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**Combating poverty and social exclusion**  
**A statistical portrait of the European Union 2010**

**2010 edition**



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## FOREWORD

It has become a tradition for Eurostat to draw on a wide array of data to publish a statistical portrait of the European Union and through this contribute to the 'European Year' initiative. The year 2010 has been designated the *European Year for Combating Poverty and Social Exclusion* – designed to promote an inclusive Europe, which is considered a key element for sustained economic growth, more and better jobs, and greater social cohesion. The Lisbon European Council of March 2000 launched the development of a set of indicators which can be used to measure progress in relation to poverty and social exclusion throughout the European Union, by looking at their evolution in relation to a set of benchmarks. This publication provides these indicators together with a range of other statistics which highlight various aspects of poverty and social exclusion. Data are supplied for the 27 Member States of the European Union, as well as for the candidate and EFTA countries.



I would like to acknowledge the important role played by the Directorate-General for Employment, Social Affairs and Equal Opportunities in providing their expertise and editorial support. The information presented only offers an idea of the comprehensive range of European statistics available in this domain. I would therefore hope that readers are stimulated to consider not only the issues raised, but also to consult additional data and publications – all of which are freely available on our website.

A handwritten signature in blue ink, appearing to read "Radermacher".

**Walter Radermacher**  
**Director-General, Eurostat**

## **COMBATING POVERTY AND SOCIAL EXCLUSION: A STATISTICAL PORTRAIT OF THE EUROPEAN UNION 2010**

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An *italic font* has been used in statistical tables to denote any data that may change in the future (estimates, provisional data and forecasts).

A *data code* has been inserted under each table and graph as part of the source – this can be used to obtain direct access to the most recent data on Eurostat's website at: [http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search\\_database](http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database)

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# 1

## Poverty and social exclusion: an introduction



Each year since 1983, the European Parliament and the Council have focused the attention of both the public and national governments on a specific theme. The European years designated for the period between 2005 and 2010 have been closely allied to the social agenda. After the European year for workers' mobility (2006), equal opportunities for all (2007), intercultural dialogue (2008), and creativity and innovation (2009), the year 2010 has been designated as the European year for combating poverty and social exclusion<sup>(1)</sup>.

The goals of the European year for combating poverty and social exclusion cover four broad objectives and guiding principles:

- a recognition of rights for all people, but especially those in a situation of poverty and social exclusion, to live in dignity and take part in society;

<sup>(1)</sup> Decision No. 1098/2008/EC.

- a shared responsibility and participation, emphasising both collective and individual responsibilities in the fight against poverty and social exclusion;
- promoting cohesion, emphasising the benefits for all society of an eradication in poverty and greater social inclusion, and;
- establishing commitment for concrete action for the eradication of poverty and social exclusion at all levels of governance.

This Eurostat (the statistical office of the European Union) publication presents an overview of the broad range of statistics that are available to the European Commission, national governments and individuals on the topic of poverty and social exclusion for policy purposes and general interest. These statistics help establish a picture of the current situation regarding poverty and social exclusion in the EU and how this has changed over time in terms of both numbers, composition and form.

## 1.1 The issues

Equality is a fundamental right within the EU. However, deep-rooted disadvantages faced by certain groups of society, coupled with ingrained attitudes and beliefs of others, means that legislation alone is unlikely to achieve the goal of creating a society which genuinely offers equal opportunities to all and is totally free from discrimination. Despite legislation, inequalities still exist in terms of gender, race or ethnic origin, religion or belief, disability, age or sexual orientation, and social exclusion tends to perpetuate itself in a cycle of deprivation from one generation to the next. These inequalities manifest themselves across many aspects of daily

life, such as education, the workplace, healthcare, or in terms of access to goods and services of general interest. A range of indicators measuring such inequalities are presented in Chapter 2 as a basis for exploring the issues of poverty and social exclusion.

### What is poverty?

Poverty can be defined in a number of different ways: at an aggregated level these different measures can be categorised as either relative poverty or absolute/extreme poverty.

At the World Summit on Social Development in Copenhagen in 1995<sup>(2)</sup>, absolute or extreme poverty was defined as: '*... a condition characterised by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information*' – therefore, mainly depending on access to a range of services.

The EU's social inclusion process uses a relative definition of poverty that was first agreed by the European Council in 1975<sup>(3)</sup>: '*... people are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantages through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalised from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted*'.

<sup>(2)</sup> For more information: <http://www.un.org/esa/socdev/wssd/index.html>.

<sup>(3)</sup> For more information: [http://ec.europa.eu/employment\\_social/spsi/docs/social\\_inclusion/final\\_joint\\_inclusion\\_report\\_2003\\_en.pdf](http://ec.europa.eu/employment_social/spsi/docs/social_inclusion/final_joint_inclusion_report_2003_en.pdf).

While extreme poverty affects certain groups within the EU, most notably the Roma in some Member States, the more widespread form of poverty within the EU tends to be relative poverty, both in monetary and non-monetary terms (for example, material deprivation). The characteristics of relative poverty can vary between genders, age groups, household types, etc. A range of relative poverty indicators are presented in Chapter 3.

## What is social exclusion?

Social exclusion relates to being unable to enjoy levels of participation that most of society takes for granted. It is a complex, multi-dimensional, multi-layered and dynamic concept that the EU's social inclusion process (see footnote 3 on previous page) defined as: '*... a process whereby certain individuals are pushed to the edge of society and prevented from participating fully by virtue of their poverty, or lack of basic competencies and lifelong learning opportunities, or as a result of discrimination. This distances them from job, income and education opportunities as well as social and community networks and activities. They have little access to power and decision-making bodies and thus often feel powerless and unable to take control over the decisions that affect their day to day lives.*

Social exclusion is multi-dimensional in that it encompasses income poverty, unemployment, access to education, information, childcare and health facilities, living conditions, as well as social participation. It is multi-layered insofar as the causes of exclusion can be at the national, community, household or individual level. A broad range of social exclusion indicators are presented in Chapter 4.

The EU and the national governments of Member States work closely together to

provide a coordinated response to the issues of poverty and social exclusion, some of which are detailed later in this introduction. The allocation of financial resources to help alleviate poverty and social exclusion is presented in Chapter 5, along with some measures of their relative success.

## 1.2 The main players and the EU's policy goals

### At the European Union level

Since the founding Treaty of Rome in 1957, the EU has developed an increasingly focused set of policies within the field of social cohesion. Initial policies looked at the freedom of movement for migrant workers, social security arrangements and the establishment of the European Social Fund. In 1974, the European Council adopted its first programme of social action, which looked to improve the living and working conditions for particularly vulnerable groups in society. The Single European Act, which was signed in February 1986, emphasised the importance of strengthening economic and social cohesion in the Community, which was reflected in new Articles 158-161 (130a-d). The Community charter of the fundamental social rights of workers was adopted in 1989. The Amsterdam Treaty (1997) integrated an agreement on social policy and inserted a chapter on employment. The Lisbon strategy, which was set out in March 2000, aimed to make the EU '*the most dynamic and competitive knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion, and respect for the environment by 2010*'. In July 2008, the European Commission adopted proposals for a renewed social agenda <sup>(4)</sup>, which included priority actions

<sup>(4)</sup> COM(2008) 0412 final.

for fighting discrimination and combating poverty and social exclusion.

There are a range of views among European governments concerning the structural reforms necessary to reach the goals outlined above, it was therefore agreed that a voluntary, flexible and decentralised form of co-operation – the so-called open method of coordination (OMC) – would be adopted.

So what is the role of the EU in the OMC framework? The EU coordinates the action of the Member States, who have agreed to common objectives (for example, the active social inclusion of all) and to common indicators that can be used to monitor progress and compare best practices (encouraging each Member State to critically examine their own policies, in part by highlighting how other countries act). On the one side, therefore, the Member States translate the common goals into their own strategies and regularly report on policies they have put in place. On the other, the EU analyses and assesses national strategy reports, drawing up common policy conclusions and defining the main challenges for social policy in each country, that are jointly adopted by the European Commission and Member States. It is important to underline, therefore, that under the OMC social policy remains under the competency of Member States.

Concerning the social inclusion strand, the EU aims to make '*a decisive impact on the eradication of poverty and social exclusion by ensuring*:

- access for all to the resources, rights and services needed for participation in society, preventing and addressing exclusion, and fighting all forms of discrimination leading to exclusion;
- the active social inclusion of all, both by

promoting participation in the labour market and by fighting poverty and exclusion;

- that social inclusion policies are well co-ordinated and involve all levels of government and relevant actors, including people experiencing poverty; that they are efficient and effective and mainstreamed into all relevant public policies, including economic, budgetary, education and training policies and structural fund (notably ESF) programmes.

In addition, the EU can draw on a Community programme (PROGRESS) to support mutual learning through a variety of instruments, such as the financing of stakeholder networks, peer reviews, or meetings with people experiencing poverty. This has changed the basis for policy-making by involving a range of actors, such as NGOs, social partners, local and regional authorities and those working with people in poverty. As such, the OMC offers a forum for developing a consensus over key priorities that need to be addressed in the fight against poverty and social exclusion. These have been included within the social inclusion strategy which aims to take action in the following areas:

- **child poverty:** a child growing up in poverty and exclusion runs a higher risk of becoming marginalised in turn, thus becoming entangled in a 'cycle' that passes from generation to generation. Child poverty and exclusion entails inequality of access to resources and opportunities, and is often linked to discrimination. It may restrain children from achieving their full potential, adversely affecting their health, inhibiting their personal development, education and general well-being;

- **active inclusion:** a process to promote the integration of people furthest away from the labour market, entailing the provision of an adequate level of income support, as well as better access to services, with the aim of ensuring that social protection policies contribute to mobilising people who are capable of working while achieving the wider objective of providing a decent living standard and opportunities for social participation to those who are and will remain outside the labour market;
- **decent housing for all:** homelessness and housing deprivation are some of the most extreme examples of poverty and social exclusion in European society, resulting from a wide range of factors that include a lack of affordable housing, low-paid jobs, unemployment, as well as substance abuse, mental illness or domestic violence;
- **inclusion of vulnerable groups:** some groups within society face a higher risk of poverty and social exclusion compared with the general population, including, for example, people with disabilities, migrants and ethnic minorities (including Roma), homeless people, ex-prisoners, drug addicts, people with alcohol problems, isolated older people and children;
- **financial exclusion and over-indebtedness**<sup>(5)</sup>: many people in poverty cannot access financial services, such as having a bank account, being able to make bank transfers, being able to save, or taking out insurance. They face difficulties, therefore, relating to economic and social integration. By way of example, having a

<sup>(5)</sup> The Economic and Social Committee defines this as covering households that are objectively unable, on a structural and ongoing basis, to pay short-term debts, taken out to meet needs considered to be essential, from their habitual income provided by work, financial investments or other usual sources, without recourse to loans to finance debts contracted previously.

bank account is often a requirement for an employment contract.

The EU is seeking to improve the effectiveness of its actions, and proposed reinforcing the OMC for social protection and social inclusion in July 2008 <sup>(6)</sup>.

## At the national and regional level

Within the OMC, Member States are responsible for transferring common objectives into national action plans (NAPs) for the three areas of social inclusion, pensions, and health and long-term care. These plans, which should cover a period of three years, are submitted to the European Commission in the form of national reports on strategies for social protection and social inclusion; the latest reports cover the period between 2008 and 2010. These NAPs draw on the experience of non-governmental organisations (particularly charities working on poverty and social inclusion), regional and local authorities, as well as other stakeholders. In a number of Member States, NAPs are supported by and feed into regional and local plans at lower governmental levels, aiming to provide coordinated and integrated actions at the level of towns, cities and regions that are coherent with broader national objectives.

## At the international level

At the 2000 UN Millennium Summit, 189 heads of state and government from around the world signed the Millennium Declaration, committing them to a global project designed to definitively reduce many aspects of extreme poverty. Eight Millennium Development Goals were set:

- **eradicating poverty and hunger in the world**, with the target of halving, between

<sup>(6)</sup> COM(2008) 0418 final.

1990 and 2015, the proportion of people whose income is less than USD 1 a day;

- **achieving universal primary education**, with the target of ensuring that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling;
- **strengthening gender equality**, with the target of eliminating gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015;
- **reducing child mortality**, with the target of reducing by two thirds, between 1990 and 2015, the under-five mortality rate;
- **improving maternal health**, with the target of reducing by three quarters, between 1990 and 2015, the maternal mortality rate;
- **combating HIV/AIDS, malaria and other diseases**, with the target of halting by 2015 and beginning the reverse of the spread of HIV/AIDS thereafter;
- **ensuring environmental sustainability**, with the target of integrating the principles of sustainable development into country policies and programmes and reversing the loss of environmental resources, through specific targets for biodiversity, water access and slum dwellings;
- **developing a global partnership for development.**

A Communication<sup>(7)</sup> from the European Commission in April 2005 took stock of the EU's progress made towards these specific goals. This stressed that whilst the Community and its Member States had already made a substantial contribution to the efforts of the international community,

being the largest aid donor (55 % of global overseas development aid), progress should speed-up. The proposals suggested that more economic resources were needed (rising to 0.56 % of the EU's gross national income by 2010 and 0.7 % by 2015), while better-quality aid was required, alongside the development of non-aid policies that provide other forms of assistance, with a particular focus on Africa. These proposals were translated into operational terms in a Communication released in April 2008<sup>(8)</sup> concerning 'the EU – a global partner for development – speeding up progress towards the Millennium Development Goals'.

### **1.3 The main instruments for tackling social exclusion and poverty**

Social policy remains in the hands of Member States, who devoted an average of about 27 % of their GDP in 2006 to social protection, the main instrument of solidarity within Member States. Social protection is a means for redistribution, helping to provide some insurance against the financial implications of social risks as well as cushioning people against poverty and social exclusion. All aspects of social protection (including pensions and healthcare expenditure) play a preventive role against poverty and social exclusion, although some specific functions such as unemployment benefits, housing and social assistance schemes are more directly targeted at alleviating poverty and social exclusion. An analysis of social protection expenditure is presented in Chapter 5.

The EU has a range of active legislation, policies, programmes and awareness raising initiatives to help combat poverty and social

<sup>(7)</sup> COM(2005) 132 final.

<sup>(8)</sup> COM(2008) 177 final.

exclusion at regional, national, European and international level.

Only an overview of the package of policies and programmes is presented here. The key background policy document to combating poverty and social exclusion is the European Commission's so-called 'social policy agenda for 2006-2010' (<sup>(9)</sup>) and the renewed social agenda presented in July 2008 (<sup>(10)</sup>). The communication on which this is based identifies the priorities that should guide the EU's action in the development of the European social model and the intention to promote social cohesion. It is in conformity with and set against the backdrop of the Lisbon programme and the sustainable development strategy that aims to meet the needs of the present without compromising the ability of future generations to meet their own needs.

The principal financial instruments to support Member States in their fight against poverty and social exclusion at the EU level are the structural funds and cohesion funds, the most relevant of which is the **European Social Fund (ESF)**. The ESF provides funds, among others, to programmes that increase the adaptability of workers and enterprises, enhance access to employment and participation in the labour market, reinforce social inclusion by combating discrimination and facilitating access to the labour market for disadvantaged people, and promote partnership for reform in the fields of employment and inclusion. In the ESF cycle between 2007 and 2013, about EUR 75 billion will be allocated to the Member States.

National governments also commit resources to poverty and social inclusion projects. The level of ESF funding varies between regions, depending on relative wealth and on

whether it is for a convergence objective or regional competitiveness and employment objective. There is always co-financing by the EU and Member States, commonly on the basis of a 50 % partnership, although EU commitments can rise to 85 %.

Working alongside the ESF, the Community programme for employment and social solidarity – **PROGRESS** (<sup>(11)</sup>) – started in 2007 and will run until 2013. Many Community activities on combating poverty and social exclusion were brought together under this programme, which has a total budget of EUR 743 million, and is based around five sections: employment; social protection and inclusion; working conditions; diversity and combating discrimination; and equality between men and women. PROGRESS supports, in particular, activities that promote mutual learning and policy transfer, that expand the knowledge-base and statistical tools, that monitor the implementation of policies and engage with stakeholders. PROGRESS targets Member States, local and regional authorities, public employment services and national statistics offices. Specialised bodies, universities and research institutes, as well as social partners and non-governmental organisations can participate.

Specific programmes have been established to focus on particular aspects of poverty and social exclusion, some examples of which are given here. Regarding young people, as part of the Lisbon strategy, the European Youth Pact was adopted in March 2005 to improve the education, training, mobility, employment and social inclusion of young people. This was supplemented by the adoption by the European Parliament and Council of the 'Youth in Action' programme (<sup>(12)</sup>) in November 2006 to support non-formal learn-

<sup>(9)</sup> COM(2005) 33 final.

<sup>(10)</sup> COM(2008) 412 final.

<sup>(11)</sup> Decision No. 1672/2006/EC.

<sup>(12)</sup> Decision No. 1719/2006/EC.

ing activities for young people aged between 15 and 28 years. Building on the HELIOS action programmes of previous years, a European action plan for the period 2004 to 2010 regarding equal opportunities for people with disabilities was established by a European Commission Communication<sup>(13)</sup> of October 2003. Action programmes concerning the elderly have been run since 1991 to strengthen solidarity between the generations, the latest of which is based on a Communication<sup>(14)</sup> from the European Commission in May 2007. Regarding equality between men and women, a roadmap for the period between 2006 and 2010 was set out in a Communication<sup>(15)</sup> from the European Commission in March 2006 with six priority areas: equal economic independence for women and men; reconciliation of private and professional life; equal representation in decision-making; eradication of all forms of gender-based violence; elimination of gender stereotypes; and promotion of gender equality in external and development policies.

Raising awareness of poverty and social exclusion is carried out at the EU and national level. At the EU level, one of the main awareness raising instruments is the use of 'European Year' campaigns, which are based on a chosen theme and announced in advance to help prepare different European and national campaigns. Other national awareness schemes have also been directly supported by the European Commission, such as those in 2006 that were focused on social inclusion and social protection, such as mainstreaming poverty and exclusion into national planning, making pension systems understandable, providing citizens with the information they need to plan their retirement, or improving accessibility and

information provided to citizens in relation to health and long-term care.

Although there is legislation to prevent forms of discrimination on the grounds of race or ethnic origin (the Racial Equality Directive<sup>(16)</sup>) and on the grounds of belief, disability, age or sexual orientation (the Employment Framework Directive<sup>(17)</sup>), it is unlikely that legislation alone will create more tolerant societies free from discrimination. Similarly, although there is legislation on minimum wages, poverty still exists particularly in relative terms. For these reasons, policy developments are often backed by policy programmes and awareness initiatives that play a more hands-on role in changing perceptions and attitudes.

## 1.4 Perceptions and challenges ahead

A special Eurobarometer survey (number 279) was conducted between February and March 2007 in relation to European's attitudes towards poverty and social exclusion. Poverty was generally seen as a widespread problem in Europe, with respondents perceiving that one in ten people (10 %) in their area lived in extreme poverty and about one in every three people (29 %) in poverty, with a further one in three people at risk of falling into poverty (31 %). The perception of poverty in the local area was twice as high among respondents from the countries that have joined the EU since 2004 than in the former EU-15 Member States (63 % compared with 32 %). However, it should be noted that the perception of poverty within the former EU-15 Member States rose by 12 percentage points between 2002 and 2007.

<sup>(13)</sup> COM(2003) 650 final.

<sup>(14)</sup> COM(2007) 244 final.

<sup>(15)</sup> COM(2006) 92 final.

<sup>(16)</sup> Council Directive 2000/43/EC.

<sup>(17)</sup> Council Directive 2000/78/EC.

Overall, injustice in society was the most frequently mentioned cause of poverty (37 %). One in five respondents felt that people lived in poverty because of laziness and/or a lack of willpower (20 %) with a similar proportion (19 %) attributing poverty to bad luck. A lower proportion (13 %) of Europeans perceived poverty as an inevitable part of progress.

Work-related factors were the principal explanations given as to why people were poor or excluded from society, the three main reasons being long-term unemployment (35 % of respondents giving it as one of up to three replies), insufficient pay (34 %) and insufficient social benefits or pensions (34 %). Other key reasons given by respondents to explain their perceptions of why people are poor or excluded from society included addictions (29 %), a lack of education (23 %), suffering from a long-term illness or disability (22 %), or having gone through a family break-up or a death within the family (21 %).

Social challenges that lie ahead for the EU were surveyed by a Flash Eurobarometer

survey (number 227) conducted in April 2008. Almost half (49 %) of those interviewed in the EU thought that life would be worse in the future, with less than two in five citizens (38 %) anticipating a better life in 20 years. Respondents from the countries that have joined the EU since 2004 were significantly more optimistic about an improvement in 20 years than respondents from the EU-15 Member States (59 % compared with 32 % respectively). Respondents were most likely to agree that in 20 years the gap between the rich and the poor in their respective countries would be wider (82 %) and that people's working lives would be extended (80 %). A minority of respondents (37 %) thought that people would give more time to others and to social causes within this timeframe. Men, persons aged 15-24, the highly-educated and city dwellers tended to be more positive about the future outlook. There was a widespread fear of long-term impoverishment as more than two fifths (44 %) of all respondents agreed strongly that future policies should aim to reduce the gap between the rich and the poor.



# 2

## Inequalities

Nowadays, societies cannot combat poverty and social exclusion without analysing the inequalities within the society, whether they are economic in nature or social.

