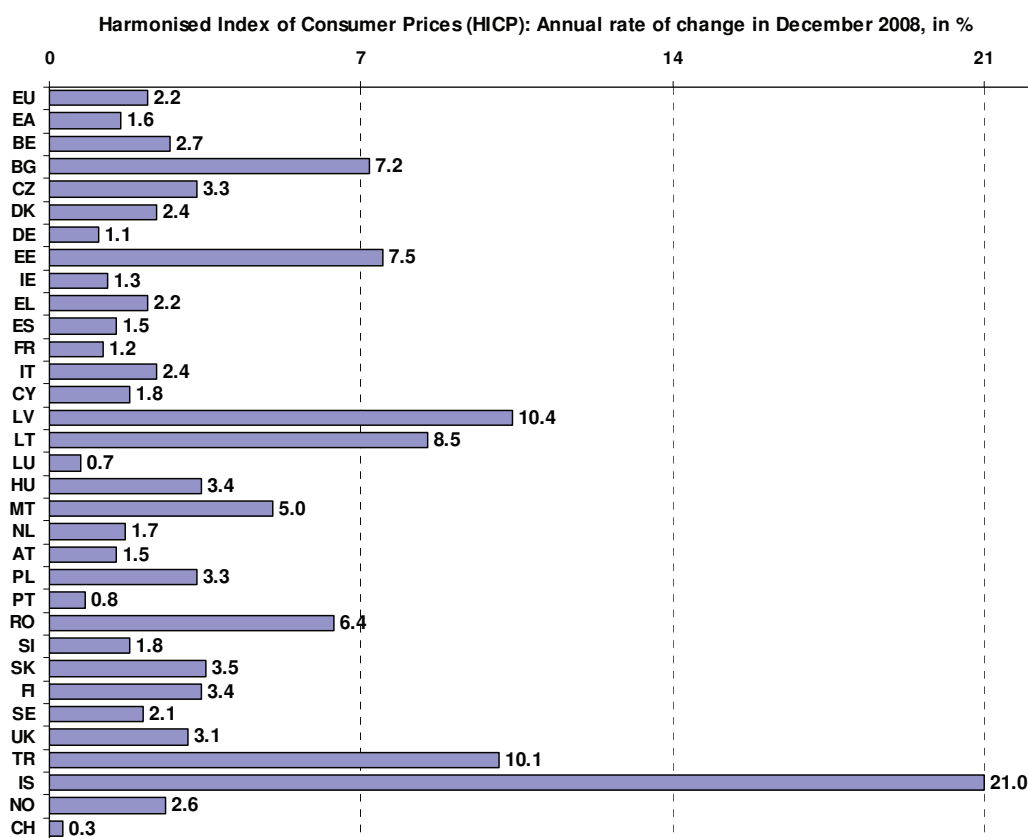


To make comparisons among Member States more meaningful, GDP per capita can be expressed in Purchasing Power Standards (PPS), thus eliminating the effect of different price levels. PPS are constructed in a way that renders one PPS equal to one euro for the EU-27. For 2008, GDP per head in the EU-27 is thus 25 100 PPS, while for the euro area (EA16) the figure of 27 200 PPS, although still ahead of the EU-27 figure, is somewhat lower than the corresponding 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 153 % above the EU-27 average. The second highest figure is that of Ireland, still 39 % above the average. The Netherlands are around 35 % above the average. The biggest differences for figures below the EU-27 average are in Bulgaria, Romania, Poland, Latvia and Lithuania which have values between 40 % and 61 % of the average. However, their values in euro are only about 18 % to 41 % 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 a little closer to the EU-27 average. The most obvious changes were for Estonia, which passed from roughly one third of the average in 1995 to more than two thirds in 2007, 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 2007 it stood at 50 % above, placing Ireland second among all Member States. In 2008, however, the GDP per head in PPS declined both in Ireland and Estonia.

Turning to Candidate Countries, the GDP per head in PPS forecasted for Macedonia is about one fifth lower than the lowest value observed among Member States, at 32 % of the EU-27 value. Turkey's value of 45 % of the EU-27 average is comparable with the lowest values recorded among current EU Member States. Croatia with 63 % of the average has a significantly higher GDP per head. The GDP per head in PPS of the EFTA countries ranged from 119 % (Iceland) to 190 % (Norway) of the EU-27 average in 2007.

## Inflation

Consumer prices recorded extraordinary inflation rates in 2008, with an annual average inflation rate of 3.3 % for the euro area and 3.7 % for the European Union. The monthly annual inflation rate reached its peak in June and July 2008, and has fallen continuously since then. In December 2008, the annual inflation rate fell to 2.2 % in the EU and to 1.6% in the euro area. This downward trend continued in 2009.

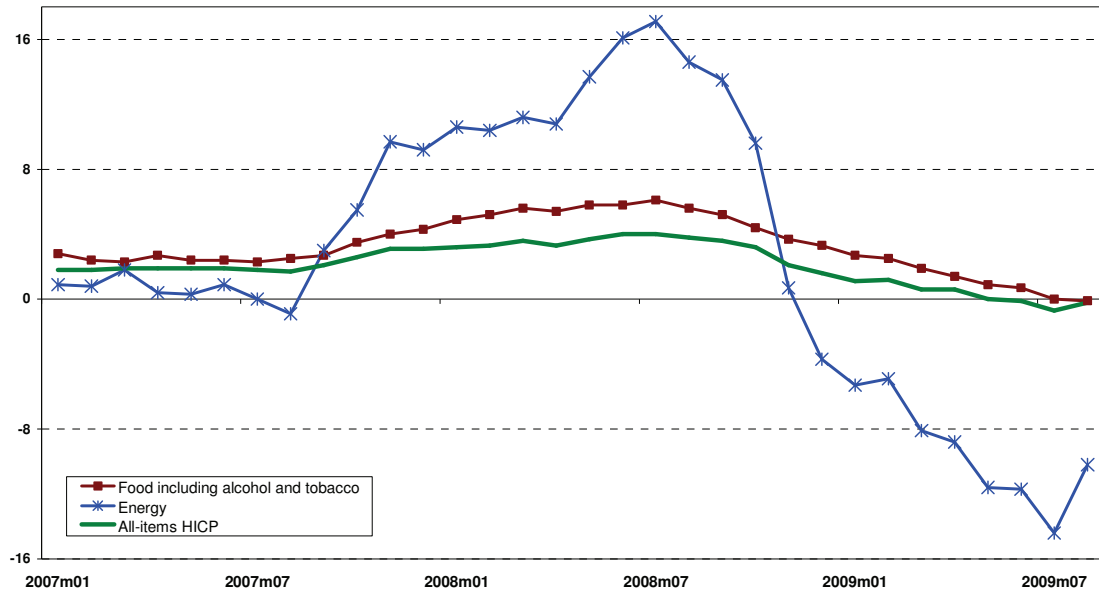


The downward trend observed since autumn 2008 for the annual inflation rate can be explained by falling food and energy prices. These had the greatest impact on the annual inflation rates. Both categories affect the overall index substantially as the share of food and energy in consumption expenditure is important for the HICP.

Looking at the graph below, the inflation for the euro area in 2008 can be explained by steep increases in energy and food prices. The inflation reached its peak in July 2008, when the prices for energy increased year-on-year by 17.1 %. A year later – in July 2009 – a negative annual inflation rate of -14.4 % was recorded. Food prices did not show such steep changes but they also contributed significantly to the overall trend when they reached a value of -0.2 % in August 2009.

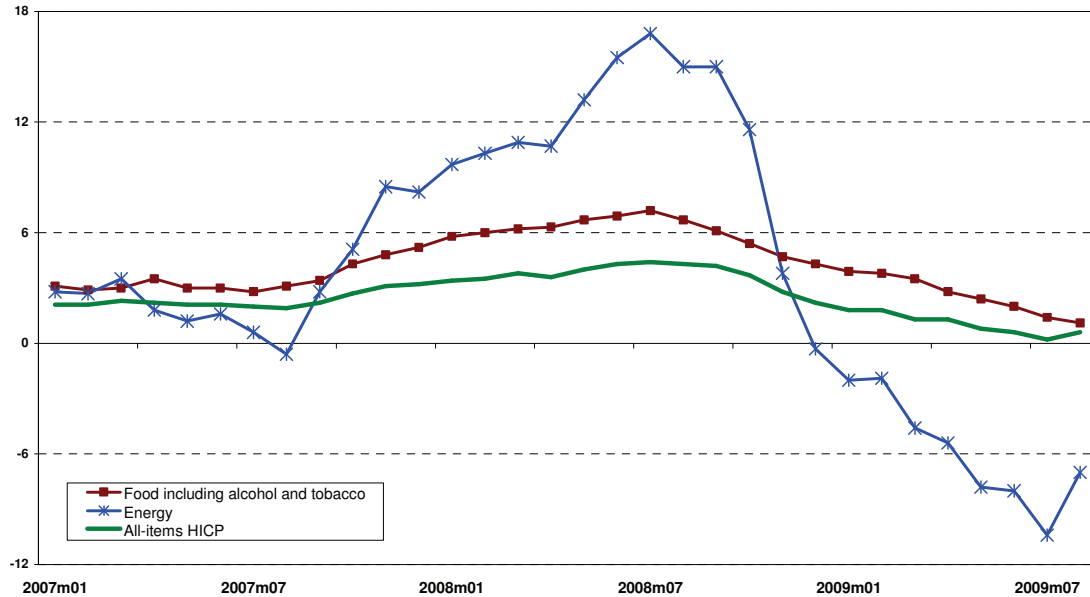


Harmonised Index of Consumer Prices (HICP): Annual rates of change, EA (euro area), in %



For the EU overall, the situation is similar. Sharp increases and decreases in consumer prices for food and energy have been observed since autumn 2008. Whilst in 2008 the annual inflation rates were peaking, a negative annual rate for energy was observed for the EU (-10.4%) in July 2009.

Harmonised Index of Consumer Prices (HICP): Annual rate of change, EU, in %



## Public finances

### Public deficit and debt increase as percentage of GDP

#### General government debt and general government deficit

	General government debt (% of GDP)			General government deficit (-) / surplus (+) (% of GDP)		
	2006	2007	2008	2006	2007	2008
EU-27	61.3	58.7	61.5	-1.4	-0.8	-2.3
EA-16	68.3	66.0	69.3	-1.3	-0.6	-1.9
BE	87.9	84.0	89.6	0.3	-0.2	-1.2
BG	22.7	18.2	14.1	3.0	0.1	1.5
CZ	29.6	28.9	29.8	-2.6	-0.6	-1.5
DK	31.3	26.8	33.3	5.2	4.5	3.6
DE	67.6	65.1	65.9	-1.5	-0.2	-0.1
EE	4.3	3.5	4.8	2.9	2.7	-3.0
IE	24.9	25.0	43.2	3.0	0.2	-7.1
EL	95.9	94.8	97.6	-2.8	-3.6	-5.0
ES	39.6	36.2	39.5	2.0	2.2	-3.8
FR	63.7	63.8	68.1	-2.3	-2.7	-3.4
IT	106.5	103.5	105.8	-3.3	-1.5	-2.7
CY	64.6	59.4	49.1	-1.2	3.4	0.9
LV	10.7	9.0	19.5	-0.5	-0.4	-4.0
LT	18.0	17.0	15.6	-0.4	-1.0	-3.2
LU	6.7	6.9	14.7	1.4	3.6	2.6
HU	65.6	65.8	73.0	-9.2	-4.9	-3.4
MT	63.7	62.1	64.1	-2.6	-2.2	-4.7
NL	47.4	45.6	58.2	0.6	0.3	1.0
AT	62.0	59.4	62.5	-1.6	-0.5	-0.4
PL	47.7	44.9	47.1	-3.9	-1.9	-3.9
PT	64.7	63.5	66.4	-3.9	-2.6	-2.6
RO	12.4	12.7	13.6	-2.2	-2.5	-5.4
SI	26.7	23.4	22.8	-1.3	0.5	-0.9
SK	30.4	29.4	27.6	-3.5	-1.9	-2.2
FI	39.2	35.1	33.4	4.0	5.2	4.2
SE	45.9	40.5	38.0	2.5	3.8	2.5
UK	43.4	44.2	52.0	-2.7	-2.7	-5.5
HR	35.7	33.1	33.5	-3.0	-2.5	-1.4
MK	:	:	:	:	:	:
TR	46.1	39.4	39.5	0.8	-1.0	-2.2
IS	30.1	28.7	70.6	6.3	5.4	-14.3
LI	:	:	:	:	:	:
NO	55.3	52.3	50.0	18.5	17.7	18.8
CH	:	:	:	:	:	:

Source: Eurostat - National and Financial Accounts.

Public deficit is defined in the Maastricht Treaty as general government net borrowing according to the European system of accounts. In 2008, the government deficit of the euro area and the EU-27 increased compared to 2007.

In the euro area the government deficit to GDP ratio increased from 0.6 % in 2007 to 1.9 % in 2008, and in the EU-27 it increased from 0.8 % to 2.3 %. In 2008 the largest government deficits in percentage of GDP were recorded by Ireland (-7.1 %), the United Kingdom (-5.5 %), Romania (-5.4 %), Greece (-5.0 %), Malta (-4.7 %), Latvia (-4.0 %), Poland (-3.9 %), Spain (-3.8 %), France (-3.4 %), Hungary (-3.4 %), Lithuania (-3.2 %) and Estonia (-3.0 %).

Seven Member States registered a surplus in 2008: Finland (4.2 %), Denmark (3.6 %), Sweden (2.5 %), Luxembourg (2.6 %), Bulgaria (1.5 %), the Netherlands (1.0 %) and Cyprus (0.9 %). In all, five Member States recorded an improved public balance relative to GDP in 2008 compared with 2007, while 21 Member States registered a worsening situation and one remained unchanged. Regarding Candidate Countries, Croatia registered a deficit of 1.4 % of GDP in 2008 (an improvement on the 2.4 % deficit in 2007). Turkey recorded a deficit of 2.2 % in 2008, compared with a deficit of 1.0 % in 2007.

Public debt is defined in the Maastricht Treaty as consolidated general government gross debt at nominal value, outstanding at the end of the year. In the euro area the government debt to GDP ratio increased from 66.0 % at the end of 2007 to 69.3 % at the end of 2008, and in the EU-27 from 58.7 % to 61.5 %. The lowest ratios of government debt to GDP at the end of 2008 were recorded in Estonia (4.8 %), Romania (13.6 %), Bulgaria (14.1 %), Luxembourg (14.7 %) and Lithuania (15.6 %). Nine Member States had a government debt ratio higher than 60 % of GDP in 2008 - Italy (105.8 %), Greece (97.6 %), Belgium (89.6 %), Hungary (73.0 %), France (68.1 %), Portugal (66.4 %), Germany (65.9 %), Malta (64.1 %) and Austria (62.5 %). Croatia and Turkey have reduced their relative government debt levels during recent years, standing at 33.5 % and 39.5 % respectively at the end of 2008.

## Wide spread in regional Gross Domestic Product is narrowing

Regions with the lowest/highest GDP per inhabitant (in PPS) (EU-27 = 100)

Region	GDP per inhabitant (in PPS) in % of the EU-27 average	
	2001	2006
Inner London (UK)	317	336
Luxembourg (LU)	234	267
Région de Bruxelles-Capitale (BE)	251	233
Hamburg (DE)	202	200
Groningen (NL)	157	174
Île de France (FR)	180	170
Oberbayern (DE)	170	168
Wien (AT)	177	166
Stockholm (SE)	166	166
Berkshire, Buckinghamshire and Oxfordshire (UK)	163	164
Southern and Eastern (IE)	148	163
Praha (CZ)	145	162
Darmstadt (DE)	162	158
Bremen (DE)	156	157
Utrecht (NL)	170	156
...		
Warmińsko-Mazurskie (PL)	36	40
Podlaskie (PL)	37	39
Centru (RO)	29	38
Nord-Vest (RO)	26	36
Podkarpackie (PL)	33	36
Lubelskie (PL)	34	35
Sud-Est (RO)	24	33
Sud-Muntenia (RO)	22	32
Severoiztochen (BG)	26	32
Yugoiztochen (BG)	28	31
Sud-Vest Oltenia (RO)	23	30
Yuzhen tzentralen (BG)	22	28
Severen tsentralen (BG)	25	27
Severozapaden (BG)	26	25
Nord-Est (RO)	20	25

Source: Eurostat (reg\_e2gdp)

Regional GDP (Gross Domestic Product) per inhabitant (in purchasing power standards) in 2006 differed widely across the 271 NUTS 2 regions of the EU. In Inner London (United Kingdom) it was 336 % of EU-27 average, while in Nord-Est (Romania) it was only 25 % of the EU-27 average. However, many of the less prosperous regions have caught up significantly during the first half of this decade.

The table provides a more detailed overview of both the top and bottom of the ranking, with the GDP of the top 15 and bottom 15 regions. The 15 most prosperous regions are spread over 10 different countries, with a certain amount of concentration in Germany, the United Kingdom and the Netherlands. The lower end of the range, on

the other hand, is much more concentrated. The 15 weakest regions include five out of the six Bulgarian and six out of the eight Romanian regions; two regions in Poland are also among them. Compared to the situation five years ago, the spread has decreased from a factor of 16 : 1 to around 13.6 : 1, i.e. there has been considerable convergence.

#### Shares of resident population in economically stronger and weaker regions

Percentage of population of EU-27 resident in regions with a per inhabitant GDP of	2001	2006
> 125% of EU-27=100	23.3	20.4
> 75% to 125% of EU-27=100	49.2	55.4
less than 75% of EU-27=100	27.5	24.2

If we look at the share of the EU population living in economically stronger and weaker regions, this finding is confirmed: The percentage of the EU population living in NUTS 2 regions with a GDP per inhabitant of less than 75 % of the EU average decreased between 2001 and 2006 from 27.5 % to 24.2 %. This means that in 2006 there were about 14 million fewer people living in areas below the structural funds assistance threshold than in 2001. At the same time the share of the population living in areas with a GDP between 75 % and 125 % of the EU-27 average increased from 49.2 % to 55.4 %, i.e. by almost 30 million people.

A third method of assessing regional convergence measures the dispersion of regional GDP at level NUTS 2. In order to calculate the dispersion indicator, the difference between the GDP per inhabitant of a given region and the national average of the corresponding Member State is weighted by the share of the population. The weighted differences of all regions are then added up, divided by the national average and expressed as a percentage of the national average. The dispersion can be calculated both for individual Member States and for the EU as a whole.

#### Dispersion of Regional GDP per inhabitant at level NUTS 2, in %

	2001	2006
EU-27	31.8	28.9
BE	25.4	25.5
BG	20.3	31.0
CZ	24.3	25.4
DK	:	15.7
DE	17.9	17.3
EL	21.8	26.8
ES	20.3	18.4
FR	20.5	20.4
IT	24.3	23.4
HU	33.0	37.6
NL	10.9	11.7
AT	18.4	16.1
PL	18.2	19.5
RO	24.7	27.5
SK	27.3	30.1
FI	17.5	15.5
SE	14.8	15.3
UK	21.3	22.4

Source: Eurostat (reg\_e2gdp)

The table provides an overview of results for 2001 and 2006 for 19 Member States with at least three NUTS 2 regions. Ireland and Slovenia are not included, because they have only two NUTS 2 regions. The table shows that new Member States had the highest dispersion both in 2001 and in 2006; in addition, dispersion levels increased in all of them. Particularly strong increases are found in Bulgaria, Hungary, Romania and Slovakia. On the other hand, EU-15 countries tend to have lower dispersion levels, in particular the Netherlands and Scandinavia. Only a few EU-15 countries show increasing regional dispersion (mainly Greece, Portugal and the United Kingdom), while convergence can be observed in Germany, Spain, Italy, Austria and Finland.

The EU-27 figure is estimated by treating all 271 regions as if they were part of one country; this means that the EU-27 value is not calculated by aggregating national dispersion values. It appears that dispersion decreased at EU level too, from 31.8 % in 2001 to 28.9 % in 2006. To illustrate this result: The value of 28.9 % for 2006 means that during that year the GDP per inhabitant of all the regions of the EU deviated by an average of 28.9 % from the EU average of 23 600 PPS per inhabitant.

## Policy Context

In March 2005, the European Council relaunched the **Lisbon Strategy** for Growth and Jobs and invited the Commission to present a programme setting out the necessary actions at Community level to help deliver the Lisbon Agenda. The European Council reaffirmed that the renewed Lisbon Strategy should be seen in the wider context of sustainable development.

The relaunch entailed a new governance architecture for the European economic reform process clarifying where the responsibility for implementing individual actions of the revised strategy lies at the national (Member State) and Community levels. 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 its Strategic Annual Progress Reports, the Commission assesses the content and implementation of NRPs, allowing stakeholders and citizens to see how far each Member State has got.

The Lisbon Strategy is organised around three-year cycles. For the second cycle, the Community Lisbon Programme 2008-2010 sets out ten key objectives and corresponding policy actions at Community level.

In March 2008, the European Council approved the integrated guidelines for growth and jobs and, at the same time, issued some important guidelines on the second 3-year cycle of the Lisbon Strategy. It formulated the "fifth freedom" – the free movement of knowledge, and stressed the importance of creativity and small and medium-sized enterprises in the further development of the European economy.

In December 2008, the Commission assessed the implementation in the first year of the CLP for 2008-2010 and identified the pending priority actions to be addressed. "Country chapters" and recommendations covering the implementation of the Lisbon Strategy Structural Reforms in the context of the European Economic Recovery Plan were adopted in January 2009. According to the Commission's latest interim economic forecasts (September 2009), signs for an economic recovery are apparent, but the sustainability of the recovery remains to be confirmed.

Under the 'preventive arm' of the Stability and Growth Pact, which has been in place since 1997, the EU Member States have to submit updated macroeconomic and budgetary projections each year. Such updates are called stability programmes in the case of countries that have adopted the euro and convergence programmes for the others. In the light of recent updates, the Commission presented reports under the excessive deficit procedure (EDP) for several countries and the Council decided on the existence of excessive deficits in April and July 2009. Poland, Romania, Lithuania, Malta, France, Latvia, Ireland, Greece, Spain, the UK and Hungary are currently the subject of EDPs.

In order to participate in the **euro area** (at present encompassing 16 Member States), Member States must achieve legal convergence and fulfil the **convergence criteria** on price stability, government budgetary position, exchange rates and interest rates. 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) must report to the Council on the progress made by the Member States in fulfilling their obligations regarding achievement of economic and monetary union. Among the Member States that do not participate 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. The next regular Convergence Report on euro readiness (covering the following nine Member States with a derogation: Bulgaria, the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Romania and Sweden) is due in spring 2010.

Each Candidate Country prepares and submits to the Commission a Pre-Accession Economic Programme (PEP) outlining the medium-term policy framework, including public finance objectives and structural reform priorities,

needed for EU accession. A similar but slightly lighter procedure has been established since 2006 with potential candidate countries from the Western Balkans.

A pre-accession fiscal surveillance procedure has been established with the Candidate Countries aiming to prepare them for participation in the multilateral surveillance and economic policy coordination procedures currently in place in the EU as part of Economic and Monetary Union. For that purpose, the Candidate Countries annually submit a set of fiscal data, including general government debt and the general government balance.

## 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 25 June 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.

Gross domestic product indicates the size of a country's economy in absolute terms, while in relation to the population (GDP per capita) it 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 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. EU inflation is measured by the EICP ('European Index of Consumer Prices' as defined in Council Regulation (EC) No 2494/95 of 23 October 1995), which 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. New Member States are integrated into the EICP using a chain index formula.

The annual inflation rate measures the price change between the current month and the same month of the previous year. This measure is responsive to recent changes in price levels but can be influenced by one-off effects in either month. HICPs are used by the European Central Bank (ECB) for monitoring inflation in the euro area and assessing inflation convergence. As required by the Treaty, maintenance of price stability is the primary objective of the ECB, which defines 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 rate of change that is the average index for the latest 12 months compared with the average index for the previous 12 months. It is less sensitive to transient changes in prices but it requires a longer time series of indices.

Depending on whether or not a country's revenue covers its expenditure, there will be a surplus or a deficit in its budget. If there is a shortfall in revenue, the government is obliged to borrow. Expressed as a percentage of GDP, a country's annual (deficit) and cumulative (debt) financing requirements are significant indicators of the burden that government borrowing places on the national economy. These are in fact two of the criteria used to assess the government finances of the Member States that are referred to in the Maastricht Treaty in connection with qualifying for the single currency. The government deficit and debt statistics are due to be notified to the European Commission by EU Member States under the excessive deficit procedure. The legal basis is the Treaty on European Union, Protocol on the Excessive Deficit Procedure (EDP), and Council Regulation 479/2009.

## Further reading

- Driving the European recovery [http://ec.europa.eu/financial-crisis/index\\_en.htm](http://ec.europa.eu/financial-crisis/index_en.htm)
- European Economic Recovery Plan (November 2008) [http://ec.europa.eu/growthandjobs/pdf/european-dimension-200812-annual-progress-report/200812-annual-report\\_en.pdf](http://ec.europa.eu/growthandjobs/pdf/european-dimension-200812-annual-progress-report/200812-annual-report_en.pdf)
- European Commission; Directorate-General for Economic and Financial Affairs: Economic forecast (Spring 2009) [http://ec.europa.eu/economy\\_finance/publications/publication15048\\_en.pdf](http://ec.europa.eu/economy_finance/publications/publication15048_en.pdf)

- European Commission; Directorate-General for Economic and Financial Affairs: Interim forecast (September 2009)  
[http://ec.europa.eu/economy\\_finance/publications/publication15864\\_en.pdf](http://ec.europa.eu/economy_finance/publications/publication15864_en.pdf)
- European Economy No. 7/2009, "Economic crisis in Europe: causes, consequences and responses"  
[http://ec.europa.eu/economy\\_finance/publications/publication15887\\_en.pdf](http://ec.europa.eu/economy_finance/publications/publication15887_en.pdf)
- European Economy No. 8/2007, "The EU Economy, 2007 Review", DG Economic and Financial Affairs
- European Economy Occasional Papers, 31 June 2007, "2006 Pre-accession Economic Programmes of candidate countries", DG Economic and Financial Affairs
- European Economy, No. 4/2005, "Integrated Guidelines 2005-2008 including a Commission Recommendation on the Broad Economic Policy Guidelines", DG Economic and Financial Affairs
- "Keeping up the pace of change - Strategic report on the renewed Lisbon strategy for growth and jobs: launching the new cycle (2008-2010)", Communication from the Commission to the Spring 2008 European Council

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



**Real GDP growth rate** (Growth rate of GDP volume, annual and year-on-year quarterly growth rates)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009Q1	2009Q2
EU-27	3.0	3.9	2.0	1.2	1.3	2.5	2.0	3.2	2.9	0.9	-5.1	-5.5
EA-16	2.9	3.9	1.9	0.9	0.8	2.2	1.7	3.0	2.7	0.7	-5.2	-5.3
BE	3.4	3.7	0.8	1.5	1.0	3.0	1.8	3.0	2.8	1.1	-3.4	-3.9
BG	2.3	5.4	4.1	4.5	5.0	6.6	6.2	6.3	6.2	6.0	-3.5	-4.9
CZ	1.3	3.6	2.5	1.9	3.6	4.5	6.3	6.8	6.1	3.0	-4.4	-5.8
DK	2.6	3.5	0.7	0.5	0.4	2.3	2.4	3.3	1.6	-1.2	-4.1	:
DE	2.0	3.2	1.2	0.0	-0.2	1.2	0.8	3.2	2.5	1.3	-6.4	-7.1
EE	-0.3	10.0	7.5	7.9	7.6	7.2	9.4	10.0	7.2	-3.6	-15.0	-16.1
IE	10.7	9.2	5.8	6.4	4.5	4.7	6.4	5.7	6.0	-2.3	-8.5	:
EL	3.4	4.5	4.2	3.4	5.6	4.9	2.9	4.5	4.0	2.9	0.3	-0.4
ES	4.7	5.1	3.6	2.7	3.1	3.3	3.6	3.9	3.7	1.2	-3.7	-4.5
FR	3.3	3.9	1.9	1.0	1.1	2.5	1.9	2.2	2.3	0.4	-3.1	-3.1
IT	1.5	3.7	1.8	0.5	0.0	1.5	0.7	2.0	1.6	-1.0	-6.4	-6.2
CY	4.8	5.0	4.0	2.1	1.9	4.2	3.9	4.1	4.4	3.7	0.9	-1.1
LV	3.3	6.9	8.0	6.5	7.2	8.7	10.6	12.2	10.0	-4.6	-18.0	-18.7
LT	-1.5	4.2	6.7	6.9	10.2	7.4	7.8	7.8	8.9	3.0	-13.3	-20.2
LU	8.4	8.4	2.5	4.1	1.5	4.5	5.2	6.4	5.2	-0.9	-5.5	:
HU	4.2	5.2	4.1	4.4	4.3	4.7	3.9	4.0	1.2	0.6	-6.7	-7.5
MT	:	:	-1.6	2.6	-0.3	0.4	4.1	3.8	3.7	2.1	-1.9	-3.3
NL	4.7	3.9	1.9	0.1	0.3	2.2	2.0	3.4	3.6	2.0	-4.5	-5.1
AT	3.3	3.7	0.5	1.6	0.8	2.5	2.5	3.5	3.5	2.0	-4.7	-4.6
PL	4.5	4.3	1.2	1.4	3.9	5.3	3.6	6.2	6.6	5.0	1.1	1.1
PT	3.8	3.9	2.0	0.8	-0.8	1.5	0.9	1.4	1.9	0.0	-4.6	:
RO	-1.2	2.4	5.7	5.1	5.2	8.5	4.2	7.9	6.2	7.1	-6.2	-8.7
SI	5.4	4.4	2.8	4.0	2.8	4.3	4.5	5.8	6.8	3.5	-8.3	-9.3
SK	0.0	1.4	3.4	4.8	4.7	5.2	6.5	8.5	10.4	6.4e	-5.6	-5.3
FI	3.9	5.1	2.7	1.6	1.8	3.7	2.8	4.9	4.2	1.0	-7.5	-9.5
SE	4.6	4.4	1.1	2.4	1.9	4.1	3.3	4.2	2.6	-0.2	-6.9	-7.0
UK	3.5	3.9	2.5	2.1	2.8	3.0	2.2	2.9	2.6	0.7	-4.9	:
HR	-1.5	3.0	3.8	5.4	5.0	4.3	4.2	4.7	5.5	2.4	-6.7	:
MK	4.3	4.5	-4.5	0.9	2.8	4.1	4.1	4.0	5.9	5.0f	:	:
TR	-3.4	6.8	-5.7	6.2	5.3	9.4	8.4	6.9	4.5	1.1f	:	:
IS	4.1	4.3	3.9	0.1	2.4	7.7	7.5	4.3	5.6	1.3	-4.5	-6.5
LI	:	:	:	:	:	:	:	:	:	:	:	:
NO	2.0	3.3	2.0	1.5	1.0	3.9	2.7	2.3	3.1	2.1	1.1	-4.8
CH	1.3	3.6	1.2	0.4	-0.2	2.5	2.6	3.6	3.6	1.8	-2.2	-2.0

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

"e": estimate; "f": forecast by the Commission Services.

Source: Eurostat - National Accounts.

**Gross domestic product at current market prices, in Bn Euro**

	2006	2007	2008
EU-27	11684	12360	12512
EA-16	8556	9001	9276
BE	318	335	344
BG	25	29	34
CZ	114	127	149
DK	218	227	232
DE	2325	2428	2496
EE	13	16	16
IE	177	191	186
EL	213	228	243
ES	982	1051	1095
FR	1806	1895	1950
IT	1485	1545	1572
CY	15	16	17
LV	16	21	23
LT	24	28	32
LU	34	36	37
HU	90	101	106
MT	5	5	6
NL	540	569	596
AT	256	271	282
PL	272	311	362
PT	155	163	166
RO	98	124	137
SI	31	35	37
SK	45	55	65e
FI	167	180	185
SE	313	331	328
UK	1945	2044	1816
HR	39	43	47
MK	5	6	7f
TR	419	472	498
IS	13	15	10
LI	3	:	:
NO	268	284	310
CH	312	317	341

Note: Figures for 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.

"e": estimate; "f": forecast by the Commission Services.

### Household consumption expenditure per head

(Index EU-27=100, in Euro)

	2007	2008
EU-27	100	100
EA-16	109	111
BE	115	120
BG	18	21
CZ	41	49
DK	142	144
DE	117	119
EE	45	47
IE	142	141
EL	102	107
ES	94	95
FR	118	121
IT	107	108
CY	93	102
LV	41	41
LT	38	44
LU	171	178
HU	38	39
MT	57	61
NL	113	115
AT	121	124
PL	35	40
PT	70	72
RO	27	29
SI	63	67
SK	40	47
FI	120	125
SE	118	115
UK	150	132
HR	33f	37f
MK	15	17f
TR	33	34
IS	193	119
LI	:	:
NO	175	176
CH	168	177

Note: Household consumption expenditure includes the consumption expenditure of non-profit institutions serving households, except for Croatia and Turkey.

"f": forecast by the Commission Services.

### Net saving as % of GDP

	2007	2008
EU-27	7.2	6.0
EA-16	7.8	6.5
BE	9.9	6.9
BG	0.8	2.0
CZ	7.1	4.7
DK	7.7	8.0
DE	11.5	11.1
EE	9.1	6.5
IE	12.4	8.5
EL	-2.2	-2.7
ES	5.3	3.4
FR	6.5	5.0
IT	4.3	2.0
CY	:	:
LV	4.5	8.5
LT	3.0	3.3f
LU	:	:
HU	3.1	0.1f
MT	:	:
NL	13.8	10.3
AT	10.9	11.1
PL	7.1	7.4f
PT	-4.1	-6.8
RO	:	:
SI	12.7	11.7
SK	5.7	5.8e
FI	12.1	9.1
SE	16.5	15.2
UK	4.2	3.8
HR	:	:
MK	:	:
TR	:	:
IS	-4.5	-32.8
LI	:	:
NO	26.4	29.7
CH	14.0	13.8

"e": estimate; "f": forecast by the Commission Services.

### Gross compensation per employee

(Index EU-27=100, in Euro)

	2007	2008
EU-27	100	100
EA-16	108	111
BE	146	150
BG	12	14
CZ	40	48
DK	145	151
DE	106	108
EE	40	44
IE	143	150
EL	82	87
ES	89	93
FR	132	135
IT	105	107
CY	71	73
LV	32	37
LT	30	35
LU	165	166
HU	42	44f
MT	53	54
NL	120	123
AT	120	124
PL	30	34f
PT	61f	63f
RO	24f	26f
SI	69	73
SK	34	39e
FI	123	129
SE	135	131
UK	137	120
HR	48f	53f
MK	15	17f
TR	:	:
IS	:	:
LI	:	:
NO	164	168
CH	:	:

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.

"e": estimate; "f": forecast by the Commission Services.

Inflation rates in %, measured by HICP

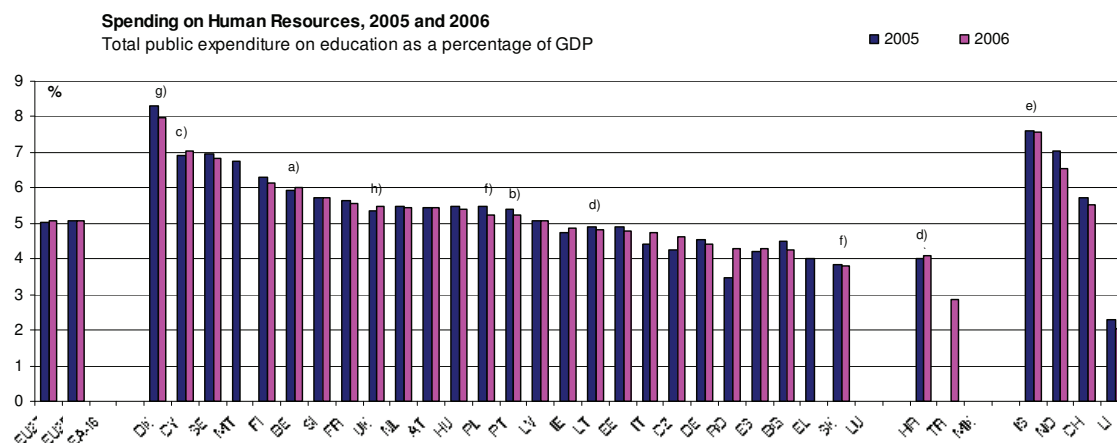
	Annual inflation rate compared to the same month of the previous year				12-month average annual inflation rate
	May 2009	June 2009	July 2009	August 2009	December 2008
EU-27	0.8	0.6	0.2	0.6	3.7
EA-16	0.0	-0.1	-0.7	-0.2	3.3
BE	-0.2	-1.0	-1.7	-0.7	4.5
BG	3.0	2.6	1.0	1.3	12.0
CZ	0.9	0.8	-0.1	0.0	6.3
DK	1.1	0.9	0.7	0.7	3.6
DE	0.0	0.0	-0.7	-0.1	2.8
EE	0.3	-0.5	-0.4	-0.7	10.6
IE	-1.7	-2.2	-2.6	-2.4	3.1
EL	0.7	0.7	0.7	1.0	4.2
ES	-0.9	-1.0	-1.4	-0.8	4.1
FR	-0.3	-0.6	-0.8	-0.2	3.2
IT	0.8	0.6	-0.1	0.1	3.5
CY	0.5	0.1	-0.8	-0.9	4.4
LV	4.4	3.1	2.1	1.5	15.3
LT	4.9	3.9	2.6	2.2	11.1
LU	-0.9	-1.0	-1.5	-0.2	4.1
HU	3.8	3.7	4.9	5.0	6.0
MT	3.4	2.8	0.8	1.0	4.7
NL	1.5	1.4	-0.1	-0.1	2.2
AT	0.1	-0.3	-0.4	0.1	3.2
PL	4.2	4.2	4.5	4.3	4.2
PT	-1.2	-1.6	-1.4	-1.2	2.7
RO	5.9	5.9	5.0	4.9	7.9
SI	0.5	0.2	-0.6	0.1	5.5
SK	1.1	0.7	0.6	0.5	3.9
FI	1.5	1.6	1.2	1.3	3.9
SE	1.7	1.6	1.8	1.9	3.3
UK	2.2	1.8	1.8	1.6	3.6
TR	5.2	5.7	5.4	5.3	10.4
IS	15.7	16.7	16.5	16.0	12.8
NO	2.9	3.5	2.2	1.8	3.4
CH	-1.1	-1.2	-1.4	-1.0	2.3

Source: Eurostat - Price statistics.

## 5. EDUCATION AND ITS OUTCOMES

**In 2006, total public resources allocated to the funding of all levels of education represented on average 5.05 % of EU-27 GDP and it varied from 3.79 % of GDP in Slovakia to 7.98 % in Denmark.**

### Total public expenditure on education: 5.05 % of EU-27 GDP in 2006



Source: Eurostat – Education Statistics

Notes:

- a) Expenditure exclude independent private institutions and the German-speaking Community.
- b) Student loans from public sources not included; Expenditure at local level of government not included; Expenditure at post-secondary non-tertiary level of education not included; Imputed retirement expenditure not included.
- c) Including financial aid to students studying abroad.
- d) Public transfers to other private entities not included.
- e) Expenditure for ancillary services not included.
- f) Including child care expenditure.
- g) R&D expenditure in tertiary education not included.
- h) GDP adjusted to the financial year that is running from 1 April to 31 March.

Although investment in education is influenced by various factors (e.g. demographic aspects or levels of participation and length of study), the percentage of domestic income that governments devote to education tends to reflect the importance which they attach to it. In 2006, total public resources allocated to the funding of all levels of education — including direct public expenditure for educational institutions and public transfers to private entities — represented on average 5.05 % of EU-27 GDP. In the EU-27, each government's contribution to education varied greatly in 2006 from 3.79 % of GDP in Slovakia, 4.24 % in Bulgaria and 4.28 % in Spain to 6.85 % in Sweden, 7.02 % in Cyprus and 7.98 % in Denmark.

In the EU-27 higher public expenditure on education as a percentage of GDP is reflected in more resources for students. The overall expenditure per student in the EU was 5 970 euro in 2006 and it ranged from 2 139 EUR PPS<sup>132</sup> in Bulgaria and 2 761 EUR PPS in Lithuania to 8 330 EUR PPS in Denmark and 8 583 EUR PPS in Austria.

<sup>132</sup> PPS (Purchasing Power Standards) take into account the general price levels in each country. Therefore, for example, the lower level of expenditure per pupil/student in Bulgaria as computed here already takes into account the fact that prices when converted with the market exchange rates are lower in Bulgaria than in other countries. However, although PPS take into account the price level of goods and services, they do not consider specifically the different levels of the salaries of the personnel of educational institutions between countries.

## Continuous increase in participation in early childhood education

Participation in early childhood education (between 4-years-olds and starting of compulsory primary) (2000-2007)

	Entrance age to primary education	age range	2000	2001	2002	2003	2004	2005	2006	2007
EU27			85.6	86.8	88.0	87.8	88.0	88.4	89.7	90.7
BE	6	4-5	99.1	100.0	100.0	100.0	99.8	100.0	99.9	99.7
BG	7	4-6	73.4	73.2	81.1	83.9	83.2	82.5	80.5	79.8
CZ	6	4-5	90.0	92.0	93.7	93.7	94.0	94.4	92.6	92.6
DK	7	4-6	95.7	93.7	93.5	94.9	96.9	91.8	92.0	92.7
DE	6	4-5	82.6	87.7	88.4	86.4	85.5	86.6	93.0	94.5
EE	7	4-6	87.0	88.3	86.9	93.6	97.1	98.7	94.9	93.6
IE	4	4-5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EL	6	4-5	69.3	69.3	69.2	70.6	70.6	70.8	70.9	68.2
ES	6	4-5	100.0	100.0	100.0	100.0	100.0	99.8	98.5	98.1
FR	6	4-5	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
IT	6	4-5	100.0	100.0	100.0	100.0	100.0	100.0	100.0	99.3
CY	6	4-5	64.7	70.4	68.3	68.1	70.8	74.7	84.7	84.7
LV	7	4-6	65.4	67.2	70.2	85.7	85.0	87.7	87.2	88.2
LT	7	4-6	60.6	61.2	64.1	68.9	69.7	71.3	75.8	76.6
LU	6	4-5	94.7	95.3	97.7	83.5	89.5	94.8	95.0	93.9
HU	6	4-5	93.9	92.5	93.3	94.7	95.1	93.9	94.5	95.1
MT	5	4	100.0	95.0	92.6	98.7	97.5	94.4	95.5	98.8
NL	5	4	99.5	98.1	99.1	73.0	74.0	73.4	74.2	98.9
AT	6	4-5	84.6	86.0	87.0	88.1	87.7	87.6	88.2	88.8
PL	7	4-6	58.3	58.5	58.4	59.6	60.9	62.1	64.0	66.8
PT	6	4-5	78.9	81.5	83.7	85.7	84.9	86.9	86.8	86.7
RO	6	4-5	67.6	68.5	72.3	73.9	80.3	81.2	81.2	81.8
SI	6	4-6	85.2	86.0	86.8	86.2	86.4	86.6	88.6	89.2
SK	6	4-5	76.1	76.4	75.4	77.2	78.3	79.7	79.4	79.4
FI	7	4-6	55.2	62.0	65.0	65.5	66.9	66.9	68.1	69.8
SE	7	4-6	83.6	85.7	86.6	89.4	92.4	92.8	91.3	94.0
UK	5	4	100.0	99.0	100.0	95.3	92.9	91.8	90.9	90.7
HR	7	4-6	n.a.	n.a.	n.a.	54.1	55.9	59.1	61.9	65.2
MK	6-7	4-5	17.4	17.3	17.7	20.9	21.0	22.9	24.6	26.1
TR	6	4-5	11.6	11.9	13.0	14.5	14.8	18.6	23.2	26.7
IS	6	4-5	91.8	93.3	93.5	94.5	95.5	95.8	95.7	95.4
LI	7	4-6	69.3	n.a.	n.a.	80.4	82.3	83.5	84.2	84.5
NO	6	4-5	79.7	81.3	83.1	85.4	88.0	90.0	92.4	94.3
CH	6-8	4-6	n.a.	n.a.	73.5	74.8	75.6	77.4	78.9	79.1
US	6	4-5	69.9	74.8	75.2	71.1	70.6	71.5	68.2	69.6
JP	6	4-5	95.5	94.9	94.5	94.9	95.9	96.8	95.6	96.4

Source: Eurostat (UOE)

UK: break in series between 2002 and 2003 due to changes in methodology.

NL: break in series between 2003 and 2006. Different reference dates for ages.

The participation in early childhood education indicator is computed as the ratio between the number of pupils aged from 4 up to the year before the compulsory age and the number of children in the population at the same age. In 2007 (scholastic year 2006/07) almost 91% of children were in education in the EU.

In Belgium, Spain, France, Italy, Malta, Sweden and in the Netherlands the percentage of pupils enrolled is close to 100 %. In 14 of the 26 Member States for which data are available, more than 90 children out of 100 go to school. The lowest proportions of participation were found in Poland (66.8 %), Greece (68.2 %) and Finland (69.8 %).

## Gender patterns in tertiary education.

### Participation in tertiary education

Number of the students aged 20 to 24 enrolled at ISCED levels 5-6 by sex as percentage of population aged 20 to 24 - 2007

	EU-27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT
Total	28.4	31.3	29.0	30.5	28.8	22.6	31.2	23.1	36.6	28.5	28.7	31.1	17.3	32.6	40.1	:	30.8	16.2
Females	31.9	34.3	32.3	35.0	34.9	24.4	36.7	25.3	39.0	32.4	31.9	36.4	14.7	40.0	46.7	:	35.3	19.3
Males	25.0	28.2	25.8	26.3	23.0	20.9	25.9	20.9	34.4	24.9	25.6	25.9	19.9	25.5	33.7	:	26.5	13.2

	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH
Total	31.7	23.9	40.0	25.3	28.0	46.1	27.3	39.6	29.2	19.8	26.6	20.9	18.6	26.6	13.9	31.9	21.3
Females	33.2	27.1	45.6	29.3	32.2	56.5	31.6	44.2	33.6	21.7	29.9	23.5	16.1	32.7	9.4	38.1	21.5
Males	30.3	20.7	34.5	21.4	24.0	36.3	23.1	35.2	25.1	18.0	23.3	18.4	21.0	20.7	18.4	26.0	21.0

Source: Eurostat (UOE)

DE: Data exclude ISCED level 6

At least 30% of the population aged 20 to 24 in Belgium, Czech Republic, Greece, Lithuania, Latvia, Hungary, the Netherlands, Poland, Slovenia, Finland and Norway is enrolled in tertiary education. On average roughly 29 out of 100 young people of this age group in the EU-27 are in education. In some countries the gender participation imbalance is very significant - the percentage of women attending an ISCED level 5 or 6 programme tends to be higher than the corresponding men's percentage. This is particularly the case in the Baltic countries, Slovenia, Poland, Italy and Norway. Only in Liechtenstein and Turkey is the proportion of tertiary students in the population aged 20-24 higher for men than for women.



### Gender balance in tertiary education

Female students (ISCED 5-6) enrolled by fields of study - as % of male and female students enrolled in these fields of study - 2007

	field of study							
	education	humanities and arts	social science business and law	science mathematics and computing	engineering manufacturing and construction	agriculture and veterinary	health and welfare	services
EU-27	75.5	66.1	58.2	37.5	24.7	48.0	73.5	52.1
BE	71.6	55.9	53.7	29.9	20.1	52.0	73.5	50.4
BG	69.1	64.6	60.6	46.8	31.1	41.3	67.5	46.1
CZ	76.1	65.8	62.0	32.9	24.7	57.5	75.0	41.6
DK	70.8	62.3	50.7	35.4	33.3	54.2	80.3	21.8
DE	69.9	66.4	48.8	35.0	18.2	46.9	73.4	48.6
EE	91.5	73.9	65.8	37.6	26.1	52.3	89.6	52.1
IE	77.0	63.4	56.1	42.6	17.1	45.6	79.0	46.7
EL	61.7	69.3	55.4	37.2	25.9	45.3	66.5	48.8
ES	78.1	60.3	58.8	33.8	28.1	46.5	74.5	56.2
FR	74.5	68.5	61.1	35.9	24.1	38.2	70.7	42.0
IT	85.6	72.1	57.4	50.3	28.8	45.6	65.5	48.5
CY	85.6	74.1	45.4	35.2	18.6	9.1	62.1	47.8
LV	84.2	79.0	68.1	30.3	21.0	49.5	87.3	53.7
LT	78.0	72.8	69.0	32.0	24.1	49.3	83.6	43.5
LU	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
HU	73.9	66.4	65.3	28.2	18.6	45.0	75.5	59.8
MT	79.6	58.3	57.5	34.8	29.2	11.1	68.1	67.0
NL	74.1	54.1	46.9	16.2	15.2	50.5	73.6	48.7
AT	74.8	66.7	55.4	34.4	22.9	63.7	66.6	46.5
PL	72.9	70.6	62.1	36.3	27.1	52.8	73.6	49.2
PT	82.4	58.6	58.3	48.3	25.1	56.0	76.6	47.6
RO	88.3	67.3	62.2	56.8	30.4	37.6	68.3	39.3
SI	80.9	73.0	66.5	33.6	24.7	57.1	79.0	48.5
SK	76.1	60.6	63.6	36.6	29.2	42.7	82.2	43.6
FI	80.1	71.0	61.9	39.7	18.9	51.9	84.2	70.7
SE	75.9	62.6	61.1	43.2	28.1	59.3	80.4	60.6
UK	75.0	61.5	54.9	37.2	20.4	59.5	77.0	78.5
HR	91.3	69.7	64.0	41.8	26.5	46.0	73.1	25.3
MK	74.3	68.4	56.8	40.6	32.4	32.9	73.6	34.9
TR	52.9	49.4	44.5	39.2	19.4	47.0	60.8	31.3
IS	83.5	65.8	59.8	38.1	32.0	46.2	85.0	77.8
LI	n.a.	40.0	29.8	n.a.	39.0	n.a.	21.4	n.a.
NO	73.9	62.3	57.2	35.5	24.9	58.4	80.4	47.3
CH	70.6	59.5	47.1	29.3	14.5	49.2	70.2	50.0

Source: Eurostat (UOE)

DE: Data exclude ISCED level 6

There are large disparities in enrolments by field of study and by sex between the countries. Education, humanities and arts, health and welfare are fields of study where there is a predominance of women. In contrast, female students are very much a minority in science, mathematics and computing, and in engineering, manufacturing and construction.

Educational attainment levels of the population have improved significantly over the last thirty years, particularly among women. In 2007, 78 % of young people aged 20-24 in the EU-27 had at least an upper secondary education level. At the same time, however, 15 % of people aged 18-24 left the education system with only lower secondary education at best.

#### Youth education attainment level, 2008

Percentage of the population aged 20 to 24 having completed at least upper secondary education

	EU-27	EA-16	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT
Total	78.5	75.5	82.2	83.7	91.6	71.0	74.1	82.2	87.7	82.1	60.0	83.4	76.5	85.1	80.0	89.1	72.8	83.6	53.0
Females	81.3	79.0	83.9	83.4	92.2	78.6	76.4	88.3	91.3	86.6	67.6	85.7	79.7	89.5	86.0	92.3	77.4	85.5	57.3
Males	75.6	72.0	80.5	84.0	91.0	63.6	71.9	76.0	84.1	78.0	52.7	81.0	73.5	80.1	74.3	85.9	68.3	81.7	49.1

	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH
Total	76.2	84.5	91.3	54.3 (p)	78.3	90.2	92.3	86.2	87.9 (p)	78.2	95.4	79.7	47.8	53.6	70.1	82.6	
Females	80.6	84.8	93.3	61.9 (p)	78.6	93.6	93.6	87.6	89.7 (p)	80.0	96.3	77.6	40.9	59.8	74.8	83.8	
Males	71.9	84.2	89.3	47.1 (p)	77.9	87.4	91.0	84.6	86.2 (p)	76.4	94.6	81.7	56.4	47.9	65.5	81.4	

Notes: CH: 2007;

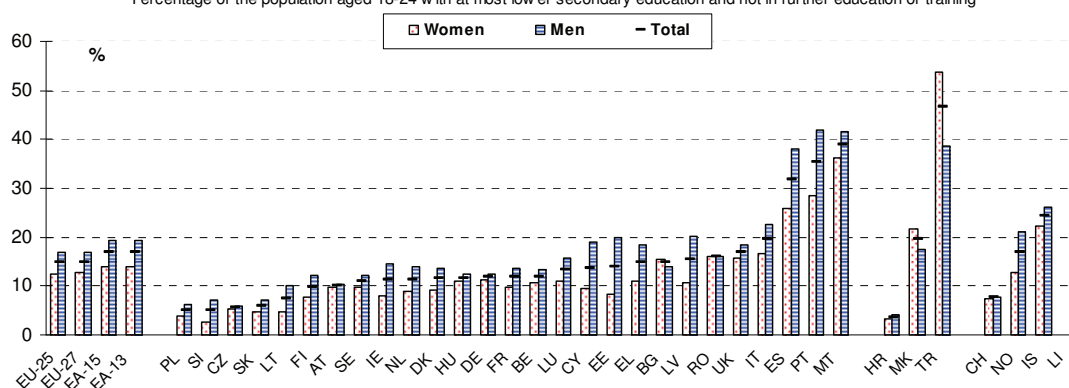
Source: Eurostat - European Union Labour Force Survey

By comparing those currently leaving the education system with older generations, it is possible to monitor trends in educational attainment over a long time period of around thirty years. In 2007, 80 % of the younger generation aged 25-29 had completed at least upper secondary education compared with only 62 % of people aged 55-59. This increase in the educational attainment level is particularly marked for women: 82 % of young women aged 25-29 years had completed at least upper secondary education, compared to 57 % in the generation of their mothers (women aged 55-59 years). For men, these proportions are respectively 78 % and 66 %. Today, the percentage of persons having at least an upper secondary education is higher among young women than among young men in all EU Member States.

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

#### Early school-leavers by sex, 2008

Percentage of the population aged 18-24 with at most lower secondary education and not in further education or training



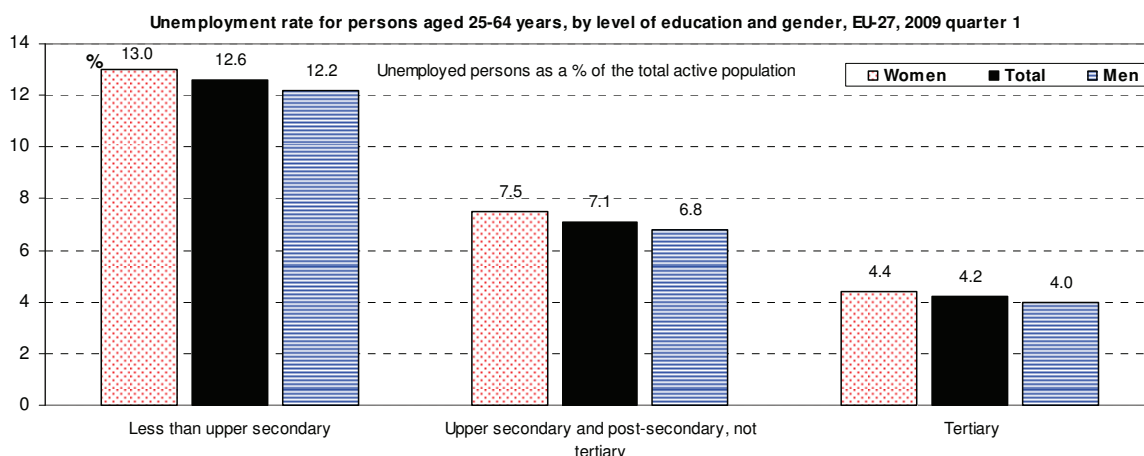
Source: Eurostat - EU Labour Force Survey, 2008

Notes: PT, SE provisional data. FR data do not cover the overseas departments (DOM). TR: national data. In FI, the educational attainment level is measured at the beginning of the year (register data). This implies an over-estimation of the indicator in this country.

The indicator covers non-nationals who have stayed or intend to stay in the country for one year or more.

Students living abroad for one year or more and conscripts on compulsory military service are not covered by the EU Labour Force Survey, which may imply higher rates than those available at national level. This is especially relevant for CY.

Although educational attainment levels continue to improve, 15 % of 18-24 year olds in the European Union are not in education or training even though they have not completed an education programme beyond lower secondary level. Malta, Portugal and Spain have the highest proportions (30 % or more) of low educated young people who are no longer being educated or trained. In nearly all Member States, women are less likely than men to be in this situation (13 % against 17 % at EU level).



Source: Eurostat - EU Labour Force Survey

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

In general, higher levels of educational achievement reduce the likelihood of unemployment, albeit to differing degrees, in all Member States. In the EU-27, the unemployment rate of 25-64 year olds with tertiary education stood at 3.6 % in 2007 compared with 6.0 % for people who had completed at best upper secondary education and 9.2 % among those who had not gone beyond lower secondary schooling.

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

The 2006<sup>133</sup> data for the 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, the median equivalised net income of highly educated persons (i.e. completed tertiary education) for 25-64 year olds was 137 % of the national median whereas it was 81 % for those with a low level of education (i.e. at most lower secondary schooling) and 97 % for those with a medium level of education (i.e. upper secondary or post-secondary non-tertiary education). The ratio of the incomes between the well-educated and low educated workers was largest in Portugal (2.56) and smallest in Sweden (1.18). The 2006 data also show that the at-risk-of-poverty rate among the highly educated was only 5 % compared with 20 % among those with a low level of education. For individuals with a medium level of education the at-risk-of-poverty rate was 11 %.