Economic inequality comprises the disparities in the distribution of monetary resources (assets and income) within a population. This gives a picture of the difference between average (mean or median) income, and what the poorest and richest people earn. To enable comparisons between households of different sizes and across the Member States, equivalised incomes that are defined as the household's total disposable income divided by its 'equivalent size' <sup>(18)</sup> are widely used within this publication. Data on economic inequality becomes particularly important for estimating relative poverty, because the distribution of economic resources may have a direct bearing on the extent and depth of poverty. Income inequalities are explored and analysed within Subchapter 2.1.

Such economic inequalities tend to influence the consumption of goods and services by individuals and households, in terms of both volumes and quality. As a result, some people

<sup>(18)</sup> A quotient is attributed to each household member (including children) on the basis of the OECD modified scale. A weight of 1.0 is given to the first adult, 0.5 to other persons aged 14 or over who are living in the household and 0.3 to each child aged less than 14.

in poverty are unable to afford basic services such as heating, whereas others who are at least fortunate enough to be able to afford such basics, nevertheless, need to concentrate a much higher proportion of their expenditure on ‘essentials’ such as housing, heating, food or drink, leaving little or no disposable income for additional purchases. In contrast, people with higher incomes are likely to consume more goods and services, and to attribute a far higher proportion of their expenditure to ‘non-essentials’ such as holidays, visits to restaurants, or other leisure activities. Household consumption expenditure inequalities are introduced and analysed within Subchapter 2.2.

Social inequality encompasses a range of inequalities that mean that different groups in society do not have equal social status. Social inequality is closely linked to social exclusion in that it restricts people from participating fully and equally in society. Exclusion from the labour market is a key form of exclusion, most visible in the form of unemployment, which has a direct impact on income inequalities. However, exclusion covers a range of issues from gender and race, to citizenship and health status, to name but a few. It is a considerable challenge for official statistics to encompass all these varied forms of social inequality and the European Commission’s Eurobarometer surveys are often used as a complementary source. These aspects are introduced and analysed in Subchapters 2.3 to 2.5.

## 2.1 Income inequalities

There were considerable differences in average equivalised disposable incomes between the Member States in 2007, even when adjusting for differences in price levels between countries by using the artificial currency unit of the purchasing

power standard (PPS); mean incomes in Romania (PPS 3 526 per capita) and Bulgaria (PPS 3 871 per capita) were a little less than one fifth of those in the United Kingdom, Cyprus, Ireland, Austria, the Netherlands and Germany, and about one ninth of that in Luxembourg.

Within countries the distribution of income can be measured to some degree by comparing mean and median income levels: generally the larger the relative difference between these measures (as in Portugal and Latvia) the less equitable the distribution.

There were also notable differences in the average incomes of various types of household. Households comprising a single adult with dependent children (aged up to 17 years) had a median equivalised disposable income that was 12.8 % less than that of single person households across the EU-27 in 2007. Households comprising two adults with one dependent child had a median equivalised disposable income that was 13.5 % higher than the median equivalised disposable income of a household comprising two adults and at least three dependent children and almost one third (32.8 %) higher than that of a household composed of a single parent with dependent children.

Another indication of income inequalities can be obtained by looking at how minimum wages correspond to average earnings. Not all Member States have national legislation setting statutory minimum wages (see the footnote below Figure 2.2) but in those Member States that do have such laws, the minimum monthly wage in 2008 accounted for less than one third of average monthly earnings in industry and services in Poland, Estonia and Romania. In contrast, they represented more than 50 % of average monthly earnings in industry and services in Malta and Luxembourg.

A relative assessment can be made by comparing the income of individuals with the highest incomes with those with the lowest incomes. This measure is often used as an indicator of social cohesion, and it shows that in 2007 the total income received by the richest 20 % of the EU-27's population was five times higher than that

received by the 20 % of the population with the lowest incomes. This ratio varied considerably across the Member States, from a little less than 3.5 in Slovenia and Sweden to more than 6.0 in Bulgaria, Portugal and Latvia and a high of 7.8 in Romania. Such income inequalities are not confined to the countries with relatively low GDP per

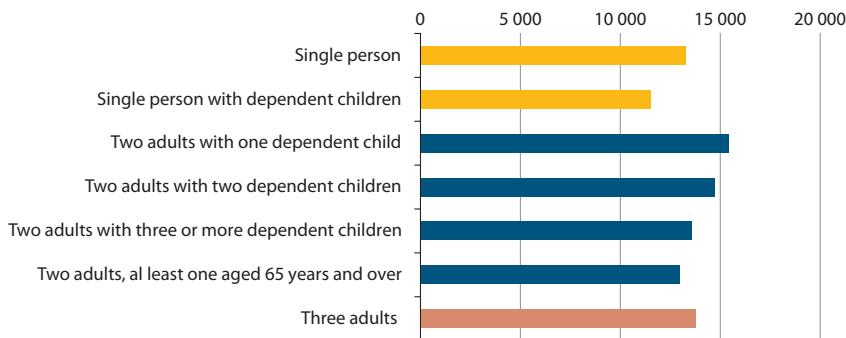
**Table 2.1:** Mean and median equivalised disposable incomes, 2007 (1)

	Mean income (EUR)	Mean income (PPS)	Median income (EUR)	Median income (PPS)	Median income by age (PPS)			Median income by gender (PPS)	
					18-24	25-49	50-64	Female	Male
<b>BE</b>	19 129	18 217	17 563	16 726	16 444	18 586	17 558	16 332	17 171
<b>BG</b>	1 714	3 871	1 480	3 343	3 345	3 697	3 633	3 250	3 405
<b>CZ</b>	6 139	10 098	5 419	8 913	9 170	9 743	9 689	8 715	9 101
<b>DK</b>	25 113	18 245	23 341	16 958	13 529	18 099	20 065	16 609	17 391
<b>DE</b>	20 208	19 787	17 707	17 338	16 633	18 727	18 861	16 947	17 777
<b>EE</b>	5 304	8 069	4 447	6 765	7 322	7 854	6 922	6 445	7 177
<b>IE</b>	26 043	20 978	22 152	17 843	18 322	20 484	18 303	17 260	18 238
<b>EL</b>	12 126	13 763	10 200	11 577	10 596	12 440	12 598	11 275	11 849
<b>ES</b>	13 613	14 753	12 005	13 011	13 493	14 264	14 095	12 684	13 375
<b>FR</b>	18 481	17 411	16 563	15 604	13 949	16 260	17 700	15 258	15 911
<b>IT</b>	17 213	16 725	15 005	14 580	13 606	15 568	16 502	14 131	15 073
<b>CY</b>	18 500	21 100	15 984	18 230	18 931	19 384	19 732	17 962	18 555
<b>LV</b>	4 086	6 823	3 350	5 594	6 112	6 477	5 693	5 371	5 855
<b>LT</b>	3 939	7 037	3 276	5 854	6 396	6 721	6 260	5 663	6 154
<b>LU</b>	34 213	33 539	29 881	29 292	26 324	30 656	33 967	28 932	29 706
<b>HU</b>	4 374	7 369	3 936	6 631	6 362	6 843	7 240	6 576	6 682
<b>MT</b>	9 954	13 714	9 125	12 572	14 226	13 552	13 080	12 364	12 805
<b>NL</b>	20 753	20 196	18 207	17 718	17 327	18 999	19 599	17 273	18 146
<b>AT</b>	20 302	20 280	18 153	18 133	18 644	18 913	19 946	17 752	18 629
<b>PL</b>	4 149	6 756	3 502	5 704	5 294	5 956	6 187	5 646	5 760
<b>PT</b>	9 918	11 699	7 573	8 933	8 885	9 572	9 952	8 817	9 104
<b>RO</b>	1 987	3 526	1 658	2 942	2 948	3 293	3 135	2 894	2 975
<b>SI</b>	10 719	14 388	9 907	13 298	13 379	13 934	13 914	13 021	13 586
<b>SK</b>	4 376	7 592	3 971	6 888	6 909	7 456	7 566	6 699	7 089
<b>FI</b>	20 587	17 099	18 507	15 372	13 429	16 973	17 644	14 867	15 829
<b>SE</b>	19 869	17 101	18 554	15 968	13 485	16 881	20 011	15 642	16 332
<b>UK</b>	24 625	22 262	20 954	18 943	19 429	21 595	20 889	18 387	19 525
<b>IS</b>	33 716	24 062	28 709	20 489	20 437	21 188	25 013	20 197	20 760
<b>NO</b>	30 298	21 909	28 775	20 808	16 725	21 846	25 177	20 411	21 266

(1) The income reference period concerns the year preceding the survey year for the majority of countries.

Source: Eurostat ([ilc\\_di03](#))

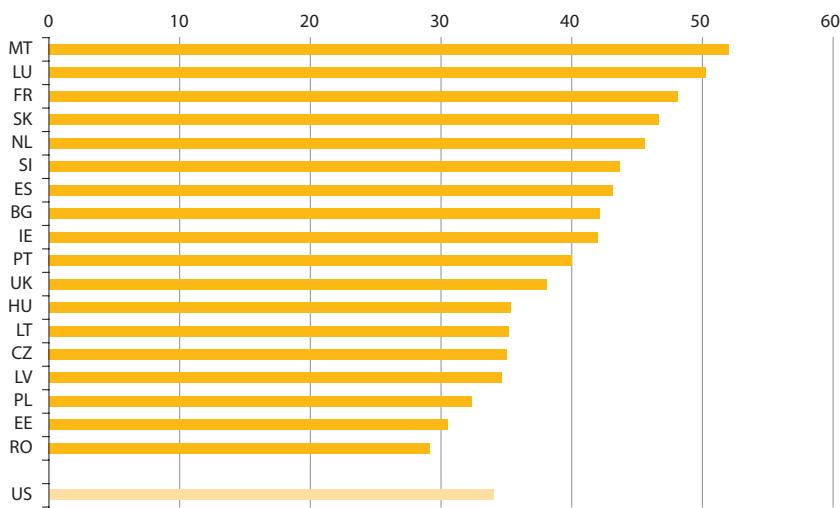
**Figure 2.1:** Median equivalised disposable incomes of various types of household, EU-27, 2007 (EUR) (1)



(1) The income reference period concerns the year preceding the survey year.

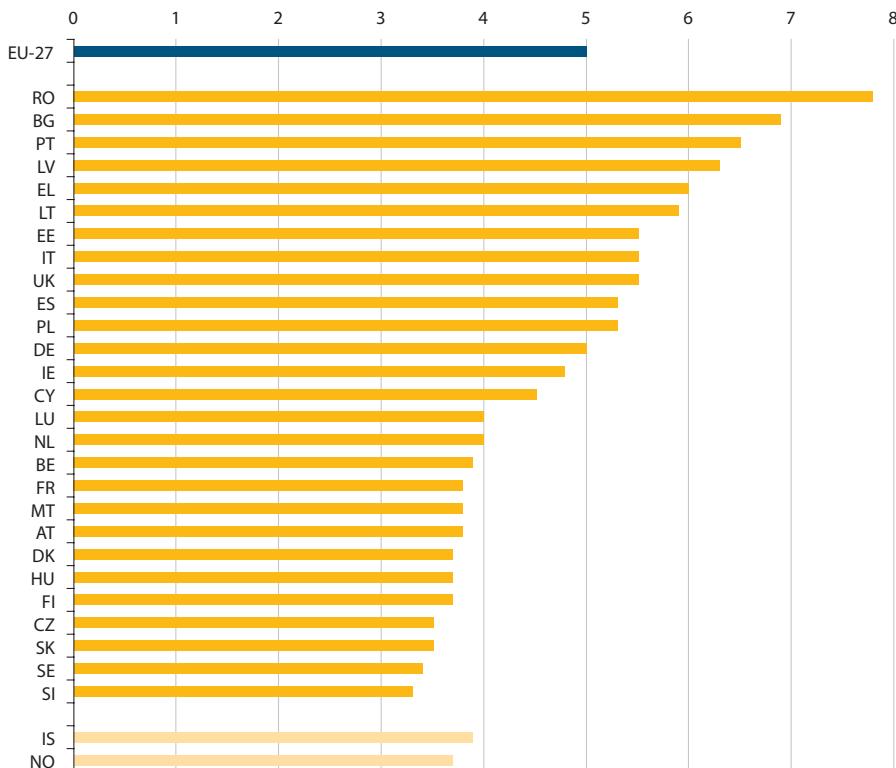
Source: Eurostat ([ilc\\_di04](#))

**Figure 2.2:** Minimum monthly wage as a share of average monthly earnings in industry and services (NACE Rev. 1.1 Sections C to K), 2008 (%) (1)



(1) Denmark, Germany, Italy, Cyprus, Austria, Finland and Sweden have no legislation setting statutory minimum wages. France, Poland, Romania and Slovakia, 2007; Estonia, 2006; the Netherlands, 2005; Belgium and Greece, not available.

Source: Eurostat ([earn\\_minw\\_avg](#))

**Figure 2.3:** S80/S20 income quintile share ratio, 2007 (1)

(1) The income reference period concerns the year preceding the survey year for the majority of countries.

Source: Eurostat ([ilc\\_di11](#))

capita figures, as the distribution of income was relatively equitable in Slovenia, Slovakia and the Czech Republic, while it was relatively asymmetrical in Italy and the United Kingdom.

## 2.2 Consumption inequalities

Statistics on the final consumption expenditure of households cover expenditure on goods and services that are used for the satisfaction of individual needs. The data may

be broken down (at a first level) into 12 different headings according to the Divisions within the classification of individual consumption according to purpose (COICOP).

Progressively, households with lower levels of income tend to spend an increasingly high share of their household budget on 'basics' and a correspondingly low share on 'non-essentials'. For example, the lowest income quintile (the 20 % of the EU-27 population with the least income) devoted 54.9 % of their household expenditure to housing,

**Table 2.2:** Breakdown of household consumption expenditure by income quintile and COICOP level 2, EU-27, 2005 (%)

	1st quintile	2nd quintile	3rd quintile	4th quintile	5th quintile
<b>Food &amp; non-alcoholic beverages</b>	22.2	20.1	18.4	16.5	12.9
<b>Alcoholic beverages &amp; tobacco</b>	3.1	2.7	2.5	2.4	2.0
<b>Clothing &amp; footwear</b>	5.0	5.1	5.5	5.8	6.1
<b>Housing, water, electricity, gas</b>	32.7	30.5	28.8	27.2	24.4
<b>Furnish., household equip. &amp; maintenance</b>	4.0	4.7	5.0	5.4	6.7
<b>Health</b>	3.0	3.3	3.2	3.2	3.7
<b>Transport</b>	8.1	9.6	11.1	12.1	14.4
<b>Communications</b>	3.7	3.5	3.4	3.3	3.0
<b>Recreation &amp; culture</b>	6.4	7.3	8.2	8.7	9.4
<b>Education</b>	0.7	0.7	0.8	1.0	1.2
<b>Restaurants &amp; hotels</b>	4.0	4.5	4.9	5.5	6.2
<b>Miscellaneous goods &amp; services</b>	7.0	7.8	8.2	8.8	9.9

Source: Eurostat ([hbs\\_str\\_t223](#))

**Table 2.3:** Breakdown of consumption expenditure by socio-economic category of the reference person and COICOP level 2, EU-27, 2005 (%)

	Industry and services				
	Self-employed	Manual worker	Non-manual worker	Retired	Unemployed
<b>Food &amp; non-alcoholic beverages</b>	15.1	16.5	13.1	17.1	17.9
<b>Alcoholic beverages &amp; tobacco</b>	2.1	2.8	2.0	2.0	3.2
<b>Clothing &amp; footwear</b>	6.1	5.9	6.5	4.2	5.3
<b>Housing, water, electricity, gas</b>	25.4	26.7	25.3	33.6	32.6
<b>Furnish., household equip. &amp; maintenance</b>	5.7	5.3	6.0	5.7	4.1
<b>Health</b>	2.7	2.4	2.9	4.9	2.6
<b>Transport</b>	13.3	13.7	13.8	9.0	10.0
<b>Communications</b>	3.2	3.5	3.2	2.7	3.8
<b>Recreation &amp; culture</b>	8.4	8.4	9.7	7.9	7.0
<b>Education</b>	1.4	0.8	1.4	0.2	1.0
<b>Restaurants &amp; hotels</b>	5.9	5.4	6.3	4.1	5.0
<b>Miscellaneous goods &amp; services</b>	10.4	8.5	9.7	8.4	7.4

Source: Eurostat ([hbs\\_str\\_t221](#))

utilities, food and non-alcoholic beverages in 2005, whereas the top income quintile (the 20 % of the population with the highest incomes) used 37.3 % of their (considerably higher) expenditure on these items. In contrast, the top income quintile devoted 40.4 % of their expenditure to transport, recreation, furnishings, restaurants and hotels, compared with 25.5 % for the lowest income quintile.

The differences in relative consumption patterns can also be analysed by socio-economic category, although these may well also reflect relationships between the average income levels and the categories used. Across the EU-27, both the retired and the unemployed spent more than 50 % of their household expenditure on housing, utilities, food and non-alcoholic beverages in 2005, in contrast to 38.4 % for non-manual workers in industry and services. This latter group allocated a higher proportion (than any of the other socio-economic groups) of their household expenditure to transport (13.8 %), recreation and culture (9.7 %), restaurants and hotels (6.3 %), clothing and footwear (6.5 %) and furnishings (6.0 %).

### 2.3 Employment inequalities

The total employment rate is calculated by dividing the number of persons aged 15 to 64 in employment by the total population of the same age group. The employment rate in the EU-27 was 65.9 % in 2008, which was below the Lisbon target rate of 70 % set for 2010. Employment rates were above this target in only eight Member States (Denmark, the Netherlands, Sweden, Austria, the United Kingdom, Finland, Cyprus and Germany) but below 60 % in Poland, Romania, Italy, Hungary and Malta.

The average employment rate for women in the EU-27 was 59.1 % in 2008, which was relatively close to the employment policy target rate of 60 % set for 2010 and up from 53.6 % in 2000. However, it remained well below the employment rate for men (72.8 %). More than half (15) the Member States recorded employment rates for women in 2008 above the 60 % target; in Denmark, Sweden and the Netherlands rates exceeded 70 %.

Policy guidelines also set a target employment rate for older workers (aged between 55 and 64 years) of 50 % by 2010. The employment rate of older workers across the EU-27 was 45.6 % in 2008, with the target being exceeded in 12 of the Member States, most notably in Estonia (62.4 %) and Sweden (70.1 %).

Labour market disparities can be measured on the basis of the dispersion of employment or unemployment rates across the regions of an individual country or in relation to the whole of the EU; generally these disparities tend to be wider between regions in the same country than they are across the national economies of the Member States.

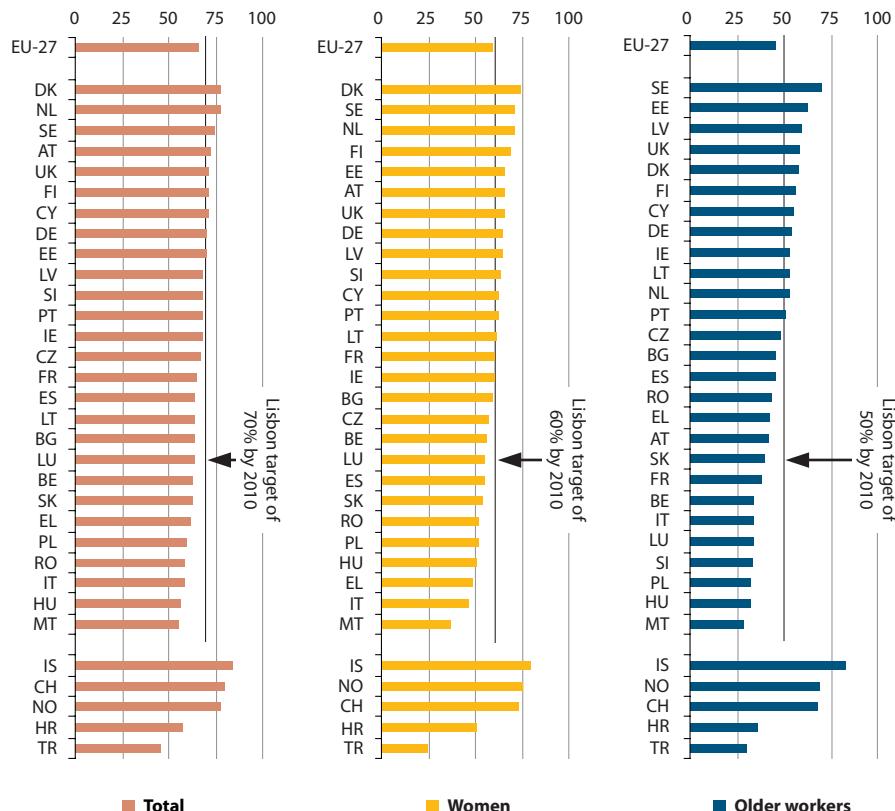
In the period between 2001 and 2007, labour market disparities across all European regions became more uniform; the EU-27 dispersion of employment and unemployment rates declined by 2.1 and 21.4 percentage points respectively. The widest dispersion of regional employment and unemployment rates in 2007 was recorded in Italy (reflecting a divide between north and south), while Belgium and Germany also recorded considerable regional disparities for unemployment. The EU seeks to promote a uniform level of regional development, through convergence, competitiveness and employment objectives.

EU legislation (<sup>19</sup>) has since 2000 laid down directives in relation to equality issues seeking to combat discrimination on the grounds of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. A Special Eurobarometer survey (number 296) on discrimination in the EU

asked respondents to consider factors which put people at a disadvantage when applying for a job. The most common reply (multiple answers recorded) was that the look, dress-sense or presentation of the candidate would be a disadvantage (50 %), followed by their age (45 %), skin colour/ethnic origin (42 %) or if they had a disability (41 %).

<sup>(19)</sup> Directive 2000/43/EC and Directive 2000/78/EC.

**Figure 2.4: Employment rates, 2008 (%)**



Source: Eurostat (lfsi\_emp\_a)

**Table 2.4:** Employment rates by age and gender, 2008 (%)

15-24 years			25-54 years			55-64 years			
	Total	Female	Total	Female	Male	Total	Female	Male	
<b>EU-27</b>	37.6	34.6	40.4	79.6	72.3	86.9	45.6	36.9	55.0
<b>BE</b>	27.4	25.0	29.7	80.5	73.8	87.0	34.5	26.3	42.8
<b>BG</b>	26.3	23.1	29.3	81.3	77.9	84.7	46.0	37.7	55.8
<b>CZ</b>	28.1	23.5	32.4	83.8	75.2	92.1	47.6	34.4	61.9
<b>DK</b>	67.0	65.7	68.3	88.0	84.6	91.3	57.0	49.8	64.3
<b>DE</b>	46.9	45.0	48.8	81.8	76.3	87.2	53.8	46.1	61.8
<b>EE</b>	36.4	33.2	39.5	83.9	79.5	88.5	62.4	60.3	65.2
<b>IE</b>	46.0	45.2	46.8	77.3	69.0	85.5	53.6	41.0	66.0
<b>EL</b>	23.5	18.5	28.5	76.1	61.9	90.2	42.8	27.5	59.1
<b>ES</b>	36.0	32.5	39.3	75.3	65.9	84.4	45.6	31.1	60.9
<b>FR</b>	32.2	29.3	35.0	83.2	77.4	89.2	38.3	36.1	40.6
<b>IT</b>	24.4	19.4	29.1	73.5	60.2	86.7	34.4	24.0	45.5
<b>CY</b>	38.0	36.7	39.4	83.7	76.2	91.4	54.8	39.4	70.9
<b>LV</b>	37.2	31.9	42.4	82.6	79.9	85.4	59.4	56.7	63.1
<b>LT</b>	26.7	22.2	30.9	81.2	79.7	82.7	53.1	47.8	60.2
<b>LU</b>	23.8	20.6	27.0	80.0	69.5	90.2	34.1	29.3	38.7
<b>HU</b>	20.0	16.8	23.2	74.4	67.9	81.0	31.4	25.7	38.5
<b>MT</b>	45.8	43.8	47.7	67.3	44.1	89.5	29.1	12.4	46.4
<b>NL</b>	69.3	68.8	69.8	86.8	80.5	93.0	53.0	42.2	63.7
<b>AT</b>	55.9	52.3	59.5	84.4	78.6	90.2	41.0	30.8	51.8
<b>PL</b>	27.3	23.7	31.0	77.5	71.0	84.0	31.6	20.7	44.1
<b>PT</b>	34.7	30.8	38.5	81.6	75.8	87.6	50.8	43.9	58.5
<b>RO</b>	24.8	20.2	29.1	74.4	67.8	80.9	43.1	34.4	53.0
<b>SI</b>	38.4	33.2	43.0	86.8	84.8	88.6	32.8	21.1	44.7
<b>SK</b>	26.2	21.5	30.8	80.1	73.7	86.4	39.2	24.2	56.7
<b>FI</b>	44.7	45.1	44.3	84.3	81.2	87.3	56.5	55.8	57.1
<b>SE</b>	42.2	42.1	42.2	86.5	83.5	89.4	70.1	66.7	73.4
<b>UK</b>	52.4	51.0	53.8	81.4	75.2	87.7	58.0	49.0	67.3
<b>HR</b>	26.9	21.1	32.3	75.2	69.2	81.3	36.6	25.6	49.0
<b>TR</b>	30.3	19.9	41.4	54.3	27.3	80.8	29.5	16.5	43.0
<b>IS</b>	71.7	73.5	70.1	87.3	82.0	92.3	82.9	77.2	88.4
<b>NO</b>	57.3	58.1	56.5	86.8	84.0	89.4	69.2	64.2	74.1
<b>CH</b>	62.4	61.2	63.6	87.2	80.6	93.7	68.4	60.0	77.0

Source: Eurostat ([lfsi\\_emp\\_a](#))

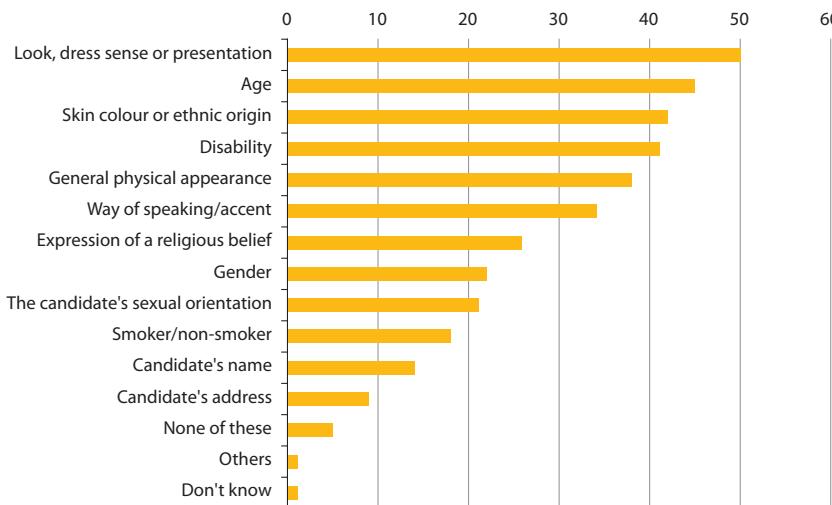
**Table 2.5:** Dispersion of regional employment and unemployment rates, by NUTS 2 regions (%), coefficient of variation (1)

	Dispersion of employment rates				Dispersion of unemployment rates			
	2001	2003	2005	2007	2001	2003	2005	2007
<b>EU-27</b>	13.2	12.9	11.9	11.1	65.5	58.7	51.1	44.1
<b>BE</b>	8.0	7.7	8.4	8.6	53.7	43.5	48.4	59.2
<b>BG</b>	:	6.6	7.2	7.1	:	22.0	20.8	39.1
<b>CZ</b>	5.7	5.8	5.5	4.6	38.9	41.9	45.8	41.9
<b>DK</b>	:	:	:	:	:	:	:	:
<b>DE</b>	5.8	5.9	5.6	4.8	61.1	45.8	39.6	43.5
<b>EE</b>	-	-	-	-	-	-	-	-
<b>IE</b>	:	:	:	:	:	:	:	:
<b>EL</b>	4.3	3.2	4.3	3.5	16.5	15.9	18.3	15.2
<b>ES</b>	10.0	9.0	8.3	7.5	37.6	32.3	30.2	30.6
<b>FR</b>	8.3	7.2	7.2	6.6	41.8	37.1	34.8	35.2
<b>IT</b>	17.1	17.0	16.0	16.3	78.3	78.0	59.9	56.7
<b>CY</b>	-	-	-	-	-	-	-	-
<b>LV</b>	-	-	-	-	-	-	-	-
<b>LT</b>	-	-	-	-	-	-	-	-
<b>LU</b>	-	-	-	-	-	-	-	-
<b>HU</b>	8.8	8.5	9.9	9.7	29.9	32.6	26.9	39.4
<b>MT</b>	-	-	-	-	-	-	-	-
<b>NL</b>	2.3	2.3	2.0	2.2	19.5	10.7	15.1	16.9
<b>AT</b>	2.6	3.0	4.1	3.8	35.8	42.3	39.6	45.0
<b>PL</b>	7.2	7.2	5.6	4.5	17.9	15.8	14.6	14.2
<b>PT</b>	3.5	3.9	3.3	3.3	29.3	29.6	22.3	20.3
<b>RO</b>	5.6	3.5	4.5	4.6	13.9	13.9	17.3	27.7
<b>SI</b>	:	:	:	:	:	:	:	:
<b>SK</b>	8.3	7.6	9.8	8.3	24.3	26.7	36.7	38.0
<b>FI</b>	7.0	6.1	5.5	5.6	29.4	22.0	21.9	25.8
<b>SE</b>	4.2	4.3	3.0	2.4	23.9	15.8	12.5	10.1
<b>UK</b>	6.8	6.1	5.7	5.4	32.7	30.5	26.4	24.8
<b>NO</b>	2.2	1.6	1.3	2.5	12.2	6.7	9.6	14.4

(1) Variation of employment (age group 15-64) and unemployment rates (age group 15-74) across regions (NUTS 2 level) and within countries; the indicator is not applicable for Estonia, Cyprus, Latvia, Lithuania, Luxembourg and Malta, as these countries comprise only one NUTS level 2 region.

Source: Eurostat ([reg\\_lmdcr](#))

**Figure 2.5:** Views on employment discrimination when a company decides between two candidates with equal skills and qualifications, EU-27, February–March 2008  
(% of respondents)



Source: Special Eurobarometer 296

## 2.4 Gender inequalities

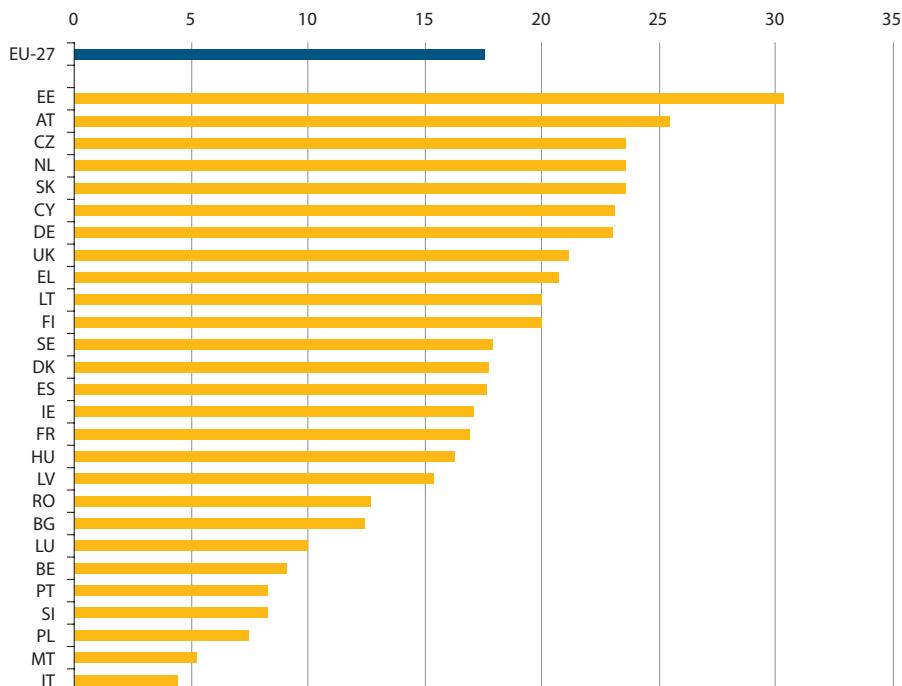
As well as setting a target to raise the employment rate for women, the Lisbon strategy also requires that the EU aims to promote equality between men and women in pay, labour market segregation and decision-making jobs. The gender pay gap in unadjusted form is the difference between the average gross hourly earnings of male and female paid employees, shown as a share of men's earnings. There continued to be a pay gap in 2007, equivalent to 17.5 % across the EU-27 as a whole. The gap was highest in Estonia (30.3 %) and Austria (25.5 %) and lowest in Malta (5.2 %) and Italy (4.2 %).

Among the different sectors of the EU-27's economy (as defined by the statistical classification of economic activities in the European Community – NACE Rev. 1.1), the unadjusted pay gap was widest in

the activity of financial intermediation (32.2 %), followed some way behind by health and social work (24.3 %) – both activities with a high proportion of female workers. The pay gap was narrowest for transport, storage and communications (9.9 %) and construction (5.5 %); both activities that have traditionally employed a predominantly male workforce.

The proportion of women in the EU-27 that were self-employed (7.6 %) in 2008 was well below the corresponding proportion for men (12.5 %). This characteristic was reflected in the majority of Member States, but most notably in Ireland (4.3 % for women compared with 16.2 % for men) and Romania (12.7 % compared with 24.9 % respectively). It was not the case, however, in Luxembourg and Portugal, where the proportion of women who were self-employed in 2008 was higher than that for men.

**Figure 2.6:** Gender pay gap in unadjusted form, 2007 (difference between men and women's average gross hourly earnings as a percentage of men's average gross hourly earnings) (1)



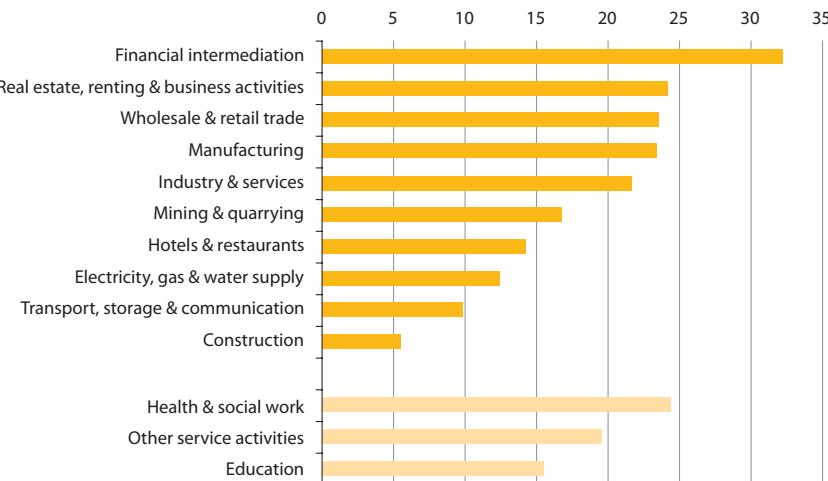
(1) EU-27, Estonia, Greece, Spain, Italy and Malta, provisional.

Source: Eurostat ([tsiem040](#))

In terms of an equal gender representation in decision-making jobs, women accounted for almost half (48.9 %) of all professionals (ISCO major group 2) across the EU-27 in 2008, with large majorities (about two thirds of all professionals) in the Baltic Member States, Bulgaria and Poland. In contrast, only about one in every three (33.2 %) legislators, senior officials and managers (ISCO major group 1) across the EU-27 were women in 2008, this proportion falling to about one in every six in Malta and Cyprus.

At arguably the highest form of decision-making, women represented about one in every four (24 %) members of national parliaments in 2008. The share of women increased in almost all Member States in the period between 1997 and 2008, but particularly sharply in Belgium and Portugal. Sweden reported the highest proportion of women (48 %) as members of its national parliament in 2008.

Whilst there have been concerted efforts to get more women into work and into influential, decision-making jobs, many

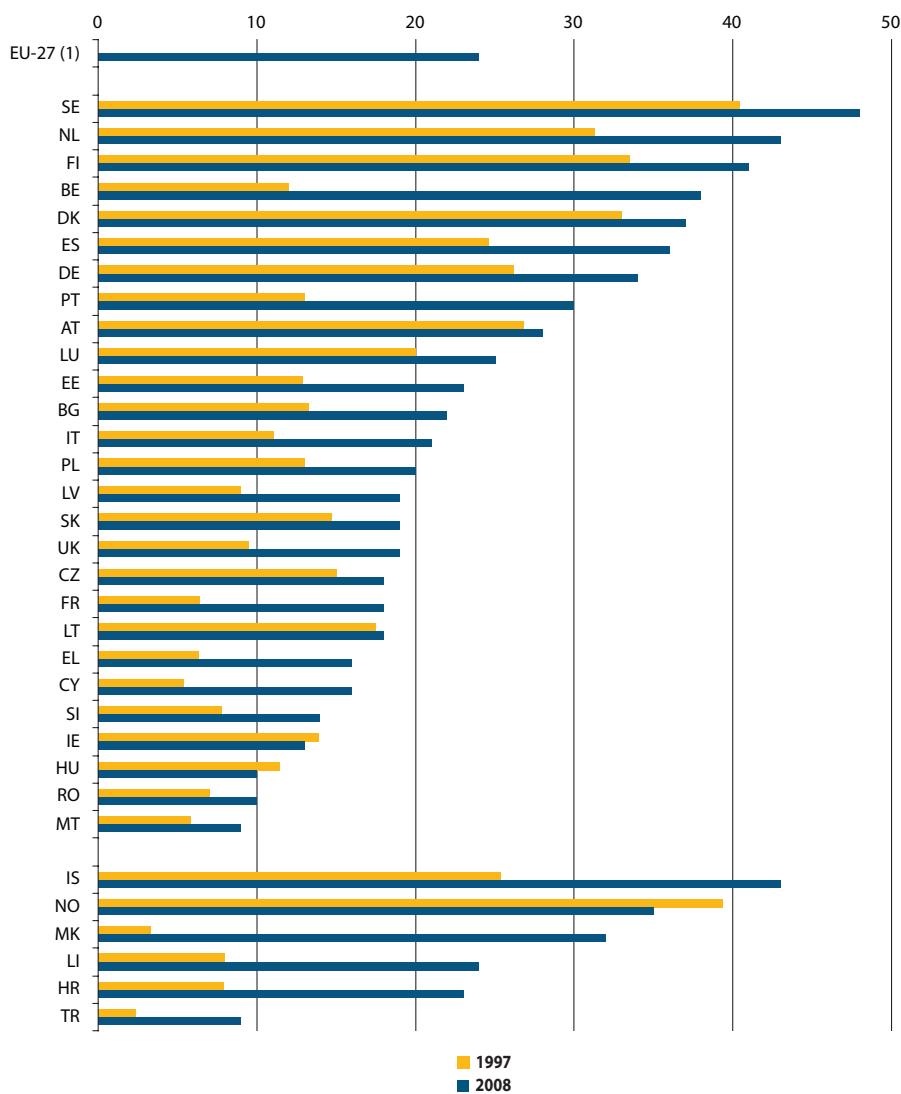
**Figure 2.7:** Gender pay gap in unadjusted form, by NACE Rev. 1.1 Section, 2007 (%) (1)

(1) Provisional.

Source: Eurostat ([earn\\_gr\\_gpg](#))

women are held back from working full-time by the work that they carry out raising children, looking after other persons, or housework; this was the single largest reason (36.0 %) for women working less than 30 hours per week in 2007, in contrast to the proportion

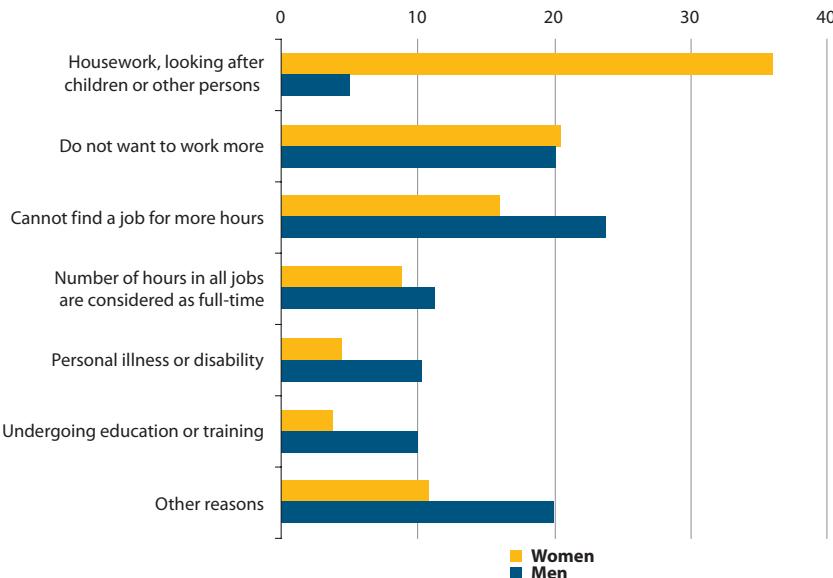
(5.0 %) of men for whom this was the reason that they worked less than 30 hours per week. As such, there is policy interest in providing more accessible and affordable childcare and home help, as well as promoting more flexible working arrangements.

**Figure 2.8:** Proportion of women in national parliaments, single/lower house (% of total)

(1) This is the average of women in EU national parliaments; 1997, not available.

Source: Inter-Parliamentary Union (<http://www.ipu.org>) for 1997 and Directorate-General Employment, Social Affairs and Equal Opportunities for 2008

**Figure 2.9:** Reasons for men and women working less than 30 hours per week, EU-27, 2007 (%)



Source: Eurostat (EU-SILC)

## 2.5 Inequalities among minorities

Historically, many EU countries have welcomed both skilled and unskilled migrant workers – a situation that is likely to continue as the EU’s population ages. As arrivals in a new country, migrants often need time and help to participate fully and equally in society. Since January 1992, EEA nationals have been entitled to work or look for a job in another EEA country with the same rights as nationals from the host country. Across the EU-27, the employment rate of non-nationals but citizens of other EU-27 countries was 69.7 % in 2008, compared with 59.2 % for citizens from countries outside of the EU.