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

Throughout the European Union, the higher the educational level of adults, the more opportunities they have for continuing training.

### Policy context

According to the EC Treaty (Title XI, Chapter 3, Art. 149(1): "The Community shall contribute to the development of quality education by encouraging cooperation 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, namely "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: e.g. 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") with these goals in mind and supported the ambition of the Ministers for Education to make education and training systems in Europe "a worldwide quality reference by 2010".

<sup>133</sup> EU-SILC survey year 2006, income reference year mainly 2005. Bulgaria and Romania not included.

In the Communication on 'Mobilising the brainpower of Europe: enabling universities to make their full contribution to the Lisbon Strategy (COM(2005) 152) the Commission identified a funding gap in higher education between the EU and the US and called 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) is the minimum requirement. In its Communication on an updated strategic framework for European cooperation in education and training (COM(2008)865), the Commission noted that progress had been made, with national reforms of lifelong learning and qualification systems, the modernisation of higher education and the development of European instruments promoting quality, transparency of qualifications and mobility in learning. However, such progress varies considerably between Member States and is insufficient in key areas, and most of the benchmarks that the Council set for 2010 will not be reached. While the maths, science and technology benchmark was reached in 2003, progress on early school leaving, upper-secondary attainment and adult participation in lifelong learning is insufficient to reach the targets and performance on low achievers' in reading literacy has even deteriorated.

While the EU's education and training performance is broadly comparable with the best in the world, comparisons with other OECD countries reveal significant areas where the EU lags behind, both at the level of basic schooling and in higher education.

A new "Strategic framework for European cooperation in education and training (ET2020)" was adopted by the Council in May 2009. It defines four strategic objectives, concrete follow-up actions, and an adapted set of benchmarks to be achieved by 2020. Emphasis is put on lifelong learning and mobility, the quality and efficiency of education and training, the promotion of equity, social cohesion and active citizenship, and the enhancement of creativity and innovation – including entrepreneurship – at all levels of education and training.

## Methodological notes

Sources: Eurostat — European Union Labour Force Survey (LFS) and Community Statistics on Income and Living Conditions (EU-SILC), UOE (UNESCO, OECD and Eurostat) questionnaires on education and training systems.

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 to ISCED 3-4 (thus including 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.

## Further reading

- "Key data on education in Europe 2009", European Commission, Eurydice, Eurostat <http://www.eurydice.org/portal/page/portal/Eurydice/showPresentation?pubid=052EN>
- 2006 Ministerial Riga Declaration on e-Inclusion [http://ec.europa.eu/information\\_society/events/ict\\_riga\\_2006/doc/declaration\\_riga.pdf](http://ec.europa.eu/information_society/events/ict_riga_2006/doc/declaration_riga.pdf)
- "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)
- Education, Policy Review Series n° 4, Brussels, 2007
- "Delivering lifelong learning for knowledge, creativity and innovation. 2008 joint progress report of the Council and the Commission on the implementation of the Education & Training 2010 Work Programme", 2008
- Communication on an updated strategic framework for European cooperation in education and training, (COM(2008)865), 2008, European Commission
- Progress towards the Lisbon objectives in Education and Training - Indicators and benchmarks 2008 (Commission report, 2008)
- Council Conclusions on a strategic framework for European cooperation in education and training ("ET 2020")
- "Education at a glance 2009", 2009, OECD)

- The Bologna Process in Higher Education in Europe- Key indicators on the social dimension and mobility (April 2009)
- Statistics/Data in Focus on education (Theme 3 — Population and social conditions), Eurostat:
  - Education in Europe, Key statistics No. 10/2005
  - 17 million tertiary students in the EU, No.19/2005
  - The narrowing education gap between women and men, No. 130/2007
  - Education in Europe, Key statistics, No.42/2008
  - 1 in 10 of the population wanting to work took part in labour market training in 2006 – No. 34/2009
  - Significant country differences in adult learning – No. 44/2009
- 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
- 5% of EU GDP is spent by governments on education - Issue number 117/2008 Report on Digital Literacy published on 1 December 2008,  
[http://ec.europa.eu/information\\_society/eeurope/i2010/docs/digital\\_literacy/digital\\_literacy\\_review.pdf](http://ec.europa.eu/information_society/eeurope/i2010/docs/digital_literacy/digital_literacy_review.pdf)

## Youth education attainment level

Percentage of the population aged 20 to 24 having completed at least upper secondary education, 1999-2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU-27	76.6	76.6	76.7	76.9	77.1	77.5	77.9	78.1	78.5	
EA-16	73.6	73.2	73.4	73.5	74.0	74.2	74.5	74.9	75.5	
BE	76.2	(i) 81.7	(b) 81.7	81.6	81.2	81.8	81.8	82.4	82.6	82.2
BG	75.2	78.1	(b) 77.4	76.3	76.1	76.5	80.5	(i) 83.3	83.7	
CZ	91.8	91.2	90.6	92.2	92.1	91.4	91.2	91.8	91.8	91.6
DK	73.2	72.0	78.4	(i) 78.6	76.2	(b) 76.2	77.1	77.4	70.8	(b) 71.0
DE	74.6	74.7	73.6	73.3	72.5	72.8	71.5	(b) 71.6	72.5	74.1
EE	83.0	79.0	(b) 79.8	81.4	81.5	80.3	82.6	82.0	80.9	82.2
IE	82.0	82.6	83.9	84.0	85.1	85.3	85.8	85.7	86.7	87.7
EL	78.6	79.2	80.2	81.1	81.7	83.0	84.1	81.0	82.1	82.1
ES	65.2	(i) 66.0	65.0	63.7	62.2	61.2	61.8	61.6	61.1	60.0
FR	80.0	81.6	81.8	81.7	81.5	(b) 81.8	83.4	83.3	82.5	83.4
IT	66.3	69.4	(b) 67.9	69.6	71.0	73.4	73.6	75.5	76.3	76.5
CY	80.8	79.0	80.5	83.5	79.5	77.6	80.4	83.7	85.8	85.1
LV	74.6	76.5	71.7	(i) 77.1	(b) 75.4	79.5	79.9	81.0	80.2	80.0
LT	81.3	78.9	(i) 80.5	81.3	(b) 84.2	85.0	87.8	88.2	89.0	89.1
LU	71.2	77.5	68.0	69.8	72.7	(b) 72.5	71.1	69.3	70.9	72.8
HU	85.2	83.5	84.7	85.9	84.7	(b) 83.5	83.4	82.9	84.0	83.6
MT		40.9	40.1	39.0	45.1	(b) 51.0	53.7	51.1	55.5	53.0
NL	72.3	71.9	72.7	73.1	75.0	75.0	75.6	74.7	76.2	76.2
AT	84.7	85.1	(b) 85.1	85.3	84.2	85.8	(i) 85.9	85.8	84.1	84.5
PL	81.6	(i) 88.8	(b) 89.7	89.2	90.3	90.9	91.1	91.7	91.6	91.3
PT	40.1	43.2	(p) 44.4	(p) 44.4	(p) 47.9	(p) 49.6	(p) 49.0	(p) 49.6	(p) 53.4	(p) 54.3
RO	77.8	76.1	77.3	76.3	75.0	75.3	76.0	77.2	77.4	78.3
SI	85.8	88.0	(b) 88.2	90.7	90.8	90.5	90.5	89.4	91.5	90.2
SK	93.3	94.8	94.4	94.5	94.1	91.7	91.8	91.5	91.3	92.3
FI	86.8	87.7	(b) 86.1	85.8	85.3	84.5	83.4	84.7	86.5	86.2
SE	86.3	85.2	85.5	(b) 86.7	85.8	86.0	87.5	86.5	(p) 87.2	(p) 87.9
UK	75.3	76.7	76.9	77.1	78.6	77.0	78.1	78.8	78.1	78.2
HR				90.6	91.0	93.5	93.8	94.6	95.3	95.4
MK								75.8	79.2	79.7
TR		38.6	39.6	42.8	44.2	42.0	44.0	44.7	46.4	47.8
IS	43.8	46.1	46.1	48.5	51.2	51.7	50.8	49.3	52.9	53.6
LI										
NO	94.4	95.0	96.2	94.8	93.7	95.1	96.2	68.6	(b) 67.9	70.1
CH	76.0	77.7	80.4	79.4	77.5	78.7	78.3	78.1	81.2	82.6

PT:2000-2008: provisional data,SE:2006-2008: provisional data

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.

From 1998 data onwards ISCED 3c levels of duration shorter than 2 years do not fall any longer under the level 'upper secondary' but under 'lower secondary'. The definition could not be implemented on 1999-2005 data in EL, IE and AT where all ISCED 3c levels are still included.

Due to changes in the survey characteristics, data lack comparability with former years in FI (from 2000), SE and BG (from 2001), LV and LT (from 2002), DK and HU (from 2003), AT (from 2004), DE (from 2005).

Students living abroad for one year or more and conscripts on compulsory military service are not covered by the EU Labour Force Survey, which may imply lower rates than those available at national level. This is especially relevant for the indicator 'youth education attainment level' in CY. The indicator covers non-nationals who have stayed or intend to stay in the country for one year or more.

FR data do not cover the overseas departments (DOM).  
Source: Eurostat - European Union Labour Force Survey

## Young women education attainment level

Percentage of women aged 20 to 24 having completed at least upper secondary education, 1999-2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU-27		79.3	79.2	79.3	79.4	80.0	80.2	80.8	80.8	81.3
EA-16		76.9	76.4	76.6	76.7	77.6	77.7	78.1	78.4	79.0
BE	80.1	(i) 85.6	(b) 85.2	84.8	84.6	84.8	85.3	85.6	84.9	83.9
BG		77.0	79.0	(b) 79.5	77.3	77.5	77.1	81.1	(i) 83.6	83.4
CZ	91.6	91.7	91.3	92.0	91.5	91.8	91.1	92.4	92.4	92.2
DK	77.9	76.5	81.7	(i) 82.6	78.5	(b) 78.1	80.5	81.5	77.7	(b) 78.6
DE	74.5	74.8	73.6	73.8	73.4	74.2	72.5	(b) 73.5	74.4	76.4
EE	88.6	83.7	(b) 85.2	85.8	85.1	87.5	87.6	89.8	89.6	88.3
IE	85.0	85.6	87.4	87.3	88.5	88.4	88.9	89.3	89.8	91.3
EL	82.8	84.6	84.8	86.0	86.8	86.8	88.5	86.6	87.0	86.6
ES	71.7	(i) 71.9	71.4	70.3	69.2	68.4	68.5	69.0	67.3	67.6
FR	81.4	83.5	83.2	82.8	83.2	(b) 83.5	85.5	85.1	85.1	85.7
IT	70.4	74.2	(b) 73.0	74.3	75.1	78.6	78.1	79.4	80.0	79.7
CY	85.6	82.8	84.9	89.5	87.0	83.8	89.1	90.7	91.0	89.5
LV	82.3	82.4	77.5	(i) 84.3	(b) 80.9	85.1	85.2	86.2	84.1	86.0
LT	84.5	82.9	(i) 83.8	83.2	(b) 87.9	88.5	91.8	91.2	91.5	92.3
LU	72.8	75.8	69.0	65.5	75.6	(b) 73.4	75.8	74.5	76.4	77.4
HU	85.3	84.0	85.0	86.3	86.1	(b) 84.9	84.9	84.7	85.6	85.5
MT		40.2	38.7	42.2	48.8	(b) 52.4	57.0	53.2	59.6	57.3
NL	76.3	75.7	76.8	77.4	78.0	78.9	79.9	79.6	80.5	80.6
AT	82.9	84.9	(b) 85.3	84.6	83.4	86.5	(i) 87.3	86.7	85.4	84.8
PL	84.3	(i) 91.7	(b) 91.8	91.9	92.8	93.1	93.3	93.8	93.4	93.3
PT	46.7	51.8	(p) 53.0	(p) 52.9	(p) 55.5	(p) 58.7	(p) 57.5	(p) 58.6	(p) 60.8	(p) 61.9
RO	79.1	77.0	77.5	77.7	75.7	76.1	76.8	77.8	77.7	78.6
SI	87.1	90.8	(b) 90.3	93.3	94.0	94.1	93.2	91.4	94.3	93.6
SK	93.4	94.8	95.1	95.4	94.5	92.0	92.6	91.7	92.1	93.6
FI	88.8	90.0	(b) 89.4	89.0	87.6	87.0	85.7	87.0	88.0	87.6
SE	87.5	87.6	86.8	(b) 88.3	87.2	87.2	88.7	88.6	(p) 89.0	(p) 89.7
UK	75.9	77.5	78.4	77.6	78.9	78.0	78.9	80.2	79.0	80.0
HR				91.8	92.6	94.6	94.9	95.0	96.1	96.3
MK								72.5	77.4	77.6
TR		32.0	32.0	34.8	37.2	35.8	37.8	38.9	40.0	40.9
IS	41.0	47.5	53.3	56.9	56.3	57.8	57.7	58.7	59.7	59.8
LI										
NO	95.1	95.4	96.9	96.1	94.7	95.9	97.5	74.9	(b) 73.8	74.8
CH	74.9	78.3	85.1	80.6	79.4	80.2	79.5	80.0	84.7	83.8

PT:2000-2008: provisional data,SE: 2006-2008: provisional data

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.

From 1998 data onwards ISCED 3c levels of duration shorter than 2 years do not fall any longer under the level 'upper secondary' but under 'lower secondary'. The definition could not be implemented on 1999-2005 data in EL, IE and AT where all ISCED 3c levels are still included.

Due to changes in the survey characteristics, data lack comparability with former years in FI (from 2000), SE and BG (from 2001), LV and LT (from 2002), DK and HU (from 2003), AT (from 2004), DE (from 2005).

Students living abroad for one year or more and conscripts on compulsory military service are not covered by the EU Labour Force Survey, which may imply lower rates than those available at national level. This is especially relevant for the indicator 'youth education attainment level' in CY. The indicator covers non-nationals who have stayed or intend to stay in the country for one year or more.

FR data do not cover the overseas departments (DOM).  
Source: Eurostat - European Union Labour Force Survey

## Young men education attainment level

Percentage of men aged 20 to 24 having completed at least upper secondary education, 1999-2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
EU-27	73.8	74.0	74.0	74.4	74.4	74.8	75.0	75.5	75.6		
EA-16	70.2	69.9	70.1	70.2	70.5	70.8	70.9	71.5	72.0		
BE	72.3	(i) 78.0	(b) 78.3	78.5	77.9	78.9	78.4	79.1	80.4	80.5	
BG	73.4	77.2	(b) 75.2	75.4	74.9	75.9	80.0	(i) 83.0	84.0		
CZ	92.0	90.7	89.8	92.4	92.8	91.0	91.3	91.1	91.3	91.0	
DK	67.8	67.5	74.8	(i) 74.3	73.8	(b) 74.3	73.8	73.4	64.2	(b) 63.6	
DE	74.7	74.6	73.6	72.6	71.6	71.5	70.4	(b) 69.8	70.6	71.9	
EE	77.1	74.2	(b) 74.7	77.1	77.9	73.2	77.6	74.1	72.2	76.0	
IE	79.1	79.7	80.4	80.7	81.6	82.3	82.6	82.0	83.7	84.1	
EL	74.3	73.6	75.3	76.1	76.6	79.2	79.7	75.5	77.5	78.0	
ES	58.7	(i) 60.1	58.8	57.4	55.5	54.4	55.4	54.6	55.1	52.7	
FR	78.6	79.6	80.3	80.5	79.7	(b) 80.0	81.2	81.4	79.8	81.0	
IT	62.1	64.5	(b) 62.7	64.8	66.8	68.2	69.2	71.7	72.7	73.5	
CY	75.1	74.4	75.4	76.7	71.3	70.7	71.1	76.1	79.8	80.1	
LV	67.2	70.9	66.2	(i) 70.0	(b) 70.1	74.2	74.7	75.9	76.4	74.3	
LT	78.2	75.0	(i) 77.1	79.4	(b) 80.6	81.5	83.9	85.3	86.5	85.9	
LU	69.6	79.2	67.0	74.0	69.7	(b) 71.6	66.6	64.0	65.6	68.3	
HU	85.2	83.0	84.5	85.5	83.4	(b) 82.0	81.9	81.2	82.5	81.7	
MT		41.6	41.4	36.1	41.3	(b) 49.8	50.5	49.3	51.8	49.1	
NL	68.4	68.2	68.7	68.8	72.0	71.2	71.4	69.9	71.9	71.9	
AT	86.6	85.3	(b) 84.9	86.1	85.1	85.1	(i) 84.6	84.9	82.7	84.2	
PL	78.8	(i) 85.8	(b) 87.7	86.5	87.9	88.7	88.9	89.6	89.7	89.3	
PT	33.6	34.6	(p) 35.9	(p) 36.1	(p) 40.4	(p) 40.8	(p) 40.8	(p) 40.8	(p) 46.3	(p) 47.1	(p)
RO	76.3	75.2	77.1	74.8	74.3	74.6	75.2	76.6	77.1	77.9	
SI	84.5	85.4	(b) 86.3	88.3	87.7	87.1	88.0	87.7	89.0	87.4	
SK	93.3	94.8	93.8	93.5	93.7	91.3	91.0	91.2	90.5	91.0	
FI	84.8	85.4	(b) 82.8	82.6	83.0	81.9	81.0	82.3	84.8	84.6	
SE	85.1	82.8	84.2	(b) 85.2	84.3	84.8	86.4	84.5	(p) 85.4	(p) 86.2	(p)
UK	74.8	75.9	75.5	76.6	78.4	75.9	77.3	77.3	77.2	76.4	
HR				89.4	89.5	92.6	92.8	94.3	94.6	94.6	
MK								78.9	80.9	81.7	
TR		46.4	48.6	52.2	52.6	49.3	51.3	51.7	54.2	56.4	
IS	46.3	44.8	39.2	40.5	46.4	45.7	44.5	40.7	46.6	47.9	
LI											
NO	93.5	94.6	95.5	93.5	92.6	94.3	94.9	62.5	(b) 62.0	65.5	
CH	77.0	77.1	76.0	78.3	75.9	77.3	77.2	76.3	78.0	81.4	

PT:2000-2008: provisional data,SE: 2006-2008: provisional data

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.

From 1998 data onwards ISCED 3c levels of duration shorter than 2 years do not fall any longer under the level 'upper secondary' but under 'lower secondary'. The definition could not be implemented on 1999-2005 data in EL, IE and AT where all ISCED 3c levels are still included.

Due to changes in the survey characteristics, data lack comparability with former years in FI (from 2000), SE and BG (from 2001), LV and LT (from 2002), DK and HU (from 2003), AT (from 2004), DE (from 2005).

Students living abroad for one year or more and conscripts on compulsory military service are not covered by the EU Labour Force Survey, which may imply lower rates than those available at national level. This is especially relevant for the indicator 'youth education attainment level' in CY. The indicator covers non-nationals who have stayed or intend to stay in the country for one year or more.

FR data do not cover the overseas departments (DOM).  
Source: Eurostat - European Union Labour Force Survey



## 6. LIFELONG LEARNING

*The EU Labour Force Survey (LFS) provides quarterly results on participation in education and training in the four weeks preceding the survey. Annual averages of LFS results show a slight increase in participation over the last five years in most Member States although still far from the target set by the Council (12.5 % by 2010).*

There are different measures and sources of participation in education and training due to the heterogeneity of activities and providers and their distribution throughout the year.

The 2008 LFS results show that 9.5 % of the persons aged 25-64 participated in education and training activities in the EU. The participation rate was generally higher among women (10.4 % against 8.7 % for men). The Netherlands had the smallest difference among countries with high participation rates. Low gender gaps were recorded in some other Member States such as Bulgaria, Greece and Romania (with low participation) or the Czech Republic, Germany and Malta (with participation closer to average).

### Lifelong learning, 2008

Percentage of the population aged 25-64 participating in education and training over the four weeks prior to the survey

	EU-27	EA-16	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU
Total	9.6 (p)	8.4 (p)	6.8	1.4	7.8 (p)	30.2	7.9	9.8 (p)	10.2 (p)	2.9	10.4	7.2	6.3	8.5	6.8	4.9	8.5	3.1
Females	10.4 (p)	8.7 (p)	7.2	1.5	7.9 (p)	35.5	7.8	12.6 (p)	11.7 (p)	3.1	11.3	7.5	6.6	8.9	9.0	6.1	9.5	3.5
Males	8.7 (p)	8.0 (p)	6.4	1.3	7.7 (p)	25.0	8.0	6.6 (p)	8.7 (p)	2.8	9.5	6.9	6.1	8.1	4.3	3.7	7.6	2.7

	MT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
Total	6.2	8.5	6.8	4.9	8.5	3.1	6.2	17.0	13.2	4.7	5.3 (p)	1.5	13.9	3.3	23.1	32.4 (e)	19.9
Females	6.2	8.9	9.0	6.1	9.5	3.5	6.2	17.2	14.2	5.2	5.6 (p)	1.6	15.4	4.0	26.9	39.3 (e)	23.2
Males	6.1	8.1	4.3	3.7	7.6	2.7	6.1	16.8	12.2	4.2	5.0 (p)	1.3	12.5	2.6	19.3	25.8 (e)	16.6

	HR	MK	TR	IS	LI	NO	CH
Total	2.2	:	1.8	25.1	:	19.3	26.8
Females	2.3 (u)	:	1.6	30.5	:	20.5	27.5
Males	2.1 (u)	:	2.1	20.1	:	18.2	26.2

Source: Eurostat - European Union Labour Force Survey

Note: Sweden, Switzerland: 2007 data, HR: data lack reliability due to the small sample size

## Continuing vocational training in enterprises

### Impact of public measures on enterprises' Continuing Vocational Training plans, 2005

Enterprises declaring that public measures have an impact on their CVT plans as a % for all training enterprises

EU-27	EA-16	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT
36	:	60	32	21	33	18	20		59	38	56	38	72	24	15	22	24	32

NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH
52	43	25	54	8	30	21	25	37	45	:	:	:	:	:	:	5

The CVTS collects information on the provision of Continuing Vocational Training (CVT) activities by enterprises and the factors influencing their intensity.

In the 2005 survey, nearly one in two training enterprises at European level claimed that public measures had an impact on their CVT plans. Such measures concern financial subsidies towards the cost of training the workforce as well as provision of recognised standards or frameworks of qualification or certification and a public advisory service to identify training needs. The influence of such public measures is highest in Cyprus and lowest in Norway.

## Training enterprises: factors influencing the scope of enterprises' Continuing Vocational Training activities

### Training enterprises : factors influencing the scope of enterprises' Continuing Vocational Training activities

Reasons given by training enterprises as a % of all training enterprises

	Limited time to provide certain/more CVT activities	CVT activities were performed as needed	CVT activities considered too expensive	Lack of suitable CVT courses in the market	Other reasons	Focus on apprenticeship or traineeship rather than on CVT activities	Major training effort realised in a previous year	Difficulty to assess enterprise's needs
EU-27	52	42	36	22	22	15	14	13
EA-16	:	:	:	:	:	:	:	:
BE	70	39	46	28	26	11	14	17
BG	65	50	47	28	32	27	9	13
CZ	57	65	32	10	39	3	8	9
DK	62	38	36	20	19	21	8	18
DE	54	40	44	18	36	15	9	9
EE	33	40	54	30	53	5	5	9
IE	:	:	:	:	:	:	:	:
EL	73	41	48	33	19	28	19	16
ES	74	45	39	49	11	17	5	20
FR	61	52	35	17	9	20	20	13
IT	57	36	44	30	27	11	41	13
CY	65	40	34	24	11	20	12	8
LV	52	49	51	30	29	15	14	23
LT	58	48	74	22	46	3	18	31
LU	61	36	27	21	28	21	11	12
HU	40	54	43	22	6	9	10	11
MT	77	53	47	31	27	13	9	14
NL	10	4	7	3	5	0	1	5
AT	71	44	48	24	22	15	10	15
PL	28	51	60	14	38	20	27	6
PT	37	37	56	33	19	13	6	21
RO	70	67	75	45	2	2	12	24
SI	36	51	51	23	49	6	12	15
SK	18	72	23	12	5	11	8	14
FI	65	35	32	41	4	16	2	22
SE	50	21	17	20	22	18	9	11
UK	46	43	24	19	28	21	13	11
HR	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:
IS	:	:	:	:	:	:	:	:
NO	26	34	22	13	7	6	6	4
CH	:	:	:	:	:	:	:	:

As regards the scope of CVT activities, lack of time is generally the most frequently reported factor that influences company strategy on the provision of CVT to employees. In the Czech Republic, Hungary and Slovakia, most enterprises nevertheless claim that the level of training is appropriate to their needs. In Estonia, Italy, Germany, Lithuania, Poland, Portugal and Romania, the high cost of CVT activities is the most important factor influencing the CVT strategy of enterprises.

## Adult education survey

Reasons for participation in non-formal education and training, 2007 (%)

	To do job better and improve carrier prospects	To be less likely to lose job	To increase possibilities of getting a job or changing a job/profession	To start own business	To be obliged to participate	To get knowledge/skills useful in everyday life	To increase knowledge/skills on an interesting subject	To obtain certificate	To meet new people or just for fun	Other
EU-19	64.0	13.0	17.0	4.0	22.0	30.0	51.0	16.0	15.0	5.0
EA-16	:	:	:	:	:	:	:	:	:	:
BE	64.4	3.3	9.2	2.6	24.1	29.8	38.7	8.1	11.8	1.9
BG	77.3	22.0	20.8	1.8	22.1	40.0	38.5	34.3	9.2	1.2
CZ	54.6	13.3	16.8	4.5	7.4	33.7	46.2	20.8	10.4	0.5
DK	:	:	:	:	:	:	:	:	:	:
DE	68.0	20.0	15.6	3.8	25.0	14.3	45.9	11.6	10.5	5.4
EE	80.2	15.1	5.8	1.6	24.9	17.6	21.1	8.8	2.4	5.5
IE	:	:	:	:	:	:	:	:	:	:
EL	74.8	16.0	25.5	7.9	18.1	52.4	76.7	48.6	20.6	4.3
ES	68.4	12.7	28.4	4.8	11.8	50.8	66.6	25.0	11.8	5.0
FR	:	:	:	:	:	:	:	:	:	:
IT	47.6	2.5	10.9	2.6	13.8	20.9	43.9	13.5	13.3	3.9
CY	53.6	2.1	8.7	1.6	16.9	38.2	64.3	13.3	14.7	4.4
LV	74.7	27.7	17.8	4.4	33.7	58.6	43.8	37.8	24.3	1.8
LT	77.5	31.3	17.5	3.4	26.2	42.3	50.6	41.4	11.8	3.2
LU	:	:	:	:	:	:	:	:	:	:
HU	67.8	38.3	33.3	7.5	51.4	52.0	56.0	35.2	13.2	1.3
MT	:	:	:	:	:	:	:	:	:	:
NL	66.4	6.6	12.8	4.2	35.9	40.2	42.4	23.7	19.2	10.1
AT	67.1	10.5	16.2	4.6	23.7	57.1	57.4	10.7	20.9	5.1
PL	67.1	6.6	7.2	1.5	5.2	7.2	7.6	7.2	0.5	2.8
PT	69.9	16.0	31.8	6.6	12.2	81.6	80.5	47.4	23.7	6.2
RO	:	:	:	:	:	:	:	:	:	:
SI	54.4	1.0	1.7	0.3	13.1	21.2	12.5	2.3	1.8	2.5
SK	63.1	26.6	23.1	4.6	66.1	30.2	34.6	19.2	8.8	1.8
FI	69.1	14.3	16.1	3.7	35.3	41.1	62.1	13.5	30.0	9.4
SE	61.8	8.0	6.5	1.5	36.4	41.8	59.3	8.9	20.8	5.5
UK	55.0	2.8	18.1	9.3	57.7	44.8	82.0	33.9	9.7	86.1
HR	76.9	17.2	16.9	4.8	31.1	35.2	44.7	15.0	8.2	1.4
MK	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:
IS	:	:	:	:	:	:	:	:	:	:
NO	71.8	12.7	9.6	1.5	43.1	33.2	67.9	18.3	16.0	7.2
CH	:	:	:	:	:	:	:	:	:	:

EL and UK are not part of the EU-19 average

Results from the Adult Education Survey indicate several reasons for participation in non-formal education and training and this is illustrated in the table above. In the survey, this is a multi-choice question and values therefore do not add up to 100 %. By far the most important reasons are 'to do a better job' and 'improve career prospects'. This is the main response in almost all the countries and the weighted average in 19 EU countries is 64 %.

The second most important reason for participation in non-formal education and training is 'to increase my knowledge/skills on a subject that interests me'. One third of the respondents selected 'acquiring knowledge or skills for everyday life' as a reason for participating in education and training.

About 22 % of the respondents were obliged to attend education or training, 16 % participated to obtain certificates and 15 % participated to meet new people or just for fun. Starting one's own business is not a popular reason for participation - only 4 % of respondents mentioned this source of motivation.

There were, however, a few national exceptions in reasons for participation. More than 20 % of participants in Finland, Sweden, Austria, Latvia, Portugal and Greece wanted to meet people or just to have fun. Almost half of the

respondents in Portugal and Greece participated to obtain certificates and more than half in Slovakia and Hungary were obliged to attend. In Greece and in Hungary, 8 % of respondents participated to acquire skills to start their own business.

Obstacles to participation in education and training, 2007 (%)

	Respondent did not have the prerequisites		Training was too expensive or respondent could not afford it		Lack of employer's support		Training conflicted with the work schedule		Respondent did not have time because of family responsibilities		There was no training offered at the reachable distance		Respondent was not confident with the idea of going back to something that is like school		Health or age		Other	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
EU-21	16	15	29	34	23	14	48	30	29	51	19	22	14	15	15	15	30	24
EA-16	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
BE	11.2	8.1	16.7	18.9	20.1	10	43.3	24.1	27	48.4	13.9	12.4	5.1	4.6	23.3	20.5	14.3	7.4
BG	18	15	52	60	10	13	28	22	16	37	33	28	8	5	10	13	12	5
CZ	9	7	16	22	26	20	52	26	20	52	15	17	1	3	13	11	5	3
DK	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
DE	23	25	38	48	31	34	40	35	19	46	21	28	10	12	11	13	21	8
EE	4	2	45	59	10	8	45	24	30	45	32	36	9	8	16	20	46	40
IE	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
EL	5	9	31	35	11	9	58	32	36	57	21	18	11	9	9	12	21	18
ES	8	7	15	13	7	3	41	26	27	52	9	8	3	2	5	6	28	27
FR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
IT	21	18	25	27	20	11	56	33	38	60	15	18	18	15	18	21	13	12
CY	6	5	16	17	7	4	59	30	52	80	10	13	5	5	9	10	18	8
LV	15	9	54	49	36	25	46	30	35	44	26	23	13	11	7	15	15	9
LT	5.6	1.5	44.7	46.3	19.3	14	60	40.1	24.4	41.3	16.7	21.7	4.7	5.1	13.4	13	8.9	16.7
LU	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
HU	14	14	39	45	33	45	51	55	26	47	31	34	23	16	12	13	17	13
MT	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NL	3	5	21	28	32	12	26	12	16	40	16	11	17	11	24	24	24	22
AT	8	7	33	36	24	10	48	33	25	55	19	25	3	3	5	7	20	13
PL	9	9	58	64	25	17	42	24	17	38	31	31	20	16	8	10	12	11
PT	12	12	24	22	19	21	30	24	24	42	32	36	3	5	6	7	22	17
RO	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
SI	9	6	39	57	27	18	62	50	30	45	26	34	7	7	12	19	10	8
SK	55	58	37	42	28	23	49	33	23	46	28	33	4	2	10	12	4	3
FI	12	11	20	24	23	25	53	35	21	40	28	23	8	6	13	21	21	22
SE	6	6	29	37	21	16	37	27	15	33	21	23	7	7	16	33	26	13
UK	20	22	30	38	30	15	52	34	31	55	22	30	19	30	18	16	59	53
HR	13	16	52	55	23	14	38	23	41	54	30	25	5	4	14	9	7	10
MK	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NO	5	3	14	21	24	19	39	26	17	35	13	14	9	10	15	24	15	17
CH	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:

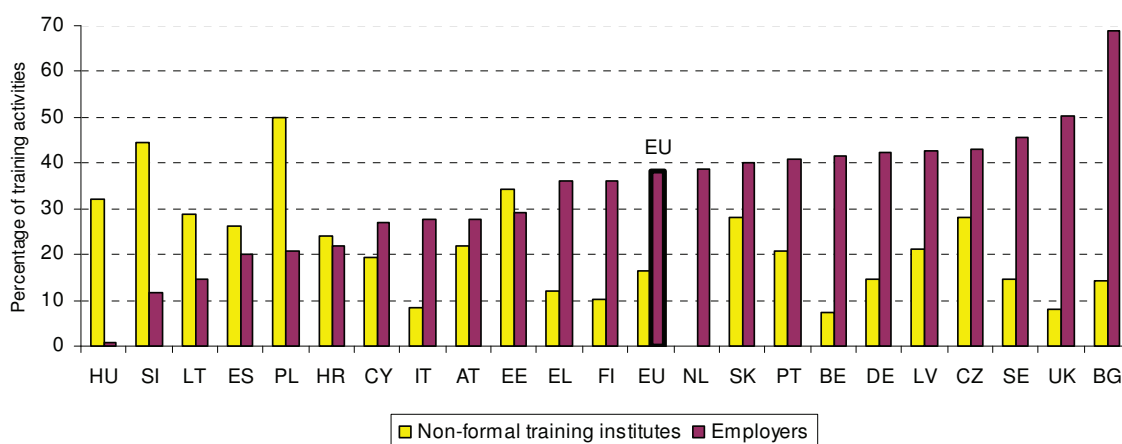
Various obstacles to participating in education and training were cited by the respondents to the survey. Almost 50 % of the respondents did not participate because they did not want to. About 12 % did not participate but wanted to. The information on obstacles in this section is based on those who wanted to but did not participate in formal or non-formal education and training.

The most frequent reasons for not participating are family responsibilities (42 %), conflicting work schedule (39 %) and costs of participation (31 %). Reasons not frequently cited by respondents include "not confident of going back to school" and "did not have the prerequisites". Approximately 18 % of respondents stated lack of employer support as a reason for non-participation and 21 % selected 'no facilities at reachable distance'.

The table shows clear differences between males and females in some of the obstacles described. The EU average for 'work schedule' is 48 % for males and 30 % for females. In all countries far greater numbers of females indicate family responsibilities as the reason for not participating in education and training. The average for the 21 EU countries represented shows that 51 % of females were prevented from attending due to family responsibilities while only 29 % of males selected this reason as an obstacle to participation in education and training.

Low female participation in the labour market may be behind this pattern in a number of countries. Most learning activities are job-related and participation in formal or non-formal education and training is much higher among employed persons than the inactive and unemployed according to the survey.

### Providers of non-formal education and training activities, employers and non-formal training institutes, 2007



The EU average is based on the 20 EU countries available

Employers are the leading providers of non-formal education and training activities with almost a 40 % share, according to the survey. They are followed by non-formal education and training institutions, which provide 17 % of the non-formal activities.

Non-formal education and training institutions are normally taken to mean institutions that offer systematic and intentional learning opportunities but normally do not provide formal educational diploma. Examples of such institutions are adult education institutes, vocational training institutes, community learning centres, employment services, educational institutions like the folk high schools in Scandinavia, Germany, Austria and Switzerland but also private companies (language schools).

Other providers include commercial and non-commercial institutions where education and training is not the main activity as well as employers' organisations and chambers of commerce. Non-profit organisations, cultural and political associations and trade unions each provide less than 5 % each of total activities.

Employer-provided activities account for almost 70 % of all non-formal activities in Bulgaria while non-formal institutes provide about 15 % of activities. Employers are also the leading providers in the United Kingdom with 50 %. They provide 40-50 % of non-formal education and training activities in Germany, Latvia, the United Kingdom and Sweden. Non-formal education and training institutes are important providers in Hungary, Poland, Lithuania, Spain, Estonia and Slovakia. In all these countries, they supply relatively more non-formal education and training activities than employers. In Hungary a large share of the activities are provided by non-formal education and training institutes and the share of employer-provided activities is very low compared with the other countries. In Slovakia, Austria, Cyprus, Spain and Estonia, the two providers are almost equally important in the provision of non-formal education and training activities.

### Policy context

According to the EC Treaty (Title XI, Chapter 3, Art. 150(2): "Community action shall aim to ... facilitate access to vocational training ...; stimulate cooperation 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 role 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) 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.

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 convergence of the Commission's Communication on lifelong learning with the work programme on follow-up of the objectives of 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)).

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 European Union as a whole is currently underperforming in the knowledge-driven economy in comparison to some of its main competitors. In particular, the level of take-up of lifelong learning by Europeans 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. Swift action is therefore needed to make Europe "a worldwide quality reference by 2010".

Lifelong learning also features prominently in the European Employment Strategy, as reflected by the European Commission's 2007 Communication on the *Integrated Guidelines for Growth and Jobs (2008-2010)*, particularly in guidelines 20: *Improve matching of labour market needs* and 24: *Adapt education and training systems in response to new competence requirements*.

Besides placing education and training at the centre of the Union's economic growth, the employment guidelines hint at the need to match workers' education and skill levels and actual job requirements through effective monitoring and anticipation of skills. In this context, following the recommendation by the March 2008 European Council "to present a comprehensive assessment of the future skills requirements in Europe up to 2020, taking account of the impact of technological change and ageing populations and to propose steps to anticipate future needs", the *New Skills for New Jobs* agenda was launched (December 2008). The new agenda aims at mapping current and future demand for jobs and the corresponding skills requirements, while recognising that the links between the two are complex: indeed, every job requires a different mix of knowledge, skills and abilities, acquired through different learning channels and activities.

In this connection, it should also be observed that lifelong learning is one of the pillars of the common principles of flexicurity endorsed by the Member States in 2007 in the context of the Lisbon Strategy for growth and jobs. Flexicurity is an integrated strategy aimed at balancing labour market flexibility and employment security through a mix of modern contractual arrangements (including appropriate employment protection legislation), effective active labour market policies, modern social security systems and, of course, comprehensive lifelong learning policies. Indeed, lifelong learning is crucial to the Commission's employment strategy, and it must go hand in hand with regular assessment of future skill needs, thus facilitating the implementation of flexicurity policies.

## Methodological notes

Sources: Eurostat - European Union Labour Force Survey (EU-LFS), Adult Education Survey (AES) Continuing Vocational and Training Survey (CVTS3 2005) and UOE (UNESCO, OECD and Eurostat questionnaires on education and training systems).

For annual monitoring of progress towards lifelong learning, the quarterly **LFS** is used which refers to persons who have 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 data lacks comparability between 2003 and 2004 for several countries and the EU aggregates.

The **Adult Education Survey** was conducted in 29 countries between 2005 and 2008. Results from 24 countries have already been published. It is expected to be conducted every five years. The next survey is planned for 2011/2012.

*Formal education* is education provided in a system of schools, colleges, universities and other formal educational institutions and normally intended to lead to a certification. Examples are secondary and vocational courses, degree and postgraduate courses.

*Non-formal Education* is organised and sustained educational activity that takes place both within and outside educational institutions. Depending on country contexts, it may cover educational programmes to impart adult literacy, basic education for out-of-school children, life skills, work skills, and general culture.

Reasons for participation in non-formal education and training: The following countries did not interview participants taking part in 'guided on-the-job training' – BG, CY, EL, ES, CZ, PT, FI, UK.

The EU averages are calculated according to the number of countries available. The EU averages for 'reasons for participation' include data from 19 countries, obstacles to participation, 21 countries and providers of non-formal activities, 20 countries.

The third survey of continuing vocational training in enterprises (**CVTS3**) was carried out in 2005 in all 27 Member States and Norway.

## Further reading

- "Key data on education in Europe 2009", European Commission, Eurydice, Eurostat  
<http://www.eurydice.org/portal/page/portal/Eurydice/showPresentation?pubid=052EN>
- "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)
- "Education at a glance 2009", 2009, OECD
- Statistics/Data in Focus on education (Theme 3 - Population and social conditions), Eurostat:
  - Education in Europe, Key statistics No.10/2005
  - 17 million tertiary students in the EU, No.19/2005
  - Lifelong learning in Europe, No.8/2005
  - Education in Europe, Key statistics, No. 42/2008
  - Significant country differences in adult learning - Issue number 44/2009
- "Making a European Area of Lifelong Learning a Reality", (COM(2001) 678 final)
- The Employment in Europe Report (2008) chapter 5, Education and employment: different pathways across occupations
- The Employment in Europe Report (2006): chapter 4, Human capital, technology and growth in the EU Member States
- "Education and training 2010. The success of the Lisbon strategy hinges on urgent reforms" European Commission
- 2006 Ministerial Riga Declaration on e-Inclusion  
[http://ec.europa.eu/information\\_society/events/ict\\_riga\\_2006/doc/declaration\\_riga.pdf](http://ec.europa.eu/information_society/events/ict_riga_2006/doc/declaration_riga.pdf)
- Report on Digital Literacy published on 1<sup>st</sup> December 2008  
[http://ec.europa.eu/information\\_society/eeurope/i2010/docs/digital\\_literacy/digital\\_literacy\\_review.pdf](http://ec.europa.eu/information_society/eeurope/i2010/docs/digital_literacy/digital_literacy_review.pdf)
- **CVTS3:** Continuing Vocational Training - Reference year 2005. See:  
[http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search\\_database - trng\\_cvts3](http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database - trng_cvts3)
- **CVTS2:** *Statistics in focus:* Continuing vocational training in enterprises in the European Union and Norway, (Theme 3 - 3/2002) - Costs and funding of continuing vocational training in enterprises in Europe, (Theme 3 - 8/2002) - Providers and fields of training in enterprises in Europe, (Theme 3 - 10/2002) - Disparities in access to continuing vocational training in enterprises in Europe - (Theme 3 - 22/2002), - Working time spent on continuing vocational training in enterprises in Europe, (Theme 3 - 1/2003). *European social statistics* - Continuing vocational training survey (CVTS2) - Detailed Tables, 2002 edition.
- Adult Education Survey  
See [http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search\\_database](http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database)

## Lifelong learning

Percentage of the population aged 25-64 participating in education and training over the four weeks prior to the survey, 1999-2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU-27		7.1 (e)	7.1 (e)	7.2	8.5 (b)	9.3	9.8	9.7	9.5	9.5
EA-16		5.3 (e)	5.3 (e)	5.4	6.5	7.3	8.1	8.2	8.3	8.4
BE	6.9	6.2 (i)	6.4	6.0	7.0	8.6 (b)	8.3	7.5	7.2	6.8
BG			1.4	1.2	1.3	1.3	1.3	1.3	1.3	1.4
CZ				5.6	5.1 (i)	5.8	5.6	5.6	5.7	7.8
DK	19.8	19.4 (b)	18.4	18.0	24.2 (b)	25.6	27.4	29.2	29.2	30.2
DE	5.5	5.2	5.2	5.8	6.0 (i)	7.4 (i)	7.7	7.5	7.8	7.9
EE	6.5	6.5 (b)	5.4	5.4	6.7	6.4	5.9	6.5	7.0	9.8
IE				5.5	5.9 (b)	6.1	7.4	7.3	7.6	7.1
EL	1.3	1.0	1.2	1.1	2.6 (b)	1.8	1.9	1.9	2.1	2.9
ES	5.0	4.1 (b)	4.4	4.4	4.7	4.7	10.5 (b)	10.4	10.4	10.4
FR	2.6	2.8	2.7	2.7	7.1 (b)	7.1	7.1	7.7	7.5	7.3
IT	5.5	4.8 (b)	4.5	4.4	4.5	6.3 (b)	5.8	6.1	6.2	6.3
CY	2.6	3.1	3.4	3.7	7.9 (b)	9.3	5.9 (b)	7.1	8.4	8.5
LV				7.3	7.8	8.4	7.9	6.9	7.1	6.8
LT	3.9	2.8	3.5	3.0 (b)	3.8	5.9 (b)	6.0	4.9	5.3	4.9
LU	5.3	4.8	5.3	7.7	6.5 (b)	9.8	8.5	8.2	7.0	8.5
HU	2.9	2.9	2.7	2.9	4.5 (b)	4.0	3.9	3.8	3.6	3.1
MT		4.5	4.6	4.4	4.2	4.3 (b)	5.3	5.4	6.0	6.2
NL	13.6	15.5	15.9	15.8	16.4 (b)	16.4	15.9	15.6	16.6	17.0
AT	9.1	8.3	8.2	7.5	8.6 (b)	11.6 (i)	12.9	13.1	12.8	13.2
PL			4.3	4.2	4.4	5.0 (b)	4.9	4.7	5.1	4.7
PT	3.4	3.4 (p)	3.3 (p)	2.9 (p)	3.2 (p)	4.3 (p)	4.1 (p)	4.2 (p)	4.4 (p)	5.3 (p)
RO	0.8	0.9	1.0	1.0	1.1	1.4 (b)	1.6	1.3	1.3	1.5
SI			7.3	8.4	13.3 (b)	16.2	15.3	15.0	14.8	13.9
SK				8.5	3.7 (b)	4.3	4.6	4.1	3.9	3.3
FI	17.6	17.5 (b)	17.2	17.3	22.4 (b)	22.8	22.5	23.1	23.4	23.1
SE	25.8	21.6	17.5 (b)	18.4	31.8 (b)	32.1	33.4 (p)	32.0 (p)	32.4 (p)	
UK	19.2	20.5 (b)	20.9	21.3	27.2 (b)	29.0	27.6	26.7	20.0 (b)	19.9
HR				1.9	1.8	1.9	2.1	2.9	2.4	2.2
MK								2.3	2.8	2.5
TR		1.0	1.0	1.0	1.2	1.1	1.9	1.8	1.5	1.8
IS	20.2	23.5	23.5	24.0	29.5 (b)	24.2	25.7	27.9	27.0	25.1
LI										
NO		13.3	14.2	13.3	17.1 (b)	17.4	17.8	18.7	18.0	19.3
CH	31.1	34.7	37.3	35.8	24.7 (b)	28.6	27.0	22.5	26.8	27.9

PT:2000-2008: provisional data,SE:2006-2008: provisional data

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.

From 1998 data onwards ISCED 3c levels of duration shorter than 2 years do not fall any longer under the level 'upper secondary' but under 'lower secondary'. The definition could not be implemented on 1999-2005 data in EL, IE and AT where all ISCED 3c levels are still included.

Due to changes in the survey characteristics, data lack comparability with former years in FI (from 2000), SE and BG (from 2001), LV and LT (from 2002), DK and HU (from 2003), AT (from 2004), DE (from 2005).

Students living abroad for one year or more and conscripts on compulsory military service are not covered by the EU Labour Force Survey, which may imply lower rates than those available at national level. This is especially relevant for the indicator 'youth education attainment level' in CY. The indicator covers non-nationals who have stayed or intend to stay in the country for one year or more.

The EU average is based on the 20 EU countries available  
Source: Eurostat - European Union Labour Force Survey



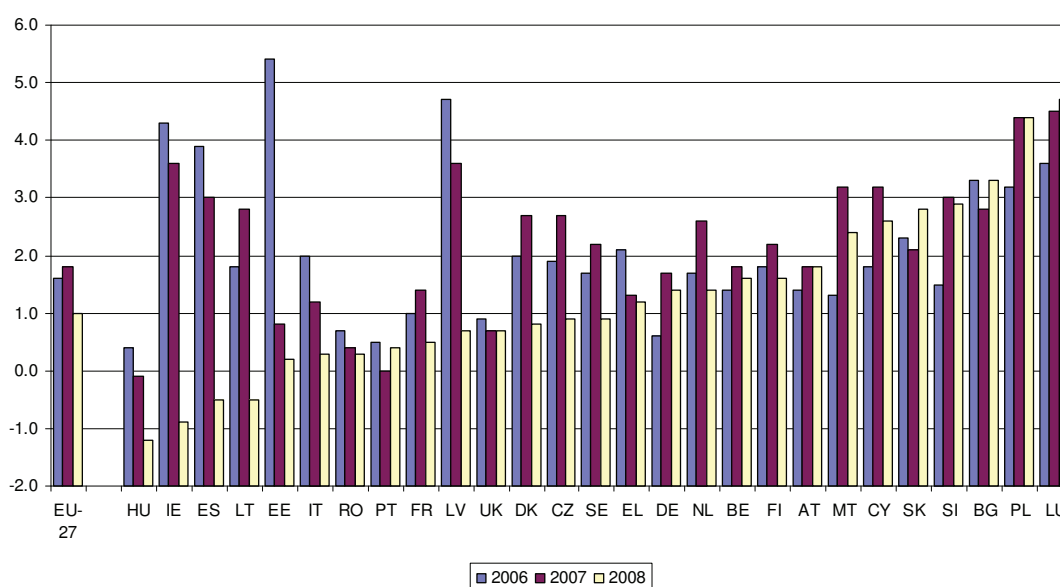
## 7. EMPLOYMENT

**Employment growth in the EU-27 dropped to 1.0 % in 2008 from 1.8 % in 2007, reflecting the impact of the economic crisis on the labour market. Hungary, Ireland, Spain and Lithuania recorded a decrease in employment levels. As a consequence, the employment rate increased only slightly in 2008 by 0.3 percentage points, to reach 65.9 %. The share of part-time employment remained almost stable in 2008 and the share of temporary contracts decreased marginally. Big differences between Member States can still be seen regarding employment rates of women and older persons and the share of part-time work.**

### Slower employment growth in 2008

In 2008, some 226 million people were employed in the Union of 27 Member States, a rise of 2.3 million in one year reflecting a modest growth rate of almost one percent. The situation was not the same for all Member States. Most countries still showed positive growth in 2008, but employment started to decrease in Hungary (-1.2 %), Ireland (-0.9 %), Spain (-0.5 %) and Lithuania (-0.5 %). Until 2007 the latter three had been experiencing quite high employment growth. In 2008, only Luxemburg, Poland and Bulgaria showed relatively high growth rates of 3 % or more.

### Employment growth (%), (2006-2008)



Source: Eurostat National Accounts

### Small increase in the EU employment rate

The EU employment rate, i.e. the share of the population aged 15-64 years (the working-age population) in employment, was 65.9 % in 2008, up 0.5 percentage points. This rise was considerably smaller than in previous years. Employment rates vary strongly between Member States. In the Nordic Countries, the Netherlands, Austria, the United Kingdom, Germany and Cyprus it is higher than 70 %, the Lisbon target of overall employment rate to be reached in 2010. Malta shows the lowest rate: 55.2 %. Also Hungary, Italy, Romania and Poland are still far from the Lisbon target with rates below 60 %.

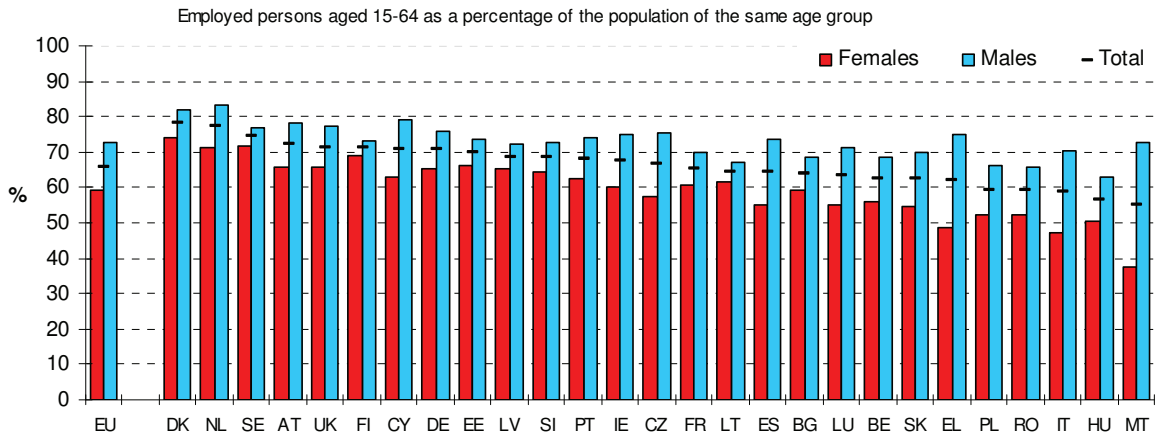
### Female employment still rising steadily in 2008

The trend of rising employment of women continued in 2008. The employment rate of women was 59.1%, which is an increase of 0.8 percentage points compared to 2007 and reflects steady progression over the years. The economic crisis had only a limited effect on women in the labour market in 2008. There are big differences in female employment rates in the EU. High rates of more than 70 % can be observed in Denmark, Sweden and the Netherlands. In 2008, a total of 15 Member States had a female employment rate at or above the Lisbon target of 60 %. However, apart from Bulgaria, the remaining Member States were still far from the target, with Malta (37.4 %), Italy (47.2 %) and Greece (48.7 %) more than 10 percentage points short.

## Gender gap in employment reduced in 2008 but still considerable

In 2008, the employment rate of men rose by only 0.3 percentage points compared to 0.8 percentage points for women. This narrows the gender gap in employment. However, at 59.1 % the female employment rate remains considerably lower than the male employment rate of 72.8 %. The gender gap in employment rates is still substantial in most Member States. This is particularly the case in Malta, Greece and Italy, where the employment rate for men remains more than 20 percentage points higher than that for women. In contrast, in Sweden and Finland the employment rate for men is less than five percentage points higher than that for women.

### Employment rate by sex, 2008



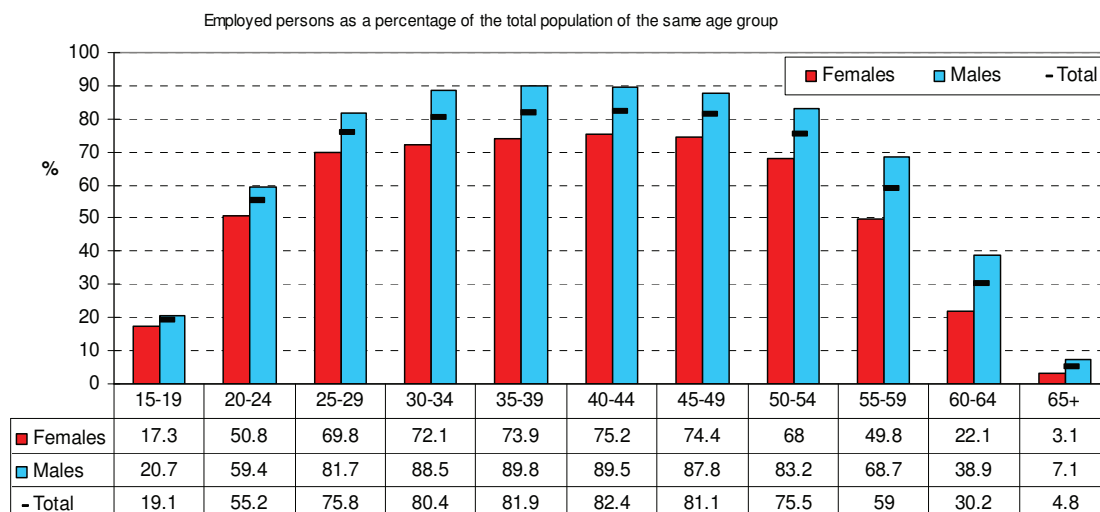
Source: Eurostat Labour Force Survey

### Employment among older persons increasing

In the EU, older people have a considerable lower employment rate than those aged 25-54. In 2008, less than 46 % of persons aged 55-64 were working compared to almost 80 % of 25-54 year olds. However, the employment rate of older persons has risen markedly in the last year. It is almost one percentage point higher than in 2007. This is the case both for men and for women. Employment rates for young people were also relatively low - less than 38 % of those aged 15-24 were working in 2008, reflecting the fact that many are still in full-time education.

Looking at more detailed age groups, clear differences in employment rates are visible. In 2008, the employment rate of people aged 40-44 years was the highest at 82.1% for the EU-27. Above the age of 50 this becomes considerably and progressively lower. The employment rate of people aged 55-59 stood at 59% and among those aged 60-64 it was 30.2%. Beyond the age of 65, the employment rate decreased even more sharply: less than 5 % of those aged 65 and over were in employment.

## Employment rate by age group and sex, EU-27, 2008



Source: Eurostat Labour Force Survey

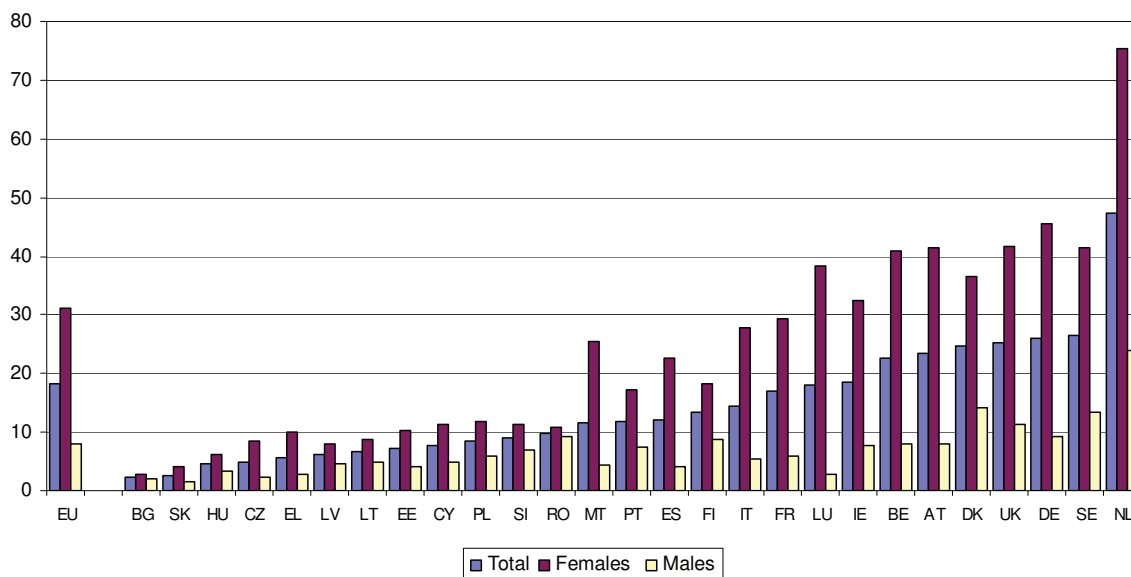
As in 2007, only 12 Member States had an employment rate for older persons (aged 55-64 years) of more than 50%, the Stockholm target for 2010. With a strong increase of 3.5 percentage points in 2008, Bulgaria is fast approaching the target. However, nine Member States are more than ten percentage points short of the Stockholm target: Malta, Hungary, Poland, Slovenia, Luxembourg, Italy, Belgium, France and Slovakia. The latter together with Austria and Luxembourg are showing substantial progress, with rates rising more than two percentage points in the last year. Malta had the lowest employment rate for older persons in 2008, below 30 %, and has not shown significant improvement in the last few years.