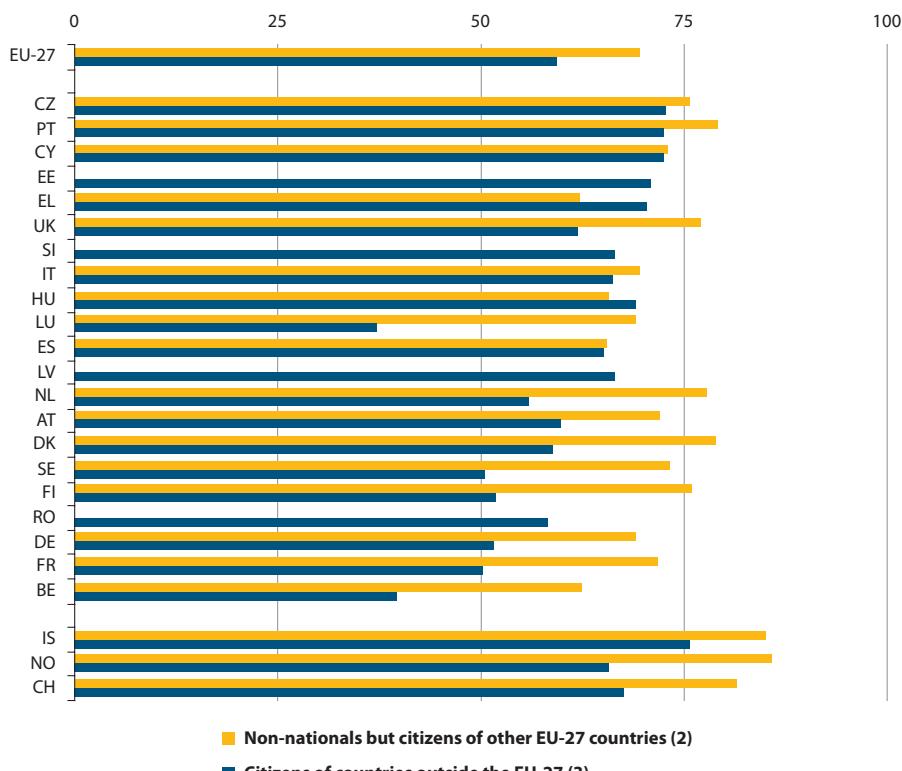
However, there are very distinct differences among the Member States. The employment rate of non-EU citizens in 2008 was relatively

similar to that of non-national EU citizens or indeed higher in the southern European countries (particularly Greece, Spain and Italy) as well as in those Member States that joined the EU since 2004 among those countries for which comparable data are available (particularly Hungary, but also Cyprus and the Czech Republic). In contrast, there were considerable differences between employment rates for the two groups of non-national citizens in the other EU-15 Member States, with particularly low employment rates for non-EU citizens in Luxembourg and Belgium.

Specifically, in its Communication of 17 July 2002 (<sup>20</sup>), the European Commission identified the reduction of the employment gap for disadvantaged groups – the percentage point difference between the employment rate for

<sup>(20)</sup> COM(2002) 416 final.

**Figure 2.10:** Employment rates of non-nationals (aged 15-64), by groups of citizenship, 2008 (%) (1)



- (1) Ranked according to the average employment rate for all non-nationals; Malta and Poland, data unreliable; Bulgaria and Ireland, not available.  
 (2) Slovenia and Slovakia, data unreliable; Estonia, Latvia, Lithuania and Romania, not available.  
 (3) Lithuania, data unreliable; Slovakia, not available.

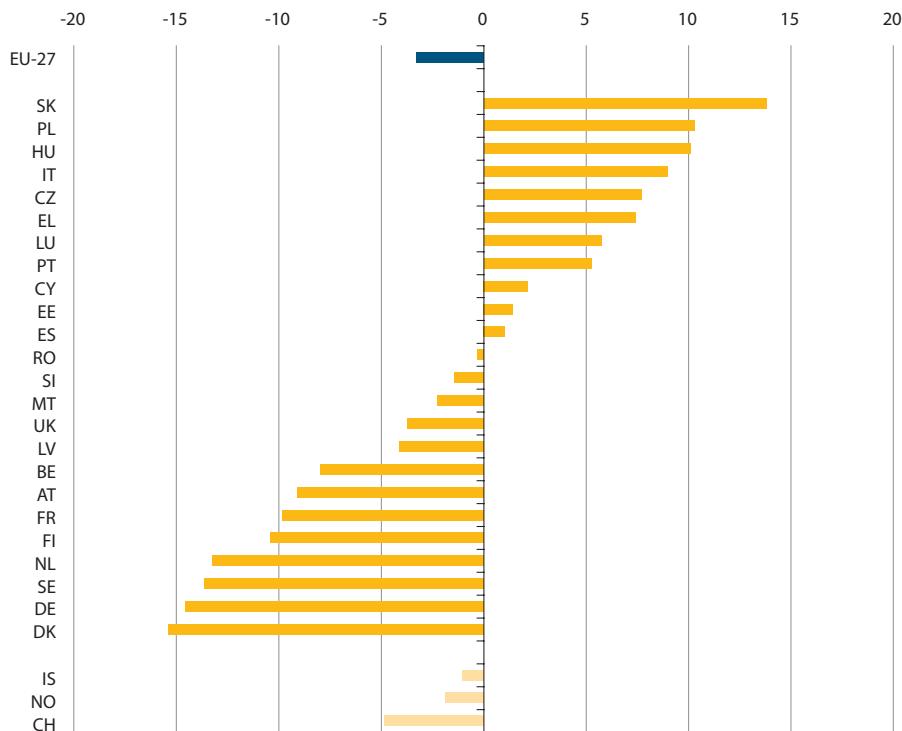
Source: Eurostat ([Ifsa\\_ergan](#))

disadvantaged groups, such as non-nationals, and that for nationals – as a major issue; the employment rate of non-nationals was, on average, 3.3 percentage points less than the employment rate for nationals in the EU-27 in 2008. There was a considerable difference in this gap in some Member States, with a positive gap (a higher rate of employment among non-nationals than nationals)

of over 10 percentage points in Slovakia, Poland and Hungary, but a negative gap (a lower employment rate among non-nationals) of over 10 percentage points in Finland, the Netherlands, Sweden, Germany and, in particular, Denmark.

Asylum applications refer to all persons who apply on an individual basis for asylum or similar protection, irrespective of whether

**Figure 2.11:** Employment gap between non-nationals and nationals (aged 15-64), 2008  
(percentage points difference between the employment rates for non-nationals and nationals) (1)



(1) Bulgaria, Ireland and Lithuania, not available.

Source: Eurostat ([Ifsa\\_ergan](#))

they lodge their application on arrival or from inside the country, and irrespective of whether they entered the country legally or illegally. An asylum applicant is a person who has requested protection under: either Article 1 of the Convention relating to the Status of Refugees of 28 July 1951, as amended by the New York Protocol of 31 January 1967; or within the remit of the United Nations convention against torture and other forms of cruel or inhuman treatment (UNCAT); or the European convention on human rights; or other relevant instruments of protection.

Only a minority of asylum applicants are recognised as refugees or are granted subsidiary protection. On the basis of the provisional data available for the Member States in 2007, between six and seven out of every ten applications within the EU were rejected at the first instance. Nevertheless, there were notable differences between Member States. Over 85 % of decisions on asylum applications were negative in the Czech Republic, France or Ireland in 2007, while less than 35 % of asylum decisions were rejections in Denmark, Malta, Poland or Sweden.

**Table 2.6:** Asylum applications and first instance asylum decisions (number)

		Asylum decisions, 2007				
		Geneva Convention status	Humanitarian status & subsid. protect.	Other positive decisions	Rejections	Other non-status decisions
	1997	2007				
<b>EU-27</b>	:	222 635	:	:	:	:
BE	11 790	11 575	:	:	:	:
BG	370	815	15	320	0	245
CZ	2 110	1 585	140	250	0	1 570
DK	5 100	2 225	70	405	:	375
DE	104 355	19 165	7 195	675	:	12 750
EE	0	15	0	0	0	10
IE	3 880	3 935	375	:	:	3 430
EL	4 375	25 115	95	75	0	20 685
ES	4 975	7 195	240	5	:	5 155
FR	21 415	29 160	3 205	145	:	25 800
IT	1 890	14 055	:	:	:	:
CY	:	6 780	25	185	:	2 315
LV	:	35	5	5	0	10
LT	240	125	10	50	:	50
LU	435	425	155	345	40	430
HU	:	3 420	170	85	0	1 375
MT	70	1 380	5	620	:	330
NL	34 445	7 100	:	:	:	:
AT	6 720	11 920	5 195	:	:	6 645
PL	3 580	7 205	150	2 870	15	1 835
PT	250	225	5	20	0	85
RO	1 425	660	125	5	0	340
SI	70	370	0	5	0	270
SK	645	2 640	10	80	0	1 180
FI	970	1 405	65	490	280	1 045
SE	9 680	36 205	855	13 720	1 065	12 185
UK	32 500	27 905	4 480	2 325	:	19 485
NO	2 270	:	:	:	:	:
CH	23 185	:	:	:	:	:

Source: Eurostat ([migr\\_asyctz](#) and [migr\\_asydictz](#))

The acquisition of citizenship is sometimes viewed as an indicator of the formal integration of migrants into their host country; citizenship may be granted to persons who have previously been citizens of another country or to persons who have been stateless. About

701 000 persons acquired the citizenship of one of the Member States in 2007, the majority (58.4 %) of whom acquired the citizenship of the United Kingdom, France or Germany. Historical links with other parts of the world, particularly with former colonial territories,

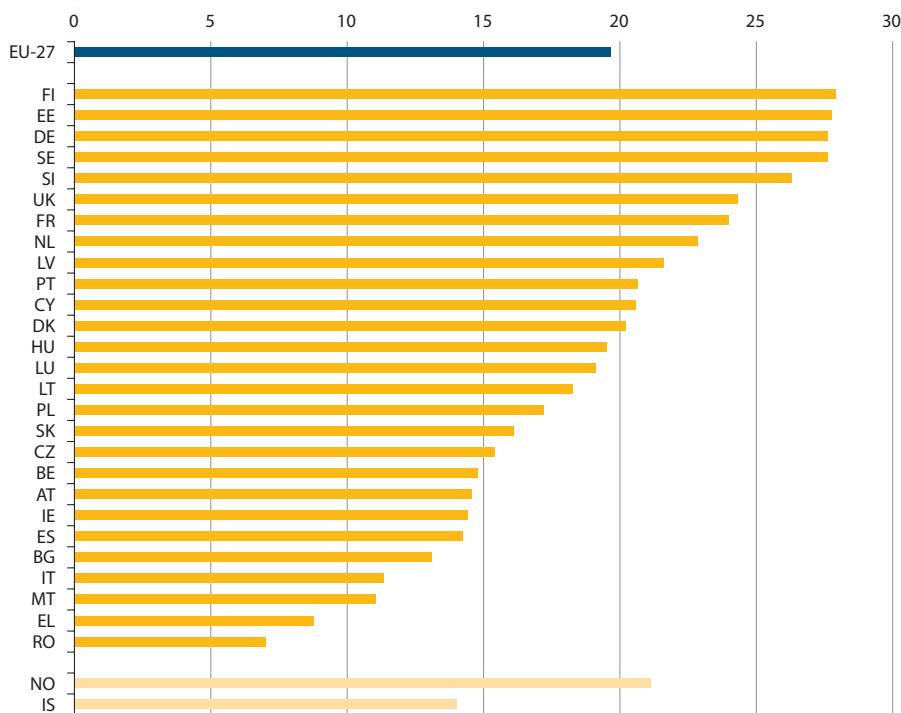
**Table 2.7:** Acquisitions of citizenship by region of origin, 2007  
(number and % of total)

	<b>Total</b>	<b>Africa</b>		<b>Americas</b>		<b>Asia</b>		<b>EU-27</b>		<b>Other Europe</b>	
			(% of total)		(% of total)		(% of total)		(% of total)		(% of total)
<b>BE</b>	36 063	15 632	43.3	1 450	4.0	4 635	12.9	6 418	17.8	7 305	20.3
<b>BG</b>	5 966	6	0.1	23	0.4	246	4.1	42	0.7	5 623	94.3
<b>CZ</b>	2 371	59	2.5	13	0.5	143	6.0	1 262	53.2	659	27.8
<b>DK</b>	3 648	560	15.4	77	2.1	1 491	40.9	248	6.8	1 214	33.3
<b>DE</b>	113 030	10 328	9.1	3 610	3.2	26 982	23.9	16 635	14.7	53 314	47.2
<b>EE</b>	4 242	0	0.0	0	0.0	2	0.0	3	0.1	289	6.8
<b>IE</b>	4 649	721	15.5	2 240	48.2	671	14.4	283	6.1	272	5.9
<b>EL</b>	3 921	124	3.2	104	2.7	207	5.3	325	8.3	3 140	80.1
<b>ES</b>	71 936	10 316	14.3	57 523	80.0	2 208	3.1	1 137	1.6	719	1.0
<b>FR</b>	132 002	82 411	62.4	7 022	5.3	10 783	8.3	12 712	9.6	16 044	12.2
<b>IT</b>	45 485	:	:	:	:	:	:	:	:	:	:
<b>CY</b>	2 780	178	6.4	53	1.9	126	4.5	403	14.5	113	4.1
<b>LV</b>	8 322	2	0.0	0	0.0	9	0.1	9	0.1	8 302	99.8
<b>LT</b>	371	0	0.0	1	0.3	17	4.6	2	0.5	167	45.0
<b>LU</b>	1 236	114	9.2	24	1.9	69	5.6	813	65.8	211	17.1
<b>HU</b>	8 442	42	0.5	31	0.4	192	2.3	6 398	75.8	1 777	21.0
<b>MT</b>	553	72	13.0	49	8.9	24	4.3	183	33.1	71	12.8
<b>NL</b>	30 653	8 573	28.0	2 481	8.1	4 003	13.1	2 215	7.2	5 508	18.0
<b>AT</b>	14 010	380	2.7	160	1.1	670	4.8	1 051	7.5	11 706	83.6
<b>PL</b>	1 542	76	4.9	0	0.0	200	13.0	155	10.1	976	63.3
<b>PT (1)</b>	3 627	2 535	69.9	830	22.9	87	2.4	113	3.1	55	1.5
<b>RO</b>	31	0	0.0	0	0.0	17	54.8	2	6.5	9	29.0
<b>SI</b>	1 551	7	0.5	32	2.1	7	0.5	122	7.9	1 378	88.8
<b>SK</b>	1 478	25	1.7	124	8.4	86	5.8	328	22.2	906	61.3
<b>FI</b>	4 824	671	13.9	116	2.4	1 160	24.0	508	10.5	2 271	47.1
<b>SE</b>	33 629	2 752	8.2	2 269	6.7	12 929	38.4	5 937	17.7	5 978	17.8
<b>UK</b>	164 540	51 255	31.2	12 530	7.6	74 020	45.0	5 750	3.5	13 740	8.4
<b>HR</b>	13 240	62	0.5	1 031	7.8	15	0.1	1 373	10.4	10 049	75.9
<b>MK</b>	1 713	2	0.1	17	1.0	9	0.5	141	8.2	1 521	88.8
<b>TR</b>	4 807	67	1.4	64	1.3	2 023	42.1	1 905	39.6	733	15.2
<b>IS</b>	647	29	4.5	70	10.8	172	26.6	263	40.6	107	16.5
<b>NO</b>	14 877	3 488	23.4	466	3.1	6 738	45.3	934	6.3	2 813	18.9
<b>CH</b>	43 889	2 883	6.6	2 372	5.4	4 787	10.9	12 644	28.8	21 127	48.1

(1) 2006.

Source: Eurostat ([migr\\_acqctz](#))

**Figure 2.12:** Prevalence of long-standing illness or health problems among persons in employment, 2007 (%)



Source: Eurostat ([hlth\\_silc\\_04](#))

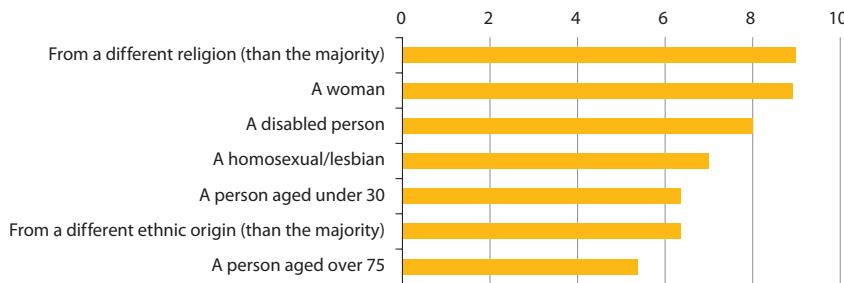
and/or language may help explain some of the patterns regarding the acquisitions of citizenship across the Member States; for example, a majority of newly-acquired citizenship in France in 2007 was granted to persons originally from Africa (62.4 %), while a high proportion (45.0 %) of those acquiring British citizenship was bestowed upon persons originally from Asia, and a high share of new Spanish citizens (80.0 %) came from the Americas. Member States on the eastern borders of the EU tended to report a relatively high share of new citizens originating from other European countries, particularly from Balkan countries, the Ukraine or Russia. Finally, another important group of new citi-

zens is those seeking asylum from war and/or political instability. This may help explain the relatively large number of Somali and Iraqi citizens who acquired the citizenship of an EU Member State in 2006 and 2007.

People with disabilities have identical rights to the remainder of the population; they are entitled to equal treatment, independent living and full participation in society. The Lisbon strategy aims to improve the comparatively low participation rates of Europe's disabled people.

Across the EU as a whole, almost one in five persons (19.7 %) in employment in 2007 suffered a long-standing illness or health

**Figure 2.13:** Perceptions about having someone from various categories in the highest elected political position, EU-27, February–March 2008 (average score out of 10) (1)



(1) A score of 1 denotes very uncomfortable, whereas a score of 10 denotes completely comfortable.

Source: Special Eurobarometer 296

problem. This proportion varied markedly, from below one in every ten persons in Greece and Romania to over one in every four in Finland, Estonia, Germany, Sweden and Slovenia. When considering the whole population (including the unemployed and inactive) of the EU-27, closer to one in every three (30.6 %) persons had a long-standing illness or health problem, while only a relatively small minority (7.8 %) of the EU population was severely hampered in the activities that people usually perform.

A Special Eurobarometer survey (number 296) on discrimination in the EU provides some information on Europeans' attitudes to diversity and, in particular, to the openness of society as regards social inclusion. The survey was carried out in February and March 2008, when respondents were asked about having various minority groups as a neighbour. On a scale of 1 (very uncomfortable) to 10 (totally comfortable), respondents were, on average, quite comfortable with having a neighbour with a disability (9.1 out of 10), a different religion or belief (8.5), or a neighbour who was homosexual/lesbian (7.9). There was also a

high level of comfort about having a neighbour from a different ethnic background (8.1), although this dropped when considering the prospect of a Roma neighbour (6.0). In general, the levels of comfort expressed by respondents were somewhat lower among those persons aged over 55 years (except for neighbours with a disability) and among those who finished their education at 15 years old.

The same survey asked how comfortable respondents were regarding someone from various minority groups occupying the highest political office in their country. On average across the EU-27, the majority of respondents were very comfortable with this position being occupied by someone with a different religion or belief than the majority of the population (9.0 out of 10), by a woman (8.9) or by a disabled person (8.0). There was rather more reluctance regarding a homosexual/lesbian leader (7.0) or a leader from a different ethnic origin than the majority of the population (6.4). Age was also an issue, especially regarding someone over 75 years (5.4), but also someone under 30 years (6.4).



# 3

## Poverty

The open method of coordination (OMC) relies upon the capacity to analyse thoroughly both the situation of Member States in an international context and whether policy tools and goals identified at a national level are appropriate to meet commonly agreed objectives. The political endorsement of indicators in this field was made by heads of state and governments at the Laeken European Council in December 2001. The development of indicators is supported by the Directorate-General for Employment, Social Affairs and Equal Opportunities and Eurostat. The framework for statistics in this field is provided by the collection of EU statistics on income and living conditions, EU-SILC<sup>(21)</sup>.

As elaborated in the opening chapter, the EU's concept of monetary poverty is based on relative measures, which may be responsive to a range of macro-economic policies, for example, relating to redistribution and employment. The current portfolio of indicators within this domain includes the headline poverty indicator, the 'at-risk-of-poverty rate', analysed in Subchapter 3.1.

In March 2006, EU heads of state committed '*to take necessary measures to rapidly and significantly reduce child poverty, giving all children equal opportunities, regardless of*

<sup>(21)</sup> Regulation (EC) No. 1177/2003 of the European Parliament and of the Council.



*their social background*'. Young adulthood is also considered to be a time of uncertainty and vulnerability, particularly in the current economic climate. Child and youth poverty are analysed in Subchapter 3.2. While poverty may be concentrated within a high proportion of jobless households, there is also a risk of poverty among working families, especially where wages are low and family commitments restrict the availability to work. In-work poverty is analysed in Subchapter 3.3. Poverty knows no age barrier, and against the background of an ageing European population, with a proportionally smaller active population having to support increasing numbers of retired people, it is likely that there will be increasing pressure to provide adequate and sustainable pensions (both state and private). Issues in relation to poverty among the elderly are analysed in Subchapter 3.4.