## Part-time work stable but varying greatly between Member States

In 2008 about 18% of those in employment were working part-time in the EU-27. After rising by around two percentage points between 2002 and 2006, this share has been more or less stable in recent years. Part-time work is very common in the Netherlands where more than 47 % have such a job. With more than 20 % the share of part-time work is also relatively high in Denmark, Germany, the United Kingdom, Sweden, Austria and Belgium. Part-time work is uncommon in Bulgaria, Slovakia, Hungary and the Czech Republic with shares lower than 5 %. Part-time work remains more common in the old Member States than in the newly acceded countries.

Women are far more likely to have a part-time job than men. In 2008, the share of part-time work for women was more than 31 % in the EU while for men it was less than 8 %. This gender difference is observed in virtually all Member States. In the Netherlands part-time work is very popular among women, since more than 75 % of them are employed in this way. In Germany, the United Kingdom, Austria, Sweden and Belgium more than 40 % of the women have a part-time job.

## Part-time workers as % of total employment, by sex, 2007



Source: Eurostat Labour Force Survey

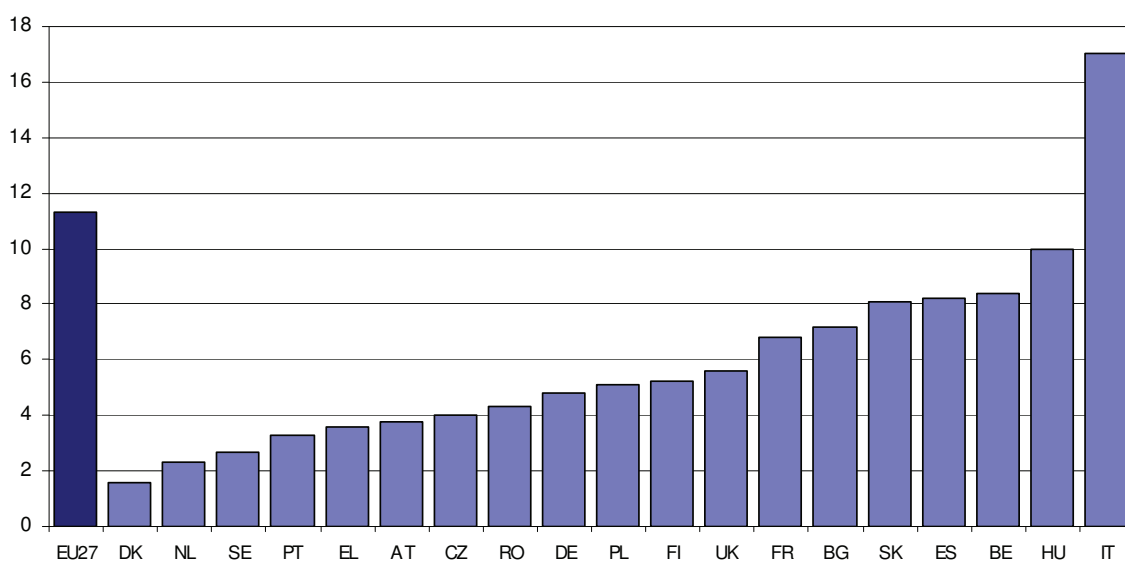
In 2008, almost 4 % of the workers in the EU-27 had a part-time job because they could not find a full-time one. This share remained constant compared to 2007. The rate of involuntary part-time work for men was 2 % and for women 6 %. This problem affects in particular women in Germany, France, Italy and Sweden with shares of 9 % to 10 %.

## Dispersion of employment rates

The dispersion of employment rates, one of the structural indicators, measures how different the employment levels are within a specific country or within the EU-27 considered as a whole. Low levels of dispersion mean homogeneity in regional employment levels, so, more cohesion in the labour market.

In 2008, the dispersion in the EU-27 was 11.3 %, 0.2 percentage points more than in 2007, breaking the decreasing trend of the last seven years. This could be related to the late-2008 crisis which hit some regions harder than others. Since the regional employment rates are yearly averages and there is always a time lag between economic contraction and employment deterioration, the effect of the crisis was not yet so obvious in 2008. It is thus expected that cohesion in labour markets will deteriorate even more in the coming years.

## Dispersion of employment rates by Member-State at NUTS level 2, 2008



*Note: Dispersion of employment rates is not applicable to Estonia, Ireland, Cyprus, Latvia, Lithuania, Luxembourg, Malta and Slovenia since these Member-States have fewer than three NUTS level 2 regions.*

In 2008 Denmark, the Netherlands and Sweden showed the lowest dispersion of employment rates, meaning that employment is evenly distributed among NUTS 2 regions in these Member States. The opposite was the case in Hungary, which shows almost the same extent of disparity in employment levels as the EU-27, and especially in Italy, where the dispersion was even higher than in the EU-27 considered as a whole. This can be attributed to the fact that levels of employment in the northern regions of Italy are a lot higher than in the southern regions.

## Policy context

The Treaty of Amsterdam was important in that it committed the European 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).

Following the 1997 Luxembourg "Jobs Summit", and the entry into force of the Amsterdam Treaty, the European Employment Strategy (EES) was launched. Since then, the EES has played a central role in coordinating the EU policies designed to create more and better jobs. The Luxembourg Council meeting, followed by summits in Cardiff in 1998 and Cologne in 1999, paved the way for a comprehensive strategy tackling employment, growth and competitiveness issues in an IT-driven world, i.e. the Lisbon Strategy.

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." Consequently a strategic goal was set for the European Union over 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 %).

In the face of economic slowdown, the Commission was invited to establish a European Employment Taskforce. Under the chairmanship of Wim Kok, the Taskforce reported to the Commission on practical reforms that could 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 when drawing up 2004 Joint Employment Report.

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

The Employment Guidelines adopted for the period 2008 – 2010, (which present common priorities applicable to the Member States' national employment policies and from 2005 have been a part of Integrated Guidelines for economic policy) focus on growth and jobs. The overarching guideline specifies 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 aim to attract and retain more people in employment, increase labour supply and modernise social protection systems. In particular, Member States should promote a lifecycle approach to work (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; support for active ageing, 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).

The Spring European Council on 22 and 23 March 2005 adopted the European Youth Pact (7619/1/05, conclusion 37 and Annex I). One element 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).

At the start of the 21st century the European labour market and social model need reform to adapt to globalisation, changing demography and fast technological progress. Flexicurity has become a means to reinforce the implementation of the Lisbon Strategy, create more and better jobs, modernise labour markets, and promote good work through new forms of flexibility and security to increase adaptability, employment and social cohesion.

As a response to the economic downturn during the second half of 2008 the Commission presented, in November 2008, a plan to drive Europe's recovery out of this crisis. The plan includes short-term measures to boost demand, save jobs and help restore confidence as well as "smart investment" to yield higher growth and sustainable prosperity in the longer term.

In December 2008 the Commission adopted a package to help implement the European economic recovery plan and to reinforce the Lisbon Strategy. The package includes several communications, such as 'New Skills for New Jobs' (COM (2008) 868/3), which is a first assessment of skill and job requirements in the EU up to 2020.

The Commission Communication "Driving European recovery" (COM (2009) 114 final) outlined a number of elements to help Member States design and implement appropriate and effective employment policies. On this basis, the Spring European Council and the three employment workshops held in Madrid, Stockholm and Prague in April 2009 helped to define three key priorities that were spelled out in the Commission Communication entitled "A Shared Commitment for Employment" (COM (2009) 257 final): (i) maintaining employment, creating jobs and promoting mobility; (ii) upgrading skills and matching labour market needs; (iii) increasing access to employment.

## **Methodological notes**

Sources: Eurostat, EU LFS (annual average data) and National Accounts. EU LFS provides estimates of employment and unemployment, broken down by age, sex and many job characteristics. National Accounts provide estimates of employment, employment growth and breakdowns by activity and employee/self-employed status.

Quarterly LFS data are available since the first quarter of 2005 in all EU countries except Luxembourg (from first quarter 2007). Data for France refer to metropolitan France (excluding overseas departments).

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 distinction between full-time and part-time work is based on a spontaneous response by the LFS respondents except in the Netherlands, Ireland and Germany, where it is determined by a threshold in the usual hours worked.

## Further reading

- "Employment in Europe 2008", European Commission, Employment and Social Affairs DG
- Data in focus (Population and social conditions), n° 40/2008 "Labour market latest trends – 2nd quarter 2008 data", Eurostat
- Data in Focus (Population and social conditions) Theme 3, n° 27/2008 "European Union Labour Force Survey – Annual Results 2007", Eurostat
- Employment and Unemployment, Policy Review Series n° 5, 2007
- Economic Policy Committee "Key structural challenges in the acceding countries: the integration of the acceding countries into the Community's economic policy coordination 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)
- Statistics in Focus (Population and social conditions), n° 99/2008 "Employment gendergap in the EU is narrowing", Eurostat
- COM(2008) 868 Commission staff working document "New Skills for New Jobs - Anticipating and matching labour market and skills needs", December 2008. COM(2009) 114 final Communication for the Spring European Council "Driving European recovery"
- COM(2009) 257 final Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions "A Shared Commitment for Employment"

### Employment rate, time series

(Employed persons aged 15-64 as a percentage of the population of the same age group)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU-27	:	62.1	62.5	62.4	62.7	62.8	63.6	64.5	65.4	65.9
EA-16	:	61.2	62.0	62.3	62.6	62.7	63.7	64.7	65.6	66.1
BE	58.9	60.9	59.7	59.7	59.3	60.5	61.1	61.0	62.0	62.4
BG	51.5	50.7	51.1	51.1	53.1	55.1	55.8	58.6	61.7	64.0
CZ	65.6	64.9	65.0	65.5	64.9	64.1	64.8	65.3	66.1	66.6
DK	76.5	76.4	75.9	76.4	75.1	76.0	75.9	77.4	77.1	78.1
DE	64.8	65.3	65.7	65.4	64.9	64.3	66.0	67.5	69.4	70.7
EE	61.8	60.3	60.8	61.7	62.3	62.9	64.4	68.1	69.4	69.8
IE	62.5	64.5	65.2	65.1	65.1	65.5	67.6	68.6	69.1	67.6
EL	56.0	56.6	56.5	57.7	58.9	59.6	60.1	61.0	61.4	61.9
ES	53.7	56.1	57.7	58.6	59.7	60.9	63.3	64.8	65.6	64.3
FR	60.4	61.7	62.7	62.9	64.0	63.4	63.9	63.8	64.6	65.2
IT	52.5	53.4	54.5	55.4	56.1	57.7	57.6	58.4	58.7	58.7
CY	63.7	65.4	67.9	68.5	69.2	69.4	68.5	69.6	71.0	70.9
LV	58.8	57.4	58.9	60.5	61.7	62.2	63.3	66.3	68.3	68.6
LT	62.6	59.6	58.1	60.6	62.8	61.4	62.6	63.6	64.9	64.3
LU	61.6	62.7	63.0	63.6	62.2	62.5	63.6	63.6	64.2	63.4
HU	55.4	55.9	56.1	56.2	57.0	56.6	56.9	57.3	57.3	56.7
MT	:	54.5	54.7	55.0	54.6	53.4	53.9	53.6	54.6	55.2
NL	70.9	72.9	74.1	74.5	73.8	73.1	73.2	74.3	76.0	77.2
AT	68.2	67.9	67.8	68.1	68.2	66.5	68.6	70.2	71.4	72.1
PL	57.5	55.1	53.7	51.7	51.4	51.4	52.8	54.5	57.0	59.2
PT	67.4	68.2	68.9	69.2	68.2	68.0	67.5	67.9	67.8	68.2
RO	65.0	64.2	63.3	58.6	58.7	58.7	57.6	58.8	58.8	59.0
SI	62.5	62.7	63.6	64.3	62.5	65.6	66.0	66.6	67.8	68.6
SK	58.0	56.3	56.7	56.5	57.9	56.7	57.7	59.4	60.7	62.3
FI	67.4	68.1	69.1	69.1	68.7	68.3	68.4	69.3	70.3	71.1
SE	70.6	71.1	74.4	74.0	73.6	72.4	72.5	73.1	74.2	74.3
UK	70.4	71.0	71.3	71.2	71.4	71.5	71.7	71.6	71.5	71.5
HR	:	:	:	52.9	53.4	54.9	55.0	55.6	57.1	57.8
MK	:	:	:	:	:	:	:	39.6	40.7	:
TR	:	:	:	:	:	:	:	45.9	45.8	45.9
IS	85.4	87.1	86.9	85.0	84.3	83.2	83.8	84.6	85.1	83.6
LI	:	:	:	:	:	:	:	:	:	:
NO	77.9	77.9	77.5	77.3	75.6	75.3	74.8	75.4	76.8	78.0
CH	78.4	78.3	79.1	78.9	77.9	77.4	77.2	77.9	78.6	79.5

Source: Eurostat - EU Labour Force Survey (main indicators)



### Employment rate of women, time series

(Employed women aged 15-64 as a percentage of the women population of the same age group)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU-27	:	53.6	54.3	54.5	55.0	55.4	56.3	57.3	58.3	59.1
EA-16	:	51.2	52.2	52.9	53.8	54.3	55.6	56.7	57.9	58.8
BE	50.2	51.9	50.7	51.1	51.4	53.0	53.8	54.0	55.3	56.2
BG		47.2	47.9	48.2	49.5	51.6	51.7	54.6	57.6	59.5
CZ	57.4	56.8	56.9	57.1	56.6	56.1	56.3	56.8	57.3	57.6
DK	71.6	72.1	71.4	72.6	70.5	72.0	71.9	73.4	73.2	74.3
DE	57.1	57.8	58.7	58.8	58.9	58.5	60.6	62.2	64.0	65.4
EE	58.1	57.2	56.9	57.6	58.3	60.3	62.1	65.3	65.9	66.3
IE	51.2	53.2	54.0	55.2	55.3	55.8	58.3	59.3	60.6	60.2
EL	41.1	41.8	41.7	43.1	44.5	45.5	46.1	47.4	47.9	48.7
ES	38.2	41.2	42.8	44.3	46.1	47.9	51.2	53.2	54.7	54.9
FR	53.5	54.8	55.7	56.4	58.4	57.7	58.5	58.8	60.0	60.7
IT	38.1	39.3	40.9	41.9	42.8	45.2	45.3	46.3	46.6	47.2
CY	50.4	53.0	57.1	59.0	60.2	59.7	58.4	60.3	62.4	62.9
LV	53.7	53.3	56.1	57.6	57.8	57.4	59.3	62.4	64.4	65.4
LT	59.9	58.2	56.9	57.2	60.0	57.8	59.4	61.0	62.2	61.8
LU	48.5	50.0	50.8	51.5	50.9	51.9	53.7	54.6	56.1	55.1
HU	48.8	49.4	49.6	49.8	50.9	50.5	51.0	51.1	50.9	50.6
MT	:	33.4	32.7	34.3	33.4	31.6	33.7	33.4	35.7	37.4
NL	61.3	63.4	65.3	65.9	66.0	65.7	66.4	67.7	69.6	71.1
AT	59.7	59.7	59.8	61.0	61.1	60.1	62.0	63.5	64.4	65.8
PL	51.6	49.3	48.3	46.7	46.4	46.1	46.8	48.2	50.6	52.4
PT	59.5	60.5	61.2	61.7	61.5	61.7	61.7	62.0	61.9	62.5
RO	59.7	59.0	58.2	52.8	52.8	53.5	51.5	53.0	52.8	52.5
SI	58.1	58.5	58.6	59.8	57.7	61.3	61.3	61.8	62.6	64.2
SK	52.1	51.1	51.8	51.2	52.3	50.6	50.9	51.9	53.0	54.6
FI	64.6	65.2	66.6	67.3	67.1	66.2	66.5	67.3	68.5	69.0
SE	68.9	69.7	72.6	72.5	72.2	70.8	70.4	70.7	71.8	71.8
UK	63.9	64.5	64.9	65.2	65.3	65.5	65.8	65.8	65.5	65.8
HR	:	:	:	46.0	46.3	47.8	48.6	49.4	50.0	50.7
MK	:	:	:	:	:	:	:	30.7	32.3	:
TR	:	:	:	:	:	:	:	23.9	23.8	24.3
IS	81.3	83.8	82.9	81.9	80.9	80.0	80.5	80.8	80.8	79.6
LI	:	:	:	:	:	:	:	:	:	:
NO	74.0	73.9	73.8	74.2	72.5	72.5	71.7	72.2	74.0	75.4
CH	69.6	69.3	70.6	71.5	70.7	70.3	70.4	71.1	71.6	73.5

Source: Eurostat - EU Labour Force Survey (main indicators)

### Employment rate of men, time series

(Employed women aged 15-64 as a percentage of the women population of the same age group)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU-27	:	70.7	70.8	70.4	70.4	70.2	70.8	71.7	72.5	72.8
EA-16	:	71.2	71.7	71.6	71.4	71.2	71.8	72.6	73.3	73.3
BE	67.5	69.8	68.5	68.1	67.1	67.9	68.3	67.9	68.7	68.6
BG	56.1	53.6	54.1	56.7	58.7	60.0	62.8	66.0	68.5	
CZ	74.0	73.1	73.1	73.9	73.2	72.1	73.3	73.7	74.8	75.4
DK	81.2	80.7	80.2	80.2	79.7	79.9	79.8	81.2	81.0	81.9
DE	72.4	72.7	72.6	71.8	70.9	70.0	71.3	72.8	74.7	75.9
EE	65.9	63.7	65.1	66.2	66.8	65.8	67.0	71.0	73.2	73.6
IE	73.6	75.7	76.2	75.0	74.7	75.2	76.9	77.7	77.4	74.9
EL	71.3	71.7	71.6	72.5	73.5	74.0	74.2	74.6	74.9	75.0
ES	69.2	71.0	72.5	72.7	73.2	73.6	75.2	76.1	76.2	73.5
FR	67.5	68.8	69.8	69.6	69.7	69.2	69.3	69.0	69.3	69.8
IT	67.1	67.6	68.1	68.9	69.5	70.3	69.9	70.5	70.7	70.3
CY	78.0	78.6	79.4	78.8	78.8	79.9	79.2	79.4	80.0	79.2
LV	64.4	61.9	61.9	63.6	65.9	67.4	67.6	70.4	72.5	72.1
LT	65.5	61.1	59.5	64.3	65.8	65.2	66.1	66.3	67.9	67.1
LU	74.4	75.0	74.9	75.5	73.3	72.8	73.3	72.6	72.3	71.5
HU	62.4	62.7	62.9	62.9	63.5	63.1	63.1	63.8	64.0	63.0
MT	:	75.3	76.6	75.6	75.6	75.0	73.8	73.3	72.9	72.5
NL	80.3	82.1	82.7	82.9	81.4	80.2	79.9	80.9	82.2	83.2
AT	76.7	76.2	75.9	75.3	75.4	73.0	75.4	76.9	78.4	78.5
PL	63.6	61.2	59.2	57.0	56.4	56.8	58.9	60.9	63.6	66.3
PT	75.5	76.2	76.9	76.8	75.0	74.4	73.4	73.9	73.8	74.0
RO	70.4	69.5	68.6	64.5	64.7	64.1	63.7	64.6	64.8	65.7
SI	66.8	66.7	68.5	68.7	67.2	69.9	70.4	71.1	72.7	72.7
SK	64.0	61.6	61.8	61.9	63.5	62.9	64.6	67.0	68.4	70.0
FI	70.2	71.1	71.6	70.9	70.3	70.3	70.3	71.4	72.1	73.1
SE	72.1	72.6	76.1	75.5	74.9	74.0	74.4	75.5	76.5	76.7
UK	77.0	77.7	77.9	77.3	77.6	77.6	77.7	77.5	77.5	77.3
HR	:	:	:	60.2	60.7	62.3	61.7	62.0	64.4	65.0
MK	:	:	:	:	:	:	:	48.3	48.8	:
TR	:	:	:	:	:	:	:	68.1	68.0	67.7
IS	89.3	90.4	90.8	88.0	87.7	86.4	86.9	88.1	89.1	87.3
LI	:	:	:	:	:	:	:	:	:	:
NO	81.7	81.8	81.1	80.3	78.6	78.0	77.8	78.4	79.5	80.5
CH	87.2	87.3	87.6	86.2	85.1	84.4	83.9	84.7	85.6	85.4

Source: Eurostat - EU Labour Force Survey (main indicators)

Self-employed, part-time workers and temporary contract workers as % of total employment, by sex, time series

	Self-employed in % of total employment									Part-time workers in % of total employment									Temporary contract workers in % of total employees										
	Total			Females			Males			Total			Females			Males			Total			Females			Males				
	2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007
EU-27	16.0	15.8	15.7	12.2	12.1	11.9	19.0	18.9	18.8	18.1	18.2	18.2	31.2	31.2	31.1	7.7	7.7	7.9	14.4	14.5	14.0	15.0	15.2	14.9	13.9	13.8	13.3		
EA-16	15.1	15.0	14.8	11.3	11.2	11.0	18.0	17.9	17.8	19.2	19.4	19.5	34.5	34.6	34.5	7.3	7.4	7.5	16.5	16.5	16.2	17.5	17.5	17.3	15.7	15.7	15.2		
BE	16.2	16.1	16.0	12.7	12.5	12.1	18.9	18.9	19.1	22.2	22.1	22.6	41.1	40.6	40.9	7.4	7.5	7.9	8.7	8.6	8.3	10.9	10.8	10.2	6.9	6.8	6.6		
BG	27.2	26.6	26.3	20.8	20.1	20.8	32.8	32.2	31.1	2.0	1.7	2.3	2.5	2.1	2.7	1.5	1.3	2.0	6.2	5.2	5.0	6.1	5.5	4.4	6.3	5.0	5.6		
CZ	18.2	18.1	18.1	12.3	11.8	11.9	22.8	22.9	22.8	5.0	5.0	4.9	8.7	8.5	8.5	2.2	2.3	2.2	8.7	8.6	8.0	10.1	10.2	9.8	7.5	7.3	6.5		
DK	6.1	6.2	6.2	3.9	3.6	3.5	8.1	8.5	8.7	23.6	24.1	24.6	35.4	36.2	36.5	13.3	13.5	14.2	8.9	8.7	8.4	10.0	10.0	9.1	8.0	7.6	7.6		
DE	11.2	11.2	11.1	8.5	8.6	8.3	13.5	13.4	13.4	25.8	26.0	25.9	45.6	45.8	45.4	9.3	9.4	9.4	14.5	14.6	14.7	14.1	14.5	14.6	14.7	14.7	14.7		
EE	8.1	9.1	7.8	4.8	5.5	5.0	11.4	12.7	10.7	7.8	8.2	7.2	11.3	12.1	10.4	4.3	4.3	4.1	2.7	2.1	2.4	:	:	:	3.3	2.7	3.4		
IE	16.4	17.2	17.5	6.7	7.2	7.6	23.5	24.7	25.2	:	18.0	18.6	:	32.3	32.4	:	7.2	7.8	3.4	7.3	8.5	3.9	8.6	9.8	2.9	6.0	7.2		
EL	34.9	34.7	34.4	30.6	30.2	30.1	37.6	37.6	37.1	5.7	5.6	5.6	10.2	10.1	9.9	2.9	2.7	2.8	10.7	10.9	11.5	13.0	13.1	13.7	9.1	9.3	9.9		
ES	14.1	13.8	13.8	10.9	10.6	10.4	16.3	16.1	16.3	12.0	11.8	12.0	23.2	22.8	22.7	4.3	4.1	4.2	34.0	31.7	29.3	36.7	33.1	31.4	32.0	30.6	27.6		
FR	8.9	8.9	8.9	6.1	6.0	6.2	11.4	11.4	11.3	17.2	17.2	16.9	30.2	30.2	29.4	5.8	5.7	5.8	14.1	14.4	14.2	14.8	15.4	15.4	13.4	13.3	13.0		
IT	24.4	24.1	23.6	18.9	18.5	17.9	28.0	27.8	27.4	13.3	13.6	14.3	26.5	26.9	27.9	4.7	5.0	5.3	13.1	13.2	13.3	15.8	15.9	15.6	11.2	11.2	11.6		
CY	20.6	19.7	19.7	14.2	12.8	12.7	25.6	25.3	25.3	7.7	7.3	7.8	12.1	10.9	11.4	4.3	4.4	4.8	13.1	13.2	13.9	19.0	19.2	19.9	7.9	7.6	8.2		
LV	11.7	10.8	10.2	9.9	8.5	7.4	13.4	13.1	12.8	6.5	6.4	6.3	8.3	8.0	8.1	4.7	4.9	4.5	7.1	4.2	3.3	5.4	2.9	2.0	8.8	5.5	4.7		
LT	15.8	13.7	11.5	13.9	11.0	8.8	17.7	16.3	14.2	9.9	8.6	6.7	12.0	10.2	8.6	7.9	7.0	4.9	4.5	3.5	2.4	2.7	2.3	1.9	6.4	4.9	2.9		
LU	6.2	6.0	5.9	5.1	5.0	5.8	7.1	6.8	5.9	17.1	17.8	18.0	36.2	37.2	38.3	2.6	2.6	2.7	6.1	6.8	6.2	6.6	7.6	6.6	5.7	6.2	5.9		
HU	12.7	12.4	12.3	9.1	9.2	8.7	15.8	15.1	15.4	4.0	4.1	4.6	5.6	5.8	6.2	2.6	2.8	3.3	6.7	7.3	7.9	6.0	6.8	7.0	7.4	7.7	8.7		
MT	11.8	11.9	11.9	5.0	6.1	5.6	14.8	14.6	15.1	10.0	10.9	11.5	21.5	24.6	25.5	4.9	4.4	4.5	3.7	5.1	4.3	5.8	7.7	5.8	2.7	3.7	3.4		
NL	14.1	14.0	13.8	10.9	10.7	10.5	16.7	16.7	16.5	46.2	46.8	47.3	74.7	75.0	75.3	23.0	23.6	23.9	16.6	18.1	18.2	18.0	19.7	20.0	15.4	16.6	16.6		
AT	16.7	16.4	16.1	14.0	14.0	13.4	18.9	18.3	18.3	21.8	22.6	23.3	40.2	41.2	41.5	6.5	7.2	8.1	9.0	8.9	9.0	8.9	9.0	9.1	9.1	8.8	8.9		
PL	24.5	23.5	23.3	21.9	21.0	20.7	26.7	25.6	25.3	9.8	9.2	8.5	13.0	12.5	11.7	7.1	6.6	5.9	27.3	28.2	27.0	26.0	27.9	27.7	28.5	28.4	26.3		
PT	18.6	18.8	18.5	17.5	17.4	17.2	19.6	20.1	19.5	11.3	12.1	11.9	15.8	16.9	17.2	7.4	8.0	7.4	20.6	22.4	22.8	21.7	23.0	24.1	19.5	21.8	21.7		
RO	31.3	31.2	31.2	30.4	30.9	31.0	32.0	31.5	31.4	9.7	9.7	9.9	9.8	10.4	10.8	9.5	9.2	9.1	1.8	1.6	1.3	1.6	1.5	1.2	2.0	1.7	1.3		
SI	17.4	17.3	17.0	14.3	14.4	13.6	20.0	19.6	19.8	9.2	9.3	9.0	11.6	11.3	11.4	7.2	7.7	7.1	17.3	18.5	17.4	19.3	20.8	19.7	15.5	16.5	15.3		
SK	12.9	13.2	13.8	7.5	7.5	7.8	17.2	17.6	18.4	2.8	2.6	2.7	4.7	4.5	4.2	1.3	1.1	1.4	5.1	5.1	4.7	5.2	5.3	4.8	5.0	4.9	4.6		
FI	11.8	11.7	12.0	7.8	7.7	8.0	15.6	15.5	15.7	14.0	14.1	13.3	19.2	19.3	18.2	9.3	9.3	8.9	16.4	15.9	15.0	20.0	19.4	18.7	12.6	12.4	11.2		
SE	5.7	5.6	5.3	3.1	3.1	3.0	8.1	7.9	7.3	25.1	25.0	26.6	40.2	40.0	41.4	11.8	11.8	13.3	17.3	17.5	16.1	19.1	19.9	18.7	15.4	15.0	13.4		
UK	13.1	13.2	13.2	8.1	8.2	8.1	17.4	17.5	17.6	25.3	25.2	25.3	42.5	42.2	41.8	10.6	10.8	11.3	5.8	5.9	5.4	6.5	6.4	6.0	5.2	5.3	4.9		
HR	20.2	45.3	45.3	18.7	42.4	42.6	21.5	47.6	47.4	9.4	8.6	8.9	11.7	11.3	11.5	7.5	6.4	6.7	12.9	12.6	12.1	12.6	13.2	12.3	13.1	12.2	11.9		
MK	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	11.9	12.6	:	10.1	10.5	:	13.2	14.1	:		
TR	:	:	:	:	:	:	:	:	:	7.9	8.8	9.6	17.8	19.7	20.8	4.4	4.9	5.6	13.3	12.6	11.8	13.1	12.4	12.5	13.3	12.6	11.6		
IS	:	:	:	:	:	:	:	:	:	17.1	21.7	20.5	30.1	36.7	33.7	7.0	9.3	9.5	11.5	12.3	9.5	12.7	13.6	9.9	10.4	11.0	9.1		
LI	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
NO	7.0	6.7	6.4	4.0	3.9	3.7	9.6	9.2	8.9	17.1	21.7	28.2	30.1	36.7	43.6	7.0	9.3	14.4	10.1	9.6	9.1	12.6	11.7	11.1	7.8	7.6	7.1		
CH	:	:	:	:	:	:	:	:	:	28.7	28.2	34.3	45.2	44.1	59.0	13.9	13.9	13.5	13.5	12.9	13.2	13.9	13.1	13.1	13.1	12.7	13.3		

**Employment rate of older workers, time series**

(Employed persons aged 55-64 as a percentage of the population of the same age group)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
EU-27	:	36.8	37.5	38.2	39.9	40.5	42.3	43.5	44.7	45.6	
EA-16	:	33.9	34.4	35.8	37.3	38.1	40.4	41.7	43.2	44.3	
BE		24.7	25.0	25.2	25.8	28.1	30.1	31.8	32.0	34.4	34.5
BG	:	22.1	24.0	27.7	30.7	33.3	34.7	39.6	42.6	46.0	
CZ		37.6	36.1	36.9	40.3	42.3	42.5	44.5	45.2	46.0	47.6
DK		54.2	54.6	56.5	57.3	60.7	61.8	59.5	60.7	58.6	57.0
DE		37.8	37.4	37.7	38.4	39.4	41.4	45.4	48.4	51.5	53.8
EE		48.1	43.3	48.7	51.3	52.8	51.5	56.1	58.5	60.0	62.4
IE		43.7	45.1	46.6	48.0	49.2	49.5	51.6	53.1	53.8	53.6
EL		38.7	39.4	38.2	38.9	41.0	39.4	41.6	42.3	42.4	42.8
ES		34.9	36.8	39.1	39.7	40.8	41.0	43.1	44.1	44.6	45.6
FR		28.4	29.4	30.7	33.8	36.1	37.3	38.7	38.1	38.3	38.3
IT		27.5	27.3	26.9	28.6	30.0	30.2	31.4	32.5	33.8	34.4
CY		47.3	49.5	49.1	49.2	50.2	51.3	50.6	53.6	55.9	54.8
LV		36.6	35.4	36.4	42.6	41.8	45.9	49.5	53.3	57.7	59.4
LT		41.6	41.2	38.5	43.0	47.0	46.1	49.2	49.6	53.4	53.1
LU		26.3	27.2	24.8	27.9	30.3	30.4	31.7	33.2	32.0	34.1
HU		19.1	21.9	23.1	25.0	28.9	30.4	33.0	33.6	33.1	31.4
MT	:	28.6	28.1	30.2	32.2	31.2	30.8	29.8	28.5	29.1	
NL		35.3	37.9	39.3	42.0	44.5	44.6	46.1	47.7	50.9	53.0
AT		29.2	29.2	27.4	28.0	29.1	27.4	31.8	35.5	38.6	41.0
PL		32.5	29.0	28.6	26.6	27.1	26.1	27.2	28.1	29.7	31.6
PT		50.7	51.3	50.7	51.9	51.7	50.1	50.5	50.1	50.9	50.8
RO		52.9	52.0	50.5	38.5	39.4	37.0	39.4	41.7	41.4	43.1
SI		23.4	22.3	23.4	25.9	22.7	30.1	30.7	32.6	33.5	32.8
SK		22.2	21.5	22.4	22.1	24.6	26.0	30.3	33.1	35.6	39.2
FI		39.2	41.2	45.5	47.8	49.6	51.1	52.7	54.5	55.0	56.5
SE		64.6	64.3	66.2	68.3	68.6	69.0	69.4	69.6	70.0	70.1
UK		49.4	50.4	52.2	53.2	55.4	56.1	56.8	57.3	57.4	58.0
HR	:	:	:	22.7	28.0	29.9	32.6	34.3	35.8	36.7	
MK	:	:	:	:	:	:	:	27.9	28.8	:	
TR	:	:	:	:	:	:	:	30.1	29.5	29.5	
IS		87.0	85.4	86.1	87.1	82.4	78.9	84.3	84.3	84.7	82.9
LI	:	:	:	:	:	:	:	:	:	:	
NO		64.4	65.6	66.0	67.0	66.3	66.1	65.5	67.4	69.0	69.2
CH		64.7	63.3	67.1	64.6	65.8	65.2	65.1	65.7	67.2	68.4

Source: Eurostat - EU Labour Force Survey (main indicators)

## 8. UNEMPLOYMENT

**In 2008, on average 7.1 % of the labour force was unemployed in the EU-27. This was practically the same rate as the year before. In some countries unemployment started to rise, while in others it was still falling. Women were generally more affected by unemployment in 2008. However, seven Member States showed higher unemployment rates for men than for women. In 2008 the unemployment rate for women kept decreasing while for men it remained constant. Long-term unemployment continued to decline in 2008.**

### End of declining unemployment

In 2008, on average some 16.7 million persons were unemployed in the EU-27. This corresponds to 7.1% of the labour force, practically the same rate as the year before. That trend contrasts strongly with the decline in unemployment that had been observed since 2004. Individual Member States showed different trends in unemployment rates. For some unemployment increased in 2008. This was especially the case for Spain but also for Ireland, Latvia and Lithuania. In other Member States unemployment continued to decrease in 2008, examples being Poland, Slovakia, Bulgaria and Germany, which all saw rates fall by more than one percentage point compared to 2007.

### Unemployment rate and long-term unemployment rate by sex, EU, 2000-2008



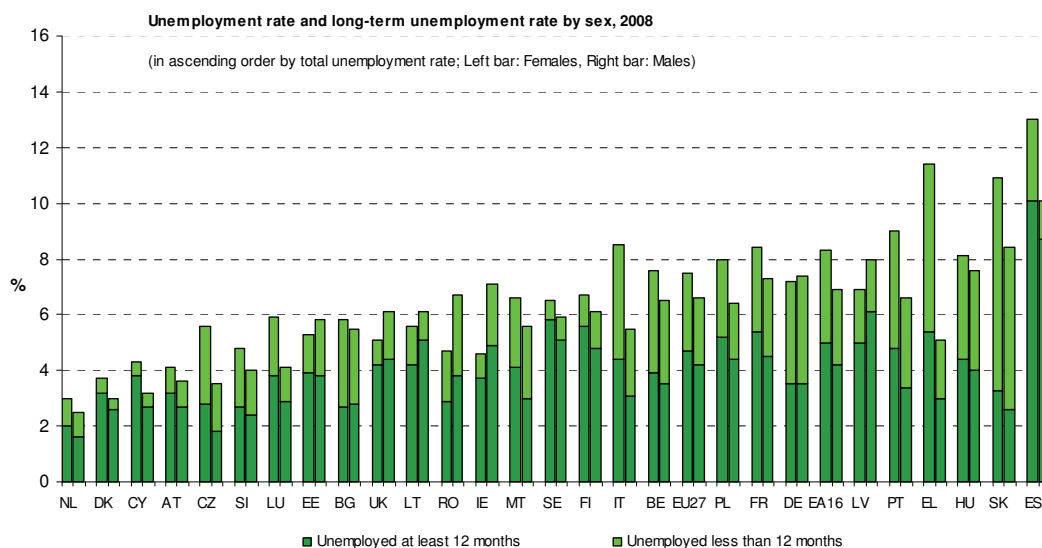
Source: Eurostat Labour Force Survey

### Unemployment continuing to decrease for women

For men the unemployment rate was 6.6 % in 2008, well below the female rate of 7.5 %. The rate was exactly the same as the year before for men. For women unemployment continued to decrease, although at a slower pace. The current economic downturn has had more of an impact on the labour market situation of men than of women in 2008. As a consequence in most Member States the differences in unemployment rates between men and women have narrowed.

In most Member States unemployment is higher among women than men. This is especially the case in Greece with a gender gap of six percentage points. However, the opposite situation, higher rates for men, is found in a few Member States. In Ireland and Romania the unemployment rate for men was two percentage points higher than for women in 2008. A 'reverse' gender gap was also observed in the Baltic States, Germany and the UK.

## Long-term unemployment down



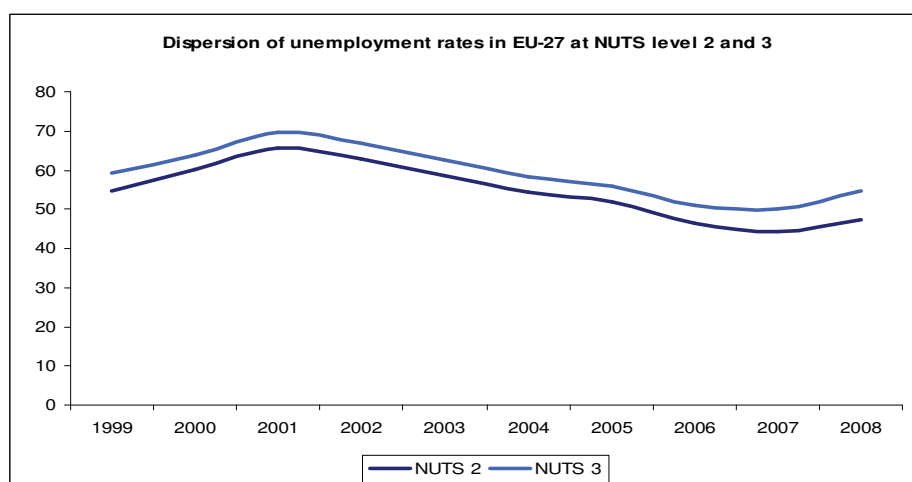
Source: Eurostat Labour Force Survey

In 2008, 2.6 % of the labour force was in long-term unemployment (i.e. unemployed for a period of 12 months or more). This figure is down from the year before when it was still 3.0 %. Most Member States had rates around the average or lower, but there were some with considerably higher rates, for example Slovakia which had by far the highest rate of long-term unemployed at 6.6 % in 2008. Long-term unemployment is generally more common among women than among men. In Slovakia 7.6 % of the female labour force was long-term unemployed in 2008, with Greece (6.0 %), Portugal (4.2 %) and Italy (4.1 %) also having relatively high rates.

## Youth unemployment ratio stable in 2008

In 2008, the youth unemployment ratio (number of unemployed aged 15-24 divided by the population of that age) was 6.9 % in the EU-27. This ratio was virtually the same as the year before. For young men it was a bit higher (7.4 %) than for young women (6.3 %). Only a few Member States displayed higher ratios compared to the previous year. Especially Spain showed a relatively strong increase of three percentage points. In Spain and Sweden more than 10 % of young people were unemployed in 2008, and unemployment was also relatively high among young persons in the UK, Finland and France.

## Dispersion of unemployment rates have increased in 2008

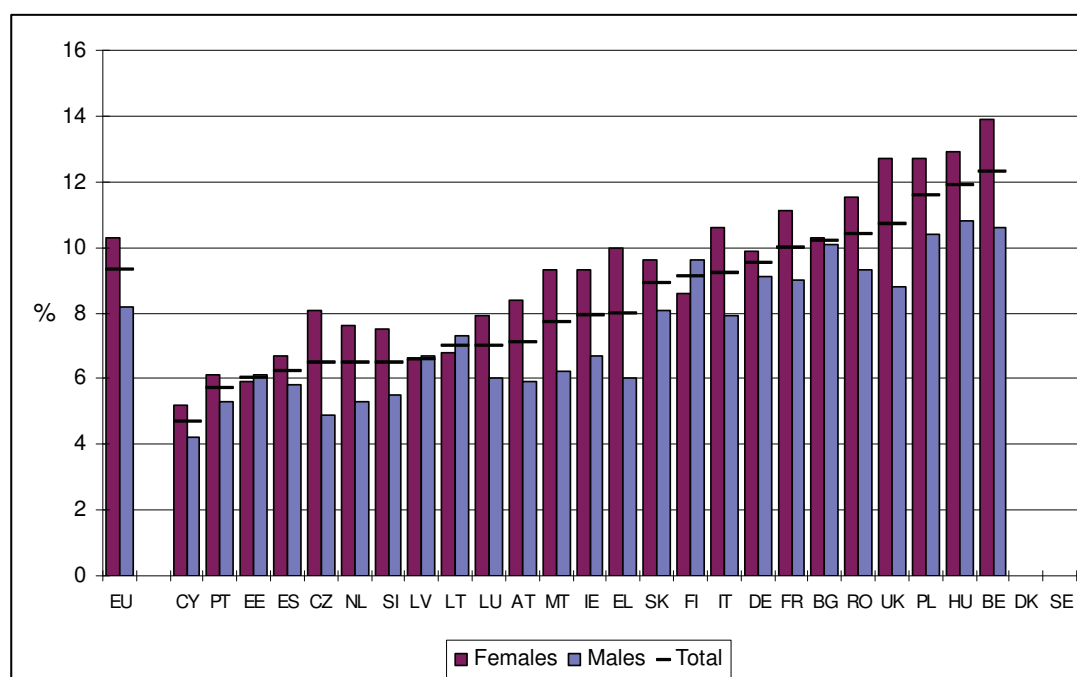


Source: Eurostat Labour Force Survey

Unemployment varies across the regions of the EU. The spread of regional unemployment rates is captured by the dispersion of the unemployment rates indicator, which is the coefficient of variation of the regional unemployment rates. Small levels of dispersion mean that unemployment is evenly spread across regions. In 2008, the dispersion of unemployment rates at NUTS level 2 rose to 47 % at NUTS level 2 and to 55 % at NUTS level 3. This is the first rise in the dispersion of unemployment rates since 2001. Owing to the economic crisis in late 2008 and the usual time lag between economic contraction and rising unemployment, the yearly averages are not greatly affected as yet. Nevertheless, some regions have already shown significant rises in the level of unemployment, while others are less affected or are even seeing a continuing decreasing trend. Differences in regional performance led to increased dispersion of unemployment rates in 2008. In countries with high disparities like Italy and Belgium, there is a big difference between northern and southern regions. On the other hand, Poland and Sweden are examples of countries with fairly small differences between regional unemployment levels.

## EU-wide 9.3% of adults live in jobless households

### Persons in jobless households, 2007



Source: Eurostat Labour Force Survey

In 2007, 9.3 % of persons aged 18-59 (excluding students aged 18-24 living with other students) were living in households where no member was employed, the so-called jobless households. The share of adults living in jobless households was relatively high in Belgium, Hungary and Poland with percentages over 11 %. Low percentages were observed in Cyprus (4.7 %) and Portugal (5.7 %). In the EU, a considerably higher proportion of women live in jobless households (10.3 % compared to 8.2 % of men). This is because more women than men are single parents and consequently find it more difficult to reconcile their care duties with work.

## Policy context

The Luxembourg Jobs Summit in November 1997 observed that “the encouraging growth results will not enable us to make up for the job losses suffered in the early 1990s 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 Employment Guidelines for 2008 - 2010 (forming part of Integrated Guidelines for economic policy) continue to stress 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 designed to attract and retain more people in employment, increase labour supply and modernise social protection systems. In particular, Member States will promote a lifecycle approach to work (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 resulting from 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). One element 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).

As a response to the economic downturn during the second half of 2008 the Commission presented in November 2008 a plan to drive Europe's recovery out of this crisis. The plan includes short-term measures to boost demand, save jobs and help restore confidence as well as "smart investment" to yield higher growth and sustainable prosperity in the longer term.

In December 2008 the Commission adopted a package to help implement the European economic recovery plan and to reinforce the Lisbon Strategy. The package includes several communications, such as 'New Skills for New Jobs' (COM (2008) 868/3), which is a first assessment of skill and job requirements in the EU up to 2020.

To help Member States fight unemployment and prepare their labour markets for recovery, the Commission Communication "Driving European recovery" (COM (2009) 114 final) was followed by a Communication entitled "A Shared Commitment for Employment" (COM (2009) 257 final) putting the spotlight on three priorities: maintaining employment, creating jobs and promoting mobility; upgrading skills and matching labour market needs; and increasing access to employment.

## Methodological notes

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

Unemployed people — according to the Commission Regulation No 1897/2000 based on 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.

## Further reading

- "Employment in Europe 2008", European Commission, Employment and Social Affairs DG
- Data in Focus (Population and social conditions) n° 27/2008 "European Union Labour Force Survey – Annual Results 2007", Eurostat
- {COM(2008) 868} Commission staff working document "New Skills for New Jobs - Anticipating and matching labour market and skills needs", December 2008
- COM (2009) 114 final Communication for the Spring European Council "Driving European recovery"
- COM (2009) 257 final Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions "A Shared Commitment for Employment"



Youth unemployment ratio

	Youth unemployment ratio (15 to 24 years)								
	Total			Females			Males		
	2006	2007	2008	2006	2007	2008	2006	2007	2008
EU-27	7.6	6.8	6.9	7.2	6.4	6.3	8.1	7.2	7.4
EA-16	7.4	6.7	6.9	7.2	6.6	6.5	7.5	6.8	7.3
BE	7.1	6.4	6.0	7.2	6.6	5.8	7	6.2	6.2
BG	5.6	4.4	3.8	5.3	4.1	3.0	5.9	4.6	4.7
CZ	5.9	3.4	3.1	5.4	2.9	2.6	6.3	3.9	3.5
DK	5.4	5.6	5.5	5.2	5.2	6.0	5.6	6.0	5.1
DE	6.9	6.1	5.5	6	5.4	5.0	7.8	6.8	6.1
EE	4.3	3.8	5.0	4.5	2.3	4.2	4.1	5.3	5.7
IE	4.7	5.0	6.6	4	4.2	4.8	5.4	5.8	8.4
EL	8.2	7.1	6.7	9.9	8.8	7.5	6.4	5.5	5.8
ES	8.6	8.7	11.7	9.5	9.5	11.3	7.8	7.9	12.2
FR	8.2	7.3	7.1	7.9	6.9	6.4	8.5	7.6	7.8
IT	7	6.3	6.6	6.8	6.0	6.3	7.2	6.6	6.8
CY	4.1	4.2	3.8	4.3	3.7	3.8	4	4.8	3.7
LV	5	4.6	5.6	4.9	3.7	4.8	5	5.5	6.4
LT	2.6	2.2	4.1	2.2	2.3	3.8	2.9	2.2	4.4
LU	4.5	4.0	5.2	3.8	3.9	6.5	5.2	4.1	3.9
HU	5.1	4.6	5.0	4.6	4.1	4.4	5.6	5.2	5.5
MT	8.4	7.4	6.4	6.9	5.7	5.0	9.7	9.0	7.6
NL	4.6	4.3	3.9	4.9	4.5	3.8	4.3	4.1	4.0
AT	5.4	5.3	4.9	5.1	5.2	4.7	5.7	5.4	5.1
PL	10.2	7.1	5.7	9.7	7.0	5.9	10.6	7.3	5.6
PT	6.9	6.9	6.8	7.1	7.8	7.8	6.8	6.1	5.9
RO	6.6	6.1	5.7	5.2	4.7	4.5	7.8	7.6	6.8
SI	5.6	4.2	4.5	6.1	4.0	4.2	5.2	4.5	4.7
SK	9.4	7.0	6.2	8.3	6.1	5.3	10.5	7.9	7.0
FI	9.7	8.8	8.8	9.4	8.9	8.4	10	8.8	9.2
SE	11	10.1	10.7	11.4	10.4	11.0	10.7	9.7	10.4
UK	8.7	8.8	9.2	7.2	7.4	7.4	10.2	10.2	11.0
HR	10.4	8.4	7.5	9.8	8.4	7.3	10.9	8.3	7.6
MK	:	:	::	:	:	::	:	:	:
TR	5.9	6.1	6.7	3.9	3.9	4.4	8	8.5	9.2
IS	6.5	5.6	:	6.1	5.0	:	6.9	6.2	:
LI	:	:	::	:	:	::	:	:	:
NO	5	4.4	4.6	5	4.0	4.1	5	4.7	5.2
CH	5.3	4.8	4.7	5	4.8	4.9	5.6	4.8	4.5

Source: Eurostat - EU Labour Force Survey

Unemployment rate by sex, time series

(Unemployed persons as a percentage of the active population)

	Total										Females										Males											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008		
EU-27	: 9.2	8.6	8.9	9.0	9.2	8.9	8.2	7.1	7.0	:	10.6	9.6	9.8	9.7	9.9	9.7	8.9	7.8	7.5	:	8.2	7.7	8.2	8.4	8.6	8.3	7.5	6.5	6.6			
EA-16	: 9.3	8.2	8.5	8.9	9.2	9.0	8.3	7.5	7.5	:	11.4	9.8	10.0	10.2	10.5	10.1	9.5	8.5	8.3	:	7.7	7.0	7.4	8.0	8.3	8.1	7.4	6.6	6.8			
BE	8.6	6.6	6.2	6.9	7.7	7.4	8.4	8.2	7.5	7.0	10.2	8.3	6.9	7.8	8.0	8.3	9.5	9.3	8.4	7.6	7.5	5.3	5.6	6.2	7.4	6.6	7.6	7.4	6.7	6.5		
BG		16.2	19.9	18.1	13.7	12.0	10.1	9.0	6.9	5.6		15.8	18.9	17.4	13.2	11.6	9.8	9.3	7.3	5.8		16.6	20.9	18.8	14.2	12.4	10.3	8.6	6.5	5.5		
CZ	8.5	8.8	8.0	7.0	7.5	8.2	7.9	7.1	5.3	4.4	10.1	10.5	9.6	8.6	9.6	9.7	9.8	8.8	6.7	5.6	7.2	7.3	6.7	5.8	5.9	7.1	6.5	5.8	4.2	3.5		
DK	5.1	4.5	4.2	4.3	5.4	5.2	4.8	3.9	3.8	3.3	5.9	5.0	4.8	4.3	5.7	5.4	5.3	4.5	4.2	3.7	4.5	4.0	3.6	4.2	5.1	5.0	4.4	3.3	3.5	3.0		
DE	8.9	7.9	7.8	8.5	9.8	10.7	11.1	10.2	8.6	7.5	9.2	8.3	7.8	8.2	9.3	10.1	10.7	10.1	8.7	7.5	8.6	7.6	7.8	8.7	10.2	11.3	11.4	10.3	8.5	7.4		
EE	11.6	13.1	12.4	9.4	10.7	10.0	7.9	5.9	4.7	5.5	10.1	11.5	13.1	8.5	10.4	8.7	7.1	5.6	3.9	5.3	12.9	14.6	11.8	10.3	11.0	11.3	8.8	6.2	5.4	5.8		
IE	5.8	4.3	3.7	4.2	4.5	4.5	4.3	4.4	4.6	6.0	5.6	4.3	3.5	3.7	4.0	3.8	4.0	4.1	4.2	4.6	5.9	4.4	3.8	4.5	4.8	5.0	4.6	4.6	4.9	7.0		
EL	11.9	11.2	10.4	9.9	9.3	10.2	9.8	8.9	8.3	7.7	18.2	17.0	15.9	15.2	14.3	15.9	15.3	13.6	12.8	11.4	7.7	7.4	6.9	6.4	6.0	6.3	6.1	5.6	5.2	5.1		
ES	15.5	13.8	10.3	11.2	11.3	11.1	9.2	8.5	8.3	11.3	22.8	20.3	15.0	16.3	15.9	15.2	12.2	11.6	10.9	13.0	10.8	9.5	7.3	7.8	8.2	8.2	7.0	6.3	6.4	10.1		
FR	12.0	10.2	8.6	8.7	8.5	9.2	8.8	8.8	7.9	7.4	13.9	12.2	10.5	9.8	9.5	10.4	9.8	9.6	8.5	7.9	10.4	8.5	7.0	7.8	7.7	8.2	8.0	8.1	7.4	6.9		
IT	11.7	10.8	9.6	9.2	8.9	7.9	7.7	6.8	6.1	6.7	16.3	14.9	13.0	12.6	11.9	10.2	10.1	8.8	7.9	8.5	8.8	8.3	7.4	7.0	6.9	6.3	6.2	5.4	4.9	5.5		
CY	: 5.0	4.0	3.3	4.1	4.3	5.3	4.5	3.9	3.7		: 7.3	5.7	4.2	4.6	5.4	6.5	5.4	4.6	4.2		: 3.2	2.6	2.6	3.8	3.5	4.4	3.9	3.4	3.2			
LV	13.8	14.2	13.1	13.2	10.6	9.9	8.9	6.8	6.0	7.5	13.4	13.4	11.5	11.6	10.8	10.4	8.7	6.2	5.6	6.9	14.2	15.0	14.6	14.8	10.4	9.5	9.1	7.4	6.4	8.0		
LT	13.4	15.9	16.8	13.0	12.9	11.3	8.3	5.6	4.3	5.8	12.1	13.6	14.1	12.8	13.2	11.6	8.3	5.4	4.3	5.6	14.7	18.2	19.5	13.2	12.6	11.1	8.2	5.8	4.3	6.0		
LU	2.4	2.3	1.8	2.6	3.7	5.1	4.5	4.7	4.1	5.1	3.3	3.1	2.2	3.6	4.7	7.1	5.8	6.2	4.7	6.0	1.8	1.8	1.6	1.9	3.0	3.7	3.5	3.5	3.6	4.3		
HU	6.9	6.6	5.7	5.6	5.8	5.8	7.2	7.5	7.4	7.8	6.2	5.8	4.9	5.1	5.4	5.9	7.4	7.8	7.7	8.1	7.5	7.2	6.3	6.0	6.1	5.8	7.0	7.2	7.1	7.6		
MT	: 6.3	7.1	6.9	7.5	7.3	7.3	6.9	6.5	6.0		: 6.5	8.1	8.3	9.9	8.3	8.9	8.6	7.6	6.8		: 6.2	6.7	6.3	6.4	6.9	6.6	6.1	6.0	5.6			
NL	3.6	2.7	2.1	2.6	3.6	4.6	4.7	3.9	3.2	2.8	4.9	3.5	2.5	2.9	3.8	5.0	5.1	4.4	3.6	3.0	2.7	2.2	1.8	2.3	3.4	4.3	4.4	3.5	2.8	2.5		
AT	4.7	4.7	4.0	4.8	4.8	5.3	5.2	4.7	4.4	3.8	4.8	4.6	4.1	4.5	4.3	5.3	5.5	5.2	5.0	4.1	4.7	4.8	3.9	5.1	5.1	5.3	4.9	4.3	3.9	3.6		
PL	12.3	16.3	18.4	19.9	19.4	19.1	17.7	13.8	9.6	7.1	13.2	18.3	20.0	20.7	19.9	19.8	19.1	14.9	10.3	8.0	11.5	14.6	17.0	19.2	18.9	18.5	16.6	13.0	9.0	6.4		
PT	4.6	3.8	3.8	4.5	6.1	6.3	7.6	7.7	8.0	7.6	5.1	4.7	4.9	5.3	7.2	7.2	8.7	9.0	9.6	8.8	4.2	3.1	2.9	3.8	5.2	5.6	6.7	6.5	6.6	6.5		
RO	6.2	7.0	6.6	8.1	6.9	7.7	7.2	7.3	6.4	5.8	5.5	6.4	6.0	7.6	6.4	6.2	6.4	6.1	5.4	4.7	6.9	7.5	7.0	8.6	7.4	9.0	7.8	8.2	7.2	6.7		
SI	7.3	6.9	5.7	5.9	6.5	6.0	6.5	6.0	4.8	4.4	7.5	7.1	6.0	6.3	7.0	6.4	7.0	7.2	5.8	4.8	7.2	6.8	5.4	5.6	6.0	5.7	6.1	4.9	4.0	4.0		
SK	15.9	19.1	19.4	18.7	17.1	18.6	16.3	13.4	11.1	9.5	15.9	18.6	18.6	18.8	17.3	19.6	17.2	14.7	12.7	10.9	16.0	19.4	20.1	18.7	17.0	17.7	15.5	12.3	9.9	8.4		
FI	11.7	11.1	10.3	10.4	10.5	10.4	8.4	7.7	6.9	6.4	12.4	12.0	10.8	10.2	9.9	10.6	8.6	8.1	7.2	6.7	11.0	10.3	9.9	10.7	11.0	10.2	8.2	7.4	6.5	6.1		
SE	7.6	5.5	4.7	5.0	5.6	6.7	7.8	7.1	6.2	6.2	6.9	5.0	4.4	4.6	5.0	6.2	7.7	7.3	6.5	6.6	8.3	5.9	5.0	5.3	6.1	7.2	7.9	6.9	5.9	5.9		
UK	6.0	5.6	4.7	5.0	4.8	4.6	4.8	5.4	5.3	5.6	5.2	4.9	4.1	4.4	4.1	4.2	4.3	4.9	4.9	5.1	6.8	6.1	5.2	5.6	5.4	5.0	5.2	5.7	5.6	6.1		
HR	: :	: :	15.1	13.9	13.7	12.6	11.1	9.6	8.4					17.3	15.6	15.3	13.8	12.7	11.1	10.0				13.2	12.5	12.3	11.6	9.8	8.3	7.0		
MK	: :	: :					36.0	34.9									37.2	35.5										35.3	34.5			
TR	: :	: :					8.4	8.5	9.4								8.4	8.5	9.4									8.4	8.5	9.4		
IS	2.2	1.9	1.9	3.0	4.0	4.0	2.5	2.8	2.3	2.9	2.8	2.6	2.2	2.6	4.0	2.8	2.5	3.1	2.3	2.6	1.6	1.3	1.6	3.3	4.0	5.1	2.6	2.6	2.2	3.2		
LI	: :	: :	: :	: :	: :	: :	: :	: :	: :																							
NO	3.2	3.5	3.7	4.0	4.2	4.3	4.4	3.4	2.5	2.5	3.2	3.3	3.6	4.1	4.0	3.9	4.2	3.3	2.4	2.4	3.3	3.6	3.8	4.0	4.5	4.6	4.5	3.4	2.6	2.7		
CH	3.1	2.7	2.5	2.9	4.1	4.3	4.4	4.0	3.7	3.3	3.6	3.1	3.5	3.1	4.5	4.8	5.1	4.7	4.5	4.0	2.8	2.3	1.7	2.8	3.8	3.9	3.9	3.4	2.9	2.8		

Source: Eurostat - EU Labour Force Survey (main indicators)

## 9. LABOUR MARKET POLICY EXPENDITURE

*In 2007, the European Union countries spent 1.7 % of GDP on labour market policy (LMP) interventions. LMP interventions are government actions to help and support the unemployed and other disadvantaged groups in the transition from unemployment or inactivity to work. Of the total LMP expenditure, 28 % (or 0.5 % of GDP) was spent on 'active' LMP measures. LMP supports accounted for 61 % (or 1.0 % of GDP); over 90 % of this support related to out-of-work income maintenance and support, i.e. essentially unemployment benefits. The remaining 11 % (or 0.2 % of GDP) was spent on LMP services (services and activities of the Public Employment Services). However, there were considerable variations in the level of expenditure between Member States: total LMP expenditure amounted to 3.3 % of GDP in Belgium followed by 2.7 % in Denmark and 2.5 % in the Netherlands. Values lower than 0.5 % of GDP were reported for the Czech Republic, Estonia, Latvia, Lithuania, Romania and the United Kingdom.*

Public expenditure on labour market policies (LMP) as a percentage of GDP, 2007

	LMP services	LMP measures	LMP supports	
			Out-of-work income maintenance and support	Early retirement
EU-27	0.193 s	0.470 s	0.935 s	0.085 s
EU-15	0.201 s	0.488 s	0.989 s	0.081 s
BE	0.218	1.081 e	1.250	0.746
BG	0.054	0.305	0.151	-
CZ	0.134	0.121	0.204	-
DK	0.145	1.023	0.980 e	0.522
DE	0.267 e	0.507 e	1.567	0.058
EE	0.025	0.029	0.100	-
IE	0.211	0.469 e	0.844	0.065
EL*	0.026	0.142 e	0.377	-
ES	0.091	0.629 e	1.405 e	0.042
FR	0.223 e	0.691 e	1.197	0.042
IT	0.036 e	0.370	0.625	0.088
CY	0.043 e	0.088 e	0.475	-
LV	0.064 e	0.098	0.296	-
LT	0.088	0.230	0.114	-
LU	0.045 e	0.387 e	0.374	0.162
HU	0.083	0.205	0.356	-
MT	0.110	0.032 e	0.360	-
NL	0.414 e	0.679 e	1.394 e	-
AT	0.168	0.514 e	1.024	0.224
PL	0.096 e	0.405	0.188	0.327
PT	0.122	0.386	0.985	0.103
RO	0.037 e	0.083	0.229	-
SI	0.087	0.111	0.300	-
SK	0.106 e	0.117 e	0.101	0.263
FI	0.125	0.696 e	1.049	0.378
SE	0.169 e	0.907	0.665	-
UK	0.273 e	0.048 e	0.157	-
HR	:	:	:	:
MK	:	:	:	:
TR	:	:	:	:
IS	:	:	:	:
LI	:	:	:	:
NO	0.110 e	0.448	0.415	-
CH	:	:	:	:

Notes: LMP services - category 1: labour market services.

LMP measures - categories 2-7: training, job rotation and job sharing, employment incentives, supported employment and rehabilitation, direct job creation, start-up incentives.

LMP supports - category 8: out-of-work income maintenance and support.

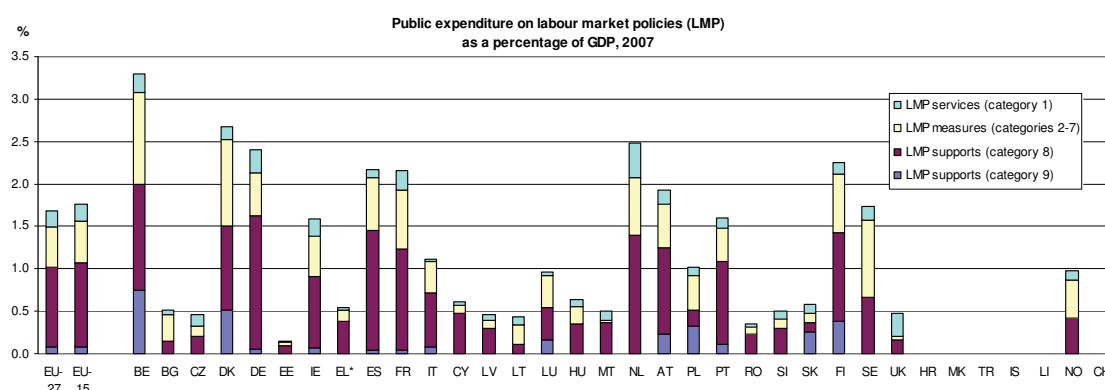
LMP supports - category 9: early retirement.

EL\*: 2006 data; : not available; - not applicable; e estimated value; s Eurostat estimate.

Source: Eurostat - Labour Market Policy Database (LMP)

## Targeted policies

Labour market policies are by definition restricted in scope and only cover interventions targeting the unemployed and other groups with particular difficulties in entering or remaining in the labour market. The primary target group for LMP interventions comprises persons who are registered as unemployed with the Public Employment Services (PES). However, expenditure on LMP is not shaped exclusively by the political commitment to combat unemployment. Other factors, such as the demographic situation and income levels, as well as the use of non-targeted policies, may affect cross-country variation.



## Expenditure on LMP services, LMP measures and LMP supports

Data on expenditure cover the direct costs of each LMP intervention – public expenditure that may include cash payments transferred either directly (benefits for individuals or subsidies to employers) or as reimbursements for costs incurred; the value of directly provided goods and services (e.g. the cost of training courses); or the value of revenue foregone through reductions in obligatory levies (e.g. temporary exemption from social security contributions for employers taking on unemployed persons). Any other indirect costs are considered as part of the administration of an intervention and are covered only in sub-category 1.2 Other activities of the PES.

LMP interventions are classified by type of action into three broad types – services, measures and support – and into nine detailed categories.

**LMP services** (category 1) cover all services and activities of the Public Employment Services (PES) together with any other publicly funded services for jobseekers. Services include the provision of information and guidance about jobs, training and other opportunities that are available and advice on how to get a job. Note that the functions undertaken by the PES vary between countries and this is reflected in expenditure differentials. In 2007, expenditure on LMP services accounted for almost 24 billion euro amongst the EU-27 countries.

**LMP measures** (categories 2-7) cover interventions that aim to provide people with new skills or experience of work in order to improve their employability or that encourage employers to create new jobs and take on unemployed people and other target groups. Measures include various forms of intervention that 'activate' the unemployed and other groups by obliging them to participate in some form of activity in addition to basic job search, with the aim of improving their chances of finding regular employment afterwards. In the EU-27, expenditure on LMP measures totalled 58 billion euro in 2007.

**LMP supports** (categories 8-9) covers expenditure on out-of-work income maintenance and support (mostly unemployment benefits) and on early retirement and accounts for the bulk of LMP expenditure – 61 %, or 126 billion euro in 2007.

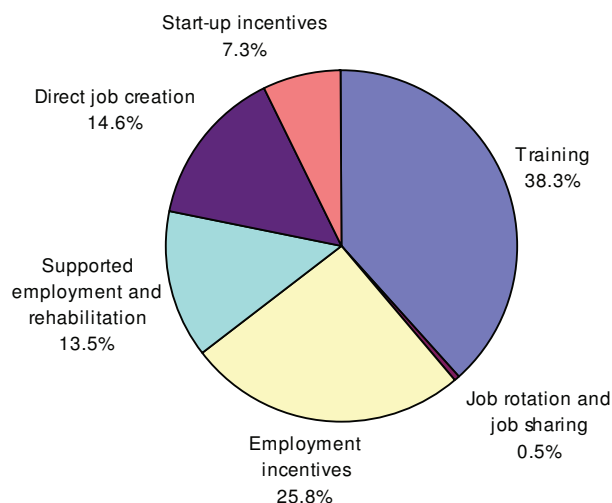
## Distribution of expenditure on LMP measures by type of action

Looking at LMP measures<sup>134</sup> only, expenditure in 2007 went primarily on *training*, as in previous years, accounting for 38 % of expenditure on LMP measures in the EU-27. Expenditure on *employment incentives* takes up a quarter of 'active' spending, and *direct job creation* and *supported employment and rehabilitation* cover approximately equal

<sup>134</sup> For details see methodological notes below.

shares (14.6 % and 13.5 % respectively). For the latter it is worthwhile noting that most countries also undertake general employment measures (not covered by the LMP database), which partly go to the benefit of disabled people. *Start-up incentives* represent nearly 7.3 % of total expenditure on LMP measures. *Job rotation/job sharing* remains the smallest category in terms of expenditure, accounting for only 0.5 % of the overall expenditure on measures.

**Expenditure on LMP measures by type of action, EU-27, 2007**



### Participants in LMP measures

During 2007 there was an average of just over 11.5 million people participating in LMP measures at any point during the year. In terms of participants *training* is the second most important type of LMP measure (30 % of participants), some way behind the most important category of *employment incentives* (49 %). Accordingly, *employment incentives* and *training* are the most important category in 10 and 9 countries respectively. On the other hand, *direct job creation* accounts for the largest share of participants in LMP measures in Bulgaria, Slovenia and Slovakia, and *supported employment and rehabilitation* in the Czech Republic, Denmark and the Netherlands. Please note that figures on participants reflect the breakdown of available data so that the share of categories where participant data are incomplete may be understated.

Participants in labour market policy (LMP) measures (1000), 2007

	LMP measures					
	Training	Job rotation and job sharing	Employment incentives	Supported employment and rehabilitation	Direct job creation	Start-up incentives
EU-27	3 446.8 s	111.5	5 617.3 s	830.6 e	822.3 s	703.9 s
EU-15	3 293.4 s	111.5	5 383.8 s	544.0 e	642.1 s	671.1 s
BE	106.9	-	207.7	41.9 u	126.6	0.7
BG	8.5	-	16.3	2.1	48.8	4.2
CZ	7.3	-	13.2	26.5	7.4	3.9
DK	53.8	:	22.3 e	62.7 e	-	-
DE	1 240.0 e	0.4	:	23.2	:	279.8 u
EE	1.1 e	-	0.2	0.0	0.1	0.0
IE	33.2	-	5.5	3.0	23.7	4.8
EL*	42.3 u	-	14.2	0.1	:	5.2
ES	227.7 u	79.4	3 538.1	50.0	:	258.9 u
FR	570.6 e	-	525.0 u	139.7 e	358.9	101.9 e
IT	:	19.7 u	610.3 u	-	26.8 u	:
CY	1.0 e	-	1.6 e	0.2	-	0.1
LV	2.3	-	4.5	0.0	1.3	-
LT	8.1	0.0	:	6.4	3.7	:
LU	2.1 u	-	9.4	0.0	1.0 e	-
HU	13.6	-	32.2	-	16.5	1.9
MT	:	-	0.0 u	-	0.0	0.0
NL	118.5 u	-	36.0	154.5	-	-
AT	96.6 e	0.1	52.7 e	2.0	8.0	2.5 e
PL	90.7 e	: n	105.7 u	:	10.4	4.1 e
PT	45.5 u	: n	78.0 u	6.0	22.7	4.4
RO	14.7	-	47.1	-	21.2	: n
SI	4.6 u	-	1.8	-	5.6	0.3
SK	0.6	-	8.5 e	1.2	65.2	18.3
FI	50.2	7.8	16.1	8.4 e	13.8	4.5
SE	37.9	4.1	97.6	34.9	-	3.0
UK	20.5 u	-	41.8	17.7 u	7.2	-
HR	:	:	:	:	:	:
MK	:	:	:	:	:	:
TR	:	:	:	:	:	:
IS	:	:	:	:	:	:
LI	:	:	:	:	:	:
NO	31.7	-	4.8	13.7	6.8	0.4
CH	:	:	:	:	:	:

Notes: Data refer to the annual average stock in 1000s.

EL\*: 2006 data; : not available; - not applicable; 0.0 less than half of the unit used; e estimated value; s Eurostat estimate; :n not significant; u unreliable or uncertain data: participant data complete for interventions covering >=80% but <100% of expenditure.

Source: Eurostat - Labour Market Policy Database (LMP)

## Policy context

LMP data collection was developed as an instrument to monitor the evolution of targeted employment policies across the EU, following on from the 'Jobs Summit' held in Luxembourg in November 1997, which had launched the European Employment Strategy (EES). LMP statistics are now an important source of data for monitoring Guideline 19 of the EES which advocates active and preventive labour market measures as part of an integrated policy approach towards full employment and inclusive labour markets for jobseekers and disadvantaged people. More recently, the notion of flexicurity has come to the forefront of the EU employment agenda (see (COM (2007)359)): Towards Common Principles of Flexicurity – More and better jobs through flexibility and security), specifically including the provision of *effective active labour market policies* and *modern social security systems* among the key instruments aimed at reconciling flexibility and security in the EU labour markets.

## Methodological notes

The scope of the LMP database covers all labour market interventions which can be described as public interventions in the labour market aimed at achieving efficient functioning and correcting disequilibria, and which can be distinguished from other general employment policy interventions in that they act selectively to favour particular groups in the labour market. The scope of LMP statistics is limited to interventions that are explicitly targeted at groups of persons with difficulties in the labour market. The primary target groups in most countries are those people who are registered as unemployed by national Public Employment Services (PES) or who are currently employed but at risk of involuntary job loss due to difficult economic circumstances for their employer. However, policy objectives at European and national levels are increasingly focused not only on these groups but on a wider range of people who face disadvantages and barriers that may prevent them from joining or rejoining the labour force – for example, women re-entering work after a family break, young people looking for their first job, older workers and disabled workers. Therefore, people currently considered as inactive but who would like to enter the labour market are also treated as an important LMP target group.

The categories of the LMP classification of interventions by type of action referred to 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 help to integrate the unemployed and other jobseekers into 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.

### **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
- Labour Market Policy — Expenditure and Participants — Statistical book (published annually), available in CIRCA — LMP — Labour Market Policy
- Labour Market Policy — Qualitative Reports, available in CIRCA — LMP — Labour Market Policy
- Labour market policies (LMP) - expenditure and participants 2007 – Data in Focus 23/2009
- An average of just over 822 000 people were benefitting from direct job creation measures in EU-27 at any point during 2007 – Statistics in Focus 76/2009
- 1 in 10 of the population wanting to work took part in labour market training in 2006 — Statistics in Focus 34/2009
- Nearly 2% of EU-27 Gross Domestic Product spent on labour market policies in 2006 — Statistics in Focus 94/2008
- Employment in Europe 2006 report – chapter 2 (flexicurity) and chapter 3 (active labour market policies)



Public expenditure on labour market policies (LMP) as a percentage of GDP, time series

	LMP services						LMP measures						LMP supports										
													Out-of-work income maintenance and support			Early retirement							
	2003	2004	2005	2006	2007	2007	2003	2004	2005	2006	2007	2007	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007	
EU-27	:	:	0,223 s	0,201 s	0,193 s	0,193 s	:	:	0,509 s	0,502 s	0,470 s	0,470 s	:	:	1,241 s	1,110 e	0,935 s	0,935 s	:	:	0,097 s	0,092	0,065 s
EU-15	:	:	0,222 s	0,232 s	0,208 s	0,201 s	:	:	0,608 s	0,526 s	0,520 s	0,488 s	1,305 e	1,323 e	1,301 e	1,167 e	0,989 s	0,101 e	0,096 e	0,090 e	0,086	0,081 s	
BE	0,202 e	0,210 e	0,214 e	0,207	0,218	0,218	:	:	0,973	0,974	1,016 e	1,081 e	1,506	1,494	1,492	1,392	1,250	0,954	0,895	0,839	0,786	0,746	
BG	:	0,071	0,072	0,060	0,054	0,054	:	:	0,465 e	0,432	0,388 e	0,305	:	0,261	0,213	0,182	0,151	:	:	:	:	:	
CZ	0,076	0,122	0,129	0,130	0,134	0,134	0,116 e	0,130	0,122	0,122	0,121	0,121	0,275	0,251	0,241	0,233	0,204	0,033	:	:	:	:	
DK	:	0,164 e	0,159	0,157	0,145	0,145	1,620 e	1,517 e	1,262	1,216	1,023	1,023	1,893 e	1,940 e	1,673 e	1,298 e	0,980 e	0,768 e	0,721 e	0,668	0,566	0,522	
DE	0,232	0,226	0,289 e	0,267 e	0,267 e	0,267 e	0,940 e	0,847 e	0,594 e	0,588 e	0,507 e	0,507 e	2,241	2,274	2,294	2,040	1,567	0,040	0,045	0,050	0,055	0,058	
EE	0,028	0,023	0,022	0,023	0,025	0,025	0,047 e	0,040 e	0,047	0,050	0,029	0,029	0,189	0,172	0,120	0,082	0,100	0,064	0,064	0,063	0,064	0,065	
IE	:	0,194 e	0,198 e	0,204 e	0,211	0,211	0,545	0,494	0,476	0,454 e	0,469 e	0,469 e	0,819	0,830	0,764	0,787 e	0,844	0,064	0,064	0,063	0,064	0,065	
EL	:	0,019 e	0,011 e	0,026	:	:	0,089 e	0,140 e	0,056 e	0,142 e	:	:	0,369 e	0,403	0,402	0,377	:	:	:	:	:	:	
ES	:	0,076	0,092	0,095	0,091	0,091	0,561	0,549 e	0,580	0,628	0,629 e	0,629 e	1,431	1,465	1,418	1,393	1,405 e	0,022 e	0,027 e	0,031 e	0,038	0,042	
FR	0,232 e	0,232 e	0,234	0,241 e	0,223 e	0,223 e	0,817 e	0,721 e	0,659 e	0,676 e	0,691 e	0,691 e	1,632	1,628	1,527	1,338 e	1,197	0,095	0,078	0,057	0,045	0,042	
IT	:	0,044 e	0,039 e	0,036 e	0,036 e	0,036 e	0,701 e	0,538	0,477	0,410	0,370	0,370	0,543	0,642	0,715	0,684	0,625	0,103	0,096	0,097	0,106	0,088	
CY	:	:	:	0,034 e	0,043 e	0,043 e	:	:	:	0,056 e	0,088 e	0,088 e	:	:	:	0,657	0,475	:	:	:	:	:	
LV	0,038	0,049	0,061	0,070 e	0,064 e	0,064 e	0,085	0,076	0,150	0,174	0,098	0,098	0,374	0,381	0,324	0,301	0,296	:	:	:	:	:	
LT	0,042	0,043	0,071	0,088	0,088	0,088	0,152	0,154	0,146	0,177	0,230	0,230	0,114	0,074	0,104	0,119	0,114	0,042	0,036	0,018	0,005	-	
LU	0,048 e	0,048 e	0,047 e	0,045 e	0,045 e	0,045 e	0,314 e	0,360 e	0,403 e	0,391 e	0,387 e	0,387 e	0,399	0,439	0,462	0,418	0,374	0,195	0,202	0,192	0,174	0,162	
HU	:	0,100	0,094 e	0,091	0,083	0,083	:	0,204	0,203	0,193	0,205	0,205	0,349	0,366	0,384	0,350	0,356	0,009	0,008	0,008	0,007	-	
MT	:	:	:	0,083	0,110	0,110	:	:	:	0,067 e	0,032 e	0,032 e	:	:	:	0,404	0,360	:	:	:	:	-	
NL	0,177	0,176	0,172	0,176	0,168	0,168	0,995 e	0,894 e	0,824 e	0,728 e	0,679 e	0,679 e	1,951 e	2,098 e	2,006 e	1,705 e	1,394 e	0,256	0,304	0,277	0,253	0,224	
AT	:	0,122	0,113	0,146	0,128	0,122	0,456 e	0,439 e	0,459 e	0,542 e	0,514 e	0,514 e	1,131	1,116	1,235	1,143	1,024	0,196	0,139	0,126	0,114	0,103	
PL	0,039	0,039	0,038	0,042	0,037 e	0,037 e	:	:	0,356	0,359	0,405	0,405	0,527	0,486	0,393	0,277	0,229	0,009	0,008	0,008	0,007	-	
PT	:	:	0,088	0,093	0,087	0,087	0,109	0,102	0,107	0,105 e	0,083	0,083	0,527	0,486	0,393	0,277	0,229	0,196	0,139	0,126	0,114	0,103	
RO	:	0,093	0,170	0,173	0,106 e	0,106 e	:	0,070	0,168	0,143	0,117 e	0,117 e	0,527	0,486	0,393	0,277	0,229	0,196	0,139	0,126	0,114	0,103	
SI	:	0,093	0,170	0,173	0,106 e	0,106 e	0,736 e	0,768 e	0,712 e	0,720 e	0,696 e	0,696 e	1,554	1,559	1,467	1,286	1,049	0,505	0,476	0,438	0,403	0,378	
SK	0,122	0,141	0,137	0,130	0,125	0,125	1,010	0,982	1,071	1,131	0,907	0,907	1,182	1,290	1,170	0,958	0,665	0,505	0,476	0,438	0,403	0,378	
FI	0,192 e	0,193 e	0,179 e	0,187 e	0,169 e	0,169 e	0,060 e	0,054 e	0,043 e	0,043 e	0,043 e	0,043 e	0,225	0,184	0,183	0,184	0,157	0,505	0,476	0,438	0,403	0,378	
SE	:	0,400 e	0,384 e	0,280 e	0,273 e	0,273 e	:	:	:	:	:	:	0,225	0,184	0,183	0,184	0,157	0,505	0,476	0,438	0,403	0,378	
UK	:	:	:	:	:	:	0,666	0,646	0,616 e	0,465	0,448	0,448	0,864	0,842	0,853	0,497	0,415	0,505	0,476	0,438	0,403	0,378	
HR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0,505	0,476	0,438	0,403	0,378	
MK	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0,505	0,476	0,438	0,403	0,378	
TR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0,505	0,476	0,438	0,403	0,378	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0,505	0,476	0,438	0,403	0,378	
LI	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0,505	0,476	0,438	0,403	0,378	
NO	0,124	0,130	0,121	0,115	0,110 e	0,110 e	0,666	0,646	0,616 e	0,465	0,448	0,448	0,864	0,842	0,853	0,497	0,415	0,505	0,476	0,438	0,403	0,378	
CH	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0,505	0,476	0,438	0,403	0,378	

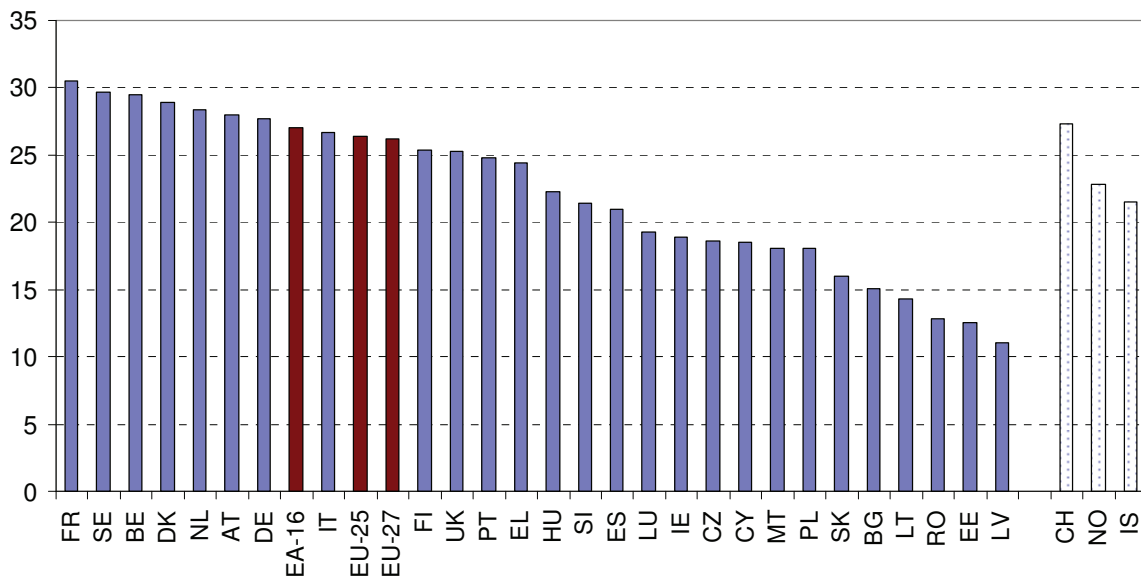
Notes: LMP services - category 1: labour market services.  
 LMP measures - categories 2-7: training, job rotation and job sharing, employment incentives, supported employment and rehabilitation, direct job creation, start-up incentives.  
 LMP supports - category 8: out-of-work income maintenance and support.  
 LMP supports - category 9: early retirement.  
 : not available; - not applicable; e estimated value; s Eurostat estimate.  
 Source: Eurostat - Labour Market Policy Database (LMP)

## 10. SOCIAL PROTECTION AND SOCIAL BENEFITS

*There are considerable differences between Member States in terms of expenditure as a percentage of GDP and even more in terms of per-capita spending. Different countries have markedly different systems for financing social protection, depending on whether they favour social security contributions or general government contributions. Social protection benefits are the largest component of total expenditure and, between them, old-age and survivors' benefits predominate.*

### Social protection expenditure

Expenditure on social protection as a percentage of GDP, 2007



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

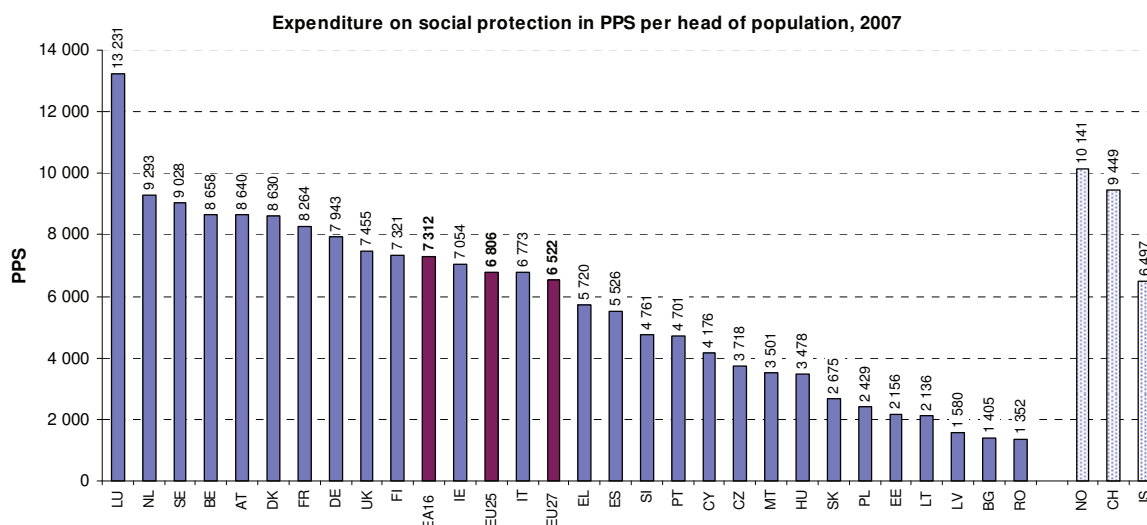
In 2007 the EU-27 countries devoted on average 26.2 % of their GDP to social protection gross expenditure (see methodological notes). Countries with ratios above the average were (in ascending order) Italy, Germany, Austria, the Netherlands, Denmark, Belgium, Sweden and France, all with levels between 26.7 % and 30.5 %. The lowest levels were found in the Baltic countries (Latvia 11 %, Estonia 12.5 % and Lithuania 14.3 %) and Romania (12.8 %).

### Expenditure on social protection as a percentage of GDP

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	:	:	:	:	27.1	26.7	26.2
EU-25	:	:	26.5	26.7	27.0	27.4	27.2	27.3	26.9	26.4
EA-16	:	:	26.7	26.8	27.4	27.8	27.7	27.7	27.4	27.0
BE	27.1	27.0	26.5	27.3	28.0	29.0	29.2	29.6	30.2	29.5
BG	:	:	:	:	:	:	:	16.0	14.9	15.1
CZ	18.5	19.2	19.5	19.4	20.2	20.2	19.3	19.2	18.7	18.6
DK	30.0	29.8	28.9	29.2	29.7	30.9	30.7	30.2	29.3	28.9
DE	28.9	29.2	29.3	29.4	30.1	30.4	29.8	29.7	28.7	27.7
EE	:	:	13.9	13.0	12.7	12.5	13.0	12.6	12.3	12.5
IE	15.2	14.6	13.9	14.9	17.5	17.9	18.1	18.2	18.3	18.9
EL	21.7	22.7	23.5	24.3	24.0	23.5	23.5	24.6	24.5	24.4
ES	20.2	19.8	20.3	20.0	20.4	20.6	20.7	20.9	20.9	21.0
FR	30.1	29.9	29.5	29.6	30.4	30.9	31.3	31.4	30.7	30.5
IT	24.6	24.8	24.7	24.9	25.3	25.8	26.0	26.4	26.6	26.7
CY	:	:	14.8	14.9	16.3	18.4	18.1	18.4	18.4	18.5
LV	16.1	17.2	15.3	14.3	13.9	13.8	12.9	12.4	12.3	11.0
LT	15.1	16.3	15.8	14.7	14.0	13.5	13.3	13.1	13.2	14.3
LU	21.2	20.5	19.6	20.9	21.6	22.1	22.3	21.7	20.3	19.3
HU	:	20.3	19.6	19.2	20.3	21.2	20.6	21.9	22.4	22.3
MT	17.9	17.8	16.9	17.8	17.8	18.3	18.8	18.6	18.2	18.1
NL	27.8	27.1	26.4	26.5	27.6	28.3	28.3	27.9	28.8	28.4
AT	28.4	29.0	28.4	28.8	29.2	29.6	29.3	28.9	28.5	28.0
PL	:	:	19.7	21.0	21.1	21.0	20.1	19.7	19.4	18.1
PT	20.9	21.4	21.7	22.7	23.7	24.1	24.7	25.3	25.4	24.8
RO	:	:	13.0	12.8	13.6	13.0	12.7	13.2	12.5	12.8
SI	24.1	24.1	24.2	24.5	24.4	23.7	23.4	23.0	22.7	21.4
SK	20.0	20.2	19.4	19.0	19.1	18.2	17.2	16.5	16.3	16.0
FI	27.0	26.3	25.1	24.9	25.7	26.6	26.7	26.8	26.2	25.4
SE	31.4	31.0	30.1	30.8	31.6	32.6	32.0	31.5	30.7	29.7
UK	26.3	25.7	26.4	26.8	25.7	25.7	25.9	26.3	26.1	25.3
HR	:	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:
IS	18.3	18.8	19.2	19.4	21.2	23.0	22.6	21.6	21.2	21.5
LI	:	:	:	:	:	:	:	:	:	:
NO	26.9	26.9	24.4	25.4	26.0	27.2	25.9	23.8	22.6	22.8
CH	27.4	27.4	27.0	27.7	28.5	29.2	29.3	29.3	28.0	27.3

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

Social protection expenditure as a percentage of GDP in the EU-25 rose continuously between 2000 and 2003 and remained fairly stable between 2003 and 2005. The ratio contracted significantly in 2006 and, especially, in 2007, when its level was set one percentage point below the one recorded in 2000. The trend is the result of a slow down of the GDP growth between 2000 and 2003 and its subsequent acceleration. However, the trends differ between Member States. The largest increases during 2000-2007 were observed in Ireland (5 percentage points) and Cyprus (3.7 percentage points); a pronounced reduction of the ratio was observed in Slovakia and Latvia (countries where the GDP growth was relatively strong) with a reduction of 3.4 and 4.3 percentage points respectively.

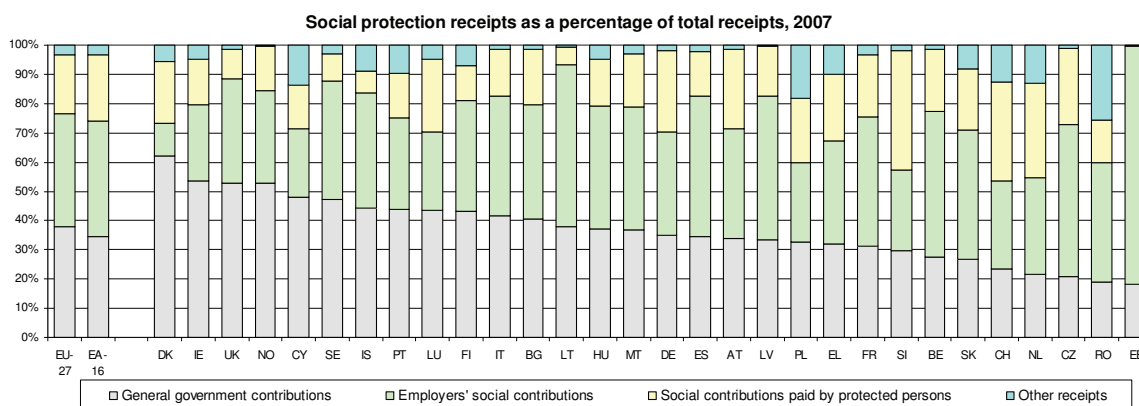


Source: Eurostat - European System of integrated Social Protection Statistics (ESSPROS)

When expressing expenditure on social protection in terms of per capita PPS (purchasing power standards), the differences between countries become more pronounced. In 2007 the expenditure in EU-27 was 6521.8 PPS. Luxembourg<sup>135</sup> had the highest PPS per capita (13231.3), which is more than twice the average of the EU-27; it was followed by the Netherlands, Sweden, Belgium, Austria, Denmark and France, all having values between 9 300 and 8 000 PPS per capita. At the other extreme were Romania, Bulgaria and Latvia having values of less than one fourth of the EU-27 average.

The disparities between countries depend, of course, on differences on how social protection systems are constructed, but also on differences in the demographic and socio-economic situation.

## Funding of social protection



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

In 2007, the main sources of financing for social protection at EU-27 level were social contributions, representing 58.5 % of all receipts. They consist of employers' social contributions (38.5 %) and social contributions originating from protected persons<sup>136</sup> (20 %). A third main financing source is general government contributions which in 2007 represented 38 % of total receipts. The smallest component (3.5%) was represented by "other receipts".

<sup>135</sup> Luxembourg is a special case insofar as a significant proportion of benefits (primarily expenditure on health care, pensions and family benefits) is paid to persons living outside the country; if this particular feature is left out of the calculation, expenditure falls to approximately 10852 PPS per capita.

<sup>136</sup> Employees, self-employed, pensioners and other persons.

The structure of funding varies between countries, depending strongly on country-specific rules and on the institutional reasoning behind social protection systems ("Beveridgian" or "Bismarckian" tradition). Countries like Estonia, the Czech Republic, and Belgium are characterised by a share of social contributions above 70 %. Conversely, in the Danish system roughly 60 % of total receipts came from government funding. Tax-related financing is also high in Ireland, the United Kingdom, Cyprus and Sweden.

For the EU-25 the structure of funding has been fairly stable between 2000 and 2007 although the proportion of general government contributions in total funding showed a small increase (2.7 percentage points), mainly originating in a contraction in the level of the social contributions paid by protected persons.

Some differences between Member States can be observed in the evolution of the funding structure; while general government contributions increased by more than 6 percentage points in Cyprus, the Netherlands, Malta and the United Kingdom, they decreased by more than 4 percentage points in Ireland, the Czech Republic and Slovakia.

During the same years, social contributions increased significantly in the Czech Republic (4.4 percentage points) and Luxembourg (3.4 percentage points), while, on the contrary, most of the countries experienced a reduction; in Romania, Malta, Portugal and the United Kingdom the contraction was especially remarkable, with values between 6 and 24 percentage points.

For nearly all the countries, other receipts generally represented in 2007 the part contributing least to the financing of social protection (in most of the countries they do not reach 10%); the most remarkable exceptions being Romania (25.7%) and Poland (18.2%), both experiencing quite a substantial increase from 2000 (roughly 20 and 6 percentage points respectively).

**Receipts of social protection by type as a percentage of total receipts**

	General government contributions		Employers' social contributions		Social contributions paid by protected persons		Other receipts	
	2000	2007	2000	2007	2000	2007	2000	2007
EU-27	:	38.0	:	38.5	:	20.0	:	3.5
EU-25	35.4	38.1	38.6	38.5	22.2	20.0	3.7	3.4
EA-16	31.8	34.4	41.4	39.7	22.9	22.4	4.0	3.5
BE	25.3	27.6	49.9	49.7	22.3	21.3	2.5	1.4
BG	:	40.4	:	38.9	:	19.0	:	1.6
CZ	25.0	20.7	49.8	52.3	24.0	25.9	1.2	1.1
DK	63.9	61.9	9.1	11.5	20.3	20.9	6.7	5.7
DE	31.8	35.0	38.3	35.2	27.6	28.0	2.3	1.9
EE	20.6	18.4	79.2	81.1	:	0.4	0.2	0.1
IE	58.6	53.5	25.6	26.1	15.5	15.5	0.4	4.9
EL	29.2	31.8	38.2	35.5	22.6	22.8	10.0	9.9
ES	29.4	34.6	51.8	48.0	16.2	15.3	2.6	2.1
FR	30.3	31.4	46.0	44.1	19.9	21.2	3.8	3.3
IT	40.6	41.7	42.8	40.9	14.9	15.8	1.6	1.6
CY	39.9	47.8	26.6	23.5	16.4	15.0	17.1	13.7
LV	34.6	33.6	49.4	48.7	16.0	17.2	0.0	0.4
LT	38.9	38.1	53.7	55.2	5.9	6.2	1.5	0.6
LU	46.9	43.4	24.7	26.9	23.8	25.0	4.6	4.7
HU	31.6	37.1	47.0	42.1	12.8	15.9	8.7	4.9
MT	29.8	36.8	46.6	42.1	21.0	18.0	2.6	3.1
NL	14.4	21.7	29.4	32.8	38.1	32.6	18.1	12.9
AT	32.3	33.7	39.2	37.7	27.2	27.2	1.3	1.3
PL	32.5	32.7	30.5	27.0	24.8	22.1	12.2	18.2
PT	39.1	43.9	35.6	31.2	17.4	15.2	7.9	9.7
RO	15.8	19.1	58.0	40.6	21.1	14.6	5.1	25.7
SI	31.5	29.8	27.0	27.3	39.3	41.0	2.2	1.8
SK	31.0	26.8	48.3	44.2	18.5	21.0	2.2	8.0
FI	42.9	43.2	38.0	37.9	12.0	11.8	7.0	7.1
SE	45.9	47.3	40.4	40.3	9.4	9.5	4.3	2.9
UK	46.4	52.7	29.9	35.8	22.5	10.0	1.2	1.4
HR	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:
IS	51.4	44.1	39.5	39.4	9.1	7.7	:	8.8
LI	:	:	:	:	:	:	:	:
NO	60.5	52.7	24.4	31.9	14.0	15.3	1.1	0.2
CH	21.1	23.3	29.2	30.1	31.1	34.0	18.6	12.7

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

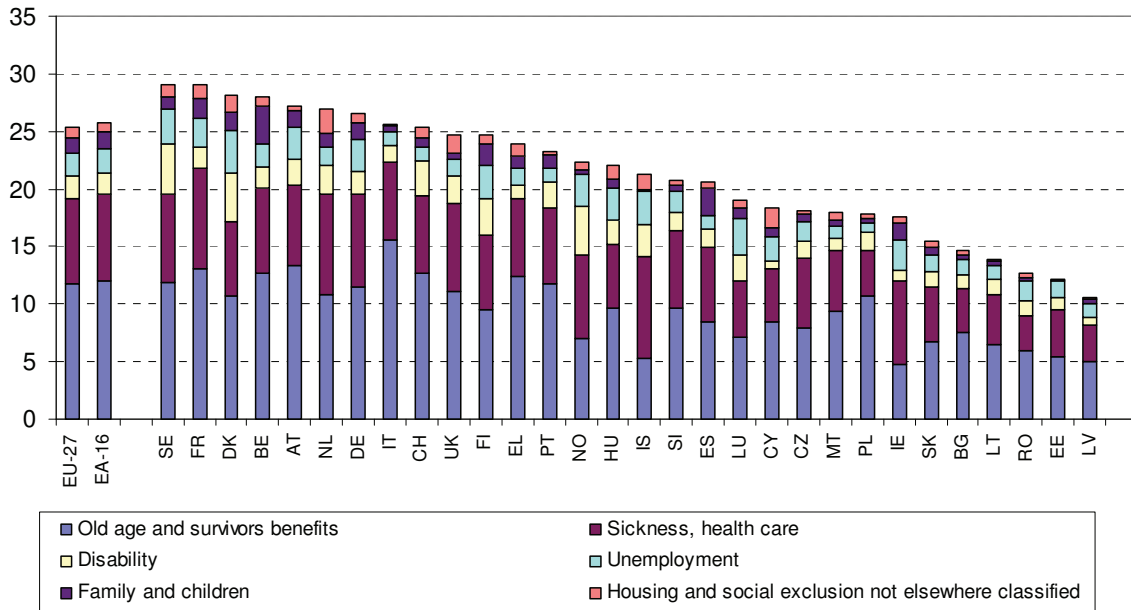
## Social benefits

Total social protection expenditure includes social protection benefits, administrative costs and other expenditure. This analysis focuses on expenditure on social protection benefits, which comprise benefits for old age and survivors, sickness and health care, disability, family and children, unemployment, housing and social exclusion.

### Social benefits by function

In 2007 the expenditure on social protection benefits for the EU-27 represented 25.2 % of the GDP (25.8 % in EA-16). In most Member States the bulk of GDP spent on social protection benefits is allocated to 'old age and survivors' benefits (11.7 % at EU level), followed by 'sickness and health care' (7.4 % at EU level). The other components altogether account on average in the EU for less than 8 % of their GDP, except in the Nordic countries.

Social benefits as % of GDP by groups of functions, 2007



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

In the EU-27 the majority of social benefits are for "old age and survivors", constituting 46.2 % of total expenditure on social protection benefits. The countries with the highest figures for these functions (more than 60%) are Italy<sup>137</sup> and Poland. Italy confirmed this position also when considering this expenditure as a percentage of the GDP, whilst in this case Poland is overtaken by several countries: Austria, France, Belgium and Greece. Ireland, on the other hand, has the smallest proportion of old age and survivors' benefits in total social benefits expenditures (27.3%). Ireland is also the country spending the smallest proportion of its GDP (4.8%) on such benefits when compared to the other EU countries; while Latvia, Estonia and Romania spent between 5% and 6% of their GDP. During the period 2000-2007, the Member States with the strongest increase in spending on these benefits in terms of percentage points were Slovakia, Portugal and Poland (all above 4 percentage points) and the most pronounced declines were observed in Latvia (-13.3 percentage points), the United Kingdom and Spain (above 3 percentage points for both).

<sup>137</sup> In Italy such benefits also include severance allowances (TFR-trattamento di fine rapporto), which partly come under unemployment

Old age and survivors benefits as a percentage of total social benefits

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	:	:	:	:	45.8	46.0	46.2
EU-25	:	:	46.6	46.2	45.8	45.5	45.6	45.8	45.9	46.2
EA-16	:	:	46.6	46.5	46.2	46.0	46.2	46.3	46.5	46.6
BE	44.0	44.0	44.1	44.7	44.9	44.3	43.9	44.7	46.8	45.3
BG	:	:	:	:	:	:	:	51.1	52.7	51.5
CZ	44.0	43.5	43.4	43.0	42.5	41.3	41.2	42.6	43.1	43.9
DK	38.3	38.0	38.1	38.0	37.7	37.2	37.2	37.5	37.9	38.1
DE	42.6	42.2	42.4	42.7	42.4	42.5	43.1	43.1	43.4	43.2
EE	:	:	45.3	44.2	44.9	44.8	43.7	44.0	45.2	43.8
IE	25.8	25.1	25.4	24.7	28.9	28.1	27.8	27.7	27.5	27.3
EL	53.9	52.0	49.7	51.4	50.5	50.8	50.9	51.2	51.3	52.0
ES	45.5	45.4	44.7	43.9	43.3	42.3	42.1	41.6	41.3	41.3
FR	43.9	44.2	44.4	44.4	43.9	43.6	43.6	43.9	44.8	45.3
IT	64.0	64.1	63.2	62.2	62.0	62.0	61.0	60.6	60.4	61.1
CY	:	:	48.7	46.9	49.4	46.8	48.2	46.7	46.2	46.7
LV	60.0	59.7	60.1	57.7	57.5	53.9	51.8	49.9	48.1	46.8
LT	46.6	48.5	47.8	47.6	47.5	47.6	47.4	46.4	44.8	47.0
LU	43.2	40.2	39.9	37.3	37.3	37.1	36.3	36.6	36.7	37.2
HU	:	41.1	41.4	42.4	43.2	41.3	42.5	42.5	42.2	43.9
MT	49.6	50.7	50.6	52.7	51.2	50.4	49.8	51.4	52.4	52.4
NL	41.0	41.8	42.4	41.9	41.6	40.7	42.0	42.6	40.5	40.3
AT	47.4	47.0	48.1	48.3	48.0	47.9	47.9	48.1	48.6	49.0
PL	:	:	55.3	56.3	57.0	57.9	59.7	59.4	60.7	60.2
PT	44.1	44.9	44.7	45.8	45.4	46.2	47.1	48.0	49.2	50.1
RO	:	:	45.7	47.1	47.7	44.6	46.7	44.7	46.3	47.3
SI	45.5	45.2	45.2	45.5	46.5	45.0	45.0	44.4	45.5	46.8
SK	36.3	36.5	37.2	38.3	38.4	39.6	42.3	44.6	43.9	43.8
FI	34.4	35.2	35.8	36.6	36.9	37.0	36.9	37.3	37.8	38.5
SE	39.8	39.1	39.2	39.0	38.8	39.5	39.5	40.0	40.0	41.0
UK	45.2	46.4	48.8	46.3	45.3	44.7	44.5	45.1	44.4	44.9
HR	:	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:
IS	31.7	31.2	31.1	30.6	30.9	30.5	30.6	31.2	30.6	25.1
LI	:	:	:	:	:	:	:	:	:	:
NO	31.5	31.1	30.6	30.4	30.3	29.5	29.9	30.7	31.1	31.6
CH	50.0	51.2	51.9	51.6	49.5	48.4	48.7	48.4	49.0	50.1

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

In 2007, expenditure on "sickness and health care" made up 29.1 % of all benefits in the EU-27. Sickness and health care benefits constituted the highest proportion of total benefits in Ireland (41.1 %). The Czech Republic and Estonia spent more than one third of their total benefits on sickness/health care. The lowest shares in total benefits were observed for Poland (22.1 %) and Denmark (23 %). In relation to the GDP the highest proportions were observed in France (8.7 %), the Netherlands (8.7 %) and Germany (8 %), the lowest in Romania, Latvia, Bulgaria and Poland (below 4 %). Between 2000 and 2007 the share has increased in most countries, the main exceptions being Slovakia, Portugal, Hungary and Romania.



**Sickness and health care benefits as a percentage of total social benefits**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	:	:	:	:	28.8	29.1	29.1
EU-25	:	:	27.4	28.1	28.2	28.5	28.6	28.8	29.1	29.2
EA-16	:	:	28.2	28.6	28.4	28.5	28.6	28.8	29.1	29.3
BE	24.0	24.4	24.2	24.2	23.5	26.7	27.4	27.1	25.6	26.5
BG	:	:	:	:	:	:	:	29.0	26.1	27.1
CZ	33.5	33.1	33.6	34.3	35.0	35.5	35.3	35.3	34.4	33.9
DK	19.3	19.6	20.2	20.3	20.9	20.5	20.6	20.7	21.6	23.0
DE	29.2	29.3	29.4	29.6	29.1	28.9	28.1	28.3	28.9	29.8
EE	:	:	32.1	31.9	31.1	31.8	31.5	31.9	31.2	33.4
IE	37.8	40.0	41.4	42.7	39.1	39.5	40.2	40.9	41.1	41.1
EL	24.2	24.5	26.5	25.8	26.2	26.5	26.5	27.8	28.7	28.1
ES	28.8	29.6	29.4	29.7	29.9	30.7	31.0	30.8	31.2	31.2
FR	28.2	28.1	28.8	29.1	29.4	29.7	30.0	29.8	29.9	29.9
IT	23.6	23.6	25.1	26.1	25.4	25.1	26.1	26.7	26.9	26.1
CY	:	:	27.2	26.6	25.3	26.0	23.8	25.1	25.8	25.2
LV	16.8	16.7	16.7	19.4	19.8	23.2	24.3	26.0	29.0	29.7
LT	32.5	30.4	29.8	30.1	30.0	29.8	29.3	30.3	32.2	30.7
LU	25.2	25.8	25.4	25.6	25.6	25.0	25.3	25.7	25.4	26.0
HU	:	27.4	27.9	27.6	27.9	29.7	29.5	29.9	28.8	25.5
MT	28.2	27.9	29.3	29.1	28.0	29.4	30.2	29.8	29.0	29.2
NL	28.2	29.2	29.3	30.4	30.7	31.1	30.5	30.7	32.7	32.5
AT	26.0	26.4	25.6	25.6	25.5	25.1	25.2	25.5	25.4	26.0
PL	:	:	19.6	19.3	20.4	20.0	19.4	19.8	20.3	22.1
PT	32.0	32.4	32.0	31.3	30.9	28.8	30.5	30.2	29.2	28.3
RO	:	:	25.9	27.1	25.6	28.0	26.3	27.3	25.3	23.8
SI	30.9	30.7	30.7	31.4	31.3	32.4	32.2	32.3	32.2	32.1
SK	36.1	34.0	34.9	35.0	34.2	32.7	30.0	29.9	30.2	30.8
FI	22.7	22.9	23.8	24.5	24.8	25.1	25.5	25.9	26.2	26.3
SE	24.3	25.4	27.0	28.0	28.4	27.7	26.5	25.9	26.0	26.1
UK	25.3	25.5	25.5	27.6	28.5	29.9	30.5	30.9	31.4	30.6
HR	:	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:
IS	38.0	39.8	39.2	38.5	37.2	36.1	34.8	34.8	34.8	41.5
LI	:	:	:	:	:	:	:	:	:	:
NO	32.6	32.8	34.2	34.5	34.2	34.4	33.0	32.0	32.6	32.6
CH	24.6	24.6	25.0	25.8	26.5	26.2	25.9	26.4	26.4	26.5

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

The third most important type of benefits in the EU-27 was represented by those benefits targeted towards "disability". In 2007 these constituted for the EU-27 8.1 % of total benefits (2 % of GDP). While the share of disability expenditure in terms of total benefits was higher than the average in the Nordic countries and Luxembourg (between 12.3 % and 15.3 %) it was less than 5 % in Greece and Cyprus.

Benefits directed towards "families and children" in the EU-27 constituted in 2007 an almost as large a proportion of total benefits as those targeted towards "disability" (8 % of total benefits and 2% of GDP). There was a large variation between Member States, ranging from 16.6 % of total benefits in Luxembourg to below 6 % in Poland, Italy, Portugal and Malta.

"Unemployment" benefits accounted for 5.1 % of all benefits in the EU-27 in 2007 (1.3% of GDP). The proportion paid on unemployment benefits was highest in Belgium and Spain, in both cases 11.7 %; it was less than or equal to 2 % in Estonia, Italy and Lithuania (with percentages of the GDP between 0.1 % and 0.5 %). It is worth noting that spending on unemployment benefits does not closely reflect the level of unemployment since it also depends on coverage, duration and the level of benefit, factors that can vary substantially between countries.

Other benefits, classified under the functions housing and social exclusion, altogether accounted in the EU-27 for 3.6% of total benefits (and 0.9% of GDP).

Social benefits by group of functions, 2007

	Old age and survivors benefits		Sickness, health care		Disability		Family and children		Unemployment		Housing and social exclusion not elsewhere classified	
	% total social benefits	% GDP	% total social benefits	% GDP	% total social benefits	% GDP	% total social benefits	% GDP	% total social benefits	% GDP	% total social benefits	% GDP
EU-27	46.2	11.7	29.1	7.4	8.1	2.0	8.0	2.0	5.1	1.3	3.6	0.9
EA-16	46.6	12.0	29.3	7.6	7.1	1.8	8.1	2.1	5.9	1.5	3.0	0.8
BE	45.3	12.7	26.5	7.4	6.6	1.8	7.1	2.0	11.7	3.3	2.8	0.8
BG	51.5	7.5	27.1	3.9	8.3	1.2	8.6	1.3	2.0	0.3	2.5	0.4
CZ	43.9	7.9	33.9	6.1	8.1	1.5	9.2	1.7	3.5	0.6	1.4	0.3
DK	38.1	10.7	23.0	6.5	15.0	4.2	13.1	3.7	5.6	1.6	5.1	1.4
DE	43.2	11.5	29.8	8.0	7.7	2.0	10.6	2.8	5.8	1.5	2.9	0.8
EE	43.8	5.4	33.4	4.1	9.3	1.1	11.6	1.4	1.2	0.1	0.8	0.1
IE	27.3	4.8	41.1	7.2	5.5	1.0	14.7	2.6	7.7	1.4	3.6	0.6
EL	52.0	12.4	28.1	6.7	4.9	1.2	6.2	1.5	4.5	1.1	4.4	1.0
ES	41.3	8.5	31.2	6.4	7.6	1.6	6.0	1.2	11.7	2.4	2.2	0.5
FR	45.3	13.1	29.9	8.7	6.1	1.8	8.5	2.5	6.1	1.8	4.2	1.2
IT	61.1	15.6	26.1	6.7	6.0	1.5	4.7	1.2	1.8	0.5	0.3	0.1
CY	46.7	8.5	25.2	4.6	3.7	0.7	10.8	2.0	4.8	0.9	8.8	1.6
LV	46.8	5.0	29.7	3.2	7.0	0.7	11.0	1.2	3.3	0.3	2.2	0.2
LT	47.0	6.5	30.7	4.3	10.4	1.4	8.7	1.2	1.9	0.3	1.3	0.2
LU	37.2	7.1	26.0	4.9	12.3	2.3	16.6	3.2	4.9	0.9	2.9	0.6
HU	43.9	9.6	25.5	5.6	9.6	2.1	12.8	2.8	3.4	0.8	4.9	1.1
MT	52.4	9.4	29.2	5.2	6.3	1.1	5.9	1.1	2.8	0.5	3.4	0.6
NL	40.3	10.8	32.5	8.7	9.1	2.5	6.0	1.6	4.3	1.2	7.8	2.1
AT	49.0	13.3	26.0	7.1	8.0	2.2	10.2	2.8	5.3	1.4	1.5	0.4
PL	60.2	10.7	22.1	3.9	9.6	1.7	4.5	0.8	2.2	0.4	1.4	0.3
PT	50.1	11.7	28.3	6.6	10.0	2.3	5.3	1.2	5.1	1.2	1.2	0.3
RO	47.3	6.0	23.8	3.0	10.0	1.3	13.2	1.7	2.2	0.3	3.5	0.4
SI	46.8	9.7	32.1	6.7	7.8	1.6	8.7	1.8	2.3	0.5	2.4	0.5
SK	43.8	6.8	30.8	4.7	8.5	1.3	10.0	1.5	3.6	0.6	3.3	0.5
FI	38.5	9.5	26.3	6.5	12.6	3.1	11.6	2.9	7.8	1.9	3.2	0.8
SE	41.0	11.9	26.1	7.6	15.3	4.4	10.2	3.0	3.8	1.1	3.7	1.1
UK	44.9	11.1	30.6	7.6	9.8	2.4	6.0	1.5	2.1	0.5	6.5	1.6
HR	:	:	:	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:	:	:
IS	25.1	5.3	41.5	8.8	13.2	2.8	13.5	2.9	1.1	0.2	5.6	1.2
LI	:	:	:	:	:	:	:	:	:	:	:	:
NO	31.6	7.0	32.6	7.3	18.7	4.2	12.6	2.8	1.3	0.3	3.3	0.7
CH	50.1	12.7	26.5	6.7	12.3	3.1	4.9	1.2	3.0	0.8	3.2	0.8

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

## Methodological notes for the ESPROSS

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

Social protection encompasses all interventions stemming 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". Excluded are all insurance policies taken out on the private initiative of individuals or households solely in their own interest.