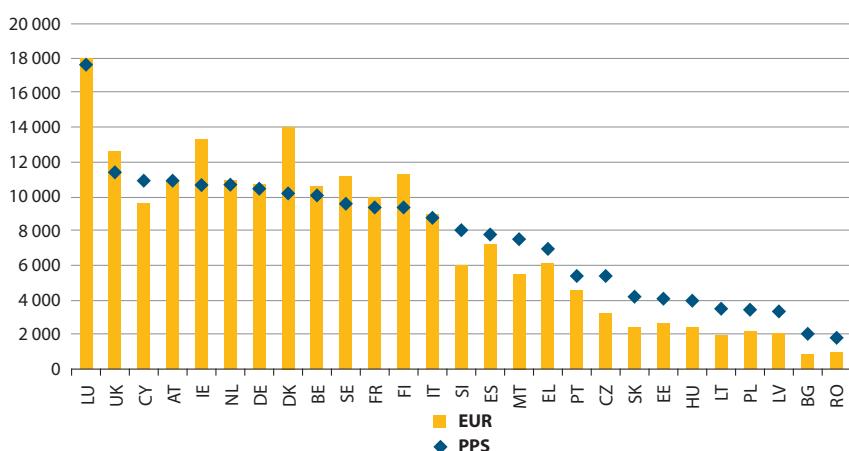
These indicators of relative monetary poverty in the EU are complemented by a range of 'absolute' material deprivation

measures. Material deprivation is defined as the enforced lack of a combination of items portraying material living conditions, such as the possession of specific durable goods, or the capacity to afford a range of basic requirements. These characteristics are presented and analysed in Subchapter 3.5.

### 3.1 Persons at-risk-of-poverty

National at-risk-of-poverty rates compare the situations of different members of society within a Member State. In this respect, at-risk-of-poverty rates are relative to others within the same country, which in part reflects the general approach to social policy, namely that this area is under the responsibility of each Member State. This relative situation must be borne in mind if intra-country comparisons of at-risk-of-poverty rates are not to be misunderstood. For this reason, the poverty thresholds presented here provide the context against which at-risk-of-poverty rates must be analysed.

**Figure 3.1: Poverty thresholds for single person households, 2007 (in EUR and PPS) (1)**



(1) The income reference period concerns the year preceding the survey year for the majority of countries.

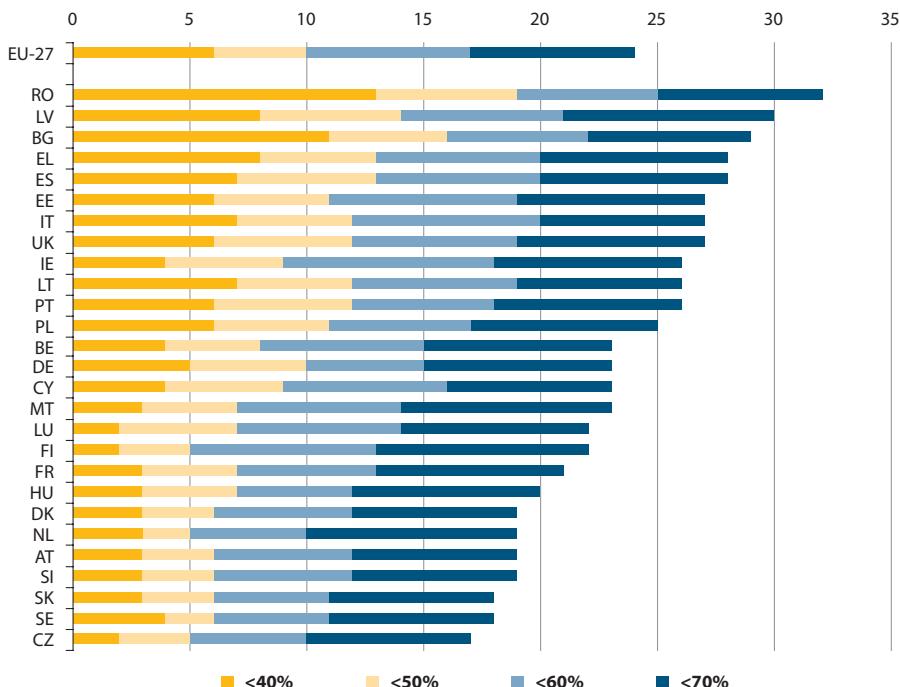
Source: Eurostat ([ilc\\_ov1a2](#))

The common threshold applied to at-risk-of-poverty indicators in the EU is that of 60 % of median equivalised disposable income after social transfers. Using single person households as an illustration, there are considerable differences in poverty thresholds among the Member States, even when expressed in purchasing power standards (PPS) that take account of the differences in price levels across countries. Luxembourg had by far the highest poverty threshold (PPS 17 575) in 2007, reflecting the fact that median income in this country was also considerably higher than the other Member States. In contrast, Bulgaria and Romania had by far the lowest poverty

thresholds in 2007 (PPS 2 006 and PPS 1 765 respectively), not only considerably lower than the threshold in Luxembourg, but also between five and six times less than the thresholds recorded in Belgium, Denmark, the Netherlands, Ireland, Austria, Cyprus and the United Kingdom.

To better understand the distribution of income and the risk of poverty within the EU, various poverty thresholds can be applied. Across the EU-27 as a whole, 6 % of the population had an equivalised disposable income that was below 40 % of the median. One in ten persons had an income that was less than half the EU-27 median, and almost one in four (24 %) had an income that was less than

**Figure 3.2: At-risk-of-poverty at various thresholds, 2007 (% of population) (1)**



(1) The income reference period concerns the year preceding the survey year for the majority of countries.

Source: Eurostat ([ilc\\_il01](#))



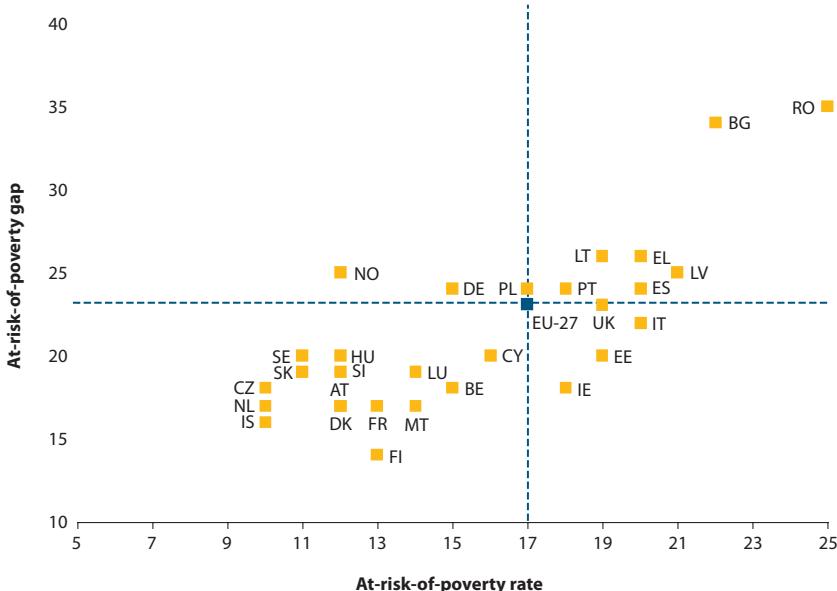
70 % of the EU-27 median. However, on the basis of the common threshold of 60 % of median equivalised disposable income, some 17 % of the population of the EU-27 were considered at-risk-of-poverty in 2007.

Almost one third (32 %) of Romania's population had an equivalised disposable income that was less than 70 % of the national median, the highest rate among the Member States. Romania also had the highest proportion (13 %) of persons with less than 40 % of national median income. In contrast, only about one sixth (17 %) of the population in the Czech Republic had an income below 70 % of the national median, the lowest proportion among the Member States, while just 2 % of the population in the Czech Republic had an equivalised disposable income that was less than 40 % of the national median.

Distributions of income varied considerably between the Member States. The same proportion (4 %) of people in Ireland and Sweden had an income that was less than 40 % of the national median, despite the share of people having an income that was less than 70 % of the national median being much larger in Ireland (26 %) than in Sweden (18 %).

The depth of poverty, which helps quantify just how poor the poor are, can be measured as the gap between the median income of people at-risk-of-poverty (those below the 60 % threshold) and the 60 % poverty threshold. The median income of people at-risk-of-poverty in the EU-27 was 23 % below the 60 % poverty threshold in 2007. This poverty gap tended to be widest in those Member States where the proportion of people at-risk-

**Figure 3.3:** At-risk-of-poverty gap against at-risk of poverty rate, 2007 (%) (1)



(1) The income reference period concerns the year preceding the survey year for the majority of countries.

Source: Eurostat ([ilc\\_ov1b](#) and [ilc\\_ov1a1](#))



of-poverty was highest, the opposite also being generally the case. Among the Member States, the national at-risk-of-poverty gap was

widest in Romania and Bulgaria in 2007, but also relatively wide in Greece, Lithuania and Latvia; the gap was narrowest in Finland.

**Table 3.1:** At-risk-of-poverty rates by gender, educational level, tenure status and activity status, 2007 (%) (1)

Gender		Level of education attained - ISCED (2)			Tenure status		Activity status			
Female	Male	0-2	3-4	5-6	Owner	Tenant	Empl-employed	Retired	Un-employed	
<b>EU-27</b>	18	16	23	13	7	14	25	8	17	43
<b>BE</b>	16	14	23	12	6	10	29	4	20	34
<b>BG</b>	23	21	38	12	5	21	29	6	23	56
<b>CZ</b>	10	9	18	7	2	7	19	3	6	48
<b>DK</b>	12	11	17	11	6	8	20	4	17	31
<b>DE</b>	16	14	24	14	9	10	22	7	18	51
<b>EE</b>	22	17	33	19	10	19	27	8	37	62
<b>IE</b>	19	16	27	13	6	13	36	6	27	43
<b>EL</b>	21	20	26	15	8	20	23	14	22	35
<b>ES</b>	21	19	23	15	8	18	32	11	22	36
<b>FR</b>	14	12	17	11	6	9	21	6	11	33
<b>IT</b>	21	18	25	13	5	17	32	10	16	44
<b>CY</b>	17	14	33	10	4	14	28	6	51	28
<b>LV</b>	23	19	36	19	8	20	28	10	38	57
<b>LT</b>	21	17	33	17	5	19	22	8	30	57
<b>LU</b>	14	13	17	9	5	9	30	9	8	46
<b>HU</b>	12	12	18	9	2	12	22	6	8	46
<b>MT</b>	15	14	16	7	5	13	19	4	23	39
<b>NL</b>	11	10	11	10	6	6	18	5	9	27
<b>AT</b>	13	11	20	9	6	9	18	6	12	42
<b>PL</b>	17	18	23	16	3	17	23	12	6	43
<b>PT</b>	19	17	18	8	3	16	28	10	23	32
<b>RO</b>	25	24	41	14	1	25	11	18	23	46
<b>SI</b>	13	10	24	9	2	10	26	5	17	36
<b>SK</b>	11	10	20	8	3	10	16	5	8	45
<b>FI</b>	14	12	21	14	4	9	25	5	21	41
<b>SE</b>	11	11	11	9	8	7	20	7	11	26
<b>UK</b>	20	18	34	16	7	14	34	8	31	58
<b>IS</b>	11	9	10	10	5	9	17	7	16	:
<b>NO</b>	14	11	17	11	8	8	38	6	13	44

(1) The income reference period concerns the year preceding the survey year for the majority of countries.

(2) Pre-primary, primary and lower secondary education - levels 0-2 (ISCED 1997); upper secondary and post-secondary non-tertiary education - levels 3-4 (ISCED 1997); tertiary education - levels 5-6 (ISCED 1997).

Source: Eurostat ([ilc\\_ovta1](#))



Different groups in society are more or less vulnerable to poverty. For example, there are considerable differences in the at-risk-of-poverty rates of people according to activity status. The unemployed are a particularly vulnerable group: a little over two fifths (43 %) of whom were at-risk-of-poverty in the EU-27 in 2007, with higher rates in the Baltic Member States. About one in six (17 %) retired persons in the EU-27 was at-risk-of-poverty in 2007; rates were much higher in the Baltic Member States, the United Kingdom and, in particular, Cyprus.

Those in employment were far less likely to be at-risk-of-poverty (8 % in the EU-27), with relatively high rates in Greece (14 %) and Romania (18 %).

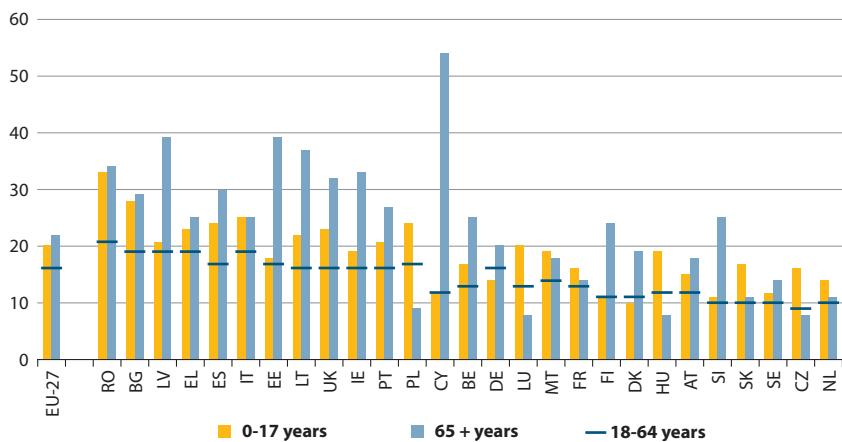
The level of education attained also appears to play an important role in whether or not people are more vulnerable to poverty; across the EU-27, those leaving education with no more than a lower secondary education were more than three times as

likely to be at-risk-of-poverty than persons with a tertiary education in 2007.

Children and the elderly tended to face a higher risk of poverty than the rest of the population in 2007 (even after social transfers). One in every five children (20 %) across the EU-27 was at-risk-of-poverty, with a slightly higher proportion (22 %) recorded amongst the elderly. Poverty among children, youths and the elderly are analysed in more detail in the subsequent subchapters.

Across the Member States, households comprising three or more adults were typically the least likely to be at-risk-of-poverty, reflecting wider opportunities to pool resources. In a majority of Member States, households comprising two parents and two children were also less at-risk-of-poverty than the average for the whole population. In contrast, there were typically three types of household that were at much greater risk of poverty than others; these

**Figure 3.4:** At-risk-of-poverty rate, by age, 2007 (%) (1)



(1) Sorted in descending order according to the total at-risk-of-poverty rate. The income reference period concerns the year preceding the survey year for the majority of countries.

Source: Eurostat (ilc\_il02)

**Table 3.2:** At-risk-of-poverty rates by household type, 2007 (%) (1)

	<b>Single person</b>	<b>Single parent with dependent children</b>	<b>Two parents with two dependent children</b>	<b>Two adults with three or more dependent children</b>	<b>Three or more adults</b>	<b>Households with dependent children</b>	<b>Households without dependent children</b>
<b>EU-27</b>	25	34	14	25	10	18	16
<b>BE</b>	26	36	8	18	6	15	16
<b>BG</b>	44	30	22	71	10	25	18
<b>CZ</b>	16	37	8	29	2	13	6
<b>DK</b>	25	17	4	15	3	8	15
<b>DE</b>	27	34	8	12	9	12	17
<b>EE</b>	49	44	12	21	8	16	23
<b>IE</b>	45	40	10	20	8	17	19
<b>EL</b>	27	34	22	30	15	23	18
<b>ES</b>	35	34	22	37	12	21	18
<b>FR</b>	17	27	10	18	10	15	11
<b>IT</b>	27	31	23	41	11	23	17
<b>CY</b>	46	33	9	16	7	10	26
<b>LV</b>	59	34	16	46	10	18	26
<b>LT</b>	49	42	13	38	7	18	20
<b>LU</b>	15	45	14	25	6	17	9
<b>HU</b>	16	29	14	28	4	16	8
<b>MT</b>	21	54	15	24	4	15	14
<b>NL</b>	15	30	5	19	7	11	9
<b>AT</b>	20	31	11	19	4	12	12
<b>PL</b>	16	31	20	36	10	21	11
<b>PT</b>	33	34	17	43	9	18	19
<b>RO</b>	36	42	22	55	17	27	22
<b>SI</b>	39	29	7	15	6	9	15
<b>SK</b>	17	26	12	26	4	14	6
<b>FI</b>	32	22	5	13	6	10	16
<b>SE</b>	21	24	5	13	5	10	12
<b>UK</b>	30	44	13	31	11	19	19
<b>IS</b>	26	23	7	12	2	9	11
<b>NO</b>	28	29	5	8	6	10	15

(1) The income reference period concerns the year preceding the survey year for the majority of countries.

Source: Eurostat ([ilc\\_li03](#))

were single person households, single parent households with dependent children and households comprising two adults with three or more dependent children (so-called large family households).

Single person households were most at-risk-of-poverty in Denmark, Estonia, Ireland, Cyprus, Latvia, Lithuania, Slovenia and Finland. Single parent households were most at-risk-of-poverty in Belgium, the Czech Republic, Germany,



Greece, France, Luxembourg, Hungary, Malta, the Netherlands, Austria, Sweden and the United Kingdom. Large family households were most at-risk in Spain, Italy, Poland, Portugal, Romania and Bulgaria.

Economic growth can have a varied impact on the inequalities in society. To evaluate whether economic growth raises standards of living of those at-risk-of-poverty, an at-risk-of-poverty rate that is anchored at a fixed moment in time can be used. The anchored poverty rate is defined as the risk of poverty associated with a 60 % threshold fixed at a point in time, and adjusted for inflation. A decrease in the anchored poverty rate indicates that a number of people who were at-risk-of-poverty in the base year had incomes that rose above the fixed base year threshold. These people would no longer be at-risk-of-poverty if the general standard of living in their country had not risen.

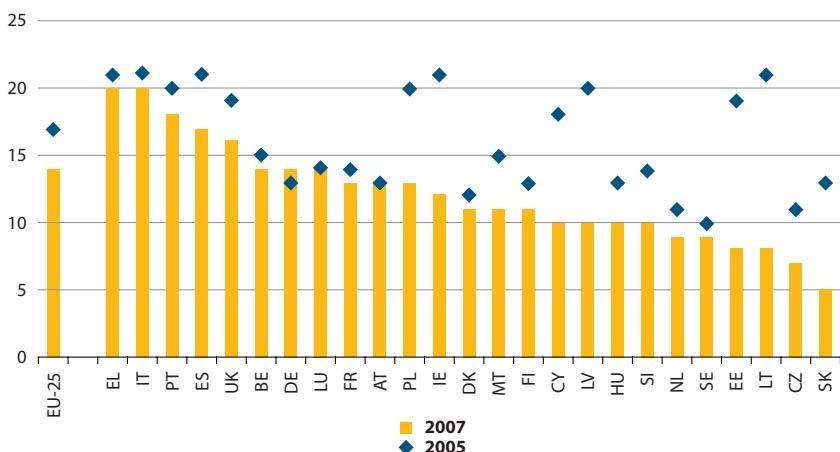
In the Baltic Member States, Ireland, Slovakia and Poland, anchored poverty rates

declined relatively sharply (by between 7 and 13 percentage points) from 2005 to 2007. Some of the strongest rates of GDP growth during this period were also recorded in these countries, suggesting that the benefits of economic growth at least trickled down to those that were at the bottom of the income distribution in the base year. For other Member States, like Germany, Luxembourg, Austria, Greece, Italy, Belgium, France, Denmark and Sweden, the anchored poverty rate remained virtually unchanged despite GDP growth.

### 3.2 Child and youth poverty

Across the EU-27 and in the majority of the Member States, children were at a greater risk of poverty than the average rate for the total population (20 % compared with 17 %). Only in Denmark and Finland (where about 10 % of children were at-risk-of-poverty) as well as Cyprus, Slovenia, Germany and Estonia were children less at risk than the overall population. In contrast, children

**Figure 3.5:** At-risk-of-poverty rate anchored at a fixed moment (2005) (%) (1)



(1) Bulgaria and Romania, not available.

Source: Eurostat (ilc\_li22)

were at much greater risk of poverty than the total population in Romania, Bulgaria, Poland, Hungary, Luxembourg, the Czech Republic and Slovakia. Indeed, in Romania, one in every three children was at-risk-of-poverty in 2007.

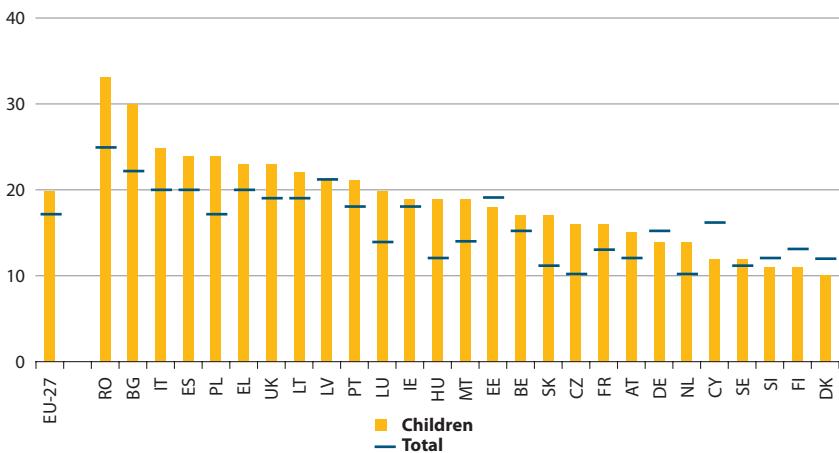
While the at-risk-of-poverty rate shows the proportion of children who live in a household where individuals, on average, are under the threshold of 60 % of median equivalised income after social transfers, the poverty gap helps assess the severity of the risk of poverty. The poverty gap of children in the EU-27 was similar to that of the population as a whole; the median equivalised income of the poor was 24 % lower than the poverty threshold. However, the picture among the Member States was quite different. The intensity of poverty among children was greater than for the overall population in Bulgaria (10 percentage points higher) in 2007. The child poverty gap in Estonia, Romania, Lithuania, Denmark

Greece, Latvia and Italy was also at least 3 percentage points wider than that for the overall population. In contrast, the child poverty gap was at least 3 percentage points narrower than for the overall population in Cyprus, Sweden and Germany.