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, namely 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 the 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 Old age, Survivors and Disability functions. For the purposes of better EU-wide comparability, the Old age and Survivors functions have been grouped together.

The 2007 data are provisional for Germany, Spain, France, Italy, Cyprus, Latvia, Lithuania, the Netherlands, Slovenia, Slovakia, Sweden and the United Kingdom. The 2006 data are provisional for Spain and Italy. Consequently also all aggregates are provisional in the two years.

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.

### The effect of ageing on public social spending

The impact on public social spending due to an ageing population is projected to be substantial in almost all Member States, and with effects becoming apparent already during the next decade. On the basis of current policies, age-related public expenditure is projected to increase on average by about 4.7 percentage points of GDP by 2060 in the EU - and by more than 5 percentage points in the euro area.

The age-related increase in public spending will be significant in nine Member States (Luxembourg, Greece, Slovenia, Cyprus<sup>138</sup>, Malta, Romania, the Netherlands, Spain and Ireland) with a projected increase of 7 percentage points of GDP or more, although for some countries the large increase will be from a fairly low level. In Belgium, Finland, the Czech Republic, Lithuania, Slovakia, the UK, Germany and Hungary<sup>139</sup> the age-related increase in public spending is likely to be more limited, ranging from 4 percentage points to 7 percentage points of GDP<sup>140</sup>. The increase should be more moderate, 4 percentage points of GDP or less, in Bulgaria, Sweden, Portugal, Austria, France, Denmark, Italy, Latvia, Estonia and Poland.

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<sup>138</sup> The projections do not take into account legislation enacted on March 6 2009 involving reform of the Social Insurance Fund, including stricter criteria for eligibility for pension benefits. Details of this reforms and their significant impact on the public finances are outlined in the stability programme of Cyprus for 2008-2012 of March 13 2009.

<sup>139</sup> A part of the increase in gross pension expenditures from 2007 to 2060 in Hungary is explained by the introduction of pension taxation as of 2013 and so does not reflect an increase in expenditures effectively burdening the budget. Taxes on public pensions in 2060 are calculated to be 0.7% of GDP.

<sup>140</sup> The projection results for public spending on long term care use the methodology agreed by the AWG/EPC. In the case of Germany, it does not reflect current legislation where benefit levels are indexed to prices only. A scenario which reflects current rules projects that public spending would remain constant as a share of GDP over the projection period. The increase of the total age related costs would then be lower than 4 p.p. of GDP.

## Projected total public social expenditures

### Total age-related public spending: pension, health care, long-term care, education and unemployment transfers (% of GDP)

	EU27	EU25	BE	BG	CZ	DK	DE	EE	IE	
2007	23.1	23.3	26.5	16.6	17.9	24.8	23.6	14.3	17.2	
Change 2007-2035	2.7	2.7	5.6	0.8	0.9	3.6	2.6	0.1	3.7	
Change 2007-2060	4.7	4.7	6.9	3.7	5.5	2.6	4.8	0.4	8.9	
	EL	ES	FR	IT	CY	LT	LV	LU	HU	MT
2007	22.1	19.3	28.4	26.0	15.4	15.8	13.2	20.0	21.6	18.2
Change 2007-2035	9.1	4.3	2.7	2.0	4.5	1.8	0.6	9.1	0.7	4.4
Change 2007-2060	15.9	9.0	2.7	1.6	10.8	5.4	0.4	18.0	4.1	10.2
	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK
2007	20.5	26.0	20.5	24.5	13.1	22.9	15.2	24.2	27.2	18.9
Change 2007-2035	6.9	2.3	-2.7	1.1	5.0	6.9	1.6	6.1	1.5	2.7
Change 2007-2060	9.4	3.1	-2.4	3.4	10.1	12.8	5.2	6.3	2.6	5.1

Source: Ageing Working Group, Ageing Report 2009.

Notes: Total age-related public spending: pension, health care, long-term care, education and unemployment transfers (% of GDP) – baseline scenario.

The figures refer to the baseline projections for social security spending on pensions, education and unemployment transfers. For health care and long-term care, the projections refer to "AWG reference scenarios"

The projections do not take into account legislation enacted on March 6 2009 involving reform of the Social Insurance Fund, including stricter criteria for eligibility for pension benefits. Details of this reforms and their significant impact on public finances are outlined in the stability programme of Cyprus for 2008-2012 of March 13 2009.

A part of the increase in gross pension expenditure from 2007 to 2060 in Hungary is explained by the introduction of pension taxation as of 2013 and so does not reflect an increase in expenditures effectively burdening the budget. Taxes on public pensions in 2060 are calculated to be 0.7% of GDP.

The projection results for public spending on long-term care use the methodology agreed by the AWG/EPC. In the case of Germany, it does not reflect current legislation where benefit levels are indexed to prices only. According to a scenario which reflects current rules, projects that public spending would remain constant as a share of GDP over the projection period. The increase of the total age-related costs would then be lower than 4 percentage points of GDP.

## 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 achieving the overall strategic objective which it had set. The 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 extend the Open Method of Coordination (OMC) to the fields of pensions and healthcare and long-term care. Through the OMC the EU supports Member States in their efforts to modernise social protection by developing common objectives and common indicators. A key feature of the OMC is the joint assessment by the European Commission and the Council of the National Strategy Reports on Social Protection and Social Inclusion submitted by the Member States. The results of this analysis are presented in the Joint Report on Social Inclusion and Social Protection, which assesses progress made in implementing the OMC, set key priorities and identifies good practice and innovative approaches of common interest to the Member States.

In 2006 the existing OMCs in the fields of social inclusion and pensions and the new process of cooperation in the field of health and long-term care were brought together under common objectives (COM (2005) 706). Also in 2006 Member States submitted the first National Strategy Reports on both social inclusion and social protection (pensions and healthcare and long-term care) analysis was presented in the 2007 Joint Report. The 2008 Joint Report on Social Protection and Social Inclusion (COM (2008) 0042 final) takes a closer look at a set of themes identified in previous years: child poverty; health inequalities; access to health care and evolving long-term care needs; and longer working lives and privately managed pensions. The report also outlines ways to improve the working methods of the Open Method of Coordination on social protection and social inclusion. In 2008 Member States submitted for the second time National Strategy Reports which are analysed in the 2009 Joint Report.

In July 2008 the Commission proposed in its Communication on a "Renewed Social Agenda: Opportunities, access and solidarity in 21<sup>st</sup> century Europe" (COM (2008) 412) and in a related Communication (COM (2008) 418 final) to reinforce the Open Method of Coordination by improving its visibility and working methods, strengthening its interaction with other policies, reinforcing its analytical tools and evidence base, and enhancing ownership in Member States through peer review, mutual learning and involvement of all relevant actors.

### Further reading

- Methodology: "ESSPROS Manual 2008", Eurostat  
[http://circa.europa.eu/Public/irc/dsis/esspros/library?l=/4\\_publications/esspros\\_manual\\_1996/ks-ra-07-027-en/\\_EN\\_1.0\\_&a=d](http://circa.europa.eu/Public/irc/dsis/esspros/library?l=/4_publications/esspros_manual_1996/ks-ra-07-027-en/_EN_1.0_&a=d)
- "Working together, working better - A new framework for the open coordination of social protection and inclusion policies in the European Union" - COM/2005/0706 final
- "Joint Report on Social Protection and Social Inclusion 2007", 2007, European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities
- "Joint Report on Social Protection and Social Inclusion 2008", 2008, European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities
- "Renewed social agenda: Opportunities, access and solidarity in 21st century Europe" - COM(2008) 412
- A renewed commitment to social Europe: Reinforcing the Open Method of Coordination for Social Protection and Social Inclusion - COM/2008/0418
- "Monitoring progress towards the objectives of the European Strategy for Social Protection and Social Inclusion", Commission Staff Working Document, Brussels, 6.10.2008, SEC(2008)
- "Joint Report on Social Protection and Social Inclusion 2009", 2009, European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities

## 11. PENSIONS

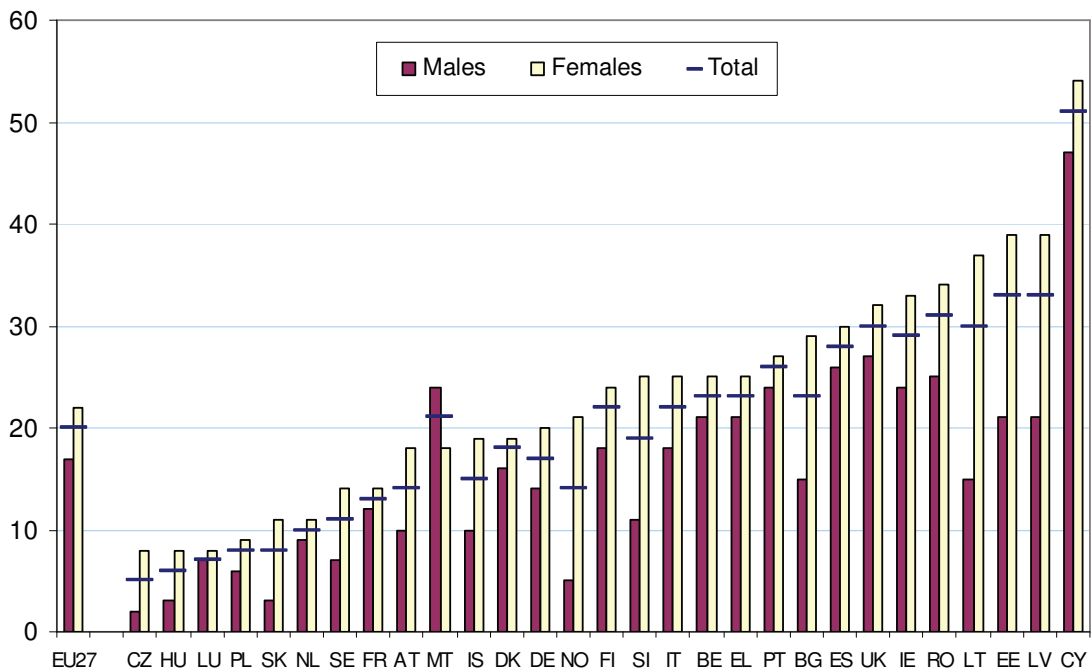
- **In 2007, 20 % of people aged 65 years and over in the EU-27 were considered to be at risk of poverty. In all countries but Malta women are much more at risk of poverty than men (22 % vs. 17 % at EU-27 level). The median of the distribution of disposable income of the elderly equals 83 % of the one for the rest of the population at EU-27 level.**

### A higher poverty risk for the elderly and particularly for the elderly women

At the EU-27 level the proportion of people living with an equivalised income below the poverty threshold (20 %) is higher in 2007 for the population aged 65 and more than for the whole population (17 %). This was the case in all countries except Poland, Luxembourg, Hungary, the Czech Republic and Slovakia where the risk of poverty is significantly lower for the elderly.

The proportion of people at-risk-of-poverty aged 65 and more was the highest in Cyprus (51%), Estonia and Latvia (both 33 %), Romania (31%) followed by Lithuania and the United Kingdom (both 30 %). It was lowest in the Czech Republic (5%), Hungary (6%), Luxembourg (7 %), followed by Poland and Slovakia (both 8%).

#### At-risk-of-poverty rate after social transfers for people aged 65 years and more in the EU (%), 2007

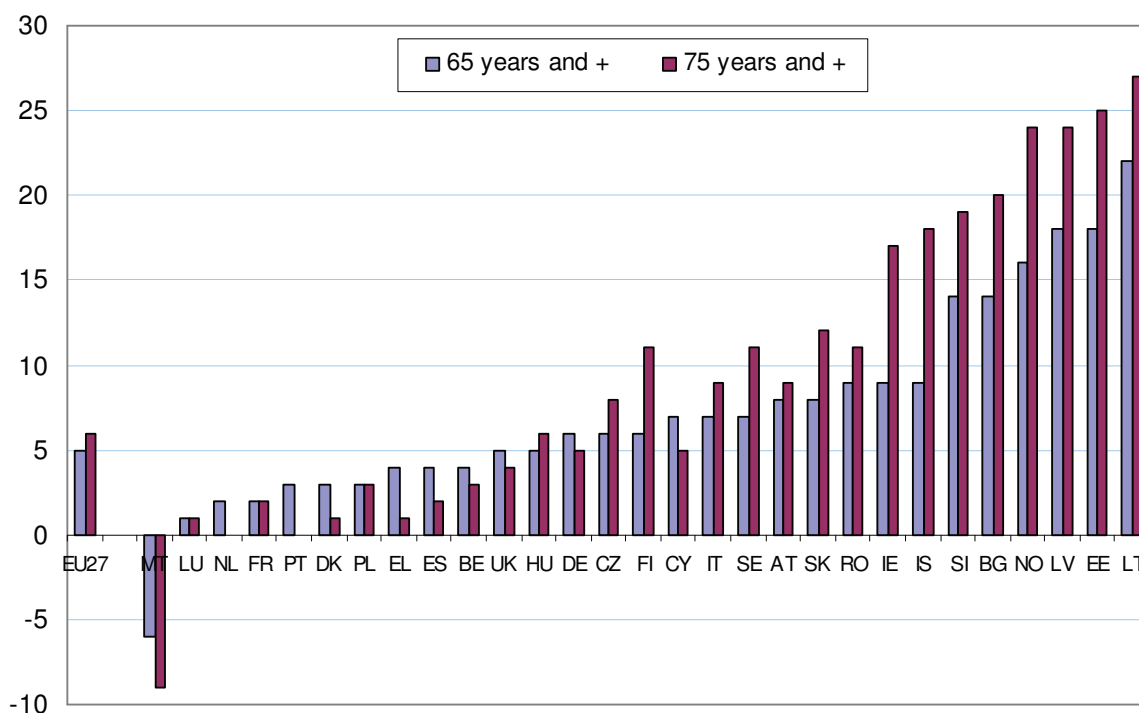


Source: EU-SILC

In all countries but Malta the proportion of women living in a low-income household is higher than the proportion of men (22 % vs. 17% at EU-27 level). The gender gap is greatest in Lithuania (22 percentage points), Estonia and Latvia (both 18 percentage points), and Norway (16 percentage points) and smallest in Malta (6 percentage points lower for women), Luxembourg (1 percentage points), the Netherlands and France (both 2 percentage points).

As for persons aged 75 and over in the EU-27, the same patterns are observed with the at-risk-of-poverty rate for this sub-population (23 %), which is significantly higher than for the whole population (17 %) and the population beyond 65 (20 %). At the EU-27 level the gap between genders is quite similar between the population aged 75 and over (6 percentage points) and the population aged 65 and over (5 percentage points), but actual differences are very much accentuated for the 75+ population in countries with the widest gap for the population aged 65+ (in particular for the Baltic countries and Norway) and reduced in countries where the gap was narrowest (Malta, the Netherlands, Portugal, Denmark and Greece).

**Gender gap for at-risk-of-poverty rate after social transfers for people aged 65 (resp. 75) years and over in the EU (%), 2007**

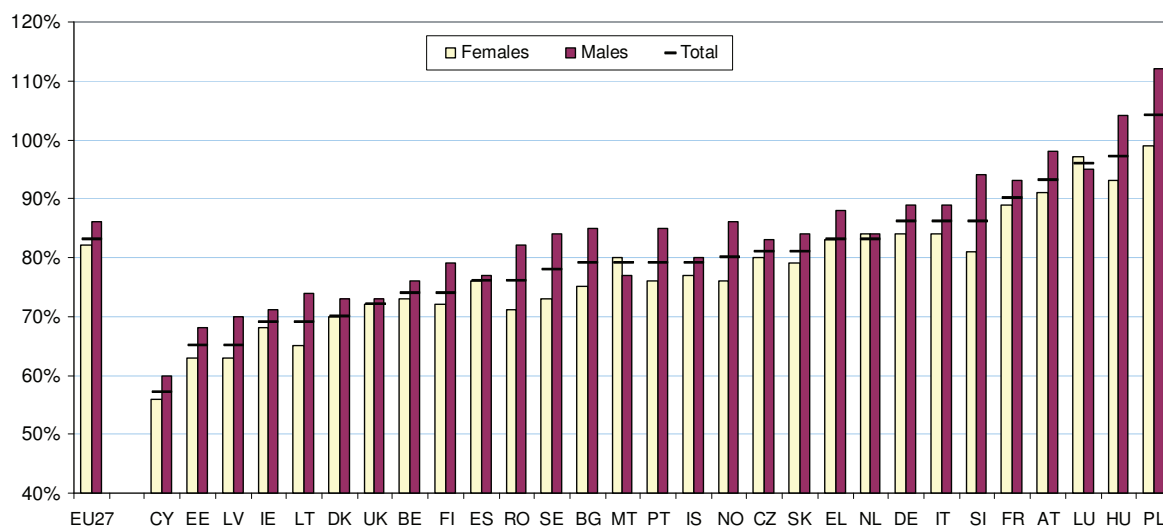


Source: EU-SILC

**Disposable income of the elderly equals 83 % of that of the rest of the population**

In the EU-27 the relative median income ratio is set at 82 % with the highest values in Poland (104 %), Hungary (97 %), Luxembourg (96 %), Austria (93%) and France (90 %). A ratio below 70 % is observed in Cyprus (57 %), Estonia and Latvia (both 65 %), Ireland and Lithuania (both 69 %).

**Relative median income ratio in the EU (%), 2007**

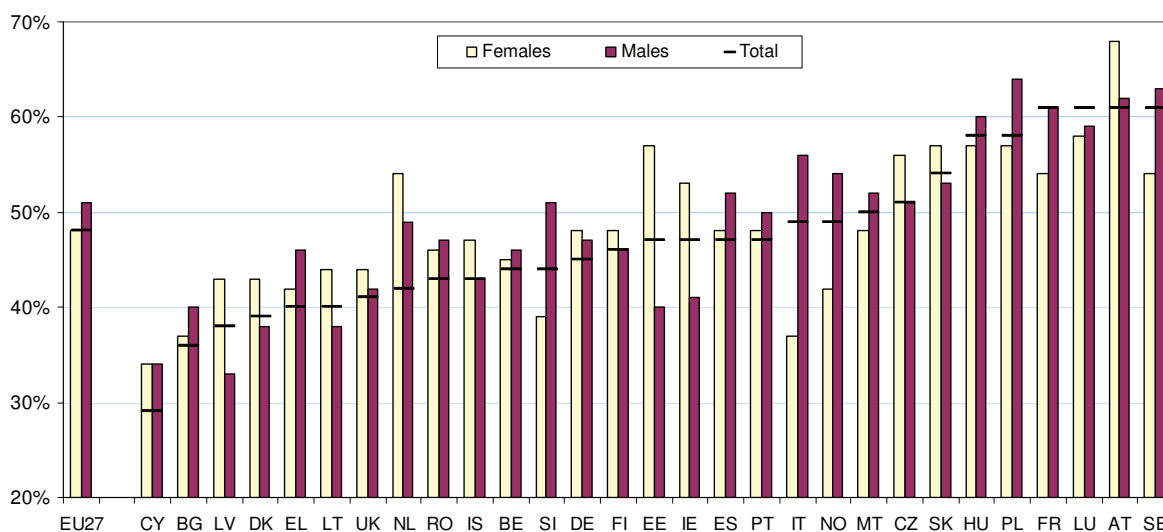


Source: EU-SILC

The relative median ratio is always lower for women than for men (at EU-27 level 82 % vs. 86 %) except for Malta (+3 percentage points) and Luxembourg (+2 percentage points).

Another indicator used to assess the adequacy of pensions is the aggregate replacement ratio, which compares the median personal income from pensions of retired persons aged 65-74 to the median personal income from earnings of persons in work aged 50-59. At the EU-27 level the value for this indicator is 48 %, with a higher value for men (51 %) than for women (48 %). The differences between genders are very evenly spread between countries with 14 countries having higher values for men, 12 having higher values for women and one country having the same value for both genders (Cyprus). The highest values are found in Sweden, Austria, Luxembourg and France (all 61 %), and the lowest in Cyprus (29 %), Bulgaria (36 %), Latvia (38 %), and Denmark (39 %).

### Aggregate replacement ratio in the EU (%), 2007



Source: EU-SILC

### Adequacy and sustainability of pensions

The future adequacy and sustainability of pensions can be assessed using theoretical replacement rates. Theoretical replacement rates are case study based calculations that show the level of pension income the first year after retirement as a percentage of individual earnings at the time of take-up of a pension. Results provided here present the difference in replacement rates under current legislation (enacted by 2006) and replacement rates in 2046 reflecting the effects of legislated pension reforms to be implemented gradually in the future. They show how changes in pension rules can affect pension levels in the future. The results show that most of the recently enacted pension reforms, while containing future pension expenditure do so through lower benefits, producing a decrease in future projected replacement rates given a fixed age of retirement.

Results for the base case indicate that for most Member States overall net replacement rates are projected to decline over the coming decades in 12 Member States (the Czech Republic, Greece, Spain, France, Ireland, Latvia, Malta, Poland, Portugal, Finland, Sweden, and the United Kingdom), while the situation would not change significantly in 7 other Member States (a change of +/- 3 percentage points) (Belgium, Germany, Italy, Lithuania, Luxembourg, Slovenia, Slovakia) and an increase is projected for 8 Member States (Bulgaria, Denmark, Estonia, Cyprus, Hungary, the Netherlands, Austria and Romania).



## Change in theoretical replacement rates 2006-2046

	Change in Theoretical replacement rates in percentage points (2006-2046)						Assumptions					
	NET		GROSS Replacement Rate				Coverage rate (%)		Contribution rates**			Evolution of statutory pensions expenditures between 2007 and 2045 (source EPC/AWG)***
	Total	Total	Statutory pension	Type of Statutory Scheme (DB, NDC or DC), 2046	Occupational and supplementary pensions	Type of Occupational or Supplementary Scheme (DB or DC), 2046	Statutory pensions, 2006	Occupational and Voluntary pensions, 2006	Statutory pensions (or in some cases Social Security): Current (2006) and Assumed (2046)	Occupational and voluntary pensions: Estimate of current (2006)	Occupational and voluntary pensions: Assumption (2046)	
BE	4	5	0	DB	5	DC	100	55	16.36	NA	4.25	
BG	15	15	15	DB and DC	/	/	NA	/	NA	/	/	2.9
CZ	-21	-16	-16	DB	/	/	100	/	28	/	/	1.8
DK	7	20	-10	DB	30	DC	100	78	0.9	8.8	12.7	0.8
DE	1	2	-9	DB	11	DC	90	70	19.5	NA	4	1.7
EE	11	9	9	DB and DC	/	/	100	/	22	/	/	0.8
EL	-7	-12	-12	DB	/	/	NA	/	20	/	/	8.6
ES	-12	-9	-9	DB	/	/	89	/	28.3	/	/	5.9
FR	-17	-16	-16	DB	/	/	100	/	20	/	/	1.3
IE	-11	-10	-2	DB	-9	DC	100	55	9.5	10-15	10	3.1
IT	3	-3	-17	DB and NDC	14	DC	100	22(M)/17(F)*	33	5.7	6.91	1.6
CY	14	11	11	DB	/	/	100	/	16.6	/	/	6.2
LV	-12	-11	-11	NDC and DC	/	/	100	/	20	/	/	2.8
LT	-3	1	1	DB and DC	/	/	89	/	26	/	/	4.3
LU	0	-1	-1	DB	/	/	92	/	24	/	/	11.1
HU	5	13	13	DB and DC	/	/	100	/	26.5	/	/	3.9
MT	-9	-8	-8	DB	/	/	100	/	30	/	/	4.7
NL	6	11	2	DB	10	DB	100	91	7	9.8	11.5-12.5	4.3
AT	5	1	1	DB	/	/	100	/	22.8	/	/	1.6
PL	-19	-16	-16	NDC and DC	/	/	77	/	19.52	/	/	-0.7
PT	-20	-20	-20	DB	/	/	81	/	33	/	/	1.3
RO	52	39	39	DB and DC	/	/	NA	/	29	/	/	7.7
SI	2	-4	-4	DB	/	/	100	/	24.35	/	/	6.9
SK	2	1	1	DB and DC	/	/	100	/	28.75	/	/	2.2
FI	-11	-12	-12	DB	/	/	100	/	21.6	/	/	4.2
SE	-13	-13	-11	NDC and DC	-2	DC	100	90	17.2	4.5	4.5	1.8
UK	-4	-2	-3	DB	0	DC	100	53 (M)/56(F)	19.85% (17.25%)	9	8	1.8

Source: ISG calculations done in the OECD APEX model or national models, EPC/AWG projections

\*Note: Figures as of June 2008

\*\*Note: Contribution rates used for statutory schemes and also, where applicable, occupational or private schemes included in the base case, thus giving elements on the representativeness associated with the base case. Contribution rates correspond to overall contribution rates as a share of gross wages (from employees and employers) used as assumptions for the calculation of theoretical replacement rates. Contribution rates may differ from current levels reflecting for instance projected increases in contribution rates, in particular as regards assumptions used for second pillar schemes. DK refers to contributions to the ATP (statutory Supplementary Labour Market Pension, though it should be recalled that the financing of the first pillar mainly comes from the general budget. For CY one fourth (4%) comes from the general State budget. For LU one third (8%) also comes from the general State budget. For MT this corresponds to a repartition of 10% from the employee, 10% from the employer and 10% from the State. For PL this corresponds to old-age contributions (19.52% of wage) and disability and survivor's contribution (13% of wage). For PT this corresponds to a general estimate (ratio between overall contributions and aggregate wages declared to social security).

\*\*\*Note: AWG projections figures include funded tiers of statutory schemes and statutory early retirement schemes

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 goes on to state that "the activities of the Community shall include ... the strengthening of economic and social cohesion."

In March 2006 the Employment, Social Policy, Health and Consumer Affairs Council adopted streamlined objectives under the Open Method of Coordination (see also portrait 10) in social inclusion, pensions and healthcare. Through the Open Method of Coordination, the EU supports, monitors and assesses the impact and implementation of national reforms to develop adequate retirement pensions and to ensure long-term sustainability of pension systems

In support of the June 2006 renewed EU strategy, the Social Protection Committee adopted a set of common indicators for the social protection and social inclusion process. The indicator portfolios were updated in April 2008 (new health indicators), and August 2009 (new indicators in the field of material deprivation and housing).

The Renewed Social Agenda (COM(2008) 412) called for a renewed commitment on the part of EU Member States to "social solidarity: between generations, regions, the better off and the less well off and wealthier and less wealthy Member States". It highlighted the need "to help those who are disadvantaged – who cannot reap the benefits of an open, rapidly changing society", and to "foster social inclusion and integration, participation and dialogue and combat poverty."

The 2009 Joint Report on Social Protection and Social Inclusion (7503/09) draws on the renewed National Reports on Strategies for Social Protection and Social Inclusion which the Member States presented in autumn 2008. In the field of pensions it calls especially for long-term adequacy and sustainability of pension systems.

## Methodological notes

Sources: Eurostat – Community Statistics on Income and Living Conditions EU-SILC (2007) income reference period 2006; except for UK, income year 2007 and for IE moving income reference period (2006-2007).

EU aggregates are Eurostat estimates and are obtained as a population size weighted average of national data.

In EU-SILC the total income of each household is calculated by adding together the income received by all the members of the household from all component sources in the income reference period. This includes income from work and private income (e.g. from investments or property), as well as pensions and other social transfers directly received. In the present definition of total income, no account is taken of income in kind, own consumption, mortgage interest payments and imputed rent for owner-occupied accommodation, for rent-free and reduced rent tenants. These income components are collected from 2007 but their inclusion in the income total is under study. As the weight of these income components varies between countries, their inclusion should be carefully analysed and the impact of this inclusion on indicators closely monitored.

In order to take account of differences in household size and composition in the comparison of income levels, the household's total income is equivalised by dividing 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 below 14 in the household.

The poverty risk (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. Median income is preferred to the mean income as it is less affected by extreme values of income distribution.

The relative median income ratio is the ratio of the median equivalised disposable income of persons above the specified age limit (aged 65 and over) to the median equivalised disposable income of persons in complementary age groups (up to age 64). Not referring to the same individuals it is a rough comparison between the incomes of persons in the upper age group (65 or over) and the incomes of persons in the lower age group (less than 65).

The aggregate replacement ratio is the ratio of the median personal (non-equivalised) income from pensions of retired persons aged 65-74 to the median personal (non-equivalised) income from earnings of persons in work aged 50-59.

The theoretical replacement rate is the change in the theoretical level of income from pensions at the moment of take-up related to the income from work in the last year before retirement for a hypothetical worker (base case), percentage points, 2006-2046, with information on the type of pension scheme (DB, DC or NDC) and changes in the public pension expenditure as a share of GDP, 2006-2046. Note that this information can only collectively form the indicator called projected theoretical replacement ratio.

<http://ec.europa.eu/social/main.jsp?langId=en&catId=752&newsId=551&furtherNews=yes>

See also portrait 12 on income distribution for definition of income concepts and notes on data.

## Further reading

- Statistics in Focus (Population and social conditions): "79 million EU citizens were at-risk-of-poverty in 2007", No 46/2009
- "Updates of current and prospective theoretical pension replacement rates 2006-2046" <http://ec.europa.eu/social/main.jsp?langId=fr&catId=89&newsId=551&furtherNews=yes>
- "Joint Report on Social Protection and Social Inclusion 2009", 2009, European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities
- (COM(2008) 418 final) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. "A renewed commitment to social Europe: Reinforcing the Open Method of Coordination for Social Protection and Social Inclusion", July 2008
- "Monitoring progress towards the objectives of the European Strategy for Social Protection and Social Inclusion", Commission Staff Working Document, Brussels, 6.10.2008, SEC(2008)
- "European social statistics: Income, Poverty and Social Exclusion 2<sup>nd</sup> Report", 2003 edition. Eurostat

At risk of poverty rates by gender - 65 years and more, 2007

	EU-27	EU-25	EU-15		EA-15	EA-13	EA-12		BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT
Total	20	19	21		19	19	19		23	23	5	18	17	33	29	23	28	13	22	51	33	30
Females	22	21	23		22	22	22		25	29	8	19	20	39	33	25	30	14	25	54	39	37
Males	17	17	18		17	16	17		21	15	2	16	14	21	24	21	26	12	18	47	21	15

	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK		HR	MK	TR		IS	LI	NO	CH
Total	7	6	21	10	14	8	26	31	19	8	22	11	30		:	:	:		15	:	14	:
Females	8	8	18	11	18	9	27	34	25	11	24	14	32		:	:	:		19	:	21	:
Males	7	3	24	9	10	6	24	25	11	3	18	7	27		:	:	:		10	:	5	:

Source: EU-SILC

At risk of poverty rates by gender - 75 years and more, 2007

	EU27	EU25	EU15		EA15	EA13	EA12		BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT
Total	23	22	24		22	22	22		26	30	7	23	18	40	34	31	32	16	23	65	36	36
Females	25	24	26		24	24	24		27	38	10	23	20	47	41	32	33	16	26	67	43	44
Males	19	19	21		19	19	19		24	18	2	22	15	22	24	31	31	14	17	62	19	17

	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK		HR	MK	TR		IS	LI	NO	CH
Total	7	6	21	10	17	6	31	34	24	11	28	16	34		:	:	:		22	:	22	:
Females	7	8	17	10	20	7	31	38	30	16	32	20	36		:	:	:		31	:	32	:
Males	6	2	26	10	11	4	31	27	11	4	21	9	32		:	:	:		13	:	8	:

Source: EU-SILC

Relative median income ratio, 2007

	EU27	EU25	EU15		EA15	EA13	EA12		BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT
Total	0.83	0.84	0.82		0.84	0.84	0.84		0.74	0.79b	0.81	0.70	0.86	0.65	0.69	0.83	0.76	0.90	0.86	0.57	0.65	0.69
Females	0.82	0.82	0.81		0.83	0.83	0.83		0.73	0.75b	0.8	0.7	0.84	0.63	0.68	0.83	0.76	0.89	0.84	0.56	0.63	0.65
Males	0.86	0.87	0.85		0.87	0.87	0.87		0.76	0.85b	0.83	0.73	0.89	0.68	0.71	0.88	0.77	0.93	0.89	0.60	0.70	0.74

	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK		HR	MK	TR		IS	LI	NO	CH
Total	0.96	0.97	0.79	0.83	0.93	1.04	0.79p	0.76b	0.86	0.81	0.74	0.78	0.72		:	:	:		0.79	:	0.80	:
Females	0.97	0.93	0.80	0.84	0.91	0.99	0.76	0.71b	0.81	0.79	0.72	0.73	0.72		:	:	:		0.77	:	0.76	:
Males	0.95	1.04	0.77	0.84	0.98	1.12	0.85	0.82b	0.94	0.84	0.79	0.84	0.73		:	:	:		0.80	:	0.86	:

Source: EU-SILC

b break in series

Aggregate replacement ratio, 2007

	EU27	EU25	EU15		EA15	EA13	EA12		BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT
Total	0.48	0.49	0.48		0.49	0.49	0.49		0.44	0.36b	0.51	0.39	0.45	0.47	0.47	0.4	0.47	0.61	0.49	0.29	0.38b	0.4
Females	0.48	0.49	0.48		0.48	0.48	0.48		0.45	0.37b	0.56	0.43	0.48	0.57	0.53	0.42	0.48	0.54	0.37	0.34	0.43	0.44
Males	0.51	0.52	0.51		0.52	0.52	0.52		0.46	0.40b	0.51	0.38	0.47	0.4	0.41	0.46	0.52	0.61	0.56	0.34	0.33	0.38

	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK		HR	MK	TR		IS	LI	NO	CH
Total	0.61	0.58	0.5	0.42	0.61	0.58	0.47b	0.43b	0.44	0.54	0.46	0.61	0.41		:	:	:		0.43	:	0.49	:
Females	0.58	0.57	0.48	0.54	0.68	0.57	0.48	0.46b	0.39	0.57	0.48	0.54	0.44		:	:	:		0.47	:	0.42	:
Males	0.59	0.6	0.52	0.49	0.62	0.64	0.5	0.47b	0.51	0.53	0.46	0.63	0.42		:	:	:		0.43	:	0.54	:

Source: EU-SILC

b break in series

At risk of poverty rates, time series

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	:	:	:	:	16	16	17
EU-25	15	16	16	16	:	15	16	16	16	16
EU-15	15	16	15	15	:	15	17	16	16	17
EA-15	:	:	:	:	:	:	:	15	16	16
EA-13	:	:	:	:	:	:	:	15	16	16
EA-12	15	15	15	15	:	15	17	15	16	16
BE	14	13	13	13	:	15	14	15	15	15
BG	:	:	14	16	14	14	15	14	18	22
CZ	:	:	:	8	:	:	:	10	10	10
DK	:	10	:	10	:	12	11	12	12	12
DE	11	11	10	11	:	:	:	12	13	15
EE	:	:	18	18	18	18	20	18	18	19
IE	19	19	20	21	:	20	21	20	18	18
EL	21	21	20	20	:	21	20	20	21	20
ES	18	19	18	19	19	19	20	20	20	20
FR	15	15	16	13	12	12	13	13	13	13
IT	18	18	18	19	:	:	19	19	20	20
CY	:	:	:	:	:	15	:	16	16	16
LV	:	:	16	:	:	:	:	19	23	21
LT	:	:	17	17	:	:	:	21	20	19
LU	12	13	12	12	:	12	13	14	14	14
HU	:	:	11	11	10	12	:	13	16	12
MT	:	:	15	:	:	:	:	14	14	14
NL	10	11	11	11	11	12	:	11	10	10
AT	13	12	12	12	:	13	13	12	13	12
PL	:	:	16	16	:	:	:	21	19	17
PT	21	21	21	20	20	19	20	19	18	18
RO	:	:	17	17	18	17	18	18	19	25
SI	:	:	11	11	10	10	:	12	12	12
SK	:	:	:	:	:	:	:	13	12	11
FI	9	11	11	11	11	11	11	12	13	13
SE	:	8	:	9	11	:	11	9	12	11
UK	19	19	19	18	18	18	:	19	19	19
HR	:	:	:	:	:	18	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	25	26	:	:	:	:
IS	:	:	:	:	:	:	10	10	10	10
LI	:	:	:	:	:	:	:	:	:	:
NO	:	:	:	11	10	11	11	11	11	12
CH	:	:	:	:	:	:	:	:	:	:

Source: EU-SILC

At risk of poverty rates by age - 0-64 years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	:	:	:	:	15	16	16
EU-25	15	15	:	16	:	15	16	15	16	16
EU-15	15	15	15	:	:	15	16	15	15	16
EA-15	:	:	:	:	:	:	:	14	15	16
EA-13	:	:	:	:	:	:	:	14	15	16
EA-12	15	15	15	:	:	14	16	14	15	16
BE	12	11	11	11	:	14	13	14	13	14
BG	:	:	14	16	13	14	15	13	18	21
CZ	:	:	:	8	:	:	:	11	10	10
DK	:	:	:	:	:	10	10	11	11	11
DE	11	11	11	:	:	:	:	12	13	15
EE	:	:	19	18	18	19	20	18	17	17
IE	17	17	17	19	:	17	19	18	17	16
EL	18	18	17	17	:	19	18	18	19	20
ES	19	19	18	18	17	16	18	18	18	18
FR	14	14	15	13	13	12	13	12	13	13
IT	18	19	19	20	:	:	19	18	19	19
CY	:	:	:	:	:	10	:	12	11	11
LV	:	:	18	:	:	:	:	19	22	19
LT	:	:	17	18	:	:	:	21	20	17
LU	13	14	12	13	:	12	13	15	15	15
HU	:	:	12	11	10	12	:	15	17	13
MT	:	:	14	:	:	:	:	13	13	13
NL	11	11	12	12	12	13	:	12	10	10
AT	11	10	10	10	:	13	12	12	12	12
PL	:	:	17	17	:	:	:	23	21	19
PT	18	18	19	18	:	:	19	18	17	17
RO	:	:	17	17	18	17	18	18	19	24
SI	:	:	10	9	8	9	:	11	10	10
SK	:	:	:	:	:	:	:	14	12	11
FI	8	10	9	10	10	10	10	10	11	11
SE	:	:	:	:	10	:	11	9	12	11
UK	18	19	17	17	17	17	:	18	18	17
HR	:	:	:	:	:	15	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	25	26	:	:	:	:
IS	:	:	:	:	:	:	10	10	9	9
LI	:	:	:	:	:	:	:	:	:	:
NO	:	:	:	:	:	9	10	10	10	12
CH	:	:	:	:	:	:	:	:	:	:

Source: EU-SILC

At risk of poverty rates by age - 65 years and more

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	:	:	:	:	19	19	20
EU-25	18	17	17	16	:	17	18	19	19	19
EU-15	18	17	17	18	:	19	19	20	20	21
EA-15	:	:	:	:	:	:	:	20	19	19
EA-13	:	:	:	:	:	:	:	19	19	19
EA-12	16	16	16	16	:	18	19	19	19	19
BE	22	22	24	26	:	23	21	21	23	23
BG	:	:	15	15	14	14	16	18	20	23
CZ	:	:	:	6	:	:	:	5	6	5
DK	:	:	:	24	:	21	17	18	17	18
DE	12	11	10	12	:	:	:	14	13	17
EE	:	:	16	18	16	17	20	20	25	33
IE	33	34	42	44	:	41	40	33	27	29
EL	35	33	31	33	:	29	28	28	26	23
ES	15	16	19	22	28	28	30	29	31	28
FR	18	19	19	11	10	11	15	16	16	13
IT	17	14	13	17	:	:	21	23	22	22
CY	:	:	:	:	:	52	:	51	52	51
LV	:	:	6	:	:	:	:	21	30	33
LT	:	:	14	12	:	:	:	17	22	30
LU	9	8	9	7	:	10	8	8	8	7
HU	:	:	8	12	8	10	:	6	9	6
MT	:	:	20	:	:	:	:	21	19	21
NL	4	7	6	8	8	7	:	5	6	10
AT	21	24	23	24	:	16	17	14	16	14
PL	:	:	8	7	:	:	:	7	8	8
PT	35	33	33	30	:	:	29	28	26	26
RO	:	:	17	19	19	20	17	17	19	31
SI	:	:	21	20	19	19	:	20	20	19
SK	:	:	:	:	:	:	:	7	8	8
FI	16	16	19	18	18	17	17	18	22	22
SE	:	:	:	16	15	:	14	11	12	11
UK	25	21	24	27	26	24	:	26	28	30
HR	:	:	:	:	:	31	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	23	21	:	:	:	:
IS	:	:	:	:	:	:	10	9	12	15
LI	:	:	:	:	:	:	:	:	:	:
NO	:	:	:	:	:	21	19	19	18	14
CH	:	:	:	:	:	:	:	:	:	:

Source: EU-SILC

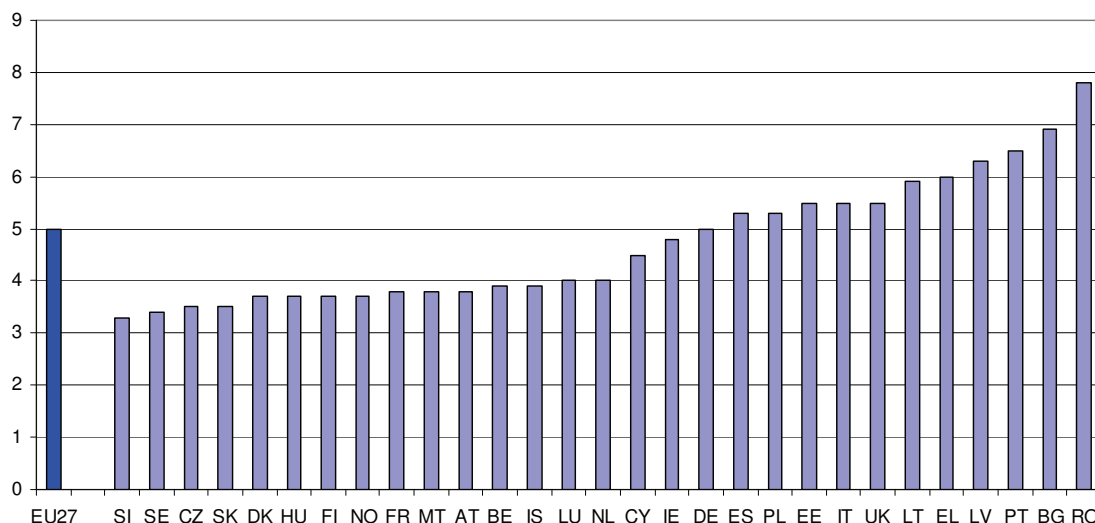
## 12. INCOME DISTRIBUTION

*In the EU-27 in 2007, the top (highest income) 20 % of a Member State's population received 5.0 times as much of the Member State's total income as the bottom (poorest) 20 % of the population. This gap between the most and least well-off people is smallest in Slovenia (3.3), Sweden (3.4), the Czech Republic and Slovakia (both 3.5). It is widest in Romania (7.8), Bulgaria (6.9), Portugal (6.5), Latvia (6.3) and Greece (6.0).*

### Significant differences in income distribution across Member States

Income distribution is analysed 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 EU-27 Member States in survey year 2007 (income reference year 2006 for most countries) the top (highest equivalised disposable income) 20% of the population received 5.0 times as much of the total income as the bottom (lowest equivalised disposable income) 20%. This indicator, the inequality of income distribution (S80/S20 income quintile share ratio), is generally higher in the southern and non-continental Member States. The gap is widest in Romania (7.8), Bulgaria (6.9), Portugal (6.5), Latvia (6.3) and Greece (6.0). At the other extreme are Slovenia (3.3), Sweden (3.4), the Czech Republic and Slovakia (both 3.5).

### Inequality of income distribution - Income quintile share ratio (S80/S20), 2007



Source: EU-SILC

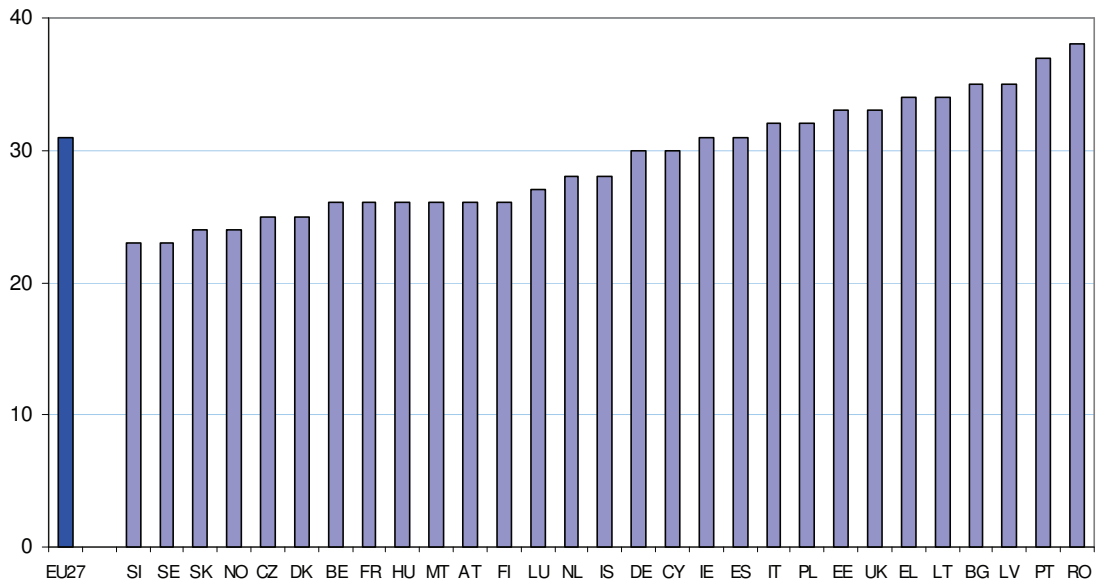
In 2007, the median<sup>141</sup> equivalised disposable annual income for twelve of the EU-27 countries was over 15 000 PPS (Purchasing Power Standards). Luxembourg is an outlier with 29 292 PPS, followed by the United Kingdom (18 943 PPS), Cyprus (18 230 PPS) and Austria (18 222 PPS). Iceland and Norway also record high median equivalised disposable incomes. While most of the 'old' EU-15 Mediterranean countries record relatively low incomes, Italy differentiates itself from its neighbours with an average annual disposable income of 14 580 PPS. Among the 'new' Member States, Cyprus, Malta and Slovenia have median incomes similar to those of 'old' Member States. Median incomes are lowest in Romania (2 942 PPS), Bulgaria (3 343 PPS), Latvia (5 594 PPS), Poland (5 704 PPS) and Lithuania (5 854 PPS).

Another commonly used indicator of income distribution is the Gini-coefficient<sup>142</sup>. Amongst the EU-27 Member States, the countries closest to equality were Slovenia and Sweden (both coefficient 23) followed by Slovakia (24), and the most unequal was Romania (38), followed by Portugal with 37. The EU-27 average coefficient equalled 31.

<sup>141</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>142</sup> The Gini coefficient is expressed mathematically as the ratio of the amount between the line of perfectly-equal distribution and the curve of actual distribution to the total amount below the line of perfectly-equal distribution

### Inequality of income distribution - Gini coefficient, 2007

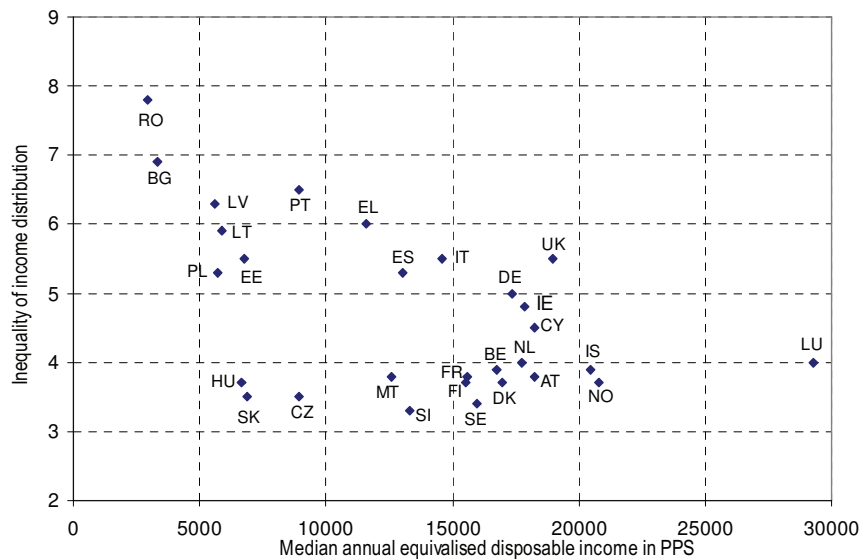


Source: EU-SILC

### A complex relation between countries' levels of average income and inequality

Most often, Member States with higher levels of inequality tend to have a lower level of median equivalised disposable income. This is the case for Romania, Bulgaria, Latvia, Lithuania, Poland and Estonia. But there are exceptions in both directions. Some countries such as Hungary, Slovakia and the Czech Republic have relatively low levels of both inequality and median equivalised disposable income. Reciprocally, the United Kingdom and to a lesser extent Italy and Spain reach quite high levels for both indicators.

### Inequality of income distribution and median annual equivalised disposable income in PPS in the EU, 2007



Source: EU-SILC



## 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 goes on to state that "the activities of the Community shall include ... the strengthening of economic and social cohesion."

In March 2006 the Employment, Social Policy, Health and Consumer Affairs Council adopted streamlined objectives under the Open Method of Coordination in social inclusion, pensions and healthcare.

In support of the June 2006 renewed EU strategy, the Social Protection Committee adopted a set of common indicators for the social protection and social inclusion process. The indicator portfolios were updated in April 2008 (new health indicators), and August 2009 (new indicators in the field of material deprivation and housing).

The Renewed Social Agenda (COM(2008) 412) called for a renewed commitment on the part of EU Member States to "social solidarity: between generations, regions, the better off and the less well off and wealthier and less wealthy Member States. It highlighted the need "to help those who are disadvantaged – who cannot reap the benefits of an open, rapidly changing society", and to "foster social inclusion and integration, participation and dialogue and combat poverty."

Under the Open Method of Coordination the EU supports Member States in their efforts to develop common objectives and indicators. A key feature of this approach 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 implementing the Open Method of Coordination, set key priorities and identify good practices and innovative approaches of common interest to the Member States.

On 3 October 2008, the European Commission put forward a set of common principles for active inclusion to help guide EU countries in their strategies to tackle poverty (COM (2008)639 final). This Recommendation revolves around three key aspects: adequate income support, inclusive labour markets and access to quality services. National governments will be encouraged to refer to these common principles and accordingly define policies for 'active inclusion' so as to step up the fight against exclusion from society and from the labour market.

## Methodological notes

Sources: Eurostat – Community Statistics on Income and Living Conditions EU-SILC (2007) income reference period 2006; except for UK, income year 2007 and for IE moving income reference period (2006-2007).

EU aggregates are Eurostat estimates and are obtained as a population size weighted average of national data.

In EU-SILC the total income of each household is calculated by adding together the income received by all the members of the household from all component sources in the income reference period. This includes income from work and private income (e.g. from investments or property), as well as pensions and other social transfers directly received. In the present definition of total income, no account is taken of income in kind, own consumption, mortgage interest payments and imputed rent for owner-occupied accommodation, for rent-free and reduced rent tenants. These income components are collected from 2007 but their inclusion in the income total is under study. As the weight of these income components varies between countries, their inclusion should be carefully analysed and the impact of this inclusion on indicators closely monitored.

In order to take account of differences in household size and composition in the comparison of income levels, the household's total income is equivalised by dividing 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 below 14 in the household.

To calculate the income quintile share ratio, persons are first ranked according to their equivalised income and then divided into five groups of equal size known as quintiles. The S80/S20 income quintile share ratio represents the ratio of the income received by the 20 % of the population with the highest equivalised disposable income (top quintile) to that received by the 20 % of the population with the lowest equivalised disposable income (bottom quintile).