Children most at-risk-of-poverty tended to come from two types of household in 2007: single parent households with dependent children and households with two parents and three or more children.

Across the EU-27, the risk of poverty among children from single parent households was almost double the average risk of poverty for all households with dependent children in 2007 (34 % compared with 18 %). In some Member States (Slovenia, Cyprus, the Netherlands, Germany, the Czech Republic, Malta and Estonia) the risk of poverty for children from single parent households was closer to three times as high as the national average for all households with dependent children.

**Figure 3.6:** At-risk-of-poverty rates, children and total, 2007 (%) (1)

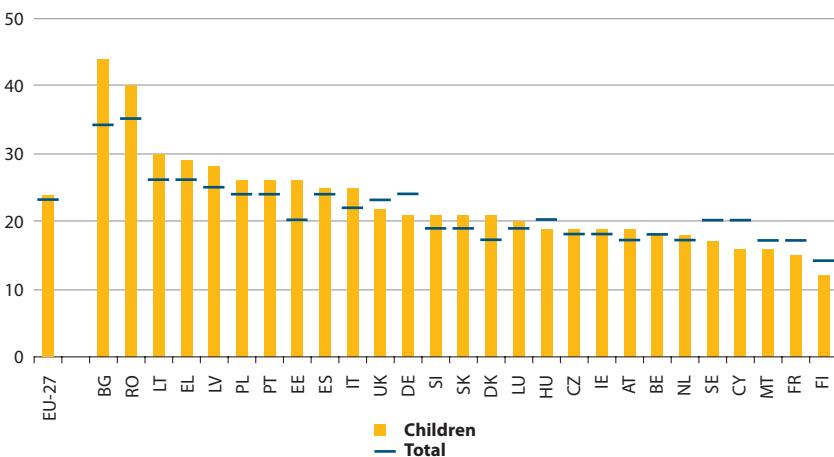


(1) The income reference period concerns the year preceding the survey year for the majority of countries.

Source: Eurostat ([ilc\\_il02](#))



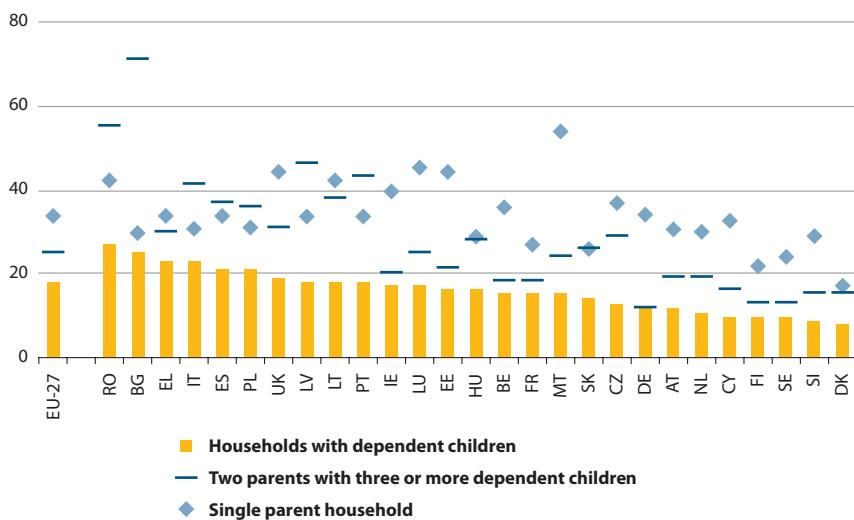
**Figure 3.7:** Relative median at-risk-of-poverty gap of children vs. the overall population, 2007 (%) (1)



(1) The income reference period concerns the year preceding the survey year for the majority of countries.

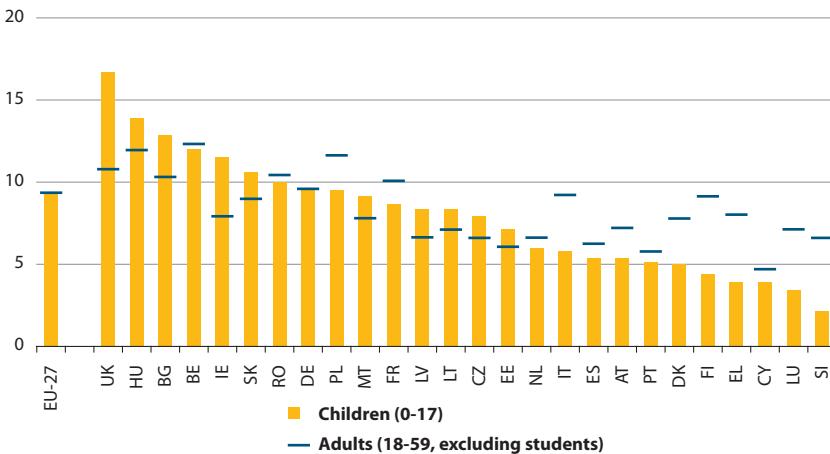
Source: Eurostat ([ilc\\_ov1b](#) and [ilc\\_ov1a1](#))

**Figure 3.8:** At-risk-of-poverty rate of all children and of children living in households most at risk, 2007 (%) (1)

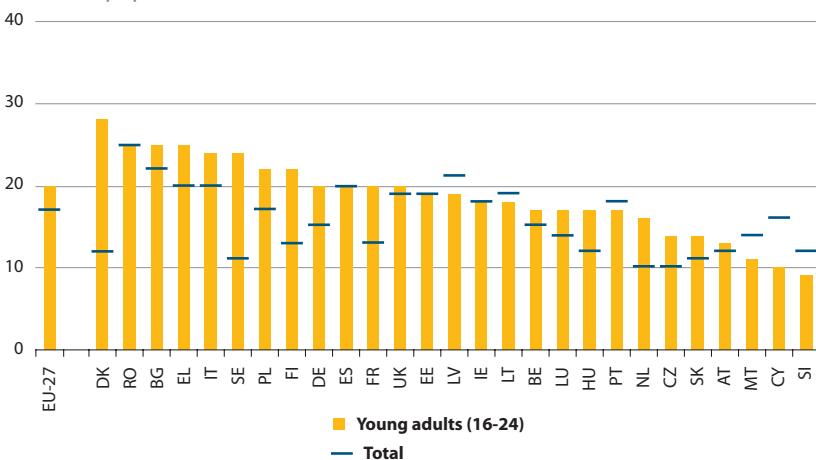


(1) The income reference period concerns the year preceding the survey year for the majority of countries.

Source: Eurostat ([ilc\\_li03](#))

**Figure 3.9: Children and adults living in jobless households, 2007 (%) (1)**

(1) Denmark, 2006.

Source: Eurostat ([tsis080](#))**Figure 3.10: At-risk-of-poverty rate, among young adults between 16 and 24 years of age and the total population, 2007 (%) (1)**

(1) The income reference period concerns the year preceding the survey year for the majority of countries.

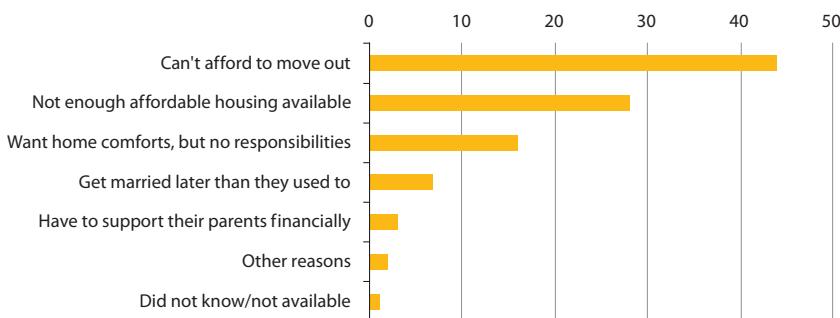
Source: Eurostat ([ilc\\_li02](#))

The risk of poverty for children from large families (with three children or more) in the EU-27 was also much higher than the average for all households with dependent children (25 % compared with

18 %). Between 40 % and 71 % of children from large families in Bulgaria, Romania, Latvia, Portugal and Italy were at-risk-of-poverty, about two to three times as high as the average for all households



**Figure 3.11:** Main reason perceived for young adults living in their parents' homes longer than they used to, EU-27, 2007 (% of respondents)



Source: Flash Eurobarometer 202

with dependent children in each of these countries. Germany was the only Member State where the risk of poverty for children from large families was no different to that for all households with dependent children, although the difference was also relatively small for children from Sweden, Finland, France, Belgium and Ireland.

Living in a household where no adult works is likely to have a significant effect on a child's current and future living conditions and their risk of poverty. Jobless households are defined as those in which no one has worked during the four weeks preceding the Labour Force Survey.

Slightly less than one in every ten children (9.4 %) in the EU-27 lived in a jobless household in 2007, a similar share (9.3 %) to the proportion of adults of working age (those aged 18–59 years, excluding students) who lived in jobless households. Among the Member States, the proportion of children in jobless households was highest in the United Kingdom (16.7 %) and Hungary (13.9 %), where it was also considerably more than the corresponding proportion of working-age adults in jobless households.

In contrast, less than 4 % of children in Greece, Cyprus, Luxembourg and Slovenia were in jobless households, by and large much less than the corresponding rates for adults of a working age.

One in every five (20 %) young adults aged between 16 and 24 was at-risk-of-poverty within the EU-27 in 2007, a higher proportion than across the whole population (17 %). The risk of poverty for young adults was highest in Denmark (28 %), where, as in other Nordic Member States, it was about twice the rate for the whole population.

The risk of poverty for young adults should be interpreted with care; rates tend to be highest in countries where young adults can afford to live on their own, either with or without parental help. However, there is an increasing proportion of young adults who continue to live in their parents' homes and are, therefore, less likely to be recorded 'at-risk-of-poverty' since they share in their parent's income. This does not necessarily reflect their true situation, which may often be characterised by a lack of access to a decent income of their own. In a Flash

Eurobarometer (number 202) conducted at the beginning of 2007, the two most common answers as to why young adults stayed in the family home longer than in the past were because they could not afford to move out (44 % of respondents) or because of a lack of affordable housing (28 %).

### 3.3 In-work poverty

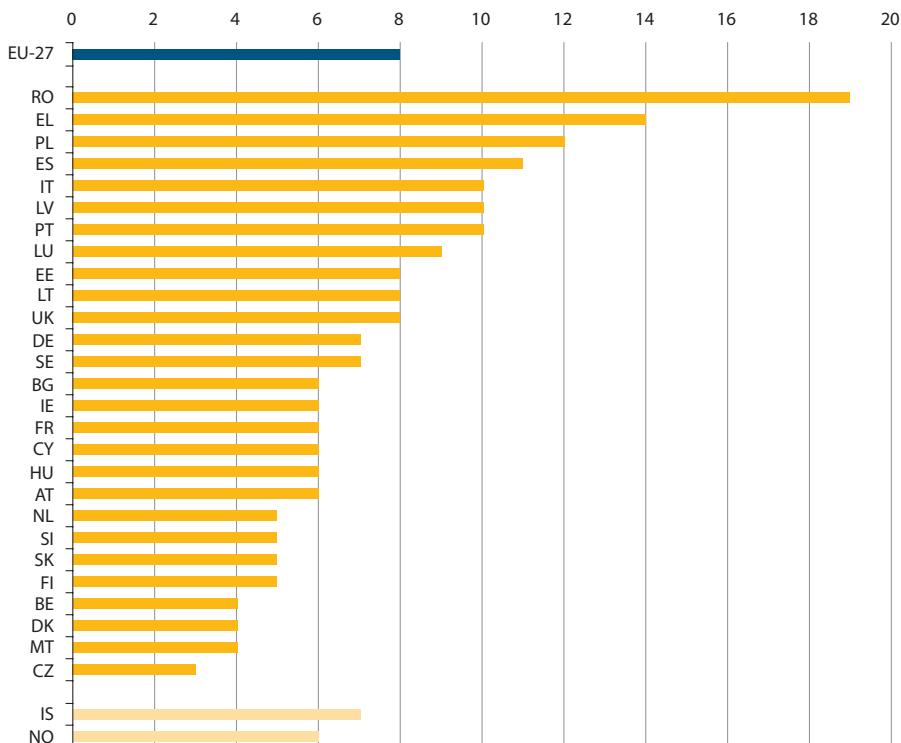
People who work are not necessarily protected from poverty; 8 % of those in employment in the EU-27 were at-risk-of-poverty in 2007. The at-risk-of-poverty rate

for the employed was 10 % or higher in Portugal, Latvia, Italy, Spain, Poland, Greece and, particularly, Romania.

In-work poverty may result from various labour market failures, such as recurrent unemployment or unstable jobs, involuntary part-time work, low wages, or from a particular household structure.

Across the EU-27 and in almost all Member States, temporary, part-time and seasonal workers were at notably higher risks of poverty than permanent and full-time workers. Indeed, in Member States

**Figure 3.12: In-work at-risk-of-poverty rate among people in employment, 2007 (%) (1)**



(1) The income reference period concerns the year preceding the survey year for the majority of countries.

Source: Eurostat ([ilc\\_ov11](#))



as diverse in labour market structure as Romania, Finland and the United Kingdom, there were two to five-fold increases in the risk of poverty between these two sets of workers in 2007.

At every level of work intensity, EU-27 households with dependent children were more at-risk-of-poverty than households without dependent children. At levels below full work intensity, the risk of

**Table 3.3:** In-work at-risk-of-poverty rates by type of contract, full/part-time work and months worked, 2007 (%) (1)

	Type of contract		Time worked		Months worked	
	Permanent	Temporary	Full-time	Part-time	Full year	Less than a full year
<b>EU-27</b>	5	13	7	12	8	15
<b>BE</b>	3	9	3	5	4	11
<b>BG</b>	4	13	5	15	5	17
<b>CZ</b>	2	6	3	4	3	7
<b>DK</b>	3	:	4	5	4	11
<b>DE</b>	6	13	6	10	7	16
<b>EE</b>	6	9	7	16	7	12
<b>IE</b>	3	7	4	11	5	8
<b>EL</b>	5	19	13	27	13	26
<b>ES</b>	5	12	10	14	10	14
<b>FR</b>	4	13	5	12	6	13
<b>IT</b>	6	19	9	14	9	18
<b>CY</b>	5	17	6	10	5	13
<b>LV</b>	8	16	8	26	9	20
<b>LT</b>	6	17	7	28	7	18
<b>LU</b>	9	15	9	10	8	25
<b>HU</b>	4	13	5	17	5	13
<b>MT</b>	4	9	4	8	4	12
<b>NL</b>	3	5	4	4	5	4
<b>AT</b>	5	8	5	8	6	10
<b>PL</b>	5	12	11	19	11	18
<b>PT</b>	5	10	8	28	9	15
<b>RO</b>	5	20	15	56	18	27
<b>SI</b>	4	10	4	11	4	14
<b>SK</b>	4	8	4	10	4	13
<b>FI</b>	3	10	3	15	4	11
<b>SE</b>	5	20	6	8	6	17
<b>UK</b>	5	10	6	13	7	26
<b>IS</b>	5	11	6	6	6	15
<b>NO</b>	6	20	5	7	6	22

(1) The income reference period concerns the year preceding the survey year for the majority of countries.

Source: Eurostat ([ilc\\_iw05](#), [ilc\\_iw07](#) and [ilc\\_iw06](#))

**Table 3.4:** In-work at-risk-of-poverty rates by work intensity of the household, 2007 (%) (1)

	Households with dependent children			Households without dependent children		
	Work intensity >0 but <0.5	Work intensity >0.5 but <1	Work intensity = 1	Work intensity >0 but <0.5	Work intensity >0.5 but <1	Work intensity = 1
<b>EU-27</b>	37	16	6	18	8	6
<b>BE</b>	31	10	3	4	4	2
<b>BG</b>	46	8	2	23	4	1
<b>CZ</b>	29	7	3	8	2	1
<b>DK</b>	:	8	3	:	4	4
<b>DE</b>	32	10	5	20	9	6
<b>EE</b>	36	12	7	38	8	5
<b>IE</b>	16	9	5	20	3	3
<b>EL</b>	43	24	11	24	11	9
<b>ES</b>	40	21	8	19	8	5
<b>FR</b>	40	13	5	18	5	5
<b>IT</b>	42	23	4	18	6	5
<b>CY</b>	23	11	2	9	7	8
<b>LV</b>	42	15	7	:	12	6
<b>LT</b>	36	17	6	17	7	5
<b>LU</b>	32	21	6	22	8	5
<b>HU</b>	24	11	6	14	3	2
<b>MT</b>	21	10	2	9	0	1
<b>NL</b>	11	8	5	8	3	3
<b>AT</b>	26	10	5	11	5	5
<b>PL</b>	33	18	10	16	8	7
<b>PT</b>	40	19	4	21	8	9
<b>RO</b>	32	23	17	14	12	18
<b>SI</b>	22	10	2	12	5	3
<b>SK</b>	34	11	4	9	3	1
<b>FI</b>	14	7	4	11	6	4
<b>SE</b>	:	9	5	12	8	7
<b>UK</b>	:	21	6	44	14	5
<b>IS</b>	:	11	5	:	9	5
<b>NO</b>	:	9	5	:	10	6

(1) The work intensity of the household refers to the number of months that all working age household members have been working during the income reference year as a proportion of the total number of months that could theoretically be worked within the household. Individuals are classified into work intensity categories that range from WI = 0 (jobless household) to WI = 1 (full work intensity). Work intensity figures for jobless households are considered unreliable when broken down by households with and without dependent children. The income reference period concerns the year preceding the survey year for the majority of countries.

Source: Eurostat ([ilc\\_iw03](#))



poverty doubled for those households with dependent children.

### 3.4 Elderly poverty

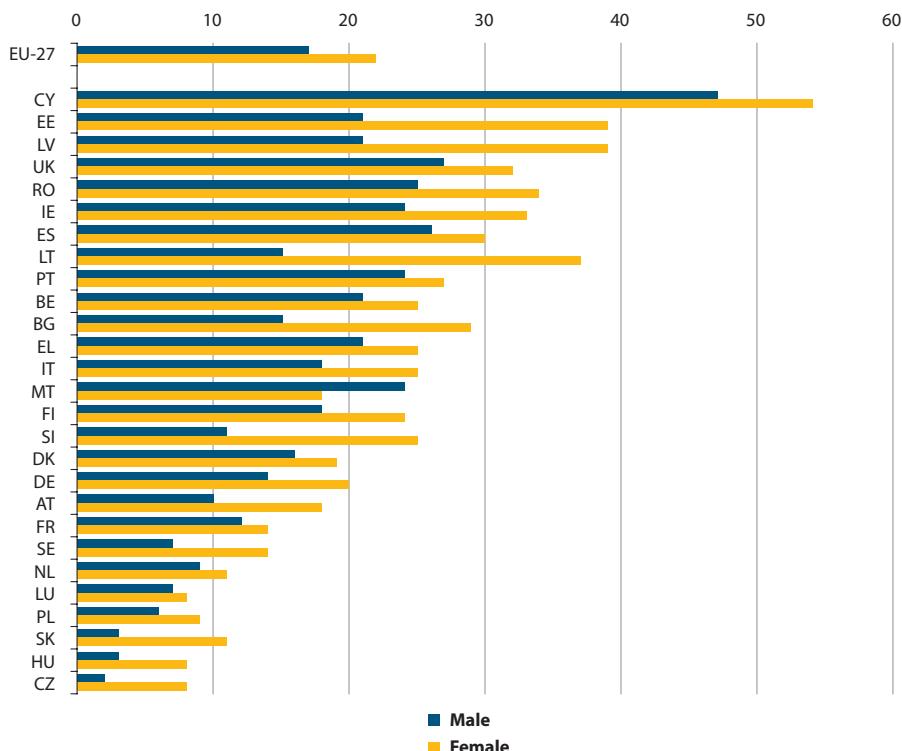
Although the elderly were at greater risk of poverty than the population of the EU-27 as a whole, there was a notable difference between genders; elderly women were more at-risk-of-poverty than elderly men (22 % compared with 17 % in 2007). This gender

inequality<sup>(22)</sup> was widest in the Baltic Member States, Slovenia and Bulgaria, but relatively narrow in Luxembourg, France and the Netherlands. Malta was the only Member State where elderly women were less at-risk-of-poverty than elderly men.

Pension systems can play an important role in addressing poverty amongst the elderly.

<sup>(22)</sup> For more general analysis on gender inequality, please refer to Subchapter 2.4.

**Figure 3.13: At-risk of poverty rate of persons aged over 65 years, by gender, 2007 (%) (1)**

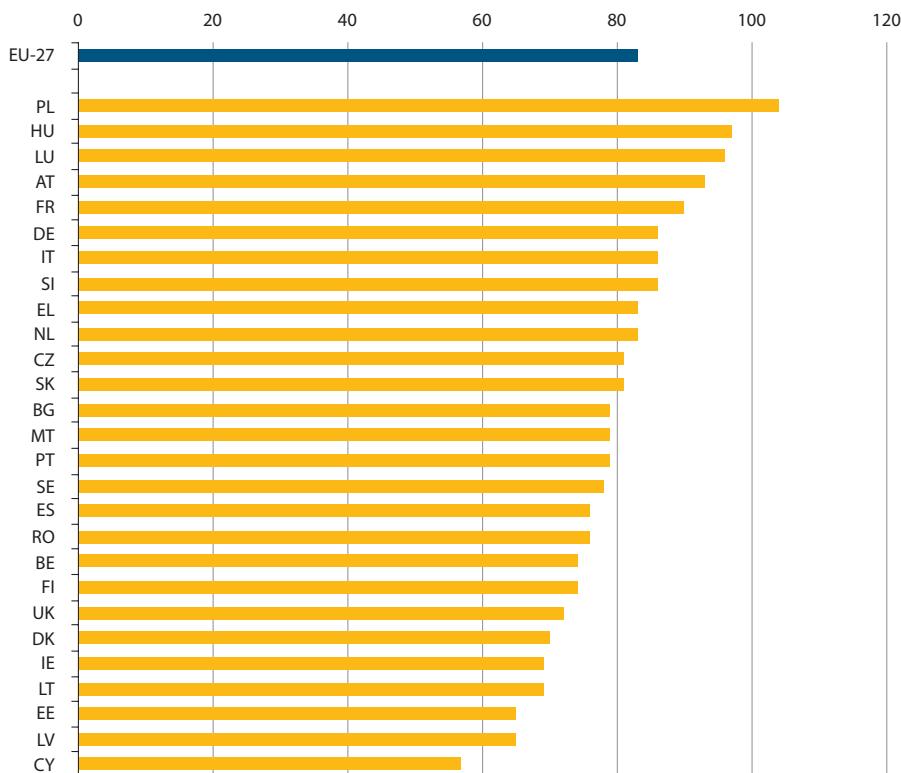


(1) Sorted in descending order according to the total at-risk-of-poverty rate for persons aged over 65 years of age.  
The income reference period concerns the year preceding the survey year for the majority of countries.

Source: Eurostat ([ilc\\_pnp1](#))



**Figure 3.14:** Relative median income ratio of persons aged over 65 years compared with persons aged less than 65 years, 2007 (%) (1)



(1) The income reference period concerns the year preceding the survey year for the majority of countries.

Source: Eurostat ([ilc\\_ov7a](#))

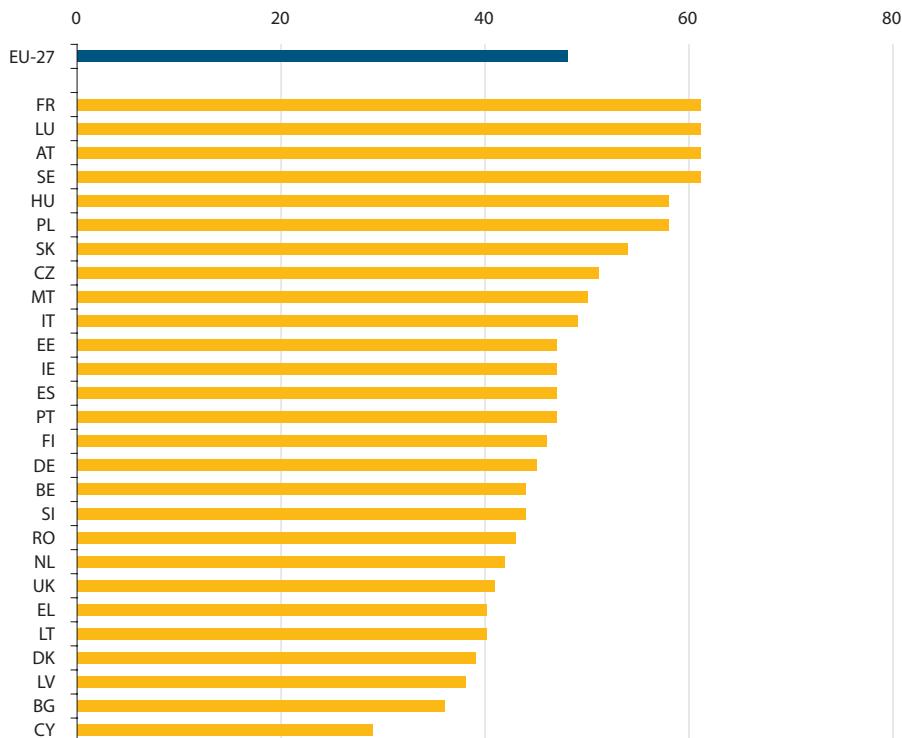
In this respect, it is interesting to compare the incomes of the elderly with the rest of the population. Poland was the only Member State where the median equivalised disposable income of the elderly was similar or slightly higher than the median income of those under 65 years of age. In France, Austria, Luxembourg, and Hungary, the median income of the elderly was above 90 % of that recorded for people under 65. In contrast, the elderly in Cyprus only achieved a median income that was around 60 % of

that recorded for those under 65, with the elderly in Ireland, Lithuania, Estonia and Latvia recording shares between 65 % and 70 %. These relatively low proportions may broadly reflect pension entitlements, as well as fast economic growth through to 2007, which mainly benefited people of an active age.

Pension systems can also play a key role in allowing retirees to maintain living standards they previously enjoyed in



**Figure 3.15:** Aggregate replacement ratio of persons aged over 65 years, 2007 (%) (1)



(1) The income reference period concerns the year preceding the survey year for the majority of countries.

Source: Eurostat ([ilc\\_ov7b](#))

the later years of their working lives. In this respect, the aggregate replacement ratio compares median, non-equivalised pensions (excluding other social benefits) of those aged 65 to 74 years with the earnings of those aged 50 to 59 years. Average pension levels were relatively lower than the earnings of those aged 50 to 59 across each of the Member States in 2007. This was particularly the case in Cyprus (where pensions represented a little less than 30 % of earnings among those aged

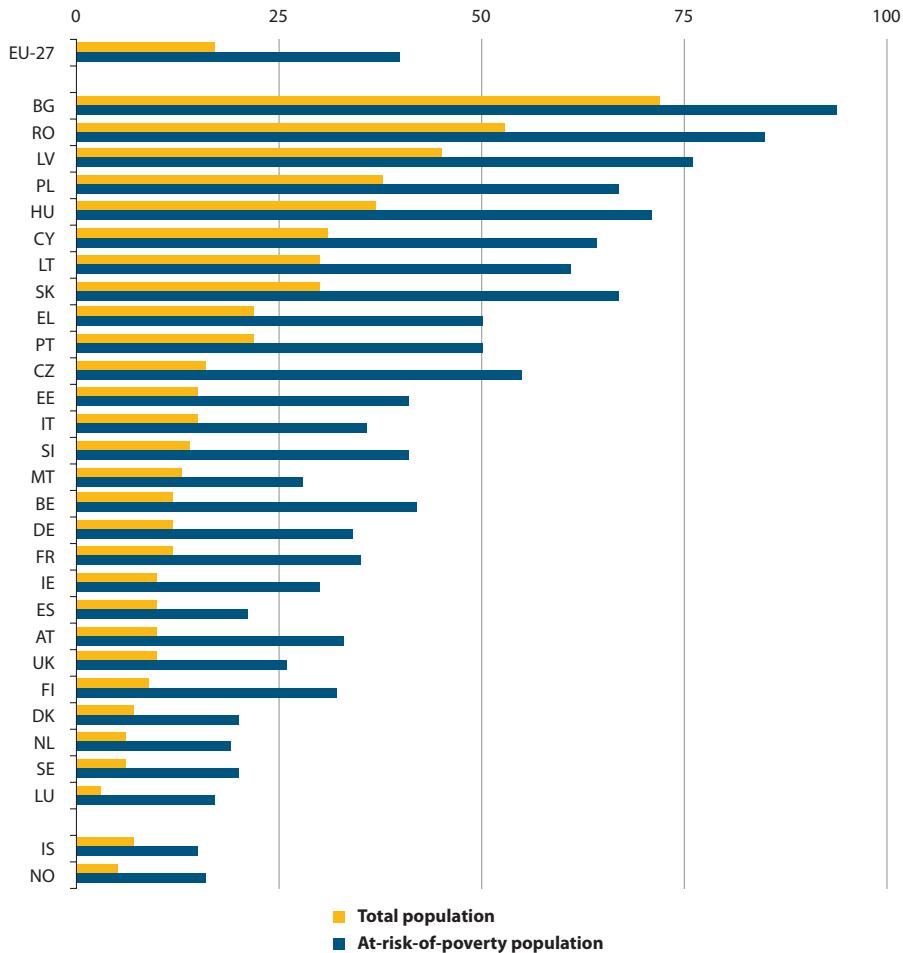
50 to 59) but also in Denmark, Latvia and Bulgaria (under 40 %). The ratio was highest in France, Luxembourg, Austria and Sweden, but even in these Member States it was only just above 60 %. It should be borne in mind that these relatively low ratios may reflect low coverage and/or low income replacement from statutory pension schemes and maturing pension systems, as well as incomplete careers or an under-declaration of earnings.

### 3.5 Poverty seen through material deprivation

Income-related measures of poverty need to be analysed together with other measures such as material deprivation in order to have a deeper understanding of poverty. These alternative measures consider, in part,

accumulated resources (such as savings, durable goods and housing) that are not captured by income measures. Disparities in living standards between countries can also be captured when using a common set of deprivation items.

**Figure 3.16:** Material deprivation rate, 2007 (%)



Source: Eurostat (ilc\_sip8)



Material deprivation, in the context of this publication, covers an economic strain or a durables strain, defined as the enforced

inability (rather than the choice of not being able/having) to pay for at least three of the following nine items: unexpected expenses;

**Table 3.5:** Lack of durables and economic strain among those at-risk-of-poverty, 2007  
(% of population)

	Lack of durables				Economic strain				
	Tele- phone	Colour T.V.	Wash. mach.	Pers- onal car	Capacity to afford...		Mort- gage / rental arrears	Ability to...	
					Meat/ fish every 2nd day	One week annual holiday			
<b>EU-27</b>	6	2	7	22	22	65	7	21	62
<b>BE</b>	1	1	7	25	12	58	8	33	57
<b>BG</b>	39	20	55	67	88	98	5	17	96
<b>CZ</b>	6	3	2	43	33	73	14	18	82
<b>DK</b>	0	2	6	24	9	23	5	18	40
<b>DE</b>	1	1	1	17	26	55	4	15	70
<b>EE</b>	5	2	10	39	16	87	2	8	57
<b>IE</b>	2	1	2	24	8	42	13	10	70
<b>EL</b>	2	1	6	19	27	76	13	29	55
<b>ES</b>	1	0	1	10	5	58	4	15	49
<b>FR</b>	2	1	3	11	18	63	13	11	66
<b>IT</b>	3	1	2	8	14	71	9	24	59
<b>CY</b>	1	1	3	8	21	82	6	62	80
<b>LV</b>	10	5	19	47	55	91	4	42	89
<b>LT</b>	11	5	15	29	40	89	2	34	74
<b>LU</b>	1	0	2	9	6	39	7	2	64
<b>HU</b>	10	2	8	42	48	90	10	24	88
<b>MT</b>	2	1	1	9	15	83	2	15	50
<b>NL</b>	0	0	1	20	4	35	9	5	50
<b>AT</b>	1	1	2	20	24	58	6	9	66
<b>PL</b>	6	2	2	33	45	89	2	39	81
<b>PT</b>	12	1	9	28	10	89	7	65	43
<b>RO</b>	43	9	55	75	47	97	0	44	69
<b>SI</b>	3	3	2	16	25	64	7	11	71
<b>SK</b>	6	3	4	48	62	84	13	14	76
<b>FI</b>	1	5	6	28	8	47	11	3	59
<b>SE</b>	0	3	0	14	10	35	7	4	41
<b>UK</b>	1	0	1	14	10	43	9	9	50
<b>IS</b>	0	0	0	6	8	28	12	13	47
<b>NO</b>	1	1	2	20	8	18	12	2	29

Source: Eurostat (ilc\_mddu01, ilc\_mddu02, ilc\_mddu03, ilc\_mddu04, ilc\_mddu05, ilc\_mdes03, ilc\_mdes02, ilc\_mdes06, ilc\_mdes01 and ilc\_mdes04)



one week annual holiday away from home; arrears (mortgage or rent payments, utility bills, or hire purchase instalments or other loan payments); a meal with meat or fish every other day; heating to keep the home adequately warm; a washing machine; a colour television; a telephone; or a car.

About one in every six (17 %) of the EU-27 population was materially deprived in 2007, although this reflected considerable differences between EU-15 Member States on the one hand and, on the other, those Member States that joined the EU since 2004. Less than one in every ten people in Luxembourg, the Nordic Member States and the Netherlands were materially deprived in 2007, whereas the proportion rose to a little over one third of those in Hungary and Poland, moved closer to half of the population in Latvia and Romania and almost three quarters of the population in Bulgaria.

Among those at-risk-of-poverty in income terms, material deprivation was considerably higher. Almost four in every ten people (39 %) at-risk-of-poverty in the EU-27 were

also materially deprived. This proportion rose to about two thirds of those in Cyprus, Slovakia and Poland, and was even higher in Hungary (71 %), Latvia (76 %), Romania (85 %) and, particularly, Bulgaria (94 %).

Of the nine material deprivation items, the most commonly experienced by those at-risk-of-poverty in 2007 tended to concern an economic strain. Within the EU-27, almost two thirds of those at-risk-of-poverty were unable to face unexpected expenses (62 %) or afford a one week annual holiday (65 %). Furthermore, about one in every five (21 %) of those at-risk-of-poverty could not keep their home adequately warm, or were unable to eat meat or fish every other day (22 %). Regarding a lack of durables, about one fifth (22 %) of those at-risk-of-poverty in the EU-27 did not have a car, with far lower proportions lacking a washing machine (7 %), a telephone (6 %) or a colour television (2 %). However, in the Baltic Member States, Hungary and particularly Bulgaria and Romania, the lack of durables among those at-risk-of-poverty was notably higher than the EU-27 average.



**Table 3.6:** Lack of durables and economic strain among those at-risk-of-poverty, by type of household, EU-27, 2007 (% of population)

	Total	Single parent with dep. child.	Two adults with 1 dep. child	Two adults with 3+ dep. child	Two adults, at least one aged 65+	Two adults without dep. child
<b>Enforced lack of durables</b>						
- Telephone	6	4	4	7	5	6
- Colour TV	2	1	1	2	2	3
- Washing machine	7	3	5	8	6	7
- Personal car	22	33	20	22	12	20
<b>Economic strain</b>						
- Inability to afford a meal with meat, fish or veg equiv. every second day	22	25	18	24	15	21
- Inability to afford a one week holiday away from home	65	76	64	69	52	59
- Existence of arrears on mortgage or rent	7	14	8	9	1	4
- Inability to keep home warm	21	22	18	22	16	19
- Inability to face unexpected expenses	62	82	61	68	43	57

Source: Eurostat ([ilc\\_mddu01](#), [ilc\\_mddu02](#), [ilc\\_mddu03](#), [ilc\\_mddu04](#), [ilc\\_mddu05](#), [ilc\\_mdes03](#), [ilc\\_mdes02](#), [ilc\\_mdes06](#), [ilc\\_mdes01](#) and [ilc\\_mdes04](#))

Among all types of households at-risk-of-poverty, the economic strain of material deprivation was generally far more widespread than the lack of durables.

As well as being most at-risk-of-poverty, households composed of single parents with dependent children were also generally the most materially deprived. In 2007, this was particularly clear regarding the inability of single parent households to face unexpected expenses, afford a one week holiday away from home or afford a car, while a higher proportion of single parent households also faced arrears on their mortgage or rent. Households composed of two adults and at least three dependent children that were at-risk-of-poverty were also slightly more materially deprived than households at-

risk-of-poverty in general regarding their ability to meet unexpected bills or their ability to afford one week of holiday away from home.

Households with two adults, one of whom was older than 65 in 2007, generally had lower proportions of material deprivation than other types of household at-risk-of-poverty. This is likely to reflect both the accumulation of durable goods during their working lives and opportunities to dis-save.

Within the EU-27, a clear majority of people were more than satisfied with their accessibility to a range of services in 2007. Concerning the range of six services elaborated here, between 10 % and about 20 % of



**Table 3.7:** Accessibility to amenities – grocery services and banking services, 2007  
(% of population)

	Accessibility of grocery services				Accessibility of banking services			
	Very dissatis.	Some-what dissatis.	Satisfied	Very satisfied	Very dissatis.	Some-what dissatis.	Satisfied	Very satisfied
<b>EU-27</b>	2.2	8.0	45.2	44.6	3.9	14.4	47.0	34.6
<b>BE</b>	5.5	11.0	44.9	38.7	5.9	15.1	46.8	32.2
<b>BG</b>	2.5	7.9	37.3	52.3	12.5	17.2	35.9	34.4
<b>CZ</b>	2.7	10.2	52.4	34.6	4.6	20.3	54.0	21.2
<b>DK</b>	1.2	7.0	36.2	55.6	2.2	11.9	39.9	46.0
<b>DE</b>	0.9	8.1	36.3	54.7	1.5	11.5	43.3	43.7
<b>EE</b>	4.9	13.7	59.4	22.0	6.3	18.9	58.0	16.8
<b>IE</b>	3.1	9.4	44.3	43.2	5.3	16.8	47.8	30.1
<b>EL</b>	3.7	8.6	45.9	41.7	10.0	19.9	40.5	29.6
<b>ES</b>	2.2	11.4	62.2	24.2	2.2	11.2	63.4	23.2
<b>FR</b>	0.5	2.6	38.1	58.7	1.9	6.2	44.2	47.6
<b>IT</b>	5.7	16.6	59.1	18.6	7.9	21.9	55.0	15.2
<b>CY</b>	3.6	9.0	54.9	32.5	2.4	8.1	58.8	30.7
<b>LV</b>	5.3	17.5	61.1	16.0	6.4	20.8	59.0	13.7
<b>LT</b>	4.3	18.1	57.5	20.1	5.9	21.6	54.8	17.6
<b>LU</b>	3.4	10.9	37.4	48.3	2.8	11.6	38.7	47.0
<b>HU</b>	1.6	6.4	50.1	41.9	7.2	21.4	48.2	23.2
<b>MT</b>	3.1	10.1	59.1	27.7	7.5	18.4	54.6	19.5
<b>NL</b>	1.1	4.0	30.6	64.3	1.0	4.1	26.1	68.8
<b>AT</b>	3.9	13.2	39.9	43.0	3.8	15.2	43.2	37.8
<b>PL</b>	3.8	8.9	49.9	37.4	5.2	21.0	49.5	24.3
<b>PT</b>	3.1	9.3	61.3	26.4	3.4	11.7	63.5	21.4
<b>RO</b>	0.0	3.2	96.8	0.0	10.9	43.5	45.6	0.0
<b>SI</b>	3.0	12.0	50.0	35.0	3.8	15.6	42.4	38.2
<b>SK</b>	2.5	9.0	47.5	41.1	8.9	27.2	44.2	19.7
<b>FI</b>	2.2	4.7	40.7	52.4	2.4	7.1	41.8	48.8
<b>SE</b>	0.6	4.0	39.1	56.3	1.9	9.7	44.1	44.3
<b>UK</b>	1.8	3.4	26.8	68.0	2.6	10.6	44.2	42.6
<b>IS</b>	1.9	5.5	28.6	64.0	2.5	4.1	19.8	73.6
<b>NO</b>	0.7	5.2	38.0	56.1	0.8	6.3	39.8	53.1

Source: Eurostat (EU-SILC)

people across the EU-27 were dissatisfied with their accessibility.