## Further reading

- Statistics in Focus (Population and social conditions): "79 million EU citizens were at-risk-of-poverty in 2007", No 46/2009

- "Joint Report on Social Protection and Social Inclusion 2009", 2009, European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities
- (COM(2008) 418 final) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. "A renewed commitment to social Europe: Reinforcing the Open Method of Coordination for Social Protection and Social Inclusion", July 2008
- "Monitoring progress towards the objectives of the European Strategy for Social Protection and Social Inclusion", Commission Staff Working Document, Brussels, 6.10.2008, SEC(2008)

Inequality of income distribution - Income quintile share ratio (S80/S20)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	:	:	:	:	4.9s	4.8s	5.0
EU-25	4.6s	4.6s	4.5s	4.5s	:	4.6s	4.8s	4.9	4.8	4.8
EU-15	4.6s	4.6s	4.5s	4.5s	:	4.6s	4.8s	4.8	4.7	4.9
EA-15	:	:	:	:	:	:	:	4.6	4.6	4.8
EA-13	:	:	:	:	:	:	:	4.6	4.6	4.8
EA-12	4.5s	4.5s	4.4s	4.4s	:	4.5s	4.8s	4.6	4.6	4.8
BE	4	4.2	4.3	4	:	4.3b	3.9	4	4.2	3.9
BG	:	:	3.7	3.8	3.8	3.6	4	3.7	5.1	6.9b
CZ	:	:	:	3.4	:	:	:	3.7b	3.5	3.5
DK	:	3	:	3	:	3.6b	3.4	3.5	3.4	3.7
DE	3.6	3.6	3.5	3.6	:	:	:	3.8b	4.1	5
EE	:	:	6.3	6.1	6.1	5.9	7.2b	5.9	5.5	5.5
IE	5.2	4.9	4.7	4.5	:	5.0b	5	5	4.9	4.8
EL	6.5	6.2	5.8	5.7	:	6.4b	5.9	5.8	6.1	6
ES	5.9	5.7	5.4	5.5	5.1b	5.1	5.1b	5.4	5.3	5.3
FR	4.2	4.4	4.2	3.9b	3.9	3.8	4.2	4	4	3.8
IT	5.1	4.9	4.8	4.8	:	:	5.7b	5.6	5.5	5.5
CY	:	:	:	:	:	4.1	:	4.3	4.3	4.5
LV	:	:	5.5	:	:	:	:	6.7b	7.9	6.3
LT	:	:	5	4.9	:	:	:	6.9b	6.3	5.9
LU	3.7	3.9	3.7	3.8	:	4.1	3.9	3.9	4.2	4
HU	:	:	3.3	3.1	3	3.3	:	4	5.5	3.7
MT	:	:	4.6	:	:	:	:	3.9	4	3.8
NL	3.6	3.7	4.1	4	4	4	:	4.0b	3.8	4
AT	3.5	3.7	3.4	3.5	:	4.1b	3.8	3.8	3.7	3.8
PL	:	:	4.7	4.7	:	:	:	6.6b	5.6	5.3
PT	6.8	6.4	6.4	6.5	7.3	7.4	6.9b	6.9	6.8p	6.5p
RO	:	:	4.5	4.6	4.7	4.6	4.8	4.9	5.3	7.8b
SI	:	:	3.2	3.1	3.1	3.1	:	3.4b	3.4	3.3
SK	:	:	:	:	:	:	:	3.9b	4	3.5
FI	3.1	3.4	3.3	3.7b	3.7	3.6	3.5	3.6	3.6	3.7
SE	:	3.1	:	3.4	3.3b	:	3.3b	3.3	3.5	3.4
UK	5.2	5.2	5.2b	5.4	5.5	5.3	:	5.8b	5.4	5.5
HR	:	:	:	:	:	4.6	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	10.8	9.9	:	:	:	:
IS	:	:	:	:	:	:	3.4	3.5	3.7	3.9
LI	:	:	:	:	:	:	:	:	:	:
NO	3.4	3.3	3.3	3.5	3.2	3.8b	3.6	4.1	4.6	3.7
CH	:	:	:	:	:	:	:	:	:	:

Source: EU-SILC

s Eurostat estimate

p Provisional value

b Break in series

Inequality of income distribution Gini coefficient

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	:	:	:	:	30	30	31
EU-25	29	29	29	29	:	29	30	30	30	30
EU-15	29	29	29	29	:	30	30	30	29	30
EA-15	:	:	:	:	:	:	:	29	29	30
EA-13	:	:	:	:	:	:	:	29	29	30
EA-12	29	29	28	28	:	28	30	29	29	30
BE	27	29	30	28	:	28	26	28	28	26
BG	:	:	25	26	26	24	26	25	31	35
CZ	:	:	:	25	:	:	:	26	25	25
DK	:	21	:	22	:	25	24	24	24	25
DE	25	25	25	25	:	:	:	26	27	30
EE	:	:	36	35	35	34	37	34	33	33
IE	34	32	30	29	:	31	32	32	32	31
EL	35	34	33	33	:	35	33	33	34	34
ES	34	33	32	33	31	31	31	32	31	31
FR	28	29	28	27	27	27	28	28	27	26
IT	31	30	29	29	:	:	33	33	32	32
CY	:	:	:	:	:	27	:	29	29	30
LV	:	:	34	:	:	:	:	36	39	35
LT	:	:	31	31	:	:	:	36	35	34
LU	26	27	26	27	:	28	26	26	28	27
HU	:	:	26	25	24	27	:	28	33	26
MT	:	:	30	:	:	:	:	27	27	26
NL	25	26	29	27	27	27	:	27	26	28
AT	24	26	24	24	:	27	26	26	25	26
PL	:	:	30	30	:	:	:	36	33	32
PT	37	36	36	37	:	:	38	38	38	37
RO	:	:	29	30	30	30	31	31	33	38
SI	:	:	22	22	22	22	:	24	24	23
SK	:	:	:	:	:	:	:	26	28	24
FI	22	24	24	27	26	26	25	26	26	26
SE	:	22	:	24	23	:	23	23	24	23
UK	32	32	32	35	35	34	:	34	32	33
HR	:	:	:	:	:	29	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	46	45	:	:	:	:
IS	:	:	:	:	:	:	24	25	26	28
LI	:	:	:	:	:	:	:	:	:	:
NO	:	:	:	:	:	27	25	28	30	24
CH	:	:	:	:	:	:	:	:	:	:

Source: EU-SILC

Median annual equivalised disposable income in PPS in 2007

BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL
16726	3343b	8913	16958	17338	6765	17843	11577	13011	15604	14580	18230	5594	5854	29292	6631	12572	17718
AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH		
18222	5704	8933	2942b	13298	6888	15534	15968	18943	:	:	:	20489	:	20808	:		

Source: EU-SILC

b Break in series

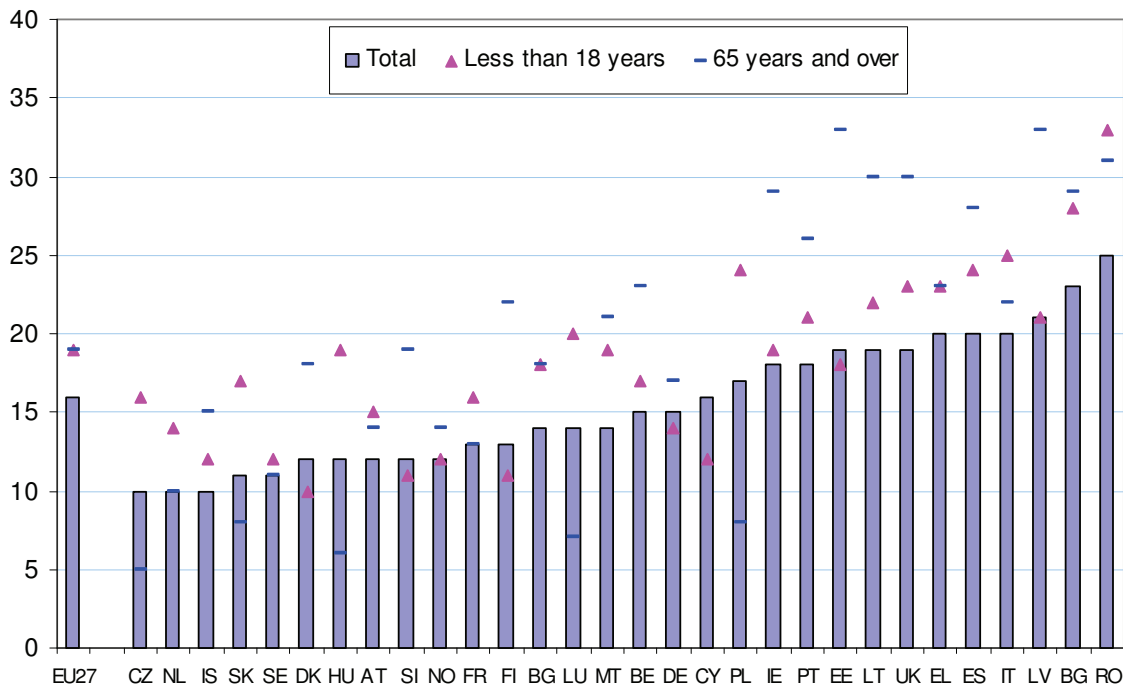
### 13. INCOME POVERTY

In 2007 around 17 % of people in the EU-27 lived in a household which had an equivalised disposable income after social transfers had been taken into account that was less than 60 % of the respective national median income, i.e. they are considered to be at risk of poverty<sup>143</sup>. The proportion of such people was the highest in Romania (25%), Bulgaria (22%) and Latvia (21 %), followed by Greece, Spain, and Italy (all 20 %). It was lowest in the Czech Republic and the Netherlands (both 10 %). In the hypothetical case (see footnotes 18 and 19 on page 27 of the monitoring report<sup>144</sup>) of a complete absence of social transfers (except pensions), in the 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 by between 25 % and 60 % with the notable exception of the above-mentioned countries where the at-risk-of-poverty rate is at the highest level.

#### Uneven poverty risk between generations and genders

In 2007, the proportion of children (under the age of 18) living in a household with low income (20 %) was higher than for the population aged 18 - 64 (16 %) and lower than for the elderly population (22%). The proportion of children living in a low-income household was highest in Romania (33%) and Bulgaria (28%), followed by Italy (25 %), Spain and Poland (both 24 %). By contrast, in 2007, children in Denmark, Germany, and Finland were less likely to live in 'poor' households than adults aged 18 – 64 in those countries. Country differences regarding the elderly are described in the portrait n°11 "Pensions".

At-risk-of-poverty rate after social transfers by age group in the EU (%), 2007



Source: EU-SILC

Throughout Europe, the probability of living in a household which can be considered to be at risk of poverty is slightly higher among women<sup>145</sup> than among men (EU-27 average of 18 % versus 16 % in 2007), although in

<sup>143</sup> See the first footnote in portrait 12 "Income distribution".

<sup>144</sup> [http://ec.europa.eu/employment\\_social/spssi/docs/social\\_inclusion/2008/omc\\_monitoring\\_en.pdf](http://ec.europa.eu/employment_social/spssi/docs/social_inclusion/2008/omc_monitoring_en.pdf)

<sup>145</sup> In EU-SILC, no information is available about the allocation of income within a given 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

Hungary (12 %) and Sweden (11 %) there is parity, whilst in Poland it is men who are very slightly more at risk of poverty (18 % vs. 17 %).

### **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 the EU-27 is 17 %, some household types are exposed to a much greater poverty risk than others. In EU-27 countries single parents with dependent children have the highest poverty risk – 34 % have an equivalised disposable income lower than 60 % of national median equivalised income.

Households composed of a single adult older than 65 have an at-risk-of-poverty rate of 28 % (EU-27). The poverty risk of single adults aged 65 and over is very unevenly distributed across Member States, with values ranging from 9 % in Poland and 10% in the Netherlands to 75 % in Latvia and 74 % in Cyprus.

More than a quarter (28 %) of single females were at risk of poverty in the EU-27 countries in 2007. In some countries over half of single females are in such situation: in Ireland (51 %), Estonia and Latvia (both 53 %), Bulgaria (54 %) and Cyprus (56 %). In only five countries (the Czech republic 17%, Hungary 14 %, Luxembourg 13 %, the Netherlands 16 %, and Poland 12 %) is the at-risk-of-poverty rate for single females equal to or below the overall EU-27 (17 %). Poland seems to be atypical in this respect as it is the only country where the poverty risk of single females is consistently lower than the national average for all household types – 17 % (and also lower than that of single male households – 24 %). However, in three other EU-27 countries single females are less at risk of poverty than single males: Luxembourg, Hungary and Sweden.

In Malta (54 %) more than half of households composed of single parents and their dependent children were at risk of poverty in 2007. Luxembourg (45 %), the United Kingdom and Estonia (both 44%) also record a comparatively high proportion of at-risk-of-poverty households. The poverty risk of single-parent households is lowest in some of the Nordic Member States: Denmark (17 %) and Finland (22 %).

In this context, it also has to be noted that in 2007 in EU-27 countries, households composed of two adults and three or more dependent children were also more likely to be at risk of poverty than other household types (25 %). On the other hand, households composed of two adults with one or two dependent children had a below-average risk of poverty in 2007.

### **Are general improvements in living standards instrumental in lifting people out of poverty?**

In the framework of the streamlined portfolio on social inclusion and overarching indicators, the indicator in the form of at-risk-of-poverty rate anchored at a fixed moment in time (2005) constitutes what is called a 'semi-absolute measure of poverty'. For this indicator the poverty risk threshold for the year 2005 is adjusted for inflation and then used to calculate an alternative poverty risk rate for subsequent years. This ratio takes into the fact that economic growth and more directly growing incomes for part of the population may raise median incomes and thus the poverty risk threshold by a higher proportion than the growth in consumer prices. Thus some part of the population may be better off without this being captured in the at-risk-of-poverty rate.

In 2007, the EU-25 anchored at-risk-of-poverty rate was 2 pp below the at-risk-of-poverty rate. But for the ten new Member States<sup>146</sup> the at-risk-of-poverty rate is reduced by five percentage points from 15 % to 10 % when using the anchored measure. For Cyprus, Slovakia and Ireland (all 6pp) as well as the three Baltic countries (all 11pp) the difference between the anchored measure and the measure using a current threshold is highly significant. Unsurprisingly, all of these countries have experienced strong economic growth and high growth in incomes. The differences in those measures suggest that at least part of the population with lower household incomes benefits from the general growth in those countries. The difference between the two indicators is highest in the Baltic States, which are experiencing very high growth rates from a very low base.

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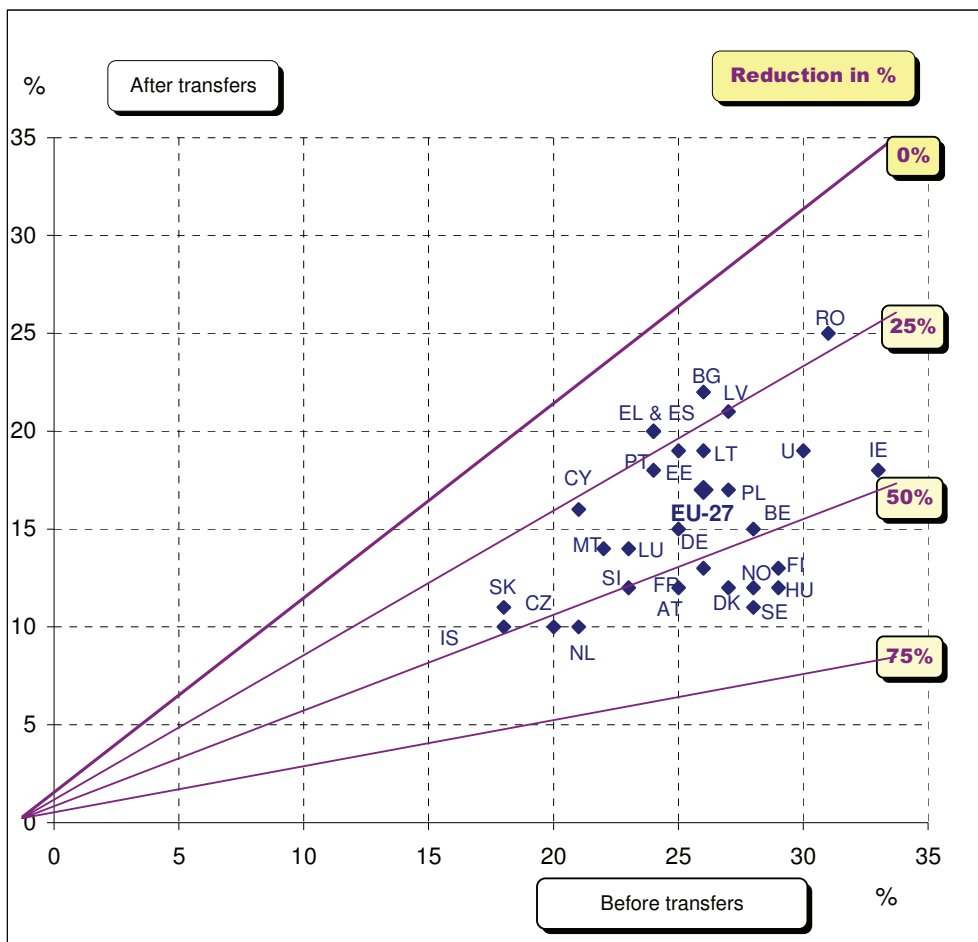
household members have equal access to money, and therefore cannot know whether they should be considered as "poor" or "not poor". What we can say, is that certain types of households are more at risk of poverty than others.  
<sup>146</sup> For Bulgaria and Romania, no data for this indicator are available.

## 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<sup>147</sup> 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 (See footnotes 18 and 19 on page 27 of the monitoring report<sup>148</sup>).

In 2007, the average at-risk-of-poverty rate in EU-27 countries was 26 % before social transfers other than pensions were taken into account and 17 % when calculated after social transfers were taken into account. That means that social transfers were instrumental in lifting approximately 35 % of persons with low income above the poverty line.

### Comparison of At-risk-of-poverty rates before and after social transfers in the EU (%), 2007



Source: EU-SILC

Social benefits other than pensions reduce the percentage of people at risk of poverty in all the countries, but to very disparate degrees. It is smallest (less than 25 %) in Bulgaria, Greece, Spain, Italy, Cyprus, Latvia and Romania. The reduction is greatest in Sweden (approximately 61 %) followed by Hungary, Norway, Denmark, Finland, the Netherlands, Austria, France and the Czech Republic, which all record reductions due to social transfers of 50 % or more.

<sup>147</sup> Old age pensions and survivors' benefits are included in income both at-risk-of-poverty 'before' and 'after' social transfers  
<sup>148</sup> [http://ec.europa.eu/employment\\_social/spsi/docs/social\\_inclusion/2008/omc\\_monitoring\\_en.pdf](http://ec.europa.eu/employment_social/spsi/docs/social_inclusion/2008/omc_monitoring_en.pdf)

In the hypothetical absence of social benefits other than pensions, 30 % or more of the population would have been at risk of poverty in three Member States (Ireland, Romania and the United Kingdom) in 2007.

### 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 whether these persons can really be considered as poor<sup>149</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 that 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 2007, the relative median at-risk-of-poverty gap equalled 23 % in the EU-27 but exceeded 30 % in both Bulgaria (34%) and Romania (35 %).

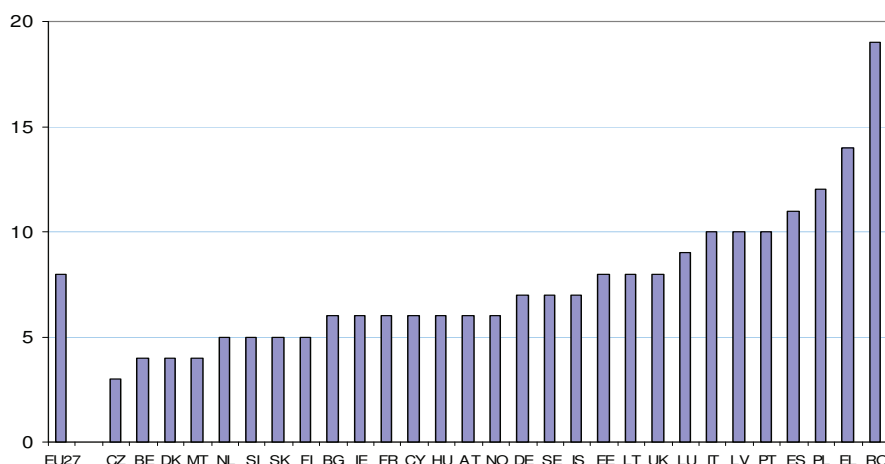
The at-risk-of-poverty threshold varied between 17 575 PPS (Purchasing Power Standards) in Luxembourg and 1765 PPS in Romania. This illustrates the high differences in income in Member States and shows that the poverty risk indicator and other derived from it are measures of relative poverty. It should be noted here that median income levels, whether compared nominally (in euros or national currency) or with purchasing power standards (PPS) are markedly lower in most new Member States than in the EU-15 countries.

### About 8% of employed people are nevertheless poor

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 own wage. 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 be living in poor households — e.g. if they have a number of dependants.

In 2007, the EU-27 at-risk-of-poverty rate for employees was about 8 % but was higher in Romania (19 %), Greece (14 %), Poland (12 %) and Spain (11 %). In all the countries, the at-risk-of-poverty rate among the employed population is – as might be expected – lower than among the population as a whole. At EU level, it is less than half that of the total population (8 % vs 17 %).

### In-work poverty rate in the EU (%), 2007



Source: EU-SILC

<sup>149</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.



## Policy context

Article 136 of the EC Treaty lists "the combating of exclusion" as one of the six objectives of European social policy. Article 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. Article 137(2) creates scope for action at Community level by encouraging "cooperation 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).

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 as follows: "to facilitate participation in employment and access by all to resources, rights, goods and services; to prevent the risks of exclusion; to help the most vulnerable; and to mobilise all relevant bodies."

Key elements of the Open Method of Coordination are the definition of commonly agreed objectives for the EU as a whole, the development of appropriate national action plans to meet these objectives, and periodic reporting and monitoring of progress made. Joint Reports assess progress made in implementing the Method, set key priorities and identify good practice and innovative approaches of common interest to the Member States. See portrait 10.

On October 3 2008, the European Commission put forward a set of common principles to help guide EU countries in their strategies to tackle poverty (COM (2008) 639 final). This Recommendation revolves around three key aspects: adequate income support, inclusive labour markets and access to quality services. National governments will be encouraged to refer to these common principles and accordingly define policies for 'active inclusion' so as to step up the fight against exclusion from society and from the labour market.

The 2009 Joint Report on Social Protection and Social Inclusion (7503/09) draws on the renewed National Reports on Strategies for Social Protection and Social Inclusion which the Member States presented in autumn 2008, also taking into account the economic crisis which escalated after the strategies were prepared. In the field of social inclusion it calls in particular for comprehensive Active Inclusion strategies that combine and balance measures aimed at inclusive labour markets, access to quality services and adequate minimum income. It also reasserts the commitment of Member States to implement comprehensive strategies against poverty and social exclusion of children, including provision of accessible and affordable quality childcare. It acknowledges that sustained work is required to tackle homelessness as an extremely serious form of exclusion, to address the multiple disadvantages the Roma people are facing and their vulnerability to social exclusion, and to promote the social inclusion of migrants. Finally it draws attention to new risk groups, such as young workers and labour market entrants who may be particularly vulnerable in the crisis.

## Methodological notes

Sources: Eurostat – Community Statistics on Income and Living Conditions EU-SILC (2007) income reference period 2006; except for UK, income year 2007 and for IE moving income reference period (2006-2007).

EU aggregates are Eurostat estimates obtained as a population size weighted average of national data.

The poverty risk (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. Median income is preferred to 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 as 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. This indicator is a measure of the intensity of poverty risk.

The indicator "at-risk-of-poverty rate anchored at a fixed moment in time (2005)" is defined as the percentage of the population whose equivalised total disposable income in a given year is below the 'at-risk-of-poverty threshold' calculated in the standard way for the reference year or base year, currently 2005, and then adjusted for inflation.

### **Further reading**

- Statistics in Focus (Population and social conditions): "79 million EU citizens were at-risk-of-poverty in 2007", No 46/2009
- "Joint Report on Social Protection and Social Inclusion 2009", 2009, European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities
- (COM(2008) 418 final) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. "A renewed commitment to social Europe: Reinforcing the Open Method of Coordination for Social Protection and Social Inclusion", July 2008
- "Monitoring progress towards the objectives of the European Strategy for Social Protection and Social Inclusion", Commission Staff Working Document, Brussels, 6.10.2008, SEC(2008)
- "European social statistics: Income, Poverty and Social Exclusion 2<sup>nd</sup> Report", 2003 edition. Eurostat

At risk of poverty rate - Total

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	:	:	:	:	16s	16s	17
EU-25	15s	16s	16s	16s	:	15s	16s	16	16	16
EU-15	15s	16s	15s	15s	:	15s	17s	16	16	17
EA-15	:	:	:	:	:	:	:	15	16	16
EA-13	:	:	:	:	:	:	:	15	16	16
EA-12	15s	15s	15s	15s	:	15s	17s	15	16	16
BE	14	13	13	13	:	15b	14	15	15	15
BG	:	:	14	16	14	14	15	14	18	22p
CZ	:	:	:	8	:	:	:	10b	10	10
DK	:	10	:	10	:	12b	11	12	12	12
DE	11	11	10	11	:	:	:	12b	13	15
EE	:	:	18	18	18	18	20b	18	18	19
IE	19	19	20	21	:	20b	21	20	18	18
EL	21	21	20	20	:	21b	20	20	21	20
ES	18	19	18	19	19b	19	20b	20	20	20
FR	15	15	16	13b	12	12	13	13	13	13
IT	18	18	18	19	:	:	19b	19	20	20
CY	:	:	:	:	:	15	:	16	16	16
LV	:	:	16	:	:	:	:	19b	23	21
LT	:	:	17	17	:	:	:	21b	20	19
LU	12	13	12	12	:	12	13	14	14	14
HU	:	:	11	11	10	12	:	13	16	12
MT	:	:	15	:	:	:	:	14	14	14
NL	10	11	11	11	11	12	:	11b	10	10
AT	13	12	12	12	:	13b	13	12	13	12
PL	:	:	16	16	:	:	:	21b	19	17
PT	21	21	21	20	20	19	20b	19	18p	18
RO	:	:	17	17	18	17	18	18	19	25b
SI	:	:	11	11	10	10	:	12b	12	12
SK	:	:	:	:	:	:	:	13b	12	11
FI	9	11	11	11b	11	11	11	12	13	13
SE	:	8	:	9	11b	:	11b	9	12	11
UK	19	19	19b	18	18	18	:	19b	19	19
HR	:	:	:	:	:	18	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	25	26	:	:	:	:
IS	:	:	:	:	:	:	10	10	10	10
LI	:	:	:	:	:	:	:	:	:	:
NO	:	:	:	11	10	11b	11	11	11	12
CH	:	:	:	:	:	:	:	:	:	:

Source: EU-SILC

s Eurostat estimate  
p Provisional value  
b Break in series

At risk of poverty rate - Females

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	:	:	:	:	17s	17s	18
EU-25	16s	17s	17s	17s	:	16s	17s	17	17	17
EU-15	16s	17s	16s	:	:	17s	18s	17	17	17
EA-15	:	:	:	:	:	:	:	16	16	17
EA-13	:	:	:	:	:	:	:	16	16	17
EA-12	16s	16s	16s	:	:	16s	18s	16	16	17
BE	15	14	14	15	:	16b	15	15	16	16
BG	:	:	15	17	15	16	17	15	19	23p
CZ	:	:	:	8	:	:	:	11b	11	10
DK	:	:	:	:	:	12b	11	12	12	12
DE	12	12	11	:	:	:	:	13b	13	16
EE	:	:	19	19	19	20	21b	19	20	22
IE	20	20	21	23	:	21b	23	21	19	19
EL	22	21	20	22	:	21b	21	21	21	21
ES	18	19	19	20	21b	20	21b	21	21	21
FR	15	16	16	13b	13	13	14	14	14	14
IT	19	18	19	20	:	:	20b	21	21	21
CY	:	:	:	:	:	17	:	18	18	17
LV	:	:	16	:	:	:	:	20b	25	23
LT	:	:	17	17	:	:	:	21b	21	21
LU	13	13	12	13	:	13	13	14	14	14
HU	:	:	12	12	10	12	:	13	16	12
MT	:	:	15	:	:	:	:	15	14	15
NL	10	11	11	12	12	12	:	11b	10	11
AT	15	14	14	14	:	14b	14	13	14	13
PL	:	:	16	15	:	:	:	20b	19	17
PT	22	22	22	20	:	:	22b	20	19p	19
RO	:	:	18	17	18	18	18	18	19	25b
SI	:	:	12	12	11	11	:	14b	13	13
SK	:	:	:	:	:	:	:	13b	12	11
FI	11	12	13	12b	12	12	11	13	13	14
SE	:	:	:	:	12b	:	12b	10	12	11
UK	21	21	21b	19	19	19	:	19b	20	20
HR	:	:	:	:	:	19	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	25	26	:	:	:	:
IS	:	:	:	:	:	:	10	10	10	11
LI	:	:	:	:	:	:	:	:	:	:
NO	:	:	:	:	:	12b	12	13	12	14
CH	:	:	:	:	:	:	:	:	:	:

Source: EU-SILC

s Eurostat estimate  
p Provisional value  
b Break in series

At risk of poverty rate - Males

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	:	:	:	:	15s	15s	16
EU-25	14s	15s	15s	15s	:	14s	15s	15	15	15
EU-15	14s	15s	15s	:	:	14s	15s	15	15	15
EA-15	:	:	:	:	:	:	:	14	15	15
EA-13	:	:	:	:	:	:	:	14	15	15
EA-12	14s	14s	14s	:	:	14s	15s	14	15	15
BE	12	11	12	12	:	14b	13	14	14	14
BG	:	:	13	14	12	12	13	13	17	21p
CZ	:	:	:	7	:	:	:	10b	9	9
DK	:	:	:	:	:	11b	11	12	11	11
DE	10	10	10	:	:	:	:	11b	12	14
EE	:	:	17	17	17	17	19b	17	16	17
IE	18	17	19	20	:	19b	19	19	17	16
EL	20	20	19	19	:	20b	19	18	20	20
ES	18	18	17	17	18b	18	19b	19	18	19
FR	14	15	15	12b	12	12	13	12	12	12
IT	17	18	18	19	:	:	18b	17	18	18
CY	:	:	:	:	:	14	:	15	14	14
LV	:	:	17	:	:	:	:	18b	21	19
LT	:	:	17	18	:	:	:	20b	19	17
LU	12	12	12	12	:	11	12	13	14	13
HU	:	:	11	11	9	12	:	14	16	12
MT	:	:	15	:	:	:	:	14	13	14
NL	10	10	10	11	11	12	:	11b	10	10
AT	11	10	9	9	:	12b	11	11	11	11
PL	:	:	16	16	:	:	:	21b	20	18
PT	19	19	19	20	:	:	19b	19	18p	17
RO	:	:	17	17	18	17	18	18	18	24b
SI	:	:	11	10	9	9	:	11b	10	10
SK	:	:	:	:	:	:	:	13b	12	10
FI	8	9	9	10b	11	11	10	11	12	12
SE	:	:	:	:	10b	:	10b	9	12	11
UK	17	18	16b	17	17	17	:	19b	18	18
HR	:	:	:	:	:	17	:	:	:	:
MK										
TR	:	:	:	:	25	25	:	:	:	:
IS	:	:	:	:	:	:	10	10	9	9
LI										
NO	:	:	:	:	:	9b	10	10	10	11
CH	:	:	:	:	:	:	:	:	:	:

Source: EU-SILC

s Eurostat estimate  
p Provisional value  
b Break in series

## At risk of poverty rate - Less than 18

## At risk of poverty rate - Between 18 and 64 years

	2003	2004	2005	2006	2007		2003	2004	2005	2006	2007
EU-27	:	:	:	:	20	EU-27	:	:	:	:	16
EU-25	:	:	19	19	19	EU-25	:	:	14	15	15
EU-15	:	:	18	18	19	EU-15	:	:	14	14	15
EA-15	:	:	17	17	18	EA-15	:	:	13	14	15
EA-13	:	:	17	17	18	EA-13	:	:	13	14	15
EA-12	:	:	17	17	18	EA-12	:	:	14	14	15
BE	16b	16	18	15	17	BE	13b	12	12	12	13
BG	:	22	18	25	28	BG	:	14	12	16	19
CZ	:	:	18b	16	16	CZ	:	:	9b	9	8
DK	9b	9	10	10	10	DK	10b	10	11	11	11
DE	:	:	12b	12	14	DE	:	:	12b	13	15
EE	:	23b	21	20	18	EE	:	19b	17	16	16
IE	20b	22	23	22	19	IE	17b	17	16	15	15
EL	22b	21	20	23	23	EL	18b	17	17	18	19
ES	:	24b	24	24	24	ES	:	16b	16	16	16
FR	:	15	14	14	16	FR	:	13	12	12	12
IT	:	25b	24	25	25	IT	:	17b	16	18	18
CY	:	:	13	11	12	CY	:	:	11	11	10
LV	:	:	22b	26	21	LV	:	:	18b	21	18
LT	:	:	27b	25	22	LT	:	:	19b	18	16
LU	16	19	20	20	20	LU	11	11	13	13	13
HU	:	:	20	25	19	HU	:	:	13	15	12
MT	:	:	18	18	19	MT	:	:	11	11	12
NL	:	:	15b	14	14	NL	:	:	10b	9	9
AT	15b	15	15	15	15	AT	12b	11	11	11	11
PL	:	:	29b	26	24	PL	:	:	20b	19	17
PT	:	25b	24	21p	21	PT	:	17b	16	16p	15
RO	:	:	:	:	33b	RO	:	:	:	:	21b
SI	:	:	12b	12	11	SI	:	:	10b	10	10
SK	:	:	19b	17	17	SK	:	:	13b	11	9
FI	:	10	10	10	11	FI	:	10	11	11	11
SE	:	12b	9	15	12	SE	:	10b	9	11	10
UK	:	:	22b	24	23	UK	:	:	16b	16	15
HR	:	:	:	:	:	HR	:	:	:	:	:
MK						MK	:	:	:	:	:
TR	:	:	:	:	:	TR	:	:	:	:	:
IS	:	11	10	12	12	IS	:	9	10	8	8
LI						LI	:	:	:	:	:
NO	9b	8	9	9	12	NO	9b	10	11	10	12
CH	:	:	:	:	:	CH	:	:	:	:	:

Source: EU-SILC

b Break in series  
s Eurostat estimate  
p Provisional value

Source: EU-SILC

b Break in series  
s Eurostat estimate  
p Provisional value

At risk of poverty rate - 65 years and over - Total

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	:	:	:	:	19s	19s	22
EU-25	18s	17s	17s	16s	:	17s	18s	19	19	19
EU-15	18s	17s	17s	18s	:	19s	19s	20	20	21
EA-15	:	:	:	:	:	:	:	20	19	19
EA-13	:	:	:	:	:	:	:	19	19	19
EA-12	16s	16s	16s	16s	:	18s	19s	19	19	19
BE	22	22	24	26	:	23b	21	21	23	23
BG	:	:	15	15	14	14	16	18	20	29
CZ	:	:	:	6	:	:	:	5b	6	5
DK	:	:	:	24	:	21b	17	18	17	18
DE	12	11	10	12	:	:	:	14b	13	17
EE	:	:	16	18	16	17	20b	20	25	33
IE	33	34	42	44	:	41b	40	33	27	29
EL	35	33	31	33	:	29b	28	28	26	23
ES	15	16	19	22	28b	28	30b	29	31	28
FR	18	19	19	11b	10	11	15	16	16	13
IT	17	14	13	17	:	:	21b	23	22	22
CY	:	:	:	:	:	52	:	51	52	51
LV	:	:	6	:	:	:	:	21b	30	33
LT	:	:	14	12	:	:	:	17b	22	30
LU	9	8	9	7	:	10	8	8	8	7
HU	:	:	8	12	8	10	:	6	9	6
MT	:	:	20	:	:	:	:	21	19	21
NL	4	7	6	8	8	7	:	5b	6	10
AT	21	24	23	24	:	16b	17	14	16	14
PL	:	:	8	7	:	:	:	7b	8	8
PT	35	33	33	30	:	:	29b	28	26p	26
RO	:	:	17	19	19	20	17	17	19	31b
SI	:	:	21	20	19	19	:	20b	20	19
SK	:	:	:	:	:	:	:	7b	8	8
FI	16	16	19	18b	18	17	17	18	22	22
SE	:	:	:	16	15b	:	14b	11	12	11
UK	25	21	24b	27	26	24	:	26b	28	30
HR	:	:	:	:	:	31	:	:	:	:
MK										
TR	:	:	:	:	23	21	:	:	:	:
IS	:	:	:	:	:	:	10	9	12	15
LI										
NO	:	:	:	:	:	21b	19	19	18	14
CH	:	:	:	:	:	:	:	:	:	:

Source: EU-SILC

b Break in series  
s Eurostat estimate  
p Provisional value

Impact of social transfers: comparison between At-risk-of-poverty rate before and after social transfers - Total

	Total			Females			Males		
	Before social transfers	After social transfers	% reduction	Before social transfers	After social transfers	% reduction	Before social transfers	After social transfers	% reduction
EU-27	26	17	35	27	17s	37s	25	15s	40s
EU-25	26	16	38	27	17	37	24	15	38
EU-15	26	17	35	27	17	37	24	15	38
EA-15	25	16	36	26	17	35	24	15	38
EA-13	25	16	36	26	17	35	24	15	38
EA-12	25	16	36	26	17	35	24	15	38
BE	28	15	46	29	16	45	26	14	46
BG	26	22	15	27	23	15	25	21	16
CZ	20	10	50	21	10	52	19	9	53
DK	27	12	56	29	12	59	26	11	58
DE	25	15	40	26	16	38	24	14	42
EE	25	19	24	27	22	19	23	17	26
IE	33	18	45	35	19	46	31	16	48
EL	24	20	17	25	21	16	23	20	13
ES	24	20	17	25	21	16	23	19	17
FR	26	13	50	27	14	48	25	12	52
IT	24	20	17	25	21	16	23	18	22
CY	21	16	24	23	17	26	19	14	26
LV	27	21	22	29	23	21	25	19	24
LT	26	19	27	27	21	22	24	17	29
LU	23	14	39	24	14	42	23	13	43
HU	29	12	59	29	12	59	30	12	60
MT	22	14	36	22	15	32	21	14	33
NL	21	10	52	22	11	50	20	10	50
AT	25	12	52	26	13	50	23	11	52
PL	27	17	37	26	17	35	27	18	33
PT	24	18	25	25	19	24	24	17	29
RO	31b	25b	19b	31b	25b	19b	30b	24b	20b
SI	23	12	48	25	13	48	21	10	52
SK	18	11	39	19	11	42	18	10	44
FI	29	13	55	31	14	55	27	12	56
SE	28	11	61	30	11	63	26	11	58
UK	30	19	37	32	20	38	28	18	36
HR	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:
IS	18	10	44	19	11	42	17	9	47
LI	:	:	:	:	:	:	:	:	:
NO	28	12	57	30	14	53	26	11	58
CH	:	:	:	:	:	:	:	:	:

Source: EU-SILC

- b Break in series
- s Eurostat estimate
- p Provisional value



At-risk-of-poverty rate, by most frequent activity status and by gender, 2007 (Age 18+)

	Total			At work			Not at work			Unemployed			Retired			Other inactive		
	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females
EU-27	16	14	17	8	9	8	24	23	25	43	47	39	17	16	18	27	26	28
EU-25	15	14	17	8	9	7	24	23	24	42	46	39	17	16	18	27	27	28
EU-15	16	14	17	8	8	7	25	24	26	41	45	38	18	17	19	28	28	29
EA-15	16	14	17	8	9	7	24	22	24	41	44	38	16	16	17	27	26	28
EA-13	16	14	17	8	9	7	24	22	24	41	44	38	16	16	17	27	26	28
EA-12	16	14	17	8	9	7	24	22	25	41	44	38	16	16	17	27	26	28
BE	15	13	16	4	4	4	25	25	25	34	36	32	20	18	21	27	28	26
BG	20b	18b	22b	6b	6b	6b	32b	31b	32b	56b	61b	51b	23b	17b	27b	19b	16b	21b
CZ	8	7	9	3	3	3	13	13	14	48	53	44	6	4	8	13	12	14
DK	12	12	12	4	5	3	23	25	22	31	40	25	17	15	18	32	39	28
DE	15	14	17	7	7	8	24	23	25	51	50	52	18	16	19	24	25	24
EE	20	16	22	8	6	9	37	36	38	62	65	56	37	25	42	32	39	28
IE	17	15	19	6	6	6	32	33	32	43	42	44	27	27	26	32	35	32
EL	20	19	21	14	15	12	25	23	26	35	41	31	22	19	25	25	27	25
ES	19	17	20	11	12	9	28	27	29	36	44	32	22	25	18	30	26	31
FR	12	11	13	6	7	6	18	17	19	33	37	28	11	10	12	26	26	26
IT	19	17	20	10	12	7	26	23	27	44	50	39	16	15	16	30	29	31
CY	16	14	19	6	6	7	31	30	32	28	30	27	51	48	53	17	12	19
LV	21	18	24	10	9	10	38	37	39	57	66	47	38	28	42	31	35	29
LT	18	15	21	8	8	8	32	28	35	57	63	50	30	16	36	29	29	29
LU	12	11	12	9	9	9	15	14	15	46	45	47	8	7	11	15	21	14
HU	10	10	11	6	7	5	15	15	15	46	51	41	8	8	8	23	18	25
MT	13	12	14	4	5	2	22	26	20	39	43	26u	23	25	16	20	20	20
NL	9	8	10	5	5	5	15	14	15	27	28	27	9	7	11	18	19	17
AT	11	9	13	6	6	6	18	15	19	42	43	42	12	10	14	21	15	22
PL	15	16	15	12	13	10	19	20	18	43	49	39	6	5	8	21	22	20
PT	17	16	19	10	10	9	27	26	28	32	37	28	23	23	23	30	26	32
RO	23b	22b	23b	18b	20b	16b	28b	26b	29b	46b	53b	31b	23b	21b	24b	33b	26b	35b
SI	11	10	13	5	5	4	19	16	20	36	38	34	17	11	20	19	20	18
SK	9	8	10	5	5	5	14	13	15	45	51	41	8	5	9	15	12	18
FI	13	12	14	5	5	6	24	25	24	41	47	34	21	17	23	27	33	24
SE	10	10	11	7	7	6	16	15	17	26	33	20	11	8	13	31	35	29
UK	18	16	20	8	8	8	34	33	35	58	61	52	31	29	33	37	37	37
HR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
IS	9	8	10	7	7	7	17	15	19	21u	:	29u	16	13	18	19	19	19
LI	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NO	12	10	14	6	6	7	22	18	24	44	47	41	13	6	18	37	43	34
CH	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:

Source: EU-SILC

b Break in series  
u Unreliable or uncertain data

At-risk-of-poverty rate by household type, 2007

	Households without dependent children									Households with dependent children					
	Single-person households					Two-adult households		Other households	Total	Single parents	Two-adult households			Other households	
	Total	Men	Women	Aged < 65 years	Aged 65 years and more	Both < 65 years	At least one aged 65 years and more	Three or more adults		At least 1 dep. Child	1 dependent child	2 dependent children	3+ dependent children	At least 1 dep. Child	
EU-27	16	25	22	28	23	28	11	16	10	18	34	12	14	25	18
EU-25	15	25	22	27	23	27	10	16	10	17	34	12	14	24	17
EU-15	16	26	22	28	23	29	10	17	11	17	34	11	14	22	17
EA-15	16	25	21	28	23	28	11	16	10	17	32	12	14	21	18
EA-13	16	25	21	28	23	28	11	16	10	17	32	12	14	21	18
EA-12	16	25	21	28	23	27	11	16	11	17	32	12	14	21	18
BE	16	26	23	28	24	29	8	21	6	15	36	9	8	18	12
BG	18	44	28	54	29	55	16	15	10	25	30	12	22	71	26
CZ	6	16	14	17	18	13	5	2	2	13	37	7	8	29	12
DK	15	25	24	25	27	20	5	14	3	8	17	4	4	15	3
DE	17	27	25	29	29	24	13	13	9	12	34	10	8	12	10
EE	23	49	42	53	33	69	14	11	8	16	44	11	12	21	10
IE	19	45	40	51	34	57	13	14	8	17	40	12	10	20	9
EL	18	27	25	29	22	33	15	21	15	23	34	20	22	30	23
ES	18	35	24	43	21	49	11	27	12	21	34	16	22	37	20
FR	11	17	17	18	17	18	8	9	10	15	27	8	10	18	23
IT	17	27	19	33	21	34	11	19	11	23	31	15	23	41	23
CY	26	46	30	56	24	74	14	49	7	10	33	9	9	16	4
LV	26	59	51	62	44	75	20	22	10	18	34	12	16	46	13
LT	20	49	41	53	37	60	11	13	7	18	42	14	13	38	14
LU	9	15	17	13	17	11	8	5	6	17	45	10	14	25	15
HU	8	16	20	14	21	11	8	4	4	16	29	12	14	28	10
MT	14	21	17	23	28	15	16	27	4	15	54	11	15	24	7
NL	9	15	13	16	17	10	6	9	7	11	30	7	5	19	5
AT	12	20	14	25	18	24	10	9	4	12	31	9	11	19	7
PL	11	16	24	12	23	9	12	6	10	21	31	15	20	36	19
PT	19	33	26	36	27	37	18	26	9	18	34	12	17	43	16
RO	22b	36b	26b	42b	27b	44b	17b	26b	17b	27b	42b	15b	22b	55b	27b
SI	15	39	33	43	34	44	13	12	6	9	29	10	7	15	7
SK	6	17	15	18	18	16	4	4	4	14	26	6	12	26	13
FI	16	32	32	32	28	39	6	12	6	10	22	6	5	13	13
SE	12	21	21	20	22	19	7	6	5	10	24	6	5	13	9
UK	19	30	27	33	22	39	11	26	11	19	44	11	13	31	13
HR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
IS	11	26	21	31	18	42	7	2	2	9	23	6	7	12	6
LI	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NO	15	28	22	34	28	30	6	3	6	10	29	4	5	8	9
CH	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:

Source: EU-SILC

- b Break in series
- s Eurostat estimate
- p Provisional value

At-risk-of-poverty threshold, PPS, 2007

	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL
Single person	10035	2006b	5348	10175	10403	4059	10706	6946	7807	9363	8748	10938	3356	3512	17575	3979	7543b	10631
Two adults with two children younger than 14 years	21075	4212b	11231	21367	21846	8524	22483	14588	16394	19661	18371	22970	7049	7376	36908	8355	15841b	22325

	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH
Single person	10933	3422	5360	1765b	7979b	4133	9321	9581	11366	:	:	:	12293	:	12479	:
Two adults with two children younger than 14 years	22960	7187	11255	3707b	16756b	8678	19573	20120	23868	:	:	:	25816	:	26206	:

Source: EU-SILC

b Break in series  
s Eurostat estimate  
p Provisional value

At-risk-of-poverty rate anchored at a fixed moment in time (2005) by age and gender, 2007

	Total			Less than 18 years	Between 18 and 64 years			65 years and over		
	Total	Males	Females	Total	Total	Males	Females	Total	Males	Females
EU-27	:	:	:	:	:	:	:	:	:	:
EU-25	14	14	15	17	13	12	14	17	14	18
EU-15	15	14	16	17	14	13	14	18	16	21
EA-15	15	14	16	17	14	13	15	18	15	20
EA-13	15	14	16	17	14	13	15	18	15	20
EA-12	15	14	16	17	14	13	15	18	15	20
BE	14	14	15	16	12	11	13	22	19	24
BG	:	:	:	:	:	:	:	:	:	:
CZ	7	7	8	13	7	6	7	3	1	4
DK	11	10	11	9	10	11	10	16	13	17
DE	14	13	15	13	14	13	15	15	12	17
EE	8	8	8	9	8	9	8	6	4	7
IE	12	11	12	14	11	10	11	13	11	15
EL	20	19	20	23	18	18	19	22	20	24
ES	17	16	18	20	14	13	15	23	22	25
FR	13	12	14	16	12	11	13	13	12	14
IT	20	18	21	25	17	16	19	22	18	25
CY	10	9	12	7	6	5	8	39	35	42
LV	10	10	10	11	10	10	10	9	5	10
LT	8	7	8	11	7	7	7	5	1	6
LU	14	13	14	20	13	12	13	8	7	8
HU	10	10	10	16	10	10	10	4	2	6
MT	11	10	11	14	9	8	10	13	16	11
NL	9	9	10	13	8	7	9	8	7	9
AT	13	12	15	17	11	10	13	16	11	19
PL	13	13	12	18	12	13	12	4	3	5
PT	18	17	19	21	15	14	16	26	24	27
RO	:	:	:	:	:	:	:	:	:	:
SI	10	8	11	9	8	8	8	17	9	22
SK	5	5	5	9	5	5	5	3	2	4
FI	11	10	11	9	10	10	9	18	14	20
SE	9	9	9	10	9	10	8	8	5	11
UK	16	15	17	19	13	12	13	24	21	27
HR	:	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:
IS	6	6	6	7	6	6	5	6	4	8
LI	:	:	:	:	:	:	:	:	:	:
NO	11	9	13	11	11	10	12	12	3	18
CH	:	:	:	:	:	:	:	:	:	:

Source: EU-SILC

## 14. MATERIAL DEPRIVATION

In 2007 around 17 % of individuals in the EU-27 were considered as materially deprived, meaning that their living conditions were severely affected by a lack of resources<sup>150</sup>. The proportion of such people was highest in Romania (53 %) and Latvia (45 %), and was lowest in Luxembourg (3 %), the Netherlands and Sweden (both 6 %), and Denmark (7 %). Some categories of the population like women, children and those at risk of poverty were more affected by material deprivation.

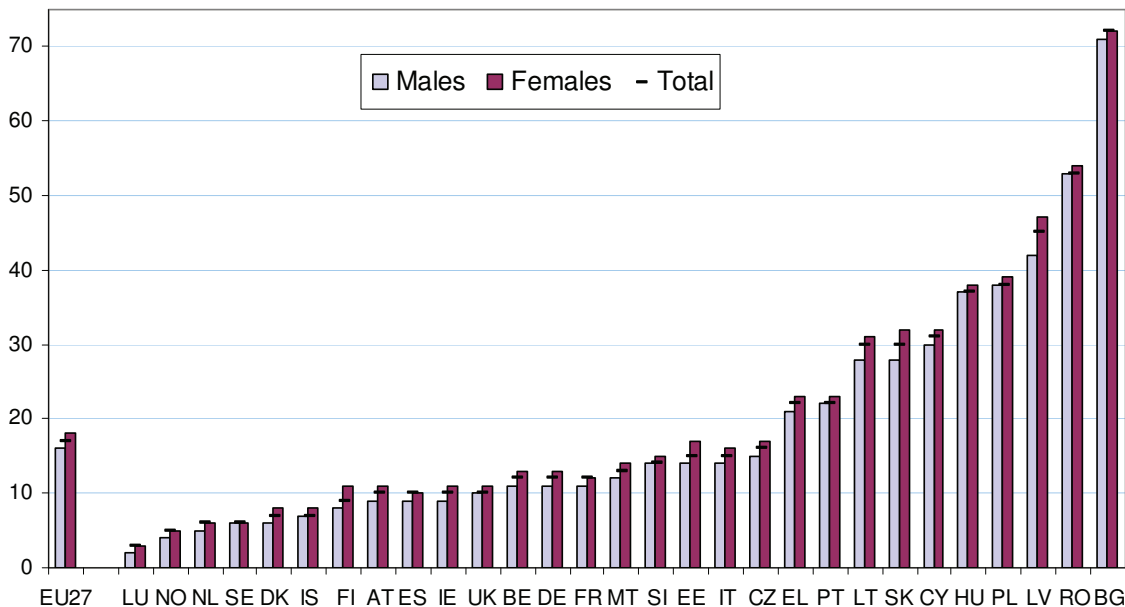
Severe housing deprivation concerned 7% of the whole EU27 population in 2007, with a peak at 31% in Romania and more than 20% in Poland, Latvia and Lithuania. In particular, whilst 17% of EU citizens overall lived in an overcrowded dwelling, this proportion exceeded 50 % in Bulgaria, Poland, Lithuania, Romania and Latvia.

### Women (compared with men) and children (compared with adults) are more likely to be materially deprived

In order to draw a broader picture of social exclusion in the EU, the income-related indicators, such as the at-risk-of poverty rate, can be complemented by non-monetary indicators of living standards. Therefore an indicator called the "Material deprivation rate" was adopted in 2009 by the Indicators Sub-Group of the Social Protection Committee.

In 2007, 17 % of the EU-27 population could be considered as materially deprived with great discrepancies mainly between old and new Member States. On the one hand, only 3 % of the population was deprived in Luxembourg and 10 % or less in all Nordic countries, the Netherlands, Austria, Spain, Ireland and the United Kingdom. On the other hand, the material deprivation rate was above 50 % in Romania, 40 % in Latvia and over 30% in Poland, Hungary, Cyprus, Slovakia and Lithuania. In all countries material deprivation was higher for women than for men except in Sweden where both figures were equal.

#### Material deprivation rate by gender in the EU (%), 2007

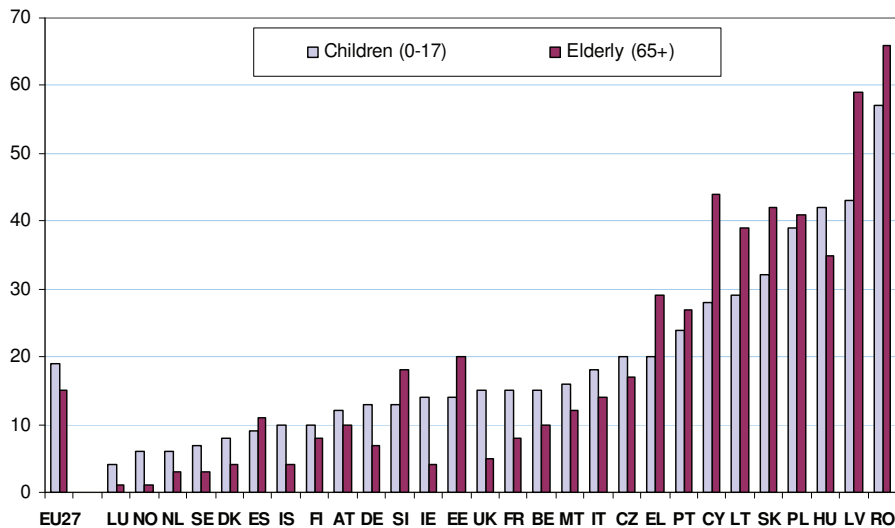


Source: EU-SILC

<sup>150</sup> The material deprivation rate provides a headcount of the number of people who cannot afford to pay their rent, mortgage or utility bills, keep their home adequately warm, meet unexpected expenses, eat meat or proteins regularly, go on holiday, or buy a television, a fridge, a car or a telephone. The indicator recently adopted by the Social Protection Committee measures the percentage of the population that cannot afford at least 3 of the 9 items quoted above.

In most countries material deprivation was at a higher level for children than for the whole population (2pp at EU-27 level). The only exceptions were Cyprus (-3 pp), Greece and Latvia (both -2pp), and Spain, Slovenia, Estonia, and Lithuania (all -1 pp). As for the elderly population (persons aged 65 plus) they usually live in households which are less confronted with material deprivation. Nevertheless in some of the new Member States the material deprivation rate was much higher for the elderly than for the whole population. This was particularly striking in Latvia (difference of 14 pp), Romania and Cyprus (both 13 pp), and Slovakia (12 pp).

### Material deprivation rate by age group in the EU (%), 2007



Source: EU-SILC

### Material deprivation is much higher for the poor population

Material deprivation was also significantly higher for the at-risk-of-poverty population, 40 % on average in the EU-27 as opposed to 12 % for the population above the poverty threshold. This means that among the 495 million EU citizens in 2007, 32 million were both at risk of poverty and materially deprived.

#### Material Deprivation Rate by Poverty Status, 2007

	EU-27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT
Non Poores	12 s	7	:	12	5	8	9	6	15	7	8	10	25	36	22	1	33	10
Poores	40 s	42	:	55	20	34	41	30	50	21	35	36	64	76	61	17	71	28

	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH
Non Poores	4	7	32	16	43	11	26	6	4	7	:	:	:	7	:	4	:
Poores	19	33	67	50	85	41	67	32	20	26	:	:	:	15	:	16	:

Source: EU-SILC

s Eurostat estimate

#### Material Deprivation Rate by Poverty Status, 2007

	EU-27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT
Non Poores	12 s	7	:	12	5	8	9	6	15	7	8	10	25	36	22	1	33	10
Poores	40 s	42	:	55	20	34	41	30	50	21	35	36	64	76	61	17	71	28

	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH
Non Poores	4	7	32	16	43	11	26	6	4	7	:	:	:	7	:	4	:
Poores	19	33	67	50	85	41	67	32	20	26	:	:	:	15	:	16	:

Source: EU-SILC

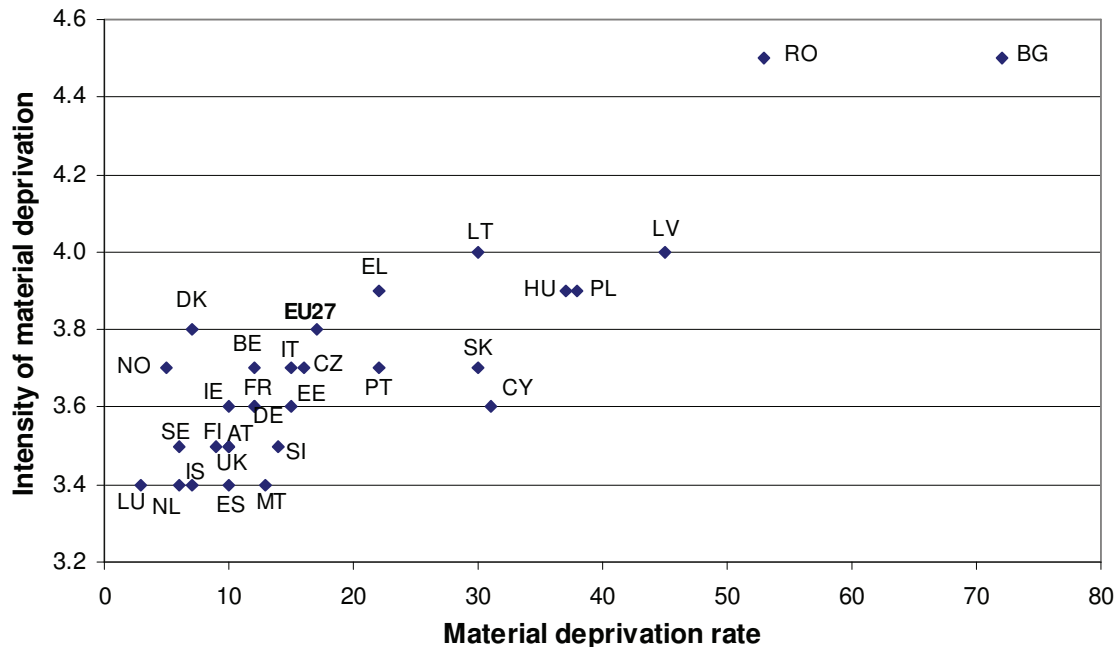
s Eurostat estimate

In general, the correlation measured at country level between the standard at-risk-of-poverty rate and the material deprivation rate is quite low (0.42), given essentially that in most countries not all people living in low-income households face material deprivation and vice-versa. The former indicator measures relative poverty expressed in monetary terms while the latter follows a more absolute approach in terms of incapacity to afford some items which are considered desirable or even necessary by most people to have an adequate life. Following this pattern, in most old Member States, less than one third of the at-risk-of-poverty population was also concerned by material deprivation. On the other hand, monetary poverty tended to be a synonym for material deprivation in Romania (85 % of the population at risk of poverty), Latvia (76 %) and Hungary (71 %).

### Material deprivation is more intense in countries where it is more frequent

The intensity of material deprivation, i.e. the mean number of deprived items among the deprived population, correlated highly with the material deprivation rate when measured at country level (0.88). In particular the intensity is greater in countries in which the highest share of population considered materially deprived is observed. At EU level the mean number of deprived items (among the deprived population) was 3.8 in 2007.

Material deprivation and its intensity in the EU (%), 2007



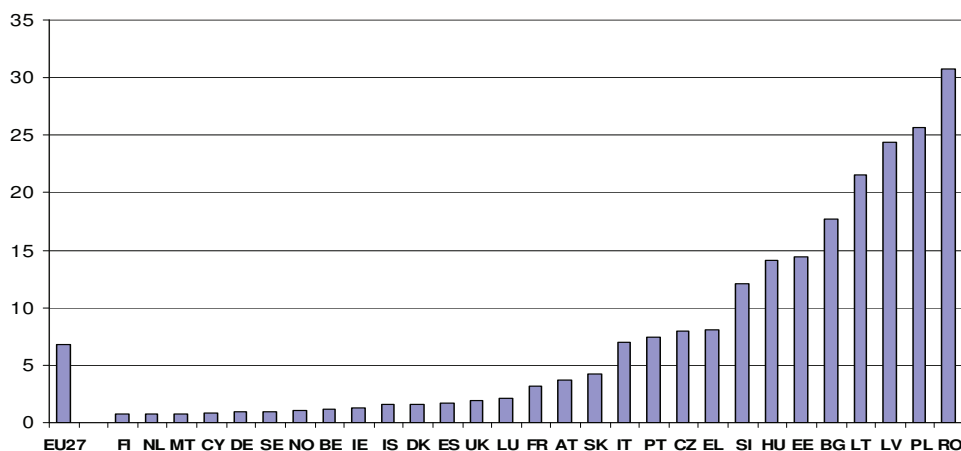
Source: EU-SILC

### Almost one child in ten lives in a dwelling with serious drawbacks

Given the importance of housing cost in disposable income the improvement of access to affordable and good quality housing conditions plays a particular role in the fight against social exclusion. Therefore information on housing deprivation completes the picture described by the material deprivation rate (only dealing with the economic strain and durables aspects).

In particular the index of severe housing deprivation shows that 7% of the whole EU27 population was concerned in 2007, with a peak of 31 % in Romania and more than 20 % in Poland, Latvia and Lithuania. On the other hand, the share of the population living in dwellings with serious drawbacks is extremely low in half of the Member States.

### Index of severe housing deprivation in the EU (%), 2007



Source: EU-SILC

In all countries the share of children (9.3 %) confronted with poor housing conditions was higher than the population average, as opposed to only 3.3 % of the elderly.

### Severe housing deprivation by age, 2007

	EU-27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT
Below 18 years	9.3	1.7	30.6	12.4	2.5	1.6	19.9	2.0	9.4	2.9	4.2	9.6	1.0	31.3	28.6	3.1	19.2	1.0
Between 18 and 64 years	6.9	1.2	17.1	7.8	1.7	1.0	14.3	1.1	8.5	1.7	3.4	7.6	0.8	24.4	21.5	2.1	13.5	0.6
65 years and more	3.3	0.1	8.0	2.9	0.0	0.2	8.8	0.3	5.6	0.5	1.0	2.9	0.7	15.5	12.5	0.7	9.5	0.6

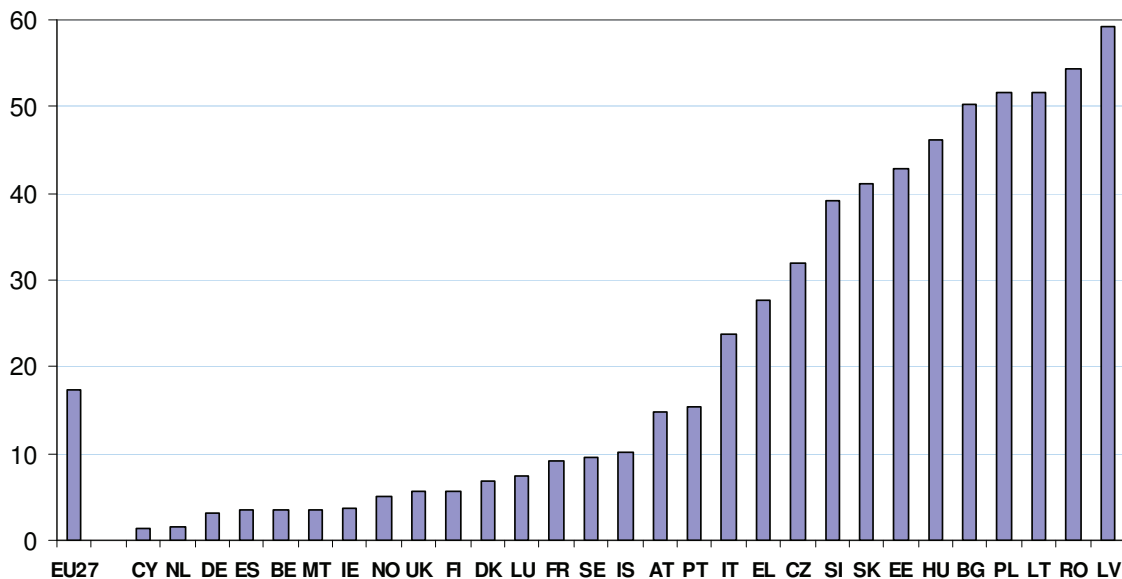
  

	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH
Below 18 years	0.9	5.2	31.6	11.2	44.4	14.8	6.1	0.3	1.1	3.5	:	:	:	2.1	:	1.3	:
Between 18 and 64 years	0.8	3.9	25.3	7.7	29.4	12.3	4.0	0.9	1.2	1.7	:	:	:	1.6	:	1.2	:
65 years and more	0.1	1.1	18.6	2.5	17.9	7.4	3.2	0.3	0.2	0.4	:	:	:	0.0	:	0.1	:

Source: EU-SILC

One of the key dimensions in assessing housing conditions concerns the level of occupation of dwellings. In 2007, 17.3 % of the EU population lived in an overcrowded dwelling according to the recently adopted EU definition. While the proportion was very low in Cyprus and the Netherlands (both below 2 %), the share of population living in an overcrowded dwelling reached or exceeded 50 % in Bulgaria (50 %), Poland and Lithuania (both 52 %), Romania (54 %) and Latvia (59 %).

**Overcrowding rate in the EU (%), 2007**

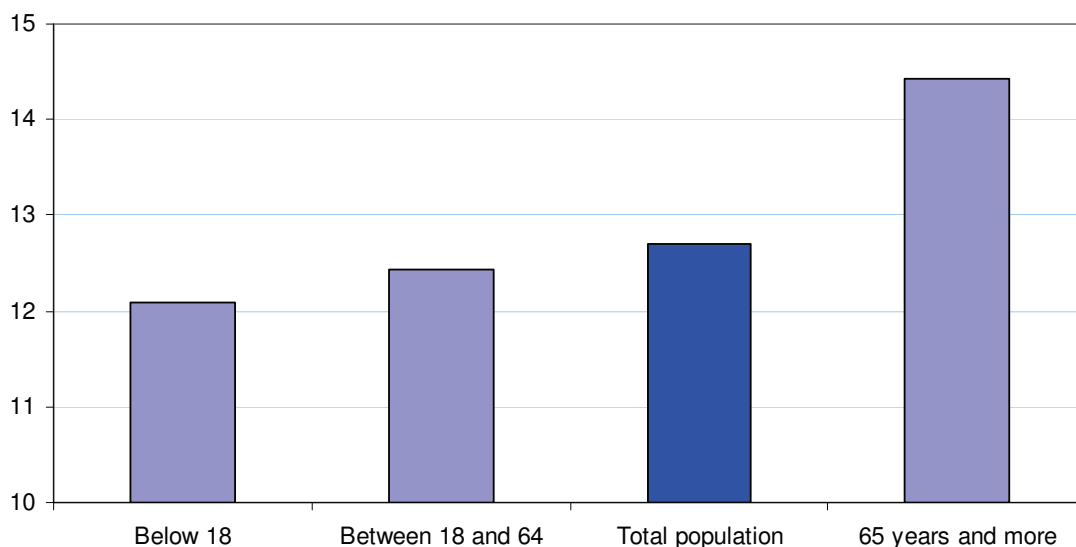


Source: EU-SILC

The figures for enforced lack of 'Bath/shower' and 'Indoor toilet' ranged in 2007 from a few percent in most Member States to about 20 % in the Baltic countries and more than 40 % in Romania. As regards dwellings considered as too dark, the values varied, going up to 17 % in Portugal.

Finally the affordability of housing should also be considered to assess the risk of social exclusion. The Indicators Sub-Group of the Social Protection Committee adopted in June 2009 an indicator measuring the share of population for which net housing cost represents more than 40% of disposable income. This share stands at 12.7 % in the EU-27 with variations from between 2 % and 3 % in Cyprus, Malta and Ireland to 40 % in Bulgaria. With the reduced income the elderly are more exposed (14.4 %) to housing cost overburden than the rest of the population.

**Housing cost overburden rate (%), 2007**



Source: EU-SILC



## Policy context

Improvement of living conditions and eradication of poverty are key objectives of the European Union. Under Article 136 of the EC Treaty the Member States must strive to promote employment, improved living and working conditions, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting employment and the combating of social exclusion.

In 2000, EU leaders established the Social Inclusion Process to make a decisive impact on eradicating poverty by 2010. Since then, the European Union has provided a framework for national strategy development as well as for policy coordination between the Member States on issues relating to poverty and social exclusion. Participation by actors such as NGOs, social partners and local and regional authorities has become an important part of this process.

The European Year for Combating Poverty and Social Exclusion (2010), which will coincide with the expiry of the Lisbon strategy, has the following objectives: (a) recognise the right of people in a situation of poverty and social exclusion to live in dignity and to play a full part in society; (b) increase public ownership of social inclusion policies and actions; (c) promote a more cohesive society; and (d) reiterate the strong political commitment of the EU to the fight against poverty and social exclusion.

## Methodological notes

Sources: Eurostat – Community Statistics on Income and Living Conditions EU-SILC (2007) income reference period 2006; except for UK, income year 2007 and for IE moving income reference period (2006-2007).

EU aggregates are Eurostat estimates obtained as a population size weighted average of national data.

Material deprivation is defined as the enforced lack of at least three of the nine following items<sup>151</sup>; ability to meet unexpected expenses, ability to pay for a one week annual holiday away from home, existence of arrears (mortgage or rent payments, utility bills, hire purchase instalments or other loan payments), capacity to have a meal with meat, chicken or fish every second day, capacity to keep home adequately warm, possession of a washing machine, a colour TV, a telephone or a personal car.

The index of severe housing deprivation is defined as the percentage of the population living in an overcrowded household AND deprived of at least one out of 3 housing items (1- leaking roof, damp walls/floors/foundation, or rot in window frames or floor; 2- bath or shower in the dwelling and indoor flushing toilet for sole use of the household; 3- problems with the dwelling: too dark, not enough light).

The overcrowding rate is defined as the percentage of the population living in an overcrowded household; a person is considered as living in an overcrowded household if the household does not have at its disposal a minimum of rooms equal to:

- one room for the household;
- one room for each couple;
- one room for each single person aged 18+;
- one room for two single people of the same sex between 12 and 17 years of age;
- one room for each single person of different sex between 12 and 17 years of age;
- one room for two people under 12 years of age.

The Housing cost overburden rate is defined as the percentage of the population living in a household where total housing costs (net of housing allowances) represent more than 40% of the total disposable household income (net of housing allowances).

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<sup>151</sup> The indicator makes an essential distinction between the persons who cannot afford a certain good or service, and those who do not have this good or service for any other reason, e.g. because they do not want or do not need it.

## Further reading

- Statistics in Focus (Population and social conditions): "79 million EU citizens were at-risk-of-poverty in 2007", No 46/2009.
- "Joint Report on Social Protection and Social Inclusion 2009", 2009, European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities
- (COM(2008) 418 final) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. "A renewed commitment to social Europe: Reinforcing the Open Method of Coordination for Social Protection and Social Inclusion", July 2008
- "European social statistics: Income, Poverty and Social Exclusion 2<sup>nd</sup> Report", 2003 edition. Eurostat

### Material deprivation rate, (2004-2007)

	Total				Females				Males			
	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007
EU-27	:	17s	17s	17s	:	18s	17s	17s	:	17s	16s	16s
EU-25	:	17	17	16	:	18	17	17	:	17	16	15
EU-15	:	12	12	13	:	13	13	13	:	12	12	12
EA-15	:	13	13	13	:	13	14	14	:	12	12	12
EA-13	:	13	13	13	:	13	14	14	:	12	12	12
EA-12	:	13	13	13	:	13	14	14	:	12	12	12
BE	12	13	13	12	12	14	14	13	12	13	12	11
BG	:	:	:	:	:	:	:	:	:	:	:	:
CZ	:	23	20	16	:	24	21	17	:	21	19	15
DK	6	8	8	7	7	8	9	8	6	7	7	6
DE	:	11	13	12	:	12	14	13	:	10	13	11
EE	21	27	18	15	23	28	19	17	20	25	16	14
IE	10	11	11	10	11	12	12	11	10	10	11	9
EL	25	26	23	22	26	28	25	23	24	25	22	21
ES	13	11	11	10	13	11	11	10	13	11	11	9
FR	14	13	13	12	15	14	14	12	14	12	12	11
IT	14	14	14	15	15	15	15	16	14	14	13	14
CY	:	31	31	31	:	32	31	32	:	31	30	30
LV	:	56	50	45	:	59	53	47	:	54	47	42
LT	:	52	41	30	:	53	43	31	:	50	39	28
LU	3	4	3	3	3	4	3	3	3	4	3	2
HU	:	40	38	37	:	41	38	38	:	39	37	37
MT	:	15	12	13	:	16	13	14	:	14	12	12
NL	:	8	6	6	:	8	7	6	:	7	6	5
AT	8	8	10	10	9	9	10	11	8	8	10	9
PL	:	51	44	38	:	51	45	39	:	50	43	38
PT	22	21	20	22	23	22	20	23	21	20	19	22
RO	:	:	:	53	:	:	:	54	:	:	:	53
SI	:	15	14	14	:	15	15	15	:	14	14	14
SK	:	43	36	30	:	44	37	32	:	42	35	28
FI	11	11	10	9	11	11	11	11	10	10	9	8
SE	7	6	6	6	7	7	6	6	6	5	6	6
UK	:	13	11	10	:	13	12	11	:	12	10	10
HR	:	:	:	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:	:	:
IS	8	8	7	7	9	9	8	8	8	7	6	7
LJ	:	:	:	:	:	:	:	:	:	:	:	:
NO	6	7	6	5	6	7	6	5	6	7	6	4
CH	:	:	:	:	:	:	:	:	:	:	:	:

Source: EU-SILC  
s Eurostat estimate

Material deprivation rate by age group, (2004-2007)

	Material deprivation rate by age group - Less than 18				Material deprivation rate by age group - Between 18 and 64 years				Material deprivation rate by age group - 65 years and over			
	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007
EU-27	:	20s	19s	19s	:	17s	16s	16s	:	15s	14s	15s
EU-25	:	20	19	18	:	17	16	16	:	15	14	14
EU-15	:	15	15	15	:	12	12	12	:	10	10	11
EA-15	:	14	15	15	14	13	13	13	:	12	11	12
EA-13	:	14	15	15	14	13	13	13	:	12	11	12
EA-12	:	14	15	15	14	13	13	13	:	11	11	12
BE	16	18	17	15	12	13	12	11	7	9	10	10
BG	:	:	:	:	:	:	:	:	:	:	:	:
CZ	:	27	23	20	:	21	19	15	:	26	20	17
DK	7	9	9	8	7	8	8	7	3	3	4	4
DE	:	12	16	13	:	12	14	13	:	7	7	7
EE	20	27	19	14	20	25	16	14	27	32	21	20
IE	14	17	16	14	10	10	10	10	5	5	6	4
EL	21	23	22	20	24	25	22	21	34	36	31	29
ES	14	12	13	9	13	10	10	9	14	12	13	11
FR	17	16	15	15	15	13	13	12	10	9	9	8
IT	16	16	16	18	14	14	14	14	14	13	13	14
CY	:	29	30	28	:	30	30	29	:	41	38	44
LV	:	53	48	43	:	54	48	42	:	69	63	59
LT	:	51	39	29	:	49	40	28	:	63	51	39
LU	3	6	4	4	3	4	3	3	2	2	1	1
HU	:	44	42	42	:	39	36	36	:	41	37	35
MT	:	17	14	16	:	14	12	12	:	16	12	12
NL	:	8	9	6	:	7	6	6	:	6	3	3
AT	10	9	12	12	8	8	10	10	7	9	9	10
PL	:	51	44	39	:	50	43	38	:	54	47	41
PT	23	23	20	24	19	18	17	21	31	31	30	27
RO	:	:	:	57	:	:	:	49	:	:	:	66
SI	:	14	12	13	:	14	14	14	:	19	19	18
SK	:	45	37	32	:	41	34	28	:	54	44	42
FI	13	12	11	10	11	11	10	10	6	9	8	8
SE	9	7	8	7	7	6	6	6	2	4	3	3
UK	:	19	17	15	:	12	11	10	:	5	5	5
HR	:	:	:	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:	:	:
IS	9	9	9	10	9	8	7	7	3	4	5	4
LI	:	:	:	:	:	:	:	:	:	:	:	:
NO	7	8	6	6	6	7	7	5	3	3	2	1
CH	:	:	:	:	:	:	:	:	:	:	:	:

Source: EU-SILC  
s Eurostat estimate

Mean number of deprivation items among the deprived

	Total				Females				Males			
	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007
EU-27	:	:	:	3.8	:	:	:	3.8	:	:	:	3.8
EU-25	:	3.8	3.7	3.7	:	3.8	3.7	3.7	:	3.8	3.8	3.8
EU-15	:	3.6	3.6	3.6	:	3.6	3.6	3.6	:	3.6	3.6	3.6
EA-15	:	3.6	3.6	3.6	:	3.6	3.6	3.6	:	3.6	3.6	3.6
EA-13	:	3.6	3.6	3.6	:	3.6	3.6	3.6	:	3.6	3.6	3.6
EA-12	:	3.6	3.6	3.6	:	3.6	3.6	3.6	:	3.6	3.6	3.6
BE	3.6	3.8	3.8	3.7	3.6	3.7	3.7	3.7	3.6	3.8	3.8	3.7
BG	:	:	:	4.5	:	:	:	4.5	:	:	:	4.5
CZ	:	3.8	3.8	3.7	:	3.8	3.8	3.7	:	3.8	3.8	3.7
DK	3.7	3.6	3.6	3.8	3.7	3.5	3.6	3.7	3.7	3.7	3.6	3.8
DE	:	3.6	3.5	3.6	:	3.6	3.5	3.6	:	3.6	3.5	3.6
EE	3.8	3.8	3.6	3.6	3.8	3.7	3.6	3.5	3.9	3.8	3.7	3.8
IE	3.8	3.7	3.7	3.6	3.8	3.7	3.7	3.6	3.8	3.8	3.7	3.7
EL	4	3.8	3.8	3.9	4	3.8	3.8	3.9	4	3.8	3.8	3.8
ES	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
FR	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.7	3.6	3.6	3.5
IT	3.8	3.7	3.7	3.7	3.8	3.7	3.7	3.7	3.8	3.8	3.7	3.7
CY	:	3.5	3.5	3.6	:	3.5	3.5	3.6	:	3.5	3.5	3.6
LV	:	4.4	4.1	4	:	4.4	4.1	4	:	4.4	4.1	4
LT	:	4.2	4.1	4	:	4.2	4.1	3.9	:	4.2	4.1	4
LU	3.5	3.6	3.5	3.4	3.4	3.5	3.5	3.3	3.5	3.6	3.4	3.5
HU	:	4	4	3.9	:	3.9	3.9	3.9	:	4	4	3.9
MT	:	3.6	3.4	3.4	:	3.5	3.4	3.4	:	3.6	3.4	3.4
NL	:	3.4	3.5	3.4	:	3.4	3.5	3.3	:	3.4	3.4	3.4
AT	3.6	3.5	3.5	3.5	3.6	3.5	3.4	3.5	3.7	3.5	3.5	3.5
PL	:	4.2	4.1	3.9	:	4.2	4	3.9	:	4.2	4.1	4
PT	3.7	3.7	3.7	3.7	3.7	3.7	3.8	3.7	3.8	3.7	3.7	3.7
RO	:	:	:	4.5	:	:	:	4.5	:	:	:	4.5
SI	:	3.5	3.5	3.5	:	3.5	3.5	3.5	:	3.5	3.5	3.5
SK	:	3.8	3.8	3.7	:	3.8	3.8	3.7	:	3.8	3.8	3.7
FI	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
SE	3.6	3.5	3.5	3.5	3.6	3.6	3.5	3.5	3.7	3.5	3.4	3.5
UK	:	3.6	3.6	3.5	:	3.6	3.5	3.5	:	3.5	3.6	3.5
HR	:	:	:	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:	:	:
IS	3.4	3.4	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.3	3.3
LI	:	:	:	:	:	:	:	:	:	:	:	:
NO	3.7	3.7	3.7	3.7	3.6	3.7	3.8	3.7	3.7	3.7	3.7	3.7
CH	:	:	:	:	:	:	:	:	:	:	:	:

Source: EU-SILC

## Overcrowding rate, (2005-2007)

### Overcrowding rate, all households - Total

	EU27	EU25	EU15	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU
2005	:	15.8	:	3.5	:	32.7	6.7	5.7	44.7	4.8	27.7	6.4	8.8	23.5	2.0	57.4	51.5	9.4	49.3
2006	:	16.0	:	3.5	:	32.8	6.5	6.8	44.7	5.3	27.7	3.9	7.7	23.8	1.7	58.3	52.4	7.4	50.5
2007	17.3	:	:	3.5	50.2	32.0	6.8	3.2	42.8	3.8	27.6	3.5	9.2	23.7	1.5	59.1	51.7	7.5	46.1
	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH	
2005	3.3	1.5	13.2	50.7	15.9	:	41.2	44.9	6.6	10.1	5.0	:	:	:	7.3	:	5.6	:	
2006	2.7	1.4	15.1	53.4	15.1	:	39.5	43.8	5.9	10.1	5.9	:	:	:	8.3	:	12.7	:	
2007	3.6	1.5	14.8	51.6	15.5	54.4	39.1	41.1	5.7	9.5	5.6	:	:	:	10.2	:	5.0	:	

### Overcrowding rate (except 1-person households) - Total

	EU27	EU25	EU15	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU
2005	:	16.4	:	3.3	:	33.3	6.0	4.6	46.4	5.0	28.7	6.7	8.0	25.6	2.1	59.3	54.3	9.1	52.6
2006	:	16.7	:	3.2	:	33.6	5.6	5.8	46.9	5.5	28.6	4.1	6.9	25.9	1.7	60.7	55.2	6.9	53.2
2007	18.4	:	:	3.2	52.9	32.9	6.0	2.7	44.9	3.9	28.6	3.7	8.4	25.9	1.4	61.0	54.8	6.9	48.9
	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH	
2005	3.5	1.2	13.6	52.6	16.7	:	42.4	44.8	3.6	7.2	5.5	:	:	:	6.8	:	4.4	:	
2006	2.9	0.9	15.4	55.6	15.9	:	40.6	44.2	3.0	7.9	6.5	:	:	:	8.4	:	13.5	:	
2007	3.8	1.2	15.2	53.8	16.3	57.4	40.1	42.7	2.8	7.0	6.1	:	:	:	10.3	:	3.8	:	

### Overcrowding rate - Females

	EU27	EU25	EU15	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU
2005	:	15.7	:	3.1	:	33.1	6.2	5.6	45.2	4.9	28.0	6.4	8.3	23.1	1.8	57.9	51.0	9.6	48.1
2006	:	15.8	:	3.5	:	33.3	6.1	6.7	45.2	5.5	27.6	3.7	7.3	23.4	1.6	59.1	51.6	7.5	49.8
2007	17.2	:	:	3.2	50.8	32.6	6.6	3.2	43.4	3.7	27.4	3.5	9.0	23.2	1.3	59.9	51.7	7.3	45.4
	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH	
2005	3.4	1.6	13.2	50.0	15.3	:	41.7	45.1	6.2	10.2	5.1	:	:	:	7.8	:	5.8	:	
2006	2.8	1.3	14.9	52.7	14.6	:	39.8	43.4	5.3	9.8	5.9	:	:	:	8.8	:	12.8	:	
2007	3.6	1.5	14.2	50.8	14.7	54.2	39.7	40.4	5.4	8.8	5.7	:	:	:	10.5	:	4.7	:	

### Overcrowding rate - Males

	EU27	EU25	EU15	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU
2005	:	15.9	:	4.0	:	32.2	7.1	5.9	44.0	4.7	27.5	6.3	9.2	24.0	2.2	56.8	52.1	9.3	50.5
2006	:	16.1	:	3.5	:	32.3	6.9	7.0	44.0	5.1	27.8	4.1	8.2	24.3	1.8	57.5	53.3	7.4	51.3
2007	17.4	:	:	3.9	49.7	31.4	7.0	3.2	42.2	3.8	27.8	3.6	9.4	24.3	1.6	58.3	51.8	7.6	46.9
	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH	
2005	3.3	1.4	13.3	51.5	16.5	:	40.7	44.6	6.9	9.9	5.0	:	:	:	6.9	:	5.4	:	
2006	2.7	1.6	15.2	54.2	15.6	:	39.2	44.3	6.5	10.4	5.8	:	:	:	7.7	:	12.6	:	
2007	3.5	1.6	15.4	52.3	16.3	54.8	38.6	41.9	6.0	10.1	5.5	:	:	:	9.9	:	5.3	:	

### Overcrowding rate - Below 18

	EU27	EU25	EU15	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU
2005	:	20.2	:	5.5	:	45.3	9.0	7.2	56.8	5.8	29.4	9.0	11.0	32.0	2.3	70.9	66.6	12.5	66.8
2006	:	20.4	:	5.6	:	45.5	8.2	8.6	57.2	6.9	31.5	6.2	9.7	33.0	1.6	71.7	64.8	9.4	64.3
2007	22.6	:	:	5.4	68.9	46.2	9.4	5.1	54.6	4.1	32.5	5.1	11.8	33.0	1.5	72.1	66.0	9.3	60.4
	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH	
2005	3.9	1.3	18.4	62.0	23.9	:	48.3	52.5	5.4	10.9	8.9	:	:	:	8.0	:	7.3	:	
2006	2.9	0.9	20.9	64.2	22.1	:	45.7	51.2	4.3	11.2	9.9	:	:	:	10.3	:	17.3	:	
2007	4.1	1.5	20.7	63.0	21.8	70.1	46.4	51.7	3.8	10.0	9.3	:	:	:	13.4	:	6.2	:	

### Overcrowding rate - Between 18 and 64

	EU27	EU25	EU15	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU
2005	:	16.5	:	3.5	:	32.1	7.2	6.3	45.1	5.0	31.1	6.6	9.3	25.3	2.0	57.7	51.9	9.7	49.4
2006	:	16.8	:	3.3	:	32.5	7.2	7.6	45.1	5.3	30.7	4.0	8.2	25.6	1.8	58.6	54.5	7.8	51.1
2007	18.2	:	:	3.6	52.1	31.4	7.4	3.3	43.7	4.1	30.4	3.7	9.9	25.8	1.4	59.5	53.2	7.9	46.2
	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH	
2005	3.4	1.8	13.6	50.5	16.0	:	43.1	45.7	7.1	10.7	4.7	:	:	:	7.9	:	5.9	:	
2006	2.9	1.9	15.4	53.7	15.4	:	41.4	45.2	6.7	11.5	5.8	:	:	:	8.5	:	13.4	:	
2007	3.8	1.8	15.3	51.8	16.1	55.8	40.7	43.2	6.5	11.0	5.6	:	:	:	10.3	:	5.7	:	

### Overcrowding rate - 65 years and more

	EU27	EU25	EU15	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU
2005	:	7.6	:	0.9	:	18.1	1.1	2.0	27.5	1.7	14.1	2.8	3.7	10.1	1.3	40.0	27.0	3.4	26.4
2006	:	7.4	:	1.3	:	17.0	1.0	2.2	27.9	1.5	13.6	1.4	3.2	9.8	1.6	39.9	26.4	2.1	28.4
2007	7.6	:	:	0.8	25.9	16.2	0.5	0.9	26.2	1.0	13.3	1.2	3.3	8.8	1.5	41.5	26.9	2.5	25.2

Housing cost overburden rate (2005-2007)

	Total			Females			Males			Housing cost overburden rate - Below 18			Housing cost overburden rate - Between 18 and 64			Housing cost overburden rate - 65 years and more		
	2005	2006	2007	2005	2006	2007	2005	2006	2007	2005	2006	2007	2005	2006	2007	2005	2006	2007
EU-27	:	:	12.7	:	:	13.4	:	:	12.0	:	:	12.1	:	:	12.4	:	:	14.4
EU-25	11.8 s	13.6 s	:	:	14.3 s	:	:	11.0 s	12.9 s	:	:	12.7 s	:	:	13.4 s	:	:	15.5 s
EU-15	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
BE	9.3	9.8	10.1	10.1	10.6	10.7	8.4	8.9	9.4	7.2	8.0	8.7	9.5	9.3	10.2	11.1	13.9	11.6
BG	:	:	40.0	:	:	41.7	:	:	38.1	:	:	40.6	:	:	38.1	:	:	46.1
CZ	10.0	10.8	10.3	10.8	11.9	11.5	9.2	9.5	9.1	10.6	11.4	10.8	9.4	9.8	9.2	11.9	14.4	14.8
DK	13.6	16.1	13.4	14.0	16.6	14.5	13.2	15.6	12.2	8.1	8.6	8.2	13.8	16.8	13.9	21.1	24.3	18.9
EE	8.1	7.2	5.2	8.8	8.2	5.6	7.3	6.1	4.8	7.2	6.3	5.0	7.6	6.7	5.0	11.3	10.4	6.5
IE	2.7	2.5	3.1	2.7	2.5	3.3	2.7	2.5	3.0	2.1	1.9	2.3	3.3	3.0	3.8	1.2	1.3	1.4
EL	:	:	16.0	:	:	17.3	:	:	14.6	:	:	18.9	:	:	15.4	:	:	15.1
ES	:	6.6	6.8	:	6.9	7.0	:	6.2	6.7	:	8.2	8.4	:	6.8	7.3	:	3.9	3.5
FR	5.0	5.5	5.6	5.7	6.4	5.9	4.3	4.7	5.3	2.3	3.5	3.4	5.5	6.0	6.3	6.8	6.5	5.8
IT	:	:	7.7	:	:	8.3	:	:	7.0	:	:	8.8	:	:	7.1	:	:	8.3
CY	6.6	3.1	1.9	7.7	3.3	2.3	5.5	3.0	1.5	4.2	3.0	1.5	5.3	3.0	1.7	19.1	3.8	3.3
LV	:	:	9.5	:	:	10.6	:	:	8.2	:	:	7.5	:	:	8.9	:	:	14.4
LT	9.3	6.9	4.9	10.0	8.1	5.3	8.5	5.6	4.3	9.9	5.8	4.5	9.4	6.6	4.8	7.9	9.7	5.8
LU	3.8	4.9	3.9	3.8	5.1	4.0	3.7	4.6	3.9	3.3	5.2	4.2	4.3	5.2	4.2	2.2	2.6	2.3
HU	18.1	12.3	7.3	18.8	12.7	8.0	17.3	11.8	6.4	20.6	14.5	7.1	18.6	12.0	7.0	12.6	10.1	8.6
MT	2.2	1.9	2.6	2.3	2.0	2.8	2.0	1.8	2.4	2.0	2.0	3.1	1.9	1.8	2.3	3.9	2.4	3.4
NL	20.4	19.9	18.6	20.8	20.6	19.6	20.0	19.2	17.5	21.2	18.0	18.4	20.1	19.8	17.4	20.7	23.7	24.4
AT	4.5	5.0	5.4	4.8	5.8	6.1	4.0	4.2	4.6	3.1	3.9	4.9	5.0	5.3	5.5	3.7	5.1	5.3
PL	16.5	12.0	10.5	17.3	12.9	11.4	15.7	11.1	9.6	17.1	12.0	10.1	17.0	12.2	10.6	13.4	11.4	10.5
PT	:	:	7.4	:	:	7.7	:	:	7.1	:	:	11.3	:	:	7.1	:	:	4.4
RO	:	:	18.4	:	:	19.2	:	:	17.5	:	:	17.7	:	:	16.9	:	:	26.2
SI	4.7	3.0	5.1	4.8	3.2	5.5	4.5	2.7	4.6	3.5	2.3	4.3	4.5	2.8	4.7	6.6	4.4	7.6
SK	14.9	17.2	18.9	15.6	19.5	20.6	14.0	14.7	17.1	15.9	14.5	19.0	13.6	14.4	16.7	21.6	36.1	30.0
FI	3.5	3.7	4.7	3.7	4.2	5.1	3.4	3.3	4.3	2.4	2.7	3.9	4.1	4.3	4.9	2.9	3.0	5.2
SE	9.7	9.9	7.8	10.7	9.9	8.1	8.5	9.8	7.5	5.5	7.7	4.5	9.1	9.4	7.7	18.3	15.2	12.9
UK	15.3	16.5	16.9	15.2	17.1	17.4	15.3	15.9	16.3	14.4	16.1	17.4	16.1	16.7	17.0	13.1	16.5	15.7
HR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
IS	11.0	13.1	10.1	10.7	12.5	9.4	11.3	13.7	10.9	11.7	16.3	11.0	11.3	12.8	10.2	7.6	6.6	7.6
LI	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NO	4.3	11.0	13.5	4.2	10.7	13.3	4.4	11.3	13.6	4.3	8.3	11.9	4.4	12.7	15.5	3.7	8.2	7.3
CH	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:

Source: EU-SILC

s Eurostat estimate

Note: Germany data not shown but included in the averages

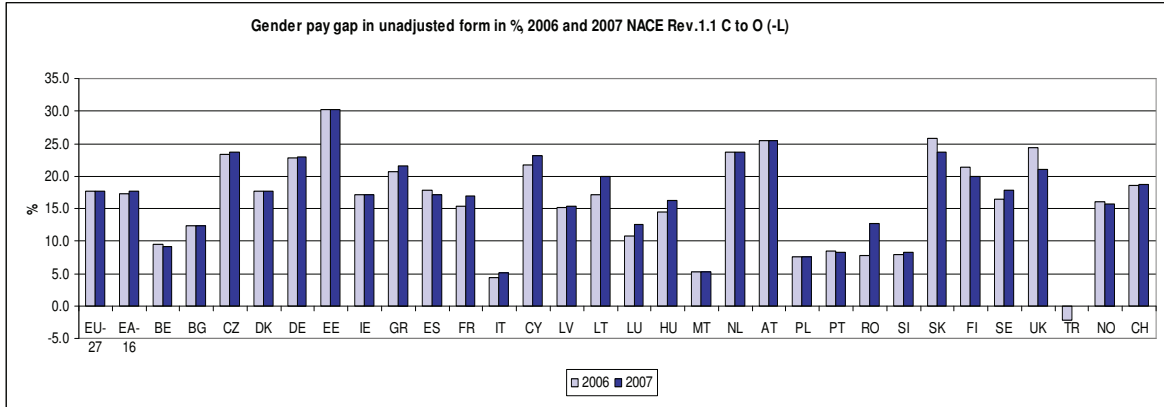
Severe housing deprivation rate

	Total			Females			Males			Severe housing deprivation rate- Below 18			Severe housing deprivation rate, Between 18 and 64			Severe housing deprivation - 65 years and more		
	2005	2006	2007	2005	2006	2007	2005	2006	2007	2005	2006	2007	2005	2006	2007	2005	2006	2007
EU27	:	:	6.8	:	:	6.7	:	:	6.8	:	:	9.3	:	:	6.9	:	:	3.3
EU25	6.5	6.4	:	6.4	6.3	:	6.6	6.4	:	8.8	8.4	:	6.6	6.6	:	3.3	3.1	:
BE	1.6	1.1	1.1	1.2	1.0	0.9	2.0	1.2	1.4	2.5	1.9	1.7	1.6	1.1	1.2	0.3	0.2	0.1
BG	:	:	17.8	:	:	17.3	:	:	18.2	:	:	30.6	:	:	17.1	:	:	8.0
CZ	9.6	10.4	8.0	9.6	10.3	7.9	9.6	10.4	8.1	14.8	15.8	12.4	9.2	10.2	7.8	4.7	4.1	2.9
DK	1.1	1.2	1.6	1.1	1.4	1.5	1.0	1.0	1.7	1.5	2.1	2.5	1.2	1.2	1.7	0.0	0.0	0.0
DE	1.5	2.2	1.0	1.5	2.2	1.0	1.6	2.2	1.0	2.4	3.0	1.6	1.6	2.5	1.0	0.3	0.4	0.2
EE	16.9	14.9	14.5	17.0	15.1	14.4	16.9	14.7	14.6	23.3	21.5	19.9	16.5	14.1	14.3	10.5	9.9	8.8
IE	1.4	2.3	1.2	1.5	2.3	1.3	1.3	2.3	1.2	2.3	3.0	2.0	1.2	2.4	1.1	0.5	0.2	0.3
EL	8.8	8.7	8.1	8.8	8.6	7.8	8.9	8.9	8.3	8.8	9.0	9.4	9.6	9.4	8.5	6.0	6.1	5.6
ES	2.2	1.6	1.7	2.1	1.5	1.7	2.2	1.8	1.7	3.6	3.3	2.9	2.1	1.5	1.7	0.9	0.5	0.5
FR	2.8	2.6	3.2	2.5	2.3	3.1	3.1	2.9	3.2	4.0	3.4	4.2	2.9	2.8	3.4	1.0	0.5	1.0
IT	7.8	7.6	7.0	7.8	7.5	6.8	7.8	7.7	7.3	10.8	10.5	9.6	8.2	8.0	7.6	3.6	3.7	2.9
CY	1.5	1.3	0.8	1.3	1.1	0.7	1.7	1.4	0.9	1.7	1.3	1.0	1.5	1.3	0.8	1.0	1.2	0.7
LV	30.3	26.8	24.4	30.4	26.6	24.8	30.2	26.9	23.9	40.7	35.5	31.3	29.9	26.3	24.4	19.6	17.4	15.5
LT	27.6	25.7	21.6	27.1	24.8	21.1	28.1	26.6	22.1	37.4	34.0	28.6	27.1	25.9	21.5	15.1	12.9	12.5
LU	2.2	1.7	2.1	2.1	1.4	1.8	2.3	2.0	2.4	2.7	2.2	3.1	2.3	1.7	2.1	0.6	0.5	0.7
HU	22.4	18.8	14.1	21.8	18.4	14.0	23.1	19.3	14.2	31.6	25.4	19.2	21.9	18.2	13.5	13.0	12.2	9.5
MT	0.9	0.7	0.7	0.9	0.7	0.7	0.9	0.6	0.7	1.2	0.8	1.0	0.9	0.7	0.6	0.3	0.5	0.6
NL	:	:	0.7	:	:	0.7	:	:	0.7	:	:	0.9	:	:	0.8	:	:	0.1
AT	3.2	3.7	3.7	3.2	3.4	3.6	3.1	4.1	3.9	3.8	4.6	5.2	3.4	4.0	3.9	1.7	1.5	1.1
PL	28.0	28.4	25.7	27.4	27.9	25.1	28.7	28.8	26.3	34.5	34.3	31.6	27.5	28.1	25.3	20.5	20.3	18.6
PT	7.4	7.1	7.4	7.2	6.7	7.1	7.7	7.5	7.8	11.3	10.3	11.2	7.3	7.2	7.7	3.6	3.3	2.5
RO	:	:	30.7	:	:	30.3	:	:	31.2	:	:	44.4	:	:	29.4	:	:	17.9
SI	12.1	12.9	12.1	12.3	13.0	12.4	11.9	12.7	11.7	14.9	14.6	14.8	12.5	13.3	12.3	6.9	9.0	7.4
SK	6.1	5.1	4.3	6.2	5.0	4.3	5.9	5.3	4.3	7.6	6.9	6.1	5.8	4.8	4.0	4.9	3.9	3.2
FI	0.9	0.7	0.7	0.8	0.7	0.6	1.0	0.8	0.8	0.9	0.5	0.3	1.0	0.8	0.9	0.7	0.6	0.3
SE	0.9	1.3	1.0	1.0	1.3	0.9	0.9	1.2	1.2	0.9	1.6	1.1	1.1	1.4	1.2	0.3	0.3	0.2
UK	1.9	1.9	1.9	1.9	2.0	2.0	2.0	1.8	1.8	3.8	3.1	3.5	1.7	2.0	1.7	0.2	0.2	0.4
HR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
IS	1.4	1.4	1.6	1.4	1.6	1.6	1.3	1.2	1.5	1.5	2.0	2.1	1.6	1.4	1.6	0.0	0.2	0.0
LI	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NO	1.4	2.1	1.1	1.5	2.2	1.1	1.3	1.9	1.1	1.9	2.8	1.3	1.5	2.2	1.2	0.0	0.3	0.1
CH	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:

Source: EU-SILC

## 15. EARNINGS OF WOMEN AND MEN

**In all EU-27 Member States, the average gross hourly earnings of women in 2007 were estimated at 17.6% less than the gross hourly earnings of men<sup>152</sup>. The smallest differences are found in Italy, Malta, Portugal, Slovenia, Romania and Belgium (less than 10%), the biggest in Estonia, Czech Republic and Austria (more than 25%). 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.**



Source: Eurostat - GPG based on the Structure of Earnings Survey (SES)

## Sizeable pay differences between men and women persist in Europe

### Gender pay gap in unadjusted form (%), 2007

(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) in enterprises with 10 employees and more in economic activities of NACE Rev. 1.1 aggregate C to O (excluding L).

EU-27	EA-16	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT
17.6	17.5	9.1	12.4	23.6	17.7	23.0	30.3	17.1	21.5	17.1	16.9	5.1	23.1	15.4	20.0	12.5	16.3	5.2
NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH		
23.6	25.5	7.5	8.3	12.7	8.3	23.6	20.0	17.9	21.1						15.7	18.7		

Notes:

EU-27, EA-16 (provisional)

EE, EL, ES, IT and MT (2006 data)

Source: Eurostat - GPG based on the Structure of Earnings Survey (SES)

According to the GPG figures calculated on the basis of the methodology of the Structure of Earnings Surveys (SES) for 2006 and on SES comparable national data for the reference year 2007, the gender pay gap – difference in average gross hourly earnings as a percentage of men's average gross hourly earnings – varied between 4 % and 30 %. Women's earnings remain on average below those of men in all EU countries.

<sup>152</sup> The Gender Pay Gap (GPG) is defined as the difference in average gross hourly earnings as a percentage of men's average gross hourly earnings.

Source: From reference year 2006 onwards, the new GPG data are based on the methodology of the Structure of Earnings Survey (Reg.: 530/1999) carried out with a four-yearly periodicity. The most recent available reference years are 2002 and 2006 and Eurostat computed the GPG for these years on this basis. For the intermediate years (2007 onwards) countries provide Eurostat with estimates benchmarked on the SES results.

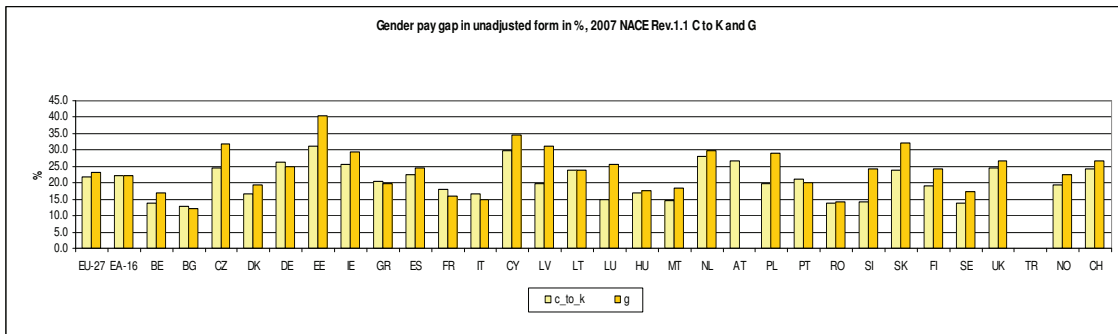
According to the new methodology the coverage is defined as follows:

- target population: all employees, there are no restrictions for age and hours worked.
- economic activity according to NACE Rev. 1.1. Statistical Classification of Economic Activities in the European Community: only for the aggregate sections C to O (excluding L); and if available, also for sections C to O and aggregate C to O.
- size of enterprises: 10 employees or more.

Gross hourly earnings shall include paid overtime and exclude non-regular payments. Also, part-time employees shall be included.



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



Notes: Reference year (sectors C-F): 2000 ES; 2003 EL; 2004 PL; 2005 EE, IE, LT (full-time units), NL, SI, HR; 2006 BE, CZ, DE, FR, CY, AT, PT and CH; (sector G): 2003 EL; 2004 PL; 2005 IE, NL, EE, LT (full-time units), NL, SI, HR; 2006 BE, CZ, DE, FR, CY, AT, PT and CH.

The bars are in the order of the bars of the previous graph in order make it easy to compare the two graphs.

Source: Eurostat, statistics on annual gross earnings (Gentlemen's agreement)

Women and men in employment differ significantly as regards 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 with supervisory or managerial job status. They also vary between different sectors of activity and different occupations. The GPG 2007 for the broad sector of activity *Industry and merchant services from the one hand* and its sub part *Wholesale and retail trade; Repair of motor vehicles and personal & household goods* are presented in the graph above. Gender pay gaps vary between 13 % in Bulgaria and 31 % in Estonia for *Industry and merchant services*, which includes *Industry*, which is a strongly male-dominated sector. However, they vary between 12 % in Bulgaria and 41 % in the Estonia for *Wholesale and retail trade*, which is a sector slightly more women-oriented sector. In most countries the gender pay gaps are bigger in *Wholesale and retail trade etc.* than in the total of *Industry and merchant services*.

Women have much less managerial responsibility 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 were women in 2005, a slight increase since 2000. The highest percentages of women among managers are found in Lithuania and Latvia, while the lowest percentages are in Malta and Cyprus.

Furthermore women tend to be in non-standard employment such as fixed-term and part-time work. In the EU-27, 31.1 % of women were working part-time in 2008, against 7.9 % of men. Compared to 2003, the share of part-time employment rose by 2.0 percentage points for women and 1.1 percentage points for men. The share of female part-timers exceeded 30 % in Denmark, Ireland, Denmark and Luxembourg, 40 % in Belgium, Germany Austria, Sweden and the United Kingdom, 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 Latvia and Lithuania (less than 10%). 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 gap widens considerably throughout working life.

Both the differences in the composition of the male and female workforce and differences in the remuneration of jobs performed by men and women contribute to the overall gender pay gap. As shown in *Employment in Europe 2005 and 2007*, differences in the male and female workforce composition related to the sector of employment and the occupational category contribute significantly to the gender pay gap. Since such compositional differences can stem from 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 ones and indirect ones related to the above choices — have to be addressed to reduce the differences in pay.

## Policy context

**Treaty:** The big gender differences which persist in 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."

**Directives:** Adopted the on 10 February 1975, Council Directive 75/117/EEC on the approximation of the laws of the Member States relating to the application of the principle of equal pay for men and women was the first "gender equality directive". It establishes the principle of equal pay which means, for the same work or for work to which equal value is attributed, the elimination of all discrimination on grounds of sex with regard to all aspects and conditions of remuneration. It is therefore the first legal text referring to work of equal value.

The main legal text on the principle of equal treatment between women and men is currently Directive 2006/54/EC (the recast Directive), which consolidates within a single text seven previous Directives, in particular Directive 75/117/EC.

**Employment guidelines:** According to 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 measures would be 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 advocated both the settings of targets for tackling the pay gap and the inclusion in the strategy, inter alia, of 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. Under the 2003 Employment Guidelines, policies were to be aimed at achieving by 2010 a substantial reduction in the gender pay gap in each Member State, through a multi-faceted approach addressing the underlying factors, including sectoral and occupational segregation, education and training. The 2005 Employment Guidelines (No 18) called for a life-cycle approach to work, through resolute action to increase female participation and reduce gender gaps in employment, unemployment and pay; they sought also (No 22) to ensure employment-friendly labour cost developments and wage-setting mechanisms, by encouraging social partners within their own areas of responsibility to set the right framework for wage bargaining in order to reflect productivity and labour market challenges at all relevant levels and to avoid gender pay gaps. Finally, the 2008-2010 Employment Guidelines keep the same content as the 2005 ones, adding that the gender pay gap should be reduced and that particular attention should be given both to the low level of wages in professions and sectors which tend to be dominated by women and to the reasons for reduced earnings in professions and sectors.

**2007 Communication "Tackling the pay gap between women and men":** In line with the the Roadmap for Equality between women and men, the Commission presented in 2007 a Communication on how to tackle the gender pay gap. The document examines the causes of the gender pay gap and puts forward possible ways of reducing it:

- Ensuring better application of existing legislation (analysing how current laws could be adapted and raising awareness);
- Fighting the pay gap as an integral part of Member States' employment policies (exploiting full potential of EU funding, in particular the European Social Fund);
- Promoting equal pay among employers, especially through social responsibility;
- Supporting exchange of good practices across the EU and involving the social partners.

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

## Methodological notes

From reference year 2006 onwards, the *new* GPG (Gender Pay Gap) in unadjusted form is based on the methodology of the SES (Structure of Earnings Survey according to Regulation (EC) 530/1999). The SES is carried out with a four-yearly periodicity. The most recent available reference years for the SES are 2002 and 2006. Eurostat computed the GPG for these years on this basis. For the intermediate years (2007 onwards) countries provide to Eurostat with GPG estimates benchmarked on the SES results.

The GPG in unadjusted form represents 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 GPG is calculated using the arithmetic mean.

According to the new methodology the coverage is defined as follows:

- target population: all employees, there are no restrictions for age and hours worked;
- economic activity according to NACE Rev. 1.1. (Statistical Classification of Economic Activities in the European Community): aggregate value for sections C to O (excluding L); detailed sections C to O and aggregate C to O values are optional;
- size of enterprises: 10 employees or more.

Gross hourly earnings include paid overtime and exclude non-regular payments. Also, part-time employees are included.

As regards the "*old*" GPG figures previously published by Eurostat, countries calculated results using different data sources (administrative file, Labour Force Survey, EU-SILC – European survey about income and living conditions – or specific national surveys) involving distinct definitions, different coverage, sample size problems, etc.. All these elements hampered the GPG indicator's data quality and its comparability between Member States (this is why it was agreed to switch to an EU-level comparable common data source: the SES).

Harmonised average gross annual 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. Average annual gross earnings data are provided once a year by Member States to Eurostat on a voluntary basis (Gentlemen's agreement).

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 (EU LFS) and on European System of National Accounts (ESA 95).

Quarterly LFS data have been available since the first quarter of 2003 in all EU countries, except Germany (quarterly estimates provided until German LFS became quarterly from 2005) and Luxembourg. Data for France refer to metropolitan France (excluding overseas departments).

The classification by part-time or 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.

## Further reading:

- The life of women and men in Europe. A statistical portrait, edition 2008, Eurostat; Theme: Population and social conditions; Collection: Statistical books, ISBN 978-92-79-07069-3, Cat. No. KS-80-07-135-EN-N

[http://epp.eurostat.ec.europa.eu/portal/page?\\_pageid=1073,46587259&\\_dad=portal&\\_schema=PORTAL&p\\_product\\_code=KS-80-07-135](http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1073,46587259&_dad=portal&_schema=PORTAL&p_product_code=KS-80-07-135)

- List of publications about Gender Equality at the Commission's DG Employment and Social affairs website:  
[http://ec.europa.eu/employment\\_social/emplweb/gender\\_equality/publications\\_en.cfm](http://ec.europa.eu/employment_social/emplweb/gender_equality/publications_en.cfm)
- Link to the European annual Reports on Equality between Women and Men in the European Union:  
[http://ec.europa.eu/employment\\_social/gender\\_equality/gender\\_mainstreaming/activity\\_reports\\_en.html](http://ec.europa.eu/employment_social/gender_equality/gender_mainstreaming/activity_reports_en.html)
- Changing European Gender Relations: Gender Equality Policy Concerning Employment and the Labour Market, Policy Review Series n°6, 2007
- "Employment in Europe 2007", European Commission, Employment and Social Affairs DG, October 2007
- (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 — Tackling the pay gap between women and men, 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/social/main.jsp?catId=418&langId=en>  
[http://ec.europa.eu/employment\\_social/gender\\_equality](http://ec.europa.eu/employment_social/gender_equality)
- Gender pay gap:  
<http://ec.europa.eu/social/main.jsp?catId=681&langId=en>
- 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>
- 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
- '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)

### Gender pay gap in unadjusted form, %

The unadjusted Gender Pay Gap (GPG) represents 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.

	2002	2006	2007
EU-27		17.7	17.5
EA-16		17.3	17.5
BE	:	9.5	9.1
BG	18.9	12.4	12.4
CZ	22.1	23.4	23.6
DK	:	:	17.7
DE	:	22.7	23.0
EE	:	30.3	30.3
IE	15.1	17.2	17.1
EL	25.5	20.7	20.7
ES	20.2	17.9	17.6
FR	:	15.4	16.9
IT	:	4.4	4.4
CY	22.5	21.8	23.1
LV	:	15.1	15.4
LT	13.2	17.1	20.0
LU	:	10.7	10.0
HU	19.1	14.4	16.3
MT	:	5.2	5.2
NL	18.7	23.6	23.6
AT	:	25.5	25.5
PL	7.5	7.5	7.5
PT	:	8.4	8.3
RO	16.0	7.8	12.7
SI	6.1	8.0	8.3
SK	27.7	25.8	23.6
FI	:	21.3	20.0
SE	:	16.5	17.9
UK	27.3	24.3	21.1
HR			
MK			
TR			
IS			
LI			
NO	:	16.0	15.7
CH			

Notes: NACE Rev. 1.1 aggregate C to O (excluding section L); enterprises with 10 employees

EU-27, EA-16 (provisional)

EE, EL, ES, IT and MT (2006 data)

## 16. LIFE AND HEALTH EXPECTANCIES

**Life expectancy in the EU-27 was 82.0 years for women and 75.8 for men in 2006. In all 27 Member States, Croatia and the Former Yugoslav Republic of Macedonia and the four EFTA countries women live longer than men.**

### Life expectancy at birth, 2007

(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.)

	EU-27	EA-16	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT
Females	82.0	83.3	82.6	76.7	80.2	80.6	82.7	78.8	82.1	81.8	84.3	84.8	84.2	82.2	76.5	77.2	82.2	77.8	82.2
Males	75.8	77.3	77.1	69.5	73.8	76.2	77.4	67.2	77.4	77.1	77.8	77.6	78.5	77.9	65.8	64.9	76.7	69.4	77.5

	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK		HR	MK	TR		IS	LI	NO	CH
Females	82.5	83.1	79.8	82.2	76.9	82.0	78.4	83.1	83.1	81.8		79.3	75.9	:		83.4	83.6	82.9	84.4
Males	78.1	77.4	71.0	75.9	69.7	74.7	70.6	76.0	79.0	77.6		72.3	71.8	:		79.6	79.1	78.3	79.5

Note: EU-27, EA-16, IT:2006

: Data not available

Source: Eurostat - Demographic statistics

## Women can expect to live 6.2 years longer than men in the EU-27

From 1960 to 2006, life expectancy of women and men has risen quite steadily in almost all EU countries<sup>153</sup>. Throughout the EU-27, women live longer than men. In 2006, the life expectancy of women in the EU-27 was 82.0 years while for men it was 75.8 years, which makes a difference of 6.2 years. Across the EU-27, considerable differences can be observed: life expectancy at birth varies for men from about 65 years in Lithuania and Latvia to about 79 years in Italy and Sweden, and for women from around 76 years in Bulgaria, Latvia and Romania to about 84 years in Spain, France and Italy. The gender gap can go from about 4 years in Cyprus, Netherlands, Sweden and United Kingdom to about 11 or 12 years in the Baltic States.

## Differences in disability-free life expectancy is less distinct between women and men

### Healthy Life Years at birth, 2007

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 disabled/dying)

	EU-27	EA-16	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT
Males	61.6e	:	63.3	:	61.3	67.4	58.8	49.5	62.7	65.9	63.2	63.1	62.8e	63.0	50.9	53.4	62.2	55.0	69.0
Females	62.3e	:	63.7	:	63.2	67.4	58.4	54.6	65.3	67.1	62.9	64.2	62.0e	62.7	53.7	57.7	64.6	57.6	70.8

	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK		HR	MK	TR		IS	LI	NO	CH
Males	65.7	58.4	57.4	58.3	60.4	58.7	55.4	56.7	67.5	64.8e		:	:	:		72.8	:	66.4	:
Females	63.7	61.1	61.3	57.3	62.4	62.3	55.9	58.0	66.6	66.2e		:	:	:		71.7	:	66.0	:

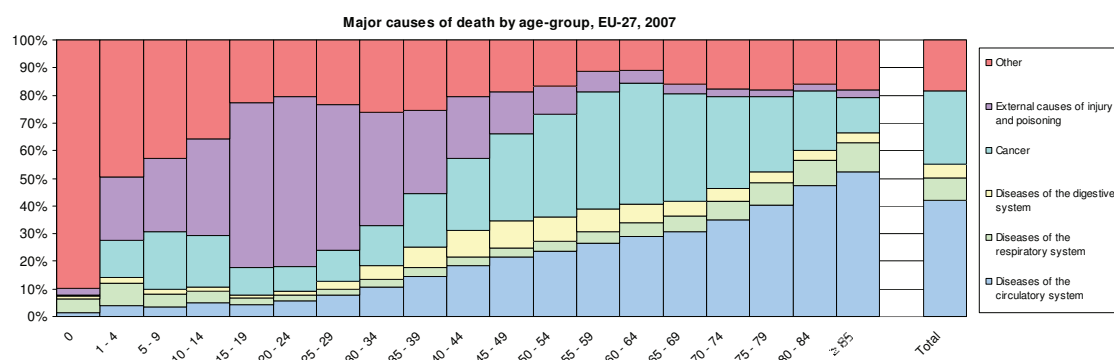
Source: Eurostat - Health Statistics.

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 years that a person of a specific age is expected to live in good health i.e. without any severe or moderate limitation in functioning because of health problems / without any disability. The general increase in life expectancy has been accompanied by an increase also in healthy life years. There is no clear-cut evidence of a reduction in the gap between life expectancy and healthy life years. The number of healthy life years is in general also greater for women than for men although the gender gap is either non-existent or reversed in a number of countries (Denmark, Germany, Spain, Italy, Cyprus, the Netherlands, Portugal and Sweden). The highest differences are noticed in Estonia and Lithuania (5.1 years, respectively 4.3 years more for women). However, these differences are smaller than for life expectancy.

<sup>153</sup>

Some EU Member States that experienced the economic transition from a planned to a market economy (e.g. BG, LT, RO and LV) saw a temporary drop in life expectancy from 1986 to 1996 though they have since shown significant recovery.

## Circulatory (notably cardiovascular) diseases and cancer remained the major causes of death



Mortality values for the EU-27 in 2007 show that diseases of the circulatory system remain the major cause of death, with cardiovascular diseases responsible for 40 % of all deaths according to sex and age. The second most frequent cause of death is cancer (25.3 %), being higher in men (229 000 cases per year) than in women (131 000). For 60-64 year olds, cancer represents 43.9 % of all causes of death. Diseases of the respiratory system emerge as the third most relevant cause of death (7.8 %). External causes account for 4.9 % of all deaths and are most relevant for younger people, particularly for men aged between 20 and 24, corresponding to 61.4 % of deaths in that age group. Diseases of the digestive system are more frequent for the middle age group (40-59 years).



Practising medical staff per 100 000 inhabitants

	Physicians (a)		Dentists (b)		Nursing professionals (c)	
	1997	2007	1997	2007	2000	2007
EU-27	:	:	:	:	:	:
EA-16	:	:	:	:	:	:
BE	367	402	79	81	584	639
BG	346	365	63	85	437	467
CZ	311	356	63	67	806	845
DK	262	314	81	82	1257	1459
DE	313	346	72	76	958	1000
EE	325	323	72	85	623	666
IE	213	299	45	58	:	:
EL	398	499	108	121	:	:
ES	294	368	39	54	658	761
FR	325	336	67	67	689	799
IT	401	364	49	54	:	700
CY	250	272	85	92	:	:
LV	288	287	44	68	479	557
LT	377	371	59	69	805	735
LU	226	:	57	:	187	:
HU	308	281	37	40	579	596
MT	246	331	:	43	:	619
NL	293	384	45	50	1281	1501
AT	293	374	46	54	729	754
PL	236	218	46	33	553	565
PT	261	:	30	:	353	:
RO		222	:	54	530	640
SI	219	238	59	61	685	773
SK	240	316	10	50	751	633
FI	230	270	83	:	:	:
SE	292	357	83	83	:	:
UK		249	:	48	:	955
HR	228	266	63	74	:	:
MK	224	254	54	58	357	350
TR			20	:	:	:
IS	325	367	104	93	1388	1460
LI						
NO	252	388	84	87	:	2495
CH	326	383	50	52	:	1486

Notes: a) CZ, DE, FR, PL, SE, SK, MK:2006; EL: 2005; NL, SI: 1998 2) EL, FR, IT, MK, CH: professionally active physicians; IE, MT, NL: physicians licensed to practise

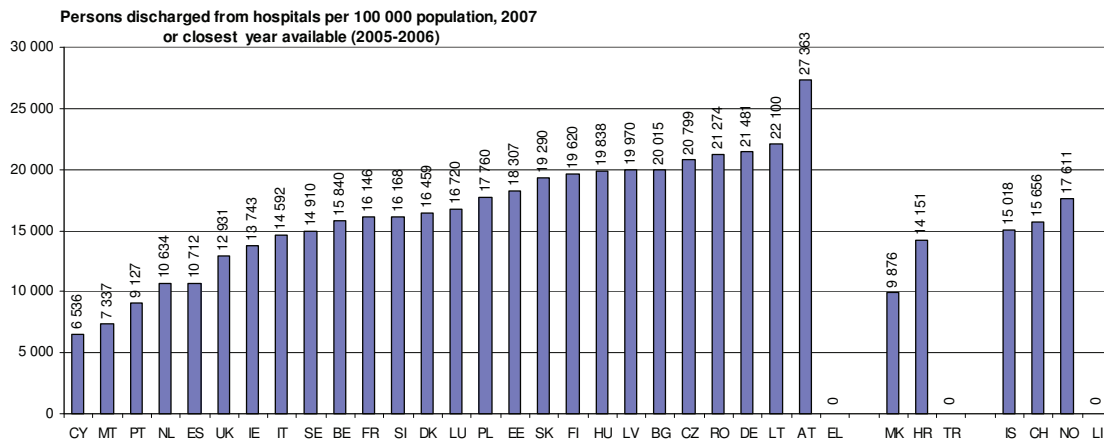
b) CZ, DE, PL, SE, SK, MK:2006; EL: 2005; NL, SI: 1998 2) FR, IT, MK: professionally active dentists; IE, ES, MT, PT: dentists licensed to practise

c) CZ, DE, PL, SK, MK: 2006. 2) FI, FR, LT, SK, MK: nurses professionally active; LU, NL: nurses licensed to practise

Source: Eurostat - Health and safety statistics.

Between 1997 and 2007, the density of physicians, dentists and nurses (expressed per 100 000 inhabitants) increased in almost all Member States but the figures and staff mix across Europe vary. For practising physicians, they ranged from around 400 per 100 000 inhabitants in Belgium and Austria to fewer than 250 in Poland, Romania, Slovenia and the United Kingdom. For practising dentists as many as 92 per 100 000 inhabitants were reported for Cyprus but only 33 per 100 000 inhabitants for Poland. For practising nursing professionals, which covers midwives and nurses, the range is from fewer than 600 per 100 000 inhabitants for Bulgaria, Latvia, Hungary and Poland to around 1 500 per 100 000 inhabitants for Denmark and Luxembourg. Density of physicians increased the most in Ireland, Luxembourg, Malta and Slovakia while Hungary, Italy, Poland, Lithuania and Estonia reported an overall slight decrease of their density rates (with a maximum of 9 % for Hungary and Italy).

## Eight Member States discharged 20 000 or more in-patients per 100 000 population in 2007



Source: Eurostat - Health and safety statistics.

The number of hospital discharges of in-patients ranged from fewer than 8 000 in Cyprus and Malta to 20 000 or more in Bulgaria, the Czech Republic, Germany, Lithuania, Latvia, Hungary, Austria and Romania. These differences may partly reflect the differences in organisation of healthcare services.

Going by 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 for these diseases per 100 000 ranging from fewer than 800 in Cyprus and Malta to 4 485 in Lithuania), followed by discharges for diseases of the digestive system (over 10 % of all discharges in Belgium, Spain, Cyprus and Portugal, around 1 600 in-patients suffering from digestive diseases are discharged each year). Cancers and injuries also featured prominently, each accounting for around 9 % of all hospital discharges.

## The number of hospital beds further decreases

Hospital beds per 100 000 inhabitants

	EU-27	EA-16	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT
1996	714	740	798	1050	827	470	958	796	680	517	389	877	655	499	1038	1092	1080	903	577
2006	563	594	673	621	741	362	829	565	534	474	334	718	395	374	759	801	569	792	752

	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	MK	TR	IS	LI	NO	CH
1996	522	931	766	399	757	567	831	803	560	:	607	523	249	:	:	401	:
2006	446	766	648	365	659	478	671	696	288	357	546	463	:	:	:	403	541

Notes: EL: 2005; PT: 2004

Source: Eurostat - Health and safety statistics.

For many years the total number of hospital beds has been decreasing in the EU. For the EU-27, it dropped by 21 % between 1996 and 2006. 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 the EU-27. Germany

reported the highest rate with 829 hospital beds per 100 000 inhabitants, followed by Lithuania (801). These figures refer to all available beds in both public and private hospitals. A considerable part of the observed reduction in hospital beds is likely to have been caused by a drop in the length of hospital stay and an increase in day-case surgery as observed throughout the EU. Another reason is the financial constraints which arose during the 1990s and which have led to a rationalisation of healthcare services everywhere and a search for efficiency in the hospital sector. The increased demand for healthcare for elderly people, many of whom suffer 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

Former EC Treaty (Title XIII Public Health, Article 152) – in force until 30 November 2009 – 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."

In October 2007 the Commission adopted a White Paper entitled "Together for Health: A Strategic Approach for the EU 2008-2013", the so called Health Strategy. This White Paper establishes a broad cross-policy framework and aims to pursue the following objectives: Fostering good health in an ageing Europe, protecting citizens from health threats and supporting dynamic health systems and new technologies. In addition, it puts forward principles such as solidarity, investment in health, mainstreaming health in all policies, and strengthening the EU's voice in global health matters.

In 2008 the Commission took various steps towards achieving these objectives: A proposal for a Directive of the European Parliament and of the Council on standards of quality and safety of human organs intended for transplantation, a Green Paper on the EU health workforce, a Communication and a proposal for a Council Recommendation on patient safety, including the prevention and control of healthcare associated infections, a Communication and Council Recommendation on rare diseases and a proposal for a Directive on patient rights in cross-border healthcare (COM(2008) 414), with an accompanying Communication, (COM(2008) 415). The new Programme of Community Action in the Field of Health (2008-2013) is the main financial instrument for implementing the strategy. The Commission, the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions have all adopted conclusions on the Health Strategy White Paper, welcoming its objectives and principles and emphasising e.g. health in all policies, prevention, threats, health investment and inequalities. In June 2008, the Council adopted a second round of conclusions on the Health Strategy, setting up a cooperation mechanism with the Commission for implementation of the strategy, and a the first meeting was held in December 2008. In its Communication on Solidarity in health: Reducing health inequalities in the EU (COM(2009) 567/4), the Commission announced a series of actions to develop the contribution of EU policies and to help Member States and other actors tackle the gaps in health which exist between and within countries in the EU.

In October 2004 the Council endorsed the application of the Open Method of Coordination (OMC) for Social Inclusion and Social Protection also to the healthcare and long-term care field. Member States agreed that the OMC could usefully be applied to this field to stimulate policy development, highlight common challenges and facilitate mutual learning (COM (2004) 304). In 2005 Member States submitted Preliminary National Policy Statements on Health Care and Long-term Care, which were analysed in a 2005 Memorandum of the Social Protection Committee and which helped in defining the common objectives in the field of healthcare and long-term care. In 2006, when the existing OMC in the fields of social inclusion and pensions and the new process of cooperation in the field of health and long-term care were brought together under common objectives, the first reports on national healthcare and long-term care strategies were submitted and analysed in the 2007 Joint Report. In 2008 an agreement on a set of common indicators on healthcare and long-term care was reached. Life expectancy and healthy life years have been agreed as common indicators, as are numbers of beds and staff per 100 000 inhabitants and in-patient discharge rates. Where relevant, indicators are to be reported by gender, age and socio-economic status. The 2008 Joint Report on Social Protection and Social Inclusion examines in more depth the issue of inequalities in health outcomes across and within countries between population groups and their relation to a set of determinants including access to health care. In April 2008, a Memorandum of the Social Protection Committee looked at evolving long-term care needs. On the work of the OMC see also policy context in portraits 10-13 above.

## 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. Disability-free life expectancy (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. From 2004 onwards, the Statistics on Income and Living Conditions (SILC) survey is used for calculating the prevalence. The way the question providing the disability prevalence data was implemented by the EU Member States in EU-SILC hampers cross-country comparisons for the data up to 2008. Therefore, pre- 2008, SILC health data should be used with caution and only the evolution in time for each country should be followed.

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 over), Eurostat has, for all countries and for both genders, considered that the disability rate between the ages 0 and 14 is 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 SILC survey. For the total population (particularly aged 65 and over), the percentages on (very) bad health may be somewhat higher due to the fact that a significant number of people suffering major health problems live in homes or institutions for long-term nursing care which are not covered by the surveys.

Practising physicians, dentists and nursing professionals provide services directly to patients. Data on practising healthcare professionals are best used to describe the availability of healthcare 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 because different concepts are 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.

## 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 on mortality in the European Union ", 2009 edition. Eurostat
- " Who dies of what in Europe before the age of 65" – 2009 Statistics in focus
- " Perception of health and access to health care in the EU-25 in 2007 - Issue number 24/2009
- "European social statistics – Population statistics", 2006 edition. Eurostat
- Eurostat Population and social conditions statistics
- Causes of death in the EU- 2006 Statistics in focus (data 2003)
- OECD Health data 2008
- WHO Health For All Database
- Follow-up to the high level reflection process on patient mobility and healthcare developments in the European Union – COM (2004) 301
- "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

- "Review of the 2005 Preliminary National Policy Statements on Health Care and Long-term Care", Memorandum of the Social Protection Committee, November 2005
- Decision 1350/2007 establishing a second programme of Community action in the field of health (2008-2013)
- White paper "Together for health: a strategic approach for the EU 2008-2013" – COM (2007) 630
- "Joint Report on Social Protection and Social Inclusion 2007", 2007, European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities
- "Joint Report on Social Protection and Social Inclusion 2008", 2008, European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities
- Review of the Long-term care part of the National Reports on Strategies for Social Protection and Social Inclusion 2006-2008 and updates 2007, Memorandum of the Social Protection Committee, April 2008
- "Monitoring progress towards the objectives of the European Strategy for Social Protection and Social Inclusion", Commission Staff Working Document, Brussels, 6.10.2008, SEC(2008)
- Solidarity in health: Reducing health inequalities in the EU (COM(2009) 567/4)  
[http://ec.europa.eu/health/ph\\_determinants/socio\\_economics/documents/com2009\\_en.pdf](http://ec.europa.eu/health/ph_determinants/socio_economics/documents/com2009_en.pdf)

Life expectancy at birth, by sex

(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))

	1960		1970		1980		1990		2000		2001		2002		2003		2004		2005		2006		2007	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M
EJ27	:	:	:	:	:	:	:	:	:	:	:	:	80.9	74.5	80.8	74.6	81.5	75.2	81.5	75.4	82.0	75.8	:	:
EA16	:	:	:	:	:	:	:	:	81.8	75.4	82.1	75.7	82.1	75.9	81.9	75.9	82.7	76.7	82.7	76.8	83.3	77.3	:	:
BE	72.8	66.8	74.2	67.9	76.7	69.9	79.5	72.7	81.0	74.6	81.2	74.9	81.2	75.1	81.1	75.3	81.8	76.0	81.9	76.2	82.3	76.6	82.6	77.1
BG	71.1	67.5	73.5	69.1	73.9	68.4	74.7	68.0	75.0	68.4	75.4	68.6	75.5	68.8	75.9	68.9	76.2	69.0	76.2	69.0	76.3	69.2	76.7	69.5
CZ	73.5	67.8	73.1	66.1	74.0	66.9	75.5	67.6	78.5	71.7	78.6	72.1	78.7	72.1	78.6	72.0	79.2	72.6	79.2	72.9	79.9	73.5	80.2	73.8
DK	:	:	:	:	77.3	71.2	77.8	72.0	79.2	74.5	79.3	74.7	79.4	74.8	79.8	75.0	80.2	75.4	80.5	76.0	80.7	76.1	80.6	76.2
DE	71.7	66.5	73.6	67.5	76.2	69.6	78.5	72.0	81.2	75.1	81.4	75.6	81.3	75.7	81.3	75.8	81.9	76.5	82.0	76.7	82.4	77.2	82.7	77.4
EE	:	:	:	:	:	:	74.9	64.7	76.2	65.2	76.4	64.8	77.0	65.2	77.1	66.1	77.8	66.4	78.1	67.3	78.6	67.4	78.8	67.2
IE	:	:	:	:	:	:	77.7	72.1	79.2	74.0	79.9	74.5	80.5	75.2	80.8	75.9	81.4	76.4	81.8	77.3	82.2	77.4	82.1	77.4
EL	:	:	76.0	71.6	77.5	73.0	79.5	74.7	80.6	75.5	81.0	75.9	81.1	76.2	81.2	76.5	81.3	76.6	81.6	76.8	81.9	77.2	81.8	77.1
ES	:	:	:	:	78.4	72.3	80.6	73.4	82.9	75.8	83.2	76.2	83.2	76.3	83.0	76.3	83.7	76.9	83.7	77.0	84.4	77.7	84.3	77.8
FR	:	:	:	:	:	:	81.2	72.8	83.0	75.3	83.0	75.5	83.0	75.7	82.7	75.8	83.8	76.7	83.7	76.7	84.4	77.3	84.8	77.6
IT	:	:	:	:	:	:	80.3	73.8	82.8	76.9	83.1	77.1	83.2	77.4	82.8	77.1	83.8	77.9	83.6	78.0	84.2	78.5	:	:
CY	:	:	:	:	:	:	:	:	80.1	75.4	81.4	76.6	81.0	76.4	81.2	76.9	81.9	76.6	80.9	76.8	82.2	78.4	82.2	77.9
LV	:	:	:	:	:	:	:	:	:	:	:	:	76.0	64.7	75.8	65.6	76.2	65.9	76.5	65.4	76.3	65.4	76.5	65.8
LT	:	:	75.0	66.8	75.4	65.4	76.3	66.4	77.5	66.8	77.6	65.9	77.5	66.2	77.8	66.4	77.7	66.3	77.3	65.3	77.0	65.3	77.2	64.9
LU	:	:	:	:	75.6	70.0	78.7	72.4	81.3	74.6	80.7	75.1	81.5	74.6	80.8	74.8	82.4	76.0	82.3	76.7	81.9	76.8	82.2	76.7
HU	70.2	65.9	72.1	66.3	72.8	65.5	73.8	65.2	76.2	67.5	76.7	68.2	76.7	68.3	76.7	68.4	77.2	68.7	77.2	68.7	77.8	69.2	77.8	69.4
MT	:	:	:	:	72.8	68.0	:	:	80.3	76.2	81.2	76.6	81.3	76.3	80.8	76.4	81.2	77.4	81.4	77.2	81.9	77.0	82.2	77.5
NL	:	:	:	:	:	:	80.2	73.8	80.7	75.6	80.8	75.8	80.7	76.0	81.0	76.3	81.5	76.9	81.7	77.2	82.0	77.7	82.5	78.1
AT	:	:	73.5	66.5	76.1	69.0	79.0	72.3	81.2	75.2	81.7	75.7	81.7	75.8	81.5	75.9	82.1	76.4	82.3	76.7	82.8	77.2	83.1	77.4
PL	:	:	:	:	:	:	75.3	66.3	78.0	69.6	78.4	70.0	78.8	70.3	78.8	70.5	79.2	70.6	79.3	70.8	79.7	70.9	79.8	71.0
PT	66.7	61.1	69.7	63.6	74.9	67.9	77.5	70.6	80.2	73.2	80.5	73.5	80.6	73.8	80.6	74.2	81.5	75.0	81.3	74.9	82.3	75.5	82.2	75.9
RO	:	:	70.4	65.9	71.9	66.6	73.1	66.7	74.8	67.7	74.9	67.5	74.7	67.4	75.0	67.7	75.5	68.2	75.7	68.7	76.2	69.2	76.9	69.7
SI	:	:	:	:	:	:	77.8	69.8	79.9	72.2	80.4	72.3	80.5	72.6	80.3	72.5	80.8	73.5	80.9	73.9	82.0	74.5	82.0	74.7
SK	72.7	67.9	73.1	66.8	74.4	66.7	75.7	66.7	77.5	69.2	77.7	69.5	77.7	69.8	77.7	69.8	78.0	70.3	78.1	70.2	78.4	70.4	78.4	70.6
FI	:	:	:	:	78.0	69.2	79.0	71.0	81.2	74.2	81.7	74.6	81.6	74.9	81.9	75.1	82.5	75.4	82.5	75.6	83.1	75.9	83.1	76.0
SE	:	:	77.3	72.3	79.0	72.8	80.5	74.8	82.0	77.4	82.2	77.6	82.1	77.7	82.5	78.0	82.8	78.4	82.9	78.5	83.1	78.8	83.1	79.0
UK	:	:	:	:	:	:	:	:	80.3	75.5	80.5	75.8	80.6	76.0	80.5	76.2	81.0	76.8	81.2	77.1	81.7	77.3	81.8	77.6
HR	:	:	:	:	:	:	:	:	:	:	:	:	78.3	71.2	78.1	71.1	78.8	71.9	78.8	71.8	79.3	72.5	79.3	72.3
MK	:	:	:	:	:	:	:	:	75.2	70.8	76.1	70.9	75.6	70.6	75.7	70.9	75.8	71.5	75.9	71.6	76.2	71.7	75.9	71.8
TR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
IS	:	:	77.3	70.7	80.4	73.5	80.7	75.5	81.6	77.8	83.2	78.3	82.5	78.6	82.5	79.5	83.2	78.9	83.5	79.6	82.9	79.5	83.4	79.6
LI	:	:	:	:	:	:	:	:	79.9	73.9	82.4	76.3	82.3	77.1	81.6	78.4	85.1	78.6	84.1	77.4	83.1	78.9	83.6	79.1
NO	76.0	71.6	77.5	71.2	79.3	72.4	79.9	73.4	81.5	76.0	81.6	76.2	81.6	76.4	82.1	77.1	82.5	77.6	82.7	77.8	82.9	78.2	82.9	78.3
CH	74.1	68.7	76.2	70.0	79.0	72.3	80.9	74.0	82.8	77.0	83.2	77.5	83.2	77.9	83.2	78.0	83.8	78.6	84.0	78.7	84.2	79.2	84.4	79.5

Note: Data for France refer to metropolitan France until 1997 and to France including overseas departments starting from 1998.

: Data not available

Source: Eurostat - Demographic statistics

### Healthy Life Years at birth

(The mean number of years that a new born 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 dying))

	Females										Males														
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
EU-27	:	:	:	:	:	:	:	:	:	:	:	62.3e	:	:	:	:	:	:	:	:	:	:	:	61.6e	
EA-16	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
BE	68.5 e	68.3	65.4 e	68.4	69.1	68.8	69.0 e	69.2 e	58.1b	61.9	62.8	63.7	64.1	66.5	63.3	66.0	65.7	66.6	66.9 e	67.4 e	58.4b	61.7	62.8	63.3	
BG	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
CZ	:	:	:	:	:	:	63.3 p	:	:	59.9b	59.8	63.2	:	:	:	:	:	62.8 p	:	:	:	57.9b	57.8	61.3	
DK	61.1	60.7 e	61.3 e	60.8	61.9	60.4	61.0 e	60.9 e	68.8b	68.2	67.1	67.4	61.7	61.6	62.4	62.5	62.9	62.2	62.8 e	63.0 e	68.3b	68.4	67.7	67.4	
DE	64.5	64.3 e	64.3 e	64.3 e	64.6 e	64.5 e	64.7 e	:	55.1b	58.0	58.4	60.8	61.9 e	62.1 e	62.3 e	63.2 e	64.1 e	64.4 e	65.0 e	:	55.0b	58.5	58.8	:	
EE	:	:	:	:	:	:	:	53.3	52.2	53.7	54.6	:	:	:	:	:	:	:	:	:	49.8	48.0	49.4	49.5	
IE	:	:	67.6	66.9	66.5	65.9 e	65.4 e	64.3b	64.1	65.0	65.3	64.0	63.2	64.0	63.9	63.3	63.3	63.5 e	63.4 e	62.5b	62.9	63.2	62.7	62.7	
EL	69.6	68.7	68.3	69.4	68.2	68.8	68.5 e	68.4 e	65.2b	67.2	67.9	67.1	66.9	66.4	66.5	66.7	66.3	66.7	66.7 e	66.7 e	63.7b	65.7	66.3	65.9	
ES	68.4	68.2	68.2	68.2	69.5	69.3	69.2 e	69.9 e	70.2 e	62.5b	63.1	63.3	62.9	65.1	65.5	65.2	65.6	66.0	66.6 e	66.8 e	62.5b	63.2	63.7	63.2	
FR	62.5	63.1	62.8	63.3	63.2 e	63.3	63.7 e	63.9 e	64.1b	64.3	64.1	64.2	59.6	60.2	59.2	60.1	60.1	60.5	60.4 e	60.6 e	61.2b	62.0	62.7	63.1	
IT	70.5 e	71.3	71.3	72.1	72.9	73.0 e	73.9 e	74.4 e	70.7b	66.5	64.1	62.0e	67.4	68.0	67.9	68.7	69.7	69.8	70.4 e	70.9 e	68.4b	65.7	64.7	62.8e	
CY	:	:	:	:	:	:	69.6	:	57.9	63.2	62.7	:	:	:	:	:	:	68.4	:	59.5b	64.3	63.0	:	:	
LV	:	:	:	:	:	:	:	:	53.1	52.1	53.7	:	:	:	:	:	:	:	:	50.6	50.5	50.9	:	:	
LT	:	:	:	:	:	:	:	60.2	62.1	61.8	64.6	:	:	:	:	:	:	:	:	51.2	52.4	53.4	:	:	
LU	:	:	:	:	:	:	57.8 p	:	53.9b	57.0	57.6	:	:	:	:	:	:	:	59.1	62.2	61.0	62.2	:	:	
HU	:	:	:	:	:	:	65.7 p	:	70.1b	69.2	70.8	:	:	:	:	:	:	65.1 p	:	52.0b	54.2	55.0	:	:	
MT	:	:	:	:	:	:	59.3 e	58.8 e	63.1b	63.2	63.7	62.1	62.5	61.9	61.6	61.4	61.9	61.7 e	61.7 e	65.0b	65.5	65.7	:	:	
NL	61.5	61.4	61.1 e	61.4	60.2	59.4	59.3 e	58.8 e	60.2b	59.6	60.8	61.1	62.3	62.2	63.4	63.6	64.6	64.2	65.6 e	66.2 e	58.1b	57.8	58.4	58.4	
AT	:	:	:	:	68.0	68.5	69.0 e	69.6 e	68.9	68.9	68.9	68.9	68.9	68.9	68.9	68.9	68.9	68.9	68.9	68.9	68.9	68.9	68.9	68.9	
PL	66.8	:	:	:	:	:	68.9	:	66.6b	62.5	61.3	59.9	:	:	:	:	:	62.5	:	61.0b	58.2	57.4	:	:	
PT	60.5	60.4	61.1	60.7	62.2	62.7	61.8 e	61.8 e	52.0b	56.7	57.6	57.3	58.2	59.3	59.1	58.8	60.2	59.5	59.7 e	59.8 e	55.1b	58.4	59.6	58.3	
RO	:	:	:	:	:	:	:	:	62.4	:	62.4	:	:	:	:	:	:	:	:	60.4	:	60.4	:	:	
SI	:	:	:	:	:	:	:	:	59.9	61.0	62.3	:	:	:	:	:	:	:	:	56.3	57.6	58.7	:	:	
SK	:	:	:	:	:	:	:	:	56.4	54.4	55.9	:	:	:	:	:	:	:	:	54.9	54.3	55.4	:	:	
FI	57.7	57.6	58.3	57.4	56.8 e	56.9	56.8 e	56.5 e	52.9b	52.4	52.7	58.0	54.6	55.5	55.9	55.8	56.3	56.7	57.0 e	57.3 e	53.1b	51.7	52.9	56.7	
SE	:	60.0	61.3 e	61.8	61.9	61.0	61.9 e	62.2 e	60.9b	63.1	67.0	66.6	62.1	61.7	62.0	63.1	61.9	62.4 e	62.5 e	62.0b	64.2	67.1	67.5	67.5	
UK	61.8 e	61.2 e	62.2 e	61.3 e	61.2 e	60.8 e	60.9 e	60.9 e	65.0b	65.1	66.2e	60.8	60.9 e	60.8 e	61.2 e	61.3 e	61.1 e	61.4 e	61.5 e	63.2b	65.0	64.8e	:	:	
HR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
IS	:	:	:	:	:	:	:	:	65.3	71.7	:	:	:	:	:	:	:	:	:	68.3	72.8	:	:	:	
LI	:	:	:	:	:	:	:	:	63.4	66.0	:	:	:	:	:	:	:	:	:	65.7	66.4	:	:	:	
NO	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
CH	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:

Sources: Eurostat - Health statistics.

Healthy life years at 65, in percentage of the total life expectancy at 65, 2007

	EU-27	EA-16	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT
Males	:	:	58.3	:	53.0	79.4	44.2	26.7	56.3	56.2	57.8	51.0	:	51.3	39.8	40.4	55.0	38.8	62.4
Females	:	:	49.1	:	44.8	74.5	36.7	22.2	51.7	48.5	45.6	43.2	:	37.2	25.0	30.2	52.7	32.6	55.7

	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK		HR	MK	TR		IS	LI	NO	CH
Males	65.5	41.6	44.6	40.6	54.5	56.8	30.2	45.8	71.4	:	:	:	:	:	:	85.4	:	69.9	:
Females	58.4	36.7	36.9	26.3	45.7	49.0	23.4	41.4	66.4	:	:	:	:	:	:	78.5	:	62.9	:

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, 2007

	EU-27	EA-16	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT
Males	8.9	:	6.8	:	11.0	5.9	8.5	12.4	2.3	7.7	9.4	7.9	8.9	8.7	14.8	13.1	6.1	18.9	4.5
Females	11.9	:	9.8	:	13.7	9.7	10.1	16.6	2.8	9.8	13.7	10.6	13.0	10.8	21.6	19.4	7.9	24.6	4.6

	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK		HR	MK	TR		IS	LI	NO	CH
Males	3.9	7.4	14.6	15.4	8.0	12.6	14.6	7.2	4.6	5.8	:	:	:	:	:	3.4	:	7.4	:
Females	5.7	9.2	18.7	22.3	11.4	16.1	20.4	9.1	5.7	6.5	:	:	:	:	:	5.6	:	9.6	:

Source: Eurostat - Health and safety statistics (SILC data)



Persons discharged from hospitals per 100 000 by ICD diagnosis, 2007

ICD10	EA16	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	IS	LI	NO	CH
All diagnosis (except healthy newborns)	16504	16304	18940	20015	20739	16459	21481	18307	13743	10712	16146	14592	6536	9970	22100	16720	9898	7337	10634	27363	17760	9127	21274	16188	19290	19820	14910	12381	14151	8976	15018	17611	15656		
Infectious and parasitic diseases	389	351	425	730	468	417	544	683	408	188	291	249	179	585	799	315	302	51	137	681	427	224	1038	545	418	692	453	214	519	379	214	518	280		
Cancer	1527	1533	1197	1410	1761	1472	2380	1658	856	918	1214	1312	412	1800	1716	1605	2661	206	1052	2681	1960	920	1508	1776	1753	1769	1376	1015	2023	850	1283	1768	1124		
Diseases of the blood	141	137	148	114	109	231	149	123	137	98	177	117	88	73	112	88	218	72	99	157	182	80	156	136	156	168	137	121	136	143	159	144	81		
Endocrine, nutritional and metabolic diseases	416	418	570	709	472	443	616	345	266	186	428	341	162	378	406	423	709	126	196	796	466	227	704	405	415	386	296	186	382	229	203	238	204		
Mental and behavioural disorders	621	671	424	641	684	215	1416	1191	130	262	375	400	55	1207	1125	1161	1154	100	122	1429	101	139	1174	576	739	1609	947	317	956	365	793	218	1016		
Diseases of the nervous system	517	537	486	741	595	420	854	523	327	163	547	413	74	726	1249	646	551	96	188	1184	578	219	554	384	618	818	409	286	349	202	454	816	415		
Diseases of the eye and adnexa	327	332	142	512	565	100	373	112	151	128	475	291	236	248	594	598	764	96	60	1024	440	397	383	560	402	145	100	104	513	219	148	240	237		
Diseases of the ear and mastoid process	119	121	111	204	159	83	178	163	62	64	102	110	34	113	176	133	134	46	63	288	133	74	159	97	165	94	84	61	85	78	123	85	77		
Diseases of the circulatory system	2375	2342	2102	3182	3225	2178	3322	3360	1197	1321	1823	2428	721	3539	4485	2249	3597	578	1544	3755	2905	1206	2824	1948	3076	3033	2371	1408	1946	1670	1548	2495	1735		
Diseases of the respiratory system	1321	1163	914	2951	1368	1445	1323	2014	1338	1091	96	1174	656	2222	2371	1330	1594	595	762	1689	1420	956	2857	1328	1677	1412	964	1199	1108	1495	900	1505	869		
Diseases of the digestive system	1589	1617	1677	1864	1688	1380	2078	1640	1229	1286	1624	1409	680	1832	1803	1500	1489	683	940	2502	1653	1062	2154	1403	1940	1415	1175	1192	1224	1105	1322	1236	1353		
Diseases of the skin and subcutaneous tissue	235	205	151	420	288	225	303	329	237	117	192	159	71	375	395	157	312	123	101	387	305	157	377	264	310	188	108	251	191	159	272	182	209		
Diseases of the musculo-skeletal system and connective tissue	1237	1385	1036	967	1751	911	2357	1229	543	720	1152	954	155	1248	1042	1910	1667	288	822	3222	747	369	1213	947	1049	1612	854	759	585	400	1017	1169	1818		
Diseases of the genitourinary system	1031	926	959	1552	1619	879	1084	1121	732	655	92	934	441	1371	1347	1156	1241	441	584	1587	1685	687	1473	1043	1169	975	717	809	1143	823	1016	980	946		
Pregnancy, childbirth and the puerperium	1378	1307	1388	1867	1520	1239	1071	1815	2669	1414	1566	1298	405	1619	1625	1389	1536	1009	910	1303	1575	1089	1783	1285	1597	1317	1306	1349	265	485	1971	1522	1182		
Certain conditions originating in the perinatal period	238	215	50	205	247	161	195	255	209	163	304	202	201	138	349	165	212	50	411	139	231	23	587	274	337	156	153	257	229	44	369	256	291		
Congenital malformations, deformations and chromosomal abnormalities	123	119	96	70	130	126	173	113	97	110	145	26	128	146	65	99	31	79	182	159	88	177	181	142	127	103	114	128	96	164	182	125			
Symptoms, signs and abnormal clinical and laboratory findings, not elsewhere classified	802	816	751	55	1032	1153	782	168	1372	636	1063	698	700	31	265	475	301	1578	1100	1115	674	140	385	810	608	1320	1346	1701	643	195	644	1252	517		
Injury, poisoning and certain other consequences of external causes	1476	1508	1620	1245	1731	1546	2128	1194	1360	904	1397	1287	843	2243	1857	1241	1326	735	903	2905	1630	685	1272	1517	1615	1832	1421	1250	1073	625	1051	1889	1846		
Factors influencing health status and contact with health services	1128	1151	960	2037	2030	2739	806	202	406	282	2290	1389	284	96	238	113	701	104	858	117	1153	1234	706	1349	1737	457	589	943	623	307	2386	936	2014		

Notes: BE, BG, CZ, DE, EE, ES, CY, LU, PL, SK, FI, SE, HR, MK, IS, NO, 2006; DK, IT, LV, PT, CH, UK; 2005; EL, ET and EA16 without EL.  
Source: Eurostat - Health and safety statistics.

Standardised death rates (SDR) per 100 000 population by sex, 2007

	Males				Females			
	Diseases of the circulatory system	Cancer	Diseases of the respiratory system	External causes of injury and poisoning	Diseases of the circulatory system	Cancer	Diseases of the respiratory system	External causes of injury and poisoning
EU-27	286	229	64	58	188	131	32	20
EA-16	231	220	58	50	154	122	27	19
BE	235	258	99	72	131	169	45	30
BG	226	796	62	70	127	526	27	19
CZ	274	453	59	79	155	307	29	26
DK	246	244	71	54	182	155	55	25
DE	206	277	55	41	130	192	28	16
EE	299	657	54	196	134	343	11	38
IE	221	271	104	43	159	168	76	16
EL	211	296	63	50	113	250	48	13
ES	227	193	83	43	102	127	35	14
FR	238	169	41	65	117	98	20	27
IT	224	225	46	43	123	151	19	16
CY	147	271	54	56	102	178	31	18
LV	291	781	59	197	140	423	14	47
LT	306	745	92	255	133	420	19	56
LU	211	284	59	64	125	193	31	30
HU	337	585	73	99	176	354	32	31
MT	195	273	79	48	130	196	35	13
NL	232	210	78	34	151	134	41	17
AT	202	268	47	61	127	183	22	21
PL	291	472	68	99	154	285	25	24
PT	210	222	96	56	103	163	46	17
RO	241	683	76	86	130	493	34	24
SI	289	322	57	101	146	211	24	34
SK	292	614	84	89	145	398	35	20
FI	178	312	43	105	113	168	15	33
SE	172	252	38	56	134	159	27	22
UK	212	236	88	39	154	149	64	16
HR	504	303	64	80	348	146	25	29
MK	677	219	48	51	540	127	29	17
TR	:	:	:	:	:	:	:	:
IS	219	193	55	43	141	134	41	24
LI	:	:	:	:	:	:	:	:
NO	237	204	68	57	141	142	41	26
CH	219	192	47	51	137	114	24	23

Notes: DK, IE, IT, LU, PT: 2006; BE: 2004.

Source: Eurostat - Health and safety statistics.

## 17. ACCIDENTS AND WORK-RELATED HEALTH PROBLEMS

*In 2006, around 3 % of workers in the EU-15 were victims of working accidents resulting in more than three days' absence. The number of accidents at work causing more than three days' absence decreased in 2006 by 24 % compared to 1998 (the value of the index 1998 = 100 was 76 in 2006) in the EU-27 and by 26 % in the EU-15. In 2006, 5 785 lives were lost as a result of accidents at work in the EU-27*

Road transport fatalities decreased by 30 % from 1998 to 2007 in the EU-27, but there were still more than 50 000 deaths on EU-27 roads recorded in 2007. During the ten-year period 1998-2007 over 520 000 people lost their lives in road accidents in the EU-27.

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

#### Serious and fatal accidents at work, 2006

(Index of the number of serious accidents at work per 100 thousand persons in employment (1998=100))

	Serious accidents at work			Fatal accidents at work
	Total	Females	Males	
EU-27	76	82	77	81
EA-16	:	:	:	:
BE	60	61	63	81
BG	58	50	62	106
CZ	78	91	74	67
DK	84	99	80	87 p
DE	66	68	67	95
EE	120	129	127	57
IE	107	89	109	83
EL	55	55	57	103
ES	85	84	90	64
FR	82	103	79	50 p
IT	69	74	69	58
CY	86	116	80	107 i
LV	91	:	:	79
LT	101	119	95	117
LU	78	70	81	37 i
HU	74	86	70	68
MT	85	71	91	58 i
NL	:	:	:	79
AT	72	72	73	82
PL	88	98	84	82
PT	76	81	76	68
RO	94	97	96	92
SI	70	60	76	149
SK	64	80	60	76
FI	88	96	87	63
SE	82	83	82	115
UK	75	71	76	81
HR	:	:	:	:
MK	:	:	:	:
TR	:	:	:	:
IS	:	:	:	:
LI	:	:	:	:
NO	63	75	60	65
CH	:	:	:	:

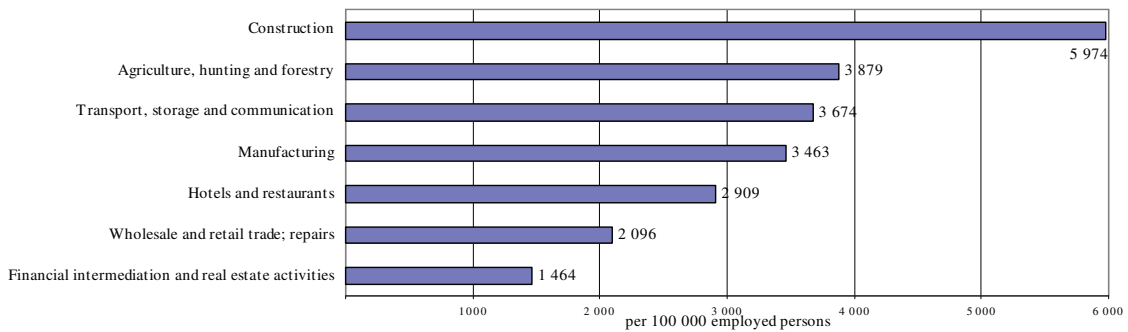
Source: Eurostat - European Statistics on Accidents at Work (ESAW)

Note: In CY, LU and MT the values are based on small annual numbers.

In 2006, around 4 million accidents at work —resulting in more than three days' absence — were recorded in the 15 old Member States of the EU. This represents estimated rates of 3 100 accidents at work per 100 000 employed people, or put another way, 5.1 % of all workers suffered an accident at work during the year (3 % for accidents with an absence of more than three days). There was a substantial drop in this rate (accidents resulting in more than three days' absence) of 24 % between 1998 and 2006 (index = 76 in 2006 and 100 in 1998). In

addition, 5 785 fatal accidents in the course of work were recorded in 2006 in the EU-27. The incidence rate is 3.5 fatalities per 100 000 employed people against 6.1 in 1994. The new Member States and Candidate Countries are gradually implementing the European Statistics of Accidents at Work (ESAW) data collection methodology. In the EU-27, between 2000 and 2006, the incidence rate of fatal accidents at work has fell by 19 % and the incidence rate of non-fatal accidents at work by 24 %.

### Accidents at work by type of activity, EU-15, 2006



These proportions differ, of course, according to the economic activity and 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: 5 974 per 100 000 workers in 2006 against 9 000 in 1994. Agriculture has the second highest incidence: 3 879 in 2006 (6 500 in 1994). For fatal accidents, construction and agriculture have the highest incidence, around 10 and 9 per 100 000 workers respectively in 2006. In addition it must be borne 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 in terms of accidents. Taking all economic activities together, the risk of accidents was in 2006 the highest in local units employing between 50 and 249 people and those employing 10 to 49 people. For non-fatal accidents at work the incidence rates are highest among young workers. Among those aged 18-24 years the incidence rate is 30-60 % higher than in the other age categories. 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 18 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 and work-related health problems: a high socio-economic cost

In addition to the major impact of these accidents in human terms, they have a high socio-economic cost. In 2006 approximately 29 % of all accidents resulted in absence of between three days and two weeks and about 29 % of absences lasted between two weeks and three months. In around 5 % of all accidents the consequence was an absence of three months or more, or permanent partial or total disability. In 2006 there were around 108 000 accidents in the EU-15 leading to permanent incapacity.

According to the results of the Labour Force Survey ad hoc module on accidents at work and work-related health problems in 2007, 3.2% of workers in the EU-27 had an accident at work during a one-year period, which corresponds to almost 7 million persons, and 8.6 % of workers in the EU-27 experienced a work-related health problem in the past 12 months, which corresponds to 20 million persons. Due to an accident at work, 0.7 % of all workers in the EU-27 took sick leave for at least one month. Around 2 % of all workers in the EU-27 were off work for at least one month in the past 12 months due to their most serious work-related health problem.

The most often reported work-related health problems were bone, joint or muscle problems which mainly affecting the back (31 %), neck, shoulders, arms or hands (16 %), hips, legs or feet (13 %), and stress, depression or anxiety (16 %).

## EU-27 roads claimed around 42 000 lives in 2007

### Number of persons killed in road accidents

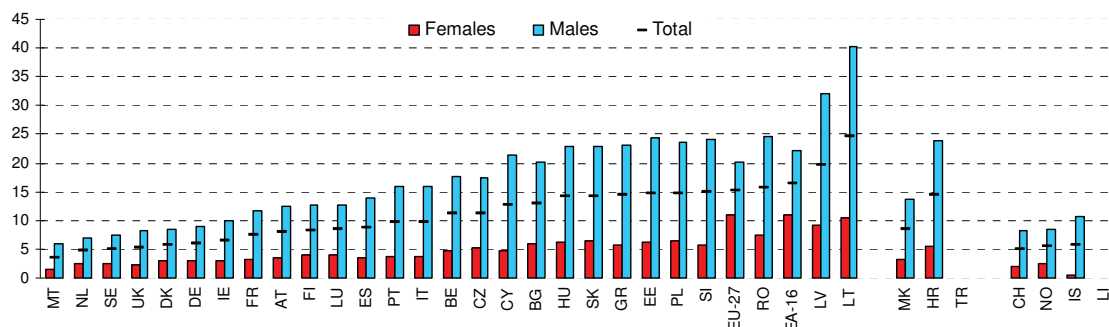
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	In last ten years available, 1998-2007
EU-27	60308	59056	57746	55860	53960	53126	49765	46842	44872	42492	524027
EA-16	31475	37990	37072	34032	29466	27890	23847	28637	26844	25825	303078
BE	1500	1397	147	1486	1306	1214	1162	1089	1069	1067	11437
BG	1003	1047	1012	1011	959	960	943	957	1043	1006	9941
CZ	136	1455	1486	1334	1431	1447	1382	1286	1063	1221	12241
DK	499	514	498	431	463	432	369	331	306	406	4249
DE	7792	7772	7503	6977	6842	6613	5842	5361	5091	4949	64742
EE	284	232	204	199	223	164	170	170	204	196	2046
IE	458	414	418	412	376	337	377	400	365	338	3895
EL	2182	2116	2037	188	1634	1605	167	1658	1657	1612	14856
ES	5956	5738	5777	5517	5347	54	4749	4442	4104	3823	45507
FR	892	8486	8079	8162	7655	6058	553	5318	4709	4620	54532
IT	6313	6688	7061	7096	698	6563	6122	5818	5669	5131	57159
CY	111	113	111	98	94	97	117	102	86	89	1018
LV	677	652	635	558	559	532	516	442	407	419	5397
LT	829	748	641	706	697	709	752	773	760	739	7354
LU	57	58	76	70	62	53	50	47	43	51	567
HU	1371	1306	12	1239	1429	1326	1296	1278	1303	1232	11792
MT	17	4	15	16	16	16	13	17	11	12	137
NL	1066	109	1082	993	987	1028	804	750	730	709	8258
AT	963	1079	976	958	956	931	878	768	730	691	8930
PL	708	673	6294	5534	5827	564	5712	5444	5243	5583	41582
PT	2126	2028	1877	167	1655	1542	1294	1247	969	974	13879
RO	2778	2505	2499	2461	2398	2235	2418	2641	2478	2794	25207
SI	309	334	313	278	269	242	274	258	262	293	2832
SK	819	647	628	614	610	645	603	560	579	627	6332
FI	400	431	396	433	415	379	375	379	336	380	3924
SE	531	580	591	583	560	529	480	440	445	471	5210
UK	3581	3564	358	3598	3581	3658	3368	3336	3298	3059	31401
HR	646	642	655	647	627	701	608	597	614	619	6356
MK	187	216	162	107	176	118	155	143	140	173	1577
TR	4935	5713	5510	4386	4093	3946	4427	4505	4633	5004	47152
IS	27	21	32	24	25	23	23	19	31	15	240
LI	-	-	3	2	-	5	1	2	-	-	13
NO	352	304	341	275	312	282	259	224	242	233	2824
CH	597	583	592	544	513	546	510	409	370	384	5048

Source: CARE / Energy and Transport DG, International Transport Forum, national statistics

Notes: Persons killed are all persons deceased within 30 days of the accident. Corrective factors are applied to the figures from MS not currently using this definition.

For the EU-27 as a whole, the number of road accident fatalities decreased by 30 % from 1998 to 2007, when around 42 000 deaths were caused by road accidents. During the ten-year period 1998-2007 over 520 000 people lost their lives in road accidents in the EU-27.

## Number of transport accident deaths per 100,000 inhabitants (SDRs) by sex, 2007



Notes: 1) DK, IE, IT, LU, PT: 2006; BE: 2004 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.

In all Member States and Candidate Countries (no data available for Turkey) many more men than women died in transport accidents (road and other transport accidents) in 2007. The lowest standardised death rates were observed in Malta (14 women per million women and 60 men per million men), the Netherlands (25 and 69), Sweden (25 and 75) and the United Kingdom (23 and 82), and the highest ones in Romania (74 and 245), Latvia (91 and 320) and Lithuania (105 and 402).

## 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." Article 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".

In 2001 the Commission issued a Communication on "Employment and social policies: a framework for investing in quality" aiming to boost the Social Policy Agenda and the Lisbon Strategy reinforced by Nice and Stockholm, to promote quality in employment. Particular emphasis is placed on improving quality of work and ensuring that this approach is integrated into employment and social policies. For this purpose a set of indicators on quality in work has been established 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 per 100 000 people in employment.

In 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". In July 2007 the Council adopted a Resolution on "a new Community strategy on health and safety at work (2007-2012)". The European Parliament adopted its Resolution on the strategy on 15 January 2008. Among other things, the Community strategy 2007-2012 identifies 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. Following two-stage consultation of the European social partners, work on a possible legislative initiative addressing the risks arising from poor ergonomics started in 2008. As regards the protection of workers from risks related to exposure to environmental tobacco smoke at the workplace, an issue also highlighted in the strategy, in 2008 the first stage of consultation of the European social partners took place. Consultation of the social partners on the protection of workers from the risks related to exposure to electromagnetic fields at work was launched in 2009.

Employers and trade unions in the healthcare sector signed an EU-wide agreement on 17 July 2009, to prevent injuries from needle sticks and other sharp objects. The agreement specifically addresses one of the priority objectives of the EU's current strategy for health and safety at work (2007-2012).

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 occupational accidents and illnesses for relevant categories of workers, types of companies and/or sectors. The Parliament Resolution endorses these aims. The Working Party of the Advisory Committee on Safety and Health at Work "Community Strategy Implementation and Advisory Committee Action Programme" encourages an exchange of views on national OSH strategies. While respecting subsidiarity, achievement of the targets set out in the Commission Communication will greatly depend on improving OSH performance in individual Member States. To this end, it was considered appropriate that this Working Party collects and disseminates information on the development of national OSH strategies and programmes.

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 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 reach 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 approach to more road safety is the principle of "shared responsibility". Beyond all institutional rhetoric, everyone has a role to play to make Europe's roads 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 crucial to devising 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 work-related health problems in the 2007 Labour Force Survey and Transport Statistics. European Commission Transport DG — Community Road Accident database (CARE).

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

The data on work 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 of between one and three days were also covered in the ad hoc module on accidents at work and work-related health problems in the 2007 Labour Force Survey. The ESAW incidence rates have been calculated for only nine major branches of economic activity (NACE Rev. 1 sections).

## Further reading

- [http://ec.europa.eu/transport/roadsafety/index\\_en.htm](http://ec.europa.eu/transport/roadsafety/index_en.htm)
- Statistics in focus – "8.6% of workers in the EU experienced work-related health problems. Results from the Labour Force Survey 2007 ad hoc module on accidents at work and work-related health problems", N° 63/2009
- Report "Causes and circumstances of accidents at work in the EU", DG Employment, Social Affairs and Equal Opportunities, 26/05/2009, KE-78-09-668-EN-C
- Work and Health in the EU – A statistical portrait. Panorama series — 2003 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, Social Affairs and Equal Opportunities, "Health and safety at work" series
- "Panorama of transport" (2007 edition), 2007. Eurostat
- "Guidance on work-related stress — Spice of life or kiss of death?", European Commission, 16 December 2002
- Quality of Work, Policy Review Series n°8, 2007
- Communication from the Commission (COM (2007) 62 final) "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]



**Serious accidents at work**

(Index of the number of serious accidents at work per 100 thousand persons in employment (1998=100))

	Total										Females										Males										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
EU-27	:	:	:	100	96	88	84	80	78	76	:	:	:	100	98	94	90	86	85	82	:	:	:	100	96	90	86	82	81	77	
EA-16	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
BE	96	100	96	82b	83	72	68	65	62	60	95	100	96	101	88	80	76	71	65	61	96	100	96	80b	84	73	67	65	63	63	
BG	106	100	84	100b	90	84	65	58	58	58	:	:	:	100	84	85	67	61	62	50	:	:	:	100b	93	84	69	60	56	62	
CZ	91	100	93	91	91	89	80	81	80	78	:	100	97	95	97	97	90	94	95	91	:	100	92	90	89	85	77	77	74	74	
DK	100	100	95	89	90	82	76	79	83	84	104	100	103	99	95	92	86	90	96	99	99	100	93	88	91	81	75	77	80	80	
DE	101	100	99	96	88	82	74	73	65	66	99	100	99	99	94	87	77	77	68	68	102	100	99	96	89	83	75	74	65	67	
EE	83	100	106	105	132	125	128	124	126	120	:	100	138	130	181	130	137	126	142	129	:	100	140	114	120	123	135	132	131	127	
IE	115	100	:	:	100b	105	94	101	107	:	120	100	:	:	100b	103	87	104	89	113	100	:	:	100b	105	95	98	109	:	:	
EL	113	100	93	88	86	83	71	66	55	55	106	100	88	76	77	76	67	65	49	55	116	100	96	92	89	86	73	67	57	57	
ES	95	100	107	108	106	103	100	92	87	85	91	100	109	113	110	105	106	98	88	84	96	100	108	109	108	106	102	95	91	90	
FR	101	100	101	102	98	99	95	90	90	82	103	100	106	111	110	117	112	107	111	103	101	100	101	101	94	95	92	87	87	79	
IT	100	100	99	99	92	83	80	75	71	69	97	100	102	104	88	86	84	77	76	74	100	100	99	98	96	85	82	78	71	69	
CY	:	:	100	112	112	92	103	103	97	86	:	:	100	118	123	92	98	100	111	116	:	:	100	112	110	92	105	104	91	80	
LV	:	100	75	66	116	108	84	79	92	91	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
LT	90	100	97	94	85	86	82	82	104	101	:	100	85	95	87	84	84	81	101	119	:	100	93	84	87	85	81	80	103	95	
LU	98	100	105	104	97	109	107	94	72	78	96	100	99	100	101	116	118	96	65	70	98	100	107	105	98	111	107	97	75	81	
HU	103	100	93	94	86	84	83	79	79	74	:	100	92	94	90	91	93	93	86	:	100	93	94	85	81	80	75	73	70	:	
MT	112e	100	113	77	94	91	90	83	77	85	:	100	108	77	86	76	78	77	72	71	:	100	114	78	97	96	95	86	80	91	
NL	107	100	108b	105	92	100b	82	73	100b	:	:	:	:	:	100b	85	95	100b	:	:	:	:	:	:	100b	82	72	100b	:	:	
AT	105	100	99	92	83	84	79	79	77	72	106	100	99	93	73	75	71	72	77	72	106	100	100	92	86	87	82	86	78	73	
PL	113	100	78	85	78	76	82	84	80	88	:	100	85	85	80	81	90	92	90	98	:	100	87	86	78	85	80	82	78	84	
PT	100	100	92	88	91	74	72	75	74	76	104	100	75	87	94	83	77	84	77	81	98	100	96	89	95	74	74	75	74	76	
RO	106	100	100	106	113	104	111	103	96	94	:	100	94	101	112	96	117	97	88	97	:	100	102	109	117	108	111	107	97	96	
SI	106	100	102	98	94	94	98	98	84	70	:	100	101	98	95	100	109	109	95	60	:	100	99	97	92	92	93	93	80	76	
SK	107	100	92	88	84	77	68	54	52	64	:	100	96	88	83	84	76	62	63	80	:	100	91	87	84	75	66	62	48	60	
FI	98	100	91	89	87b	85	83	83	88	88	98	100	90	89	87b	85	86	90	93	96	99	100	93	89	87b	86	84	83	89	87	
SE	81	100	107	111	113	101	94	86	85	82	76	100	103	106	106	96	95	85	88	83	83	100	108	113	116	104	95	88	84	82	
UK	102	100	106	106	110	108	107	88	84	75	99	100	109	110	111	110	109	81	79	71	102	100	106	105	108	106	104	89	86	76	
HR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
TR	107	100	84	85	90	84	83	82	65	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
IS																															
LI																															
NO	81	100	91	94	82	74	68	59	64	63	78	100	98	107	89	82	78	66	75	75	81	100	89	91	79	72	66	57	61	60	
CH																															

Source: Eurostat - European Statistics on Accidents at Work (ESAW)

**Fatal accidents at work**

(Index of the number of fatal accidents at work per 100 thousand persons in employment (1998=100))

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EU-27	:	:	:	100	97	91	90	88	86	81
EA-16	:	:	:	:	:	:	:	:	:	:
BE	100	100	106	100	124	82	78	93	84	81
BG	116	100	96	100	104	85	83	84	85	106
CZ	116	100	76	96	96	87	84	78	71	67
DK	74	100	71	61	55	65	57	35	71	87 p
DE	123	100	109	95	89	112	105	100	82	95
EE	114	100	79	56	78	81	67	75	58	57
IE	120	100	:	:	:	100	121	84	117	83
EL	76	100	170	73	78	104	81	67	43	103
ES	115	100	91	85	81	79	67	59	64	64
FR	103	100	85	85	79	65	69	68	50	50 p
IT	84	100	68	66	62	42	57	50	52	58
CY	:	:	100	46 i	62 i	107 i	83 i	92 i	66 i	107 i
LV	:	100	115	90	140	123	66	98	74	79
LT	83	100	91	78	105	115	138	113	133	117
LU	184 i	100	40 i	149 i	37 i	52 i	70 i	20 i	57 i	37 i
HU	97	100	107	95	71	109	80	96	73	68
MT	42 i	100	74 i	38 i	46 i	30 i	91 i	90 i	44 i	58 i
NL	140	100	107	106	79	90	91	84	75	79
AT	104	100	100	100	94	100	94	107	94	82
PL	109	100	83	96	92	89	90	86	81	82
PT	108	100	79	104	117	98	87	82	84	68
RO	105	100	93	103	97	95	111	103	128	92
SI	130	100	113	102	122	141	136	77	84	149
SK	81	100	89	71	71	65	75	64	64	76
FI	117	100	75	88	98	82	81	102	83	63
SE	169	100	85	85	105	91	89	81	131	115
UK	100	100	88	106	92	85	70	90	88	81
HR	:	:	:	:	:	:	:	:	:	:
MK	:	:	:	:	:	:	:	:	:	:
TR	120	100	104	68	92	75	64	64	70	:
IS										
LI										
NO	:	100	56	88	74	72	75	49 b	59	65
CH										

Notes: 1) CY, LU, MT: The values are based on small annual numbers of fatalities.

Source: Eurostat - European Statistics on Accidents at Work (ESAW)

## ANNEX TO PART 2

### Symbols

#### Symbols used in the tables

**The special values are codes which replace real data:**

- : "not available"
- .

**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 at the end of the table or on the Eurostat web site  
<http://epp.eurostat.ec.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	LU	Luxembourg	LV	Latvia
LT	Lithuania	MK <sup>154</sup>	The former Yugoslav Republic of Macedonia (FYROM)		
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 and 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 and 30.4.2004: BE, DK, DE, IE, EL, ES, FR, IT, LU, NL, AT, PT, FI, SE and UK.
EA-16	The 16 countries of the euro area as of 1.1.2009: BE, CY, DE, DK, IE, EL, ES, FR, IE, IT, LU, NL, AT, PT, SI and FI. Also called as 'euro zone', 'euroland' and 'euro group'.

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.

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<sup>154</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.

## Other abbreviations and acronyms

AES	Adult Education Survey
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



European Commission

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