When looking at differences between Member States, it is important to bear in mind that there may be a stronger culture

of complaint in some countries than others. For example, there may be some debate about whether services in the United Kingdom are really more available than in other countries or whether people tend to complain less. It is also important to consider population



**Table 3.8:** Accessibility to amenities – postal services and public transport, 2007  
(% of population)

	Accessibility of postal services				Accessibility of public transport			
	Very dissatis.	Some-what dissatis.	Satis-fied	Very satis-fied	Very dis-satis.	Some-what dissatis.	Satis-fied	Very satis-fied
<b>EU-27</b>	4.4	16.7	47.8	31.1	5.4	14.0	45.4	35.2
<b>BE</b>	7.9	19.2	46.4	26.4	6.8	11.8	42.0	39.3
<b>BG</b>	6.2	14.7	42.5	36.5	8.3	13.1	39.5	39.1
<b>CZ</b>	3.2	15.2	57.4	24.3	3.2	12.2	54.0	30.6
<b>DK</b>	3.3	15.4	43.9	37.4	3.7	10.0	37.1	49.2
<b>DE</b>	4.4	22.3	42.8	30.5	5.0	14.3	32.7	48.0
<b>EE</b>	4.0	14.5	63.8	17.7	5.4	14.2	60.3	20.2
<b>IE</b>	4.4	11.5	50.1	34.1	12.0	14.3	40.4	33.3
<b>EL</b>	8.0	18.6	45.3	28.1	5.4	13.8	43.0	37.8
<b>ES</b>	4.3	17.7	61.6	16.4	3.2	10.4	62.1	24.3
<b>FR</b>	5.7	12.0	42.4	40.0	3.5	9.3	37.8	49.3
<b>IT</b>	7.3	21.7	56.7	14.4	9.3	19.0	55.4	16.4
<b>CY</b>	3.1	10.2	60.4	26.3	27.3	22.6	41.6	8.6
<b>LV</b>	5.1	20.5	62.2	12.1	4.0	18.6	65.2	12.1
<b>LT</b>	2.5	16.8	63.5	17.3	7.1	20.4	55.3	17.2
<b>LU</b>	3.4	12.0	38.2	46.5	2.8	7.7	32.3	57.2
<b>HU</b>	3.4	12.7	55.0	28.9	4.7	13.1	50.6	31.6
<b>MT</b>	7.7	19.6	54.8	17.9	6.5	15.7	58.4	19.3
<b>NL</b>	1.9	10.2	37.0	50.9	6.5	12.0	28.6	52.9
<b>AT</b>	5.0	19.4	44.1	31.5	6.1	14.0	38.9	41.0
<b>PL</b>	4.6	18.3	52.0	25.2	5.3	18.0	50.0	26.7
<b>PT</b>	3.7	15.3	63.5	17.5	5.6	14.8	59.0	20.5
<b>RO</b>	1.0	35.1	64.0	0.0	3.6	16.1	80.3	0.0
<b>SI</b>	2.9	14.1	58.3	24.8	5.7	17.2	52.5	24.6
<b>SK</b>	4.8	19.0	51.2	25.0	3.9	13.8	51.6	30.6
<b>FI</b>	2.4	8.0	51.7	37.9	12.9	14.7	40.2	32.3
<b>SE</b>	1.1	8.9	49.7	40.3	4.9	10.2	39.4	45.5
<b>UK</b>	1.9	6.0	37.1	55.1	1.9	9.6	43.3	45.1
<b>IS</b>	4.2	10.9	32.5	52.5	9.0	13.2	36.4	41.4
<b>NO</b>	1.0	6.3	49.1	43.5	7.6	16.4	39.3	36.6

Source: Eurostat (EU-SILC)

densities, as access to a range of goods and services will tend to be easier in those countries that are densely populated when

compared with countries where a relatively high proportion of the population lives in remote, rural areas.



**Table 3.9:** Accessibility to amenities – primary healthcare services and compulsory school, 2007 (% of population)

	Accessibility of primary healthcare services				Accessibility of compulsory school			
	Very dissatis.	Some-what dissatis.	Satisfied	Very satisfied	Very dissatis.	Some-what dissatis.	Satisfied	Very satisfied
<b>EU-27</b>	3.2	13.7	49.2	34.0	2.7	12.4	53.9	30.9
<b>BE</b>	2.9	8.4	52.0	36.6	2.7	8.0	52.2	37.0
<b>BG</b>	9.3	17.5	39.8	33.4	7.6	11.8	42.0	38.7
<b>CZ</b>	3.2	17.2	57.2	22.4	1.5	11.8	53.8	32.8
<b>DK</b>	3.4	18.2	47.3	31.1	2.1	9.1	43.7	45.1
<b>DE</b>	1.5	9.4	46.2	42.9	1.7	12.1	48.9	37.3
<b>EE</b>	4.9	20.5	61.2	13.4	1.5	13.2	66.8	18.6
<b>IE</b>	4.9	14.0	48.8	32.4	1.8	9.6	54.0	34.6
<b>EL</b>	7.2	17.8	46.7	28.3	4.4	8.4	46.9	40.4
<b>ES</b>	3.5	16.2	62.7	17.6	2.7	14.8	64.1	18.4
<b>FR</b>	1.2	4.3	36.9	57.7	2.7	7.1	37.4	52.8
<b>IT</b>	7.1	24.1	55.9	12.9	5.7	16.2	61.8	16.3
<b>CY</b>	5.8	15.1	59.7	19.3	1.3	7.3	63.4	28.0
<b>LV</b>	8.3	26.5	56.4	8.8	3.4	19.3	67.9	9.5
<b>LT</b>	5.0	28.2	54.9	11.9	1.2	15.0	61.6	22.2
<b>LU</b>	2.3	9.1	41.3	47.2	2.5	9.9	45.8	41.8
<b>HU</b>	2.8	13.1	56.4	27.6	3.4	9.9	50.4	36.2
<b>MT</b>	8.8	22.0	54.9	14.3	4.2	13.6	59.9	22.3
<b>NL</b>	1.8	7.7	38.2	52.2	2.2	7.0	34.2	56.6
<b>AT</b>	4.0	15.0	45.6	35.4	2.7	14.2	52.1	31.0
<b>PL</b>	5.0	22.6	50.7	21.6	3.4	13.8	56.6	26.1
<b>PT</b>	6.9	21.6	59.0	12.5	4.0	19.0	64.8	12.2
<b>RO</b>	0.8	29.3	70.0	0.0	1.3	17.5	81.3	0.0
<b>SI</b>	4.2	20.8	55.5	19.5	1.9	12.8	59.8	25.6
<b>SK</b>	5.8	25.0	47.8	21.3	3.0	12.8	54.6	29.6
<b>FI</b>	3.8	13.1	55.0	28.2	1.4	7.2	51.3	40.1
<b>SE</b>	2.7	13.3	57.8	26.2	2.1	6.9	46.5	44.6
<b>UK</b>	2.0	6.1	42.6	49.3	1.4	8.0	39.2	51.4
<b>IS</b>	2.9	8.5	31.2	57.4	:	:	13.3	84.2
<b>NO</b>	1.3	11.2	60.7	26.8	:	:	:	:

Source: Eurostat (EU-SILC)



# 4

## Social exclusion

Social exclusion is a much broader concept than just income poverty, in so far as there may be many other factors that leave groups of society isolated. These include such wide-ranging factors as unemployment, access to education, childcare and healthcare facilities, living conditions, as well as social participation.

The persistence of large numbers of people excluded from work represents a key challenge for the objective of social cohesion. The longer a period of unemployment for an individual, the more entrenched that person generally becomes in social exclusion through their inability to afford material goods, services and housing, while their social contacts are often reduced (in part due to a lack of money for going out socially, or due to the stigma of being unemployed); this may lead to a lack of confidence and a reinforced sense of isolation. Labour market exclusion indicators are presented and analysed in Subchapter 4.1.

Education can directly provide the skills, knowledge and qualifications that are important in social and labour market participation. The educational resources available in Member States and the length of compulsory education are likely to have some effect on outcomes regarding educational attainment. Ensuring that higher education is open to all, regardless of their social or economic background, forms

the basis of the social dimension of the EU's Bologna process and has most recently been reinforced by the Council conclusions of 12 May 2009<sup>(23)</sup> regarding the strategic framework for EU co-operation on education and training (towards 2020). These characteristics are presented and analysed in Subchapter 4.2.

Social exclusion can result from poor health, where individuals who have physical or mental health problems cannot fully participate in society. In some cases, exclusion for some other reason (such as unemployment) may reinforce health problems. Poor health from birth, through working life to old age, and the way in which communities accept and help individuals overcome obstacles, can have important impacts on social inclusion. In particular, the ability of society to provide consultation, treatment and care to those with health problems is crucial. Some of these aspects of health-related social exclusion are presented and analysed in Subchapter 4.3.

Homelessness and housing deprivation are arguably the most extreme examples of poverty and social exclusion in European society. Poor housing conditions, a lack of basic facilities, overcrowding, subjection to noise, pollution and violence are likely to reinforce problems of health, educational attainment, labour prospects and integration. Where long-term difficulties in meeting mortgage and rental payments are evident this can lead to greater demands on social housing, relocation and, in extreme cases, homelessness. These issues are presented and analysed in Subchapter 4.4.

Technology can be used as a means to break down integration barriers by providing widespread access to information, as well as networks. As with other areas, the development

of the information society has brought risks of social exclusion for those individuals who do not possess the necessary skills, equipment or access. Computer and Internet skills are just one form of participation in today's society. In a wider sense, social participation refers to whether individuals participate in activities and organisations, or whether they keep in touch with neighbours, family and friends. Some of these varied aspects are presented and analysed in Subchapter 4.5.

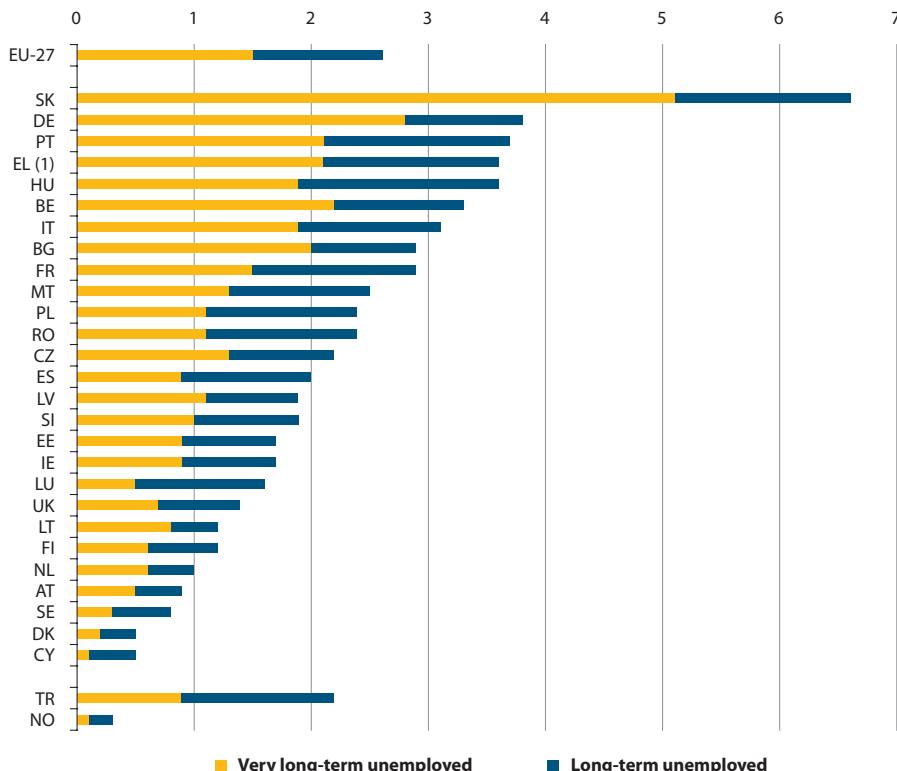
## 4.1 Labour market exclusion

Persons are considered to be long-term unemployed after 12 months of unemployment, and very long-term unemployed after 24 months. The unemployment rate for the EU-27 fell from 9.0 % in 2004 to 7.0 % in 2008, while the long-term unemployment rate fell proportionately more, from 4.2 % to 2.6 %. In 2008, the long-term unemployed in the EU-27 represented just over one in three of all unemployed persons. Slovakia had the highest rate of long-term unemployment and, furthermore, the long-term unemployed accounted for more than two thirds of all Slovakian unemployed. Cyprus, Denmark and Sweden all recorded relatively low rates of long-term unemployment, and in these countries only around one in seven unemployed persons were long-term unemployed.

In order to improve the re-integration of the long-term unemployed into the labour market, Member States have agreed on a common benchmark for 2010: to encourage at least 25 % of the long-term unemployed into training, re-training, work practice, a job or other employability measure, combined where appropriate with on-going job search assistance<sup>(24)</sup>.

<sup>(23)</sup> For more information, see <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2009:119:0002:0010:EN:PDF>.

<sup>(24)</sup> See Council Decision 10614/2/08 on guidelines for the employment policies of the Member States.

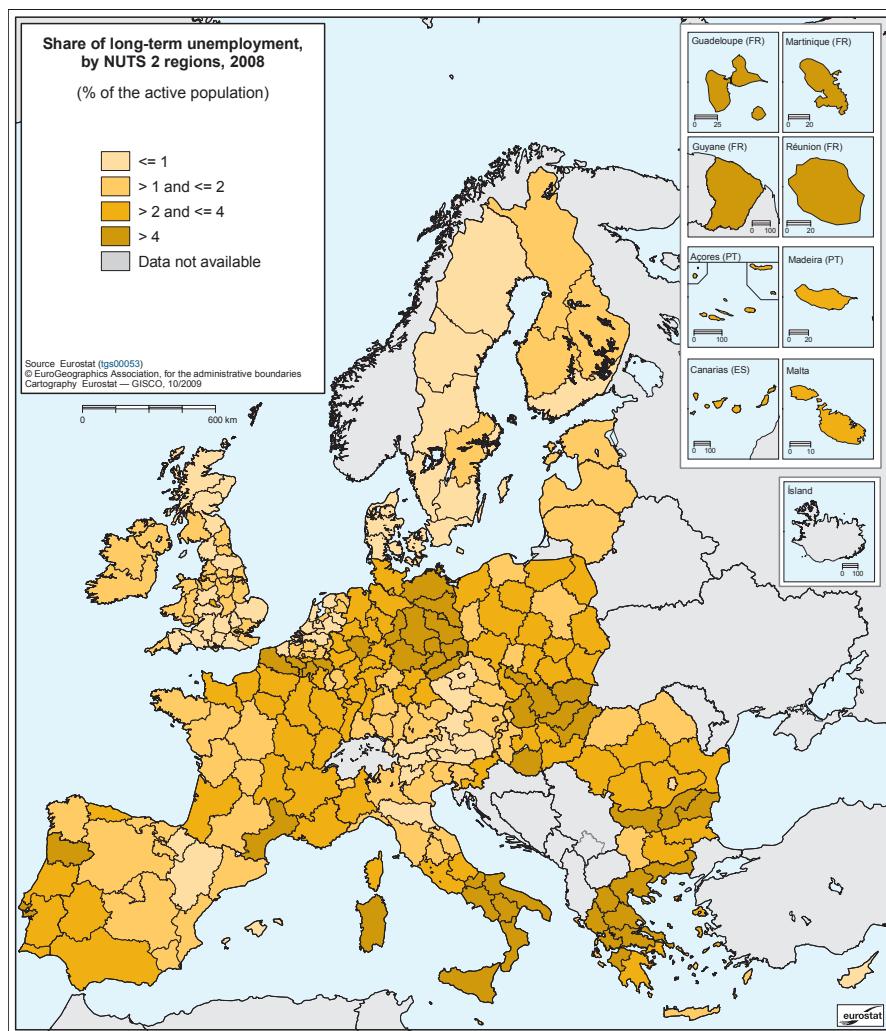
**Figure 4.1:** Long-term unemployment by duration, 2008 (% of the active population)

(1) 2006.

Source: Eurostat ([une\\_ltu\\_a](#))

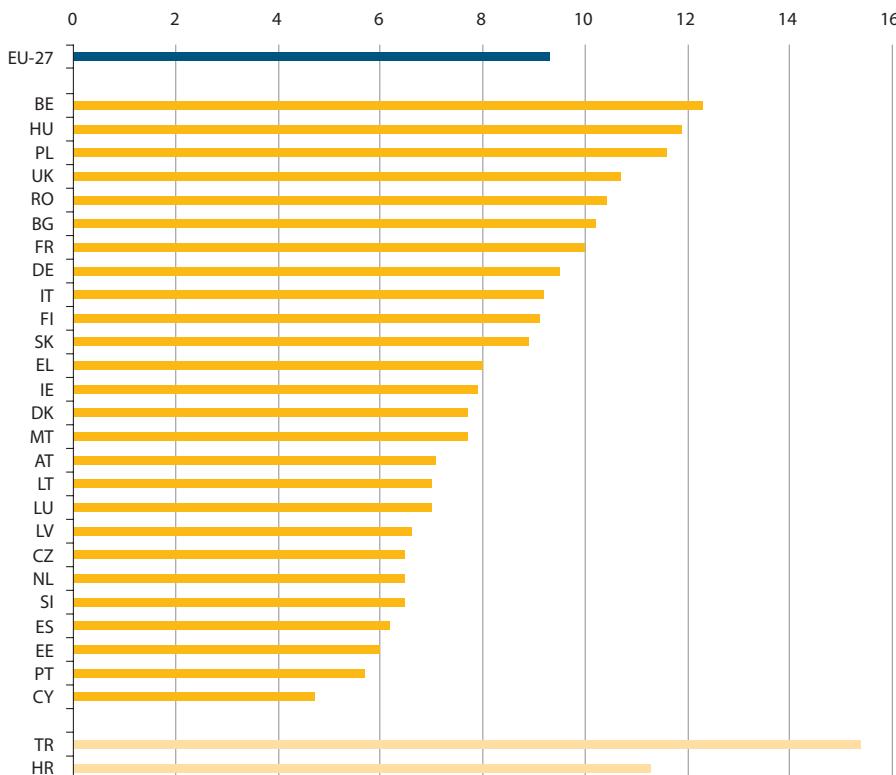
Within a country, long-term unemployment rates tend to have a broadly similar regional distribution to overall unemployment rates. However, there are a number of examples of regional pockets of long-term unemployment that point to inequalities – for exam-

ple, eastern Germany, north-western Greece, French and Spanish overseas regions, southern Italy, or eastern Slovakia. The only capital city regions with long-term unemployment rates of more than 6 % were in Belgium and Germany.



In 2007, close to one in ten adults aged between 18 and 59 was living in a household where nobody was working. Particularly high rates of jobless households were reported in Belgium, Hungary and Poland, while by far the lowest proportion of people living in a

jobless household was recorded in Cyprus. Unemployment also affects other household members, and in 2007 a similar proportion (9.4 %) of children aged between 0 and 17 lived in a jobless household in the EU-27.

**Figure 4.2:** Population (aged 18-59) in jobless households, 2007 (%) (1)

(1) EU-27, estimate; Denmark, 2006.

Source: Eurostat ([lfsi\\_jhh\\_a](#))

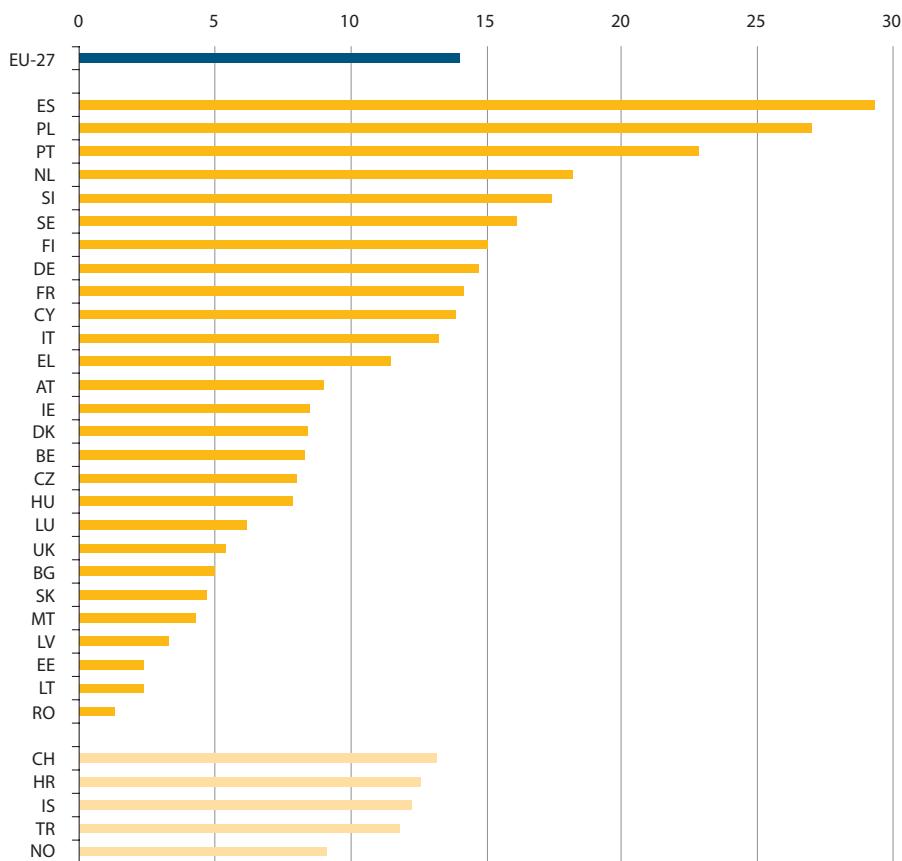
The use of atypical employment practices may have a direct impact on social inclusion through a lack of security limiting long-term commitments, and also indirectly if such practices lead to reduced pension or sickness benefits. Atypical working practices include, for example, temporary or part-time work, self-employment, and careers that are interrupted caring for children or other dependents.

More than one in seven persons in employment worked under a temporary contract

in the EU-27 in 2008, with this share reaching one in five in Portugal and more than one in four in Spain and Poland. Romania and the Baltic Member States had the lowest incidences of temporary contracts.

The share of part-time work in the EU-27 has risen steadily for many years, for example from 16.2 % in 2000 through 17.2 % in 2004, reaching 18.2 % in 2008. In Sweden, Germany and the United Kingdom part-time work accounted for more than one in four persons in employment, while

**Figure 4.3: Employees with temporary contracts, 2008**  
 (% of those in employment) (1)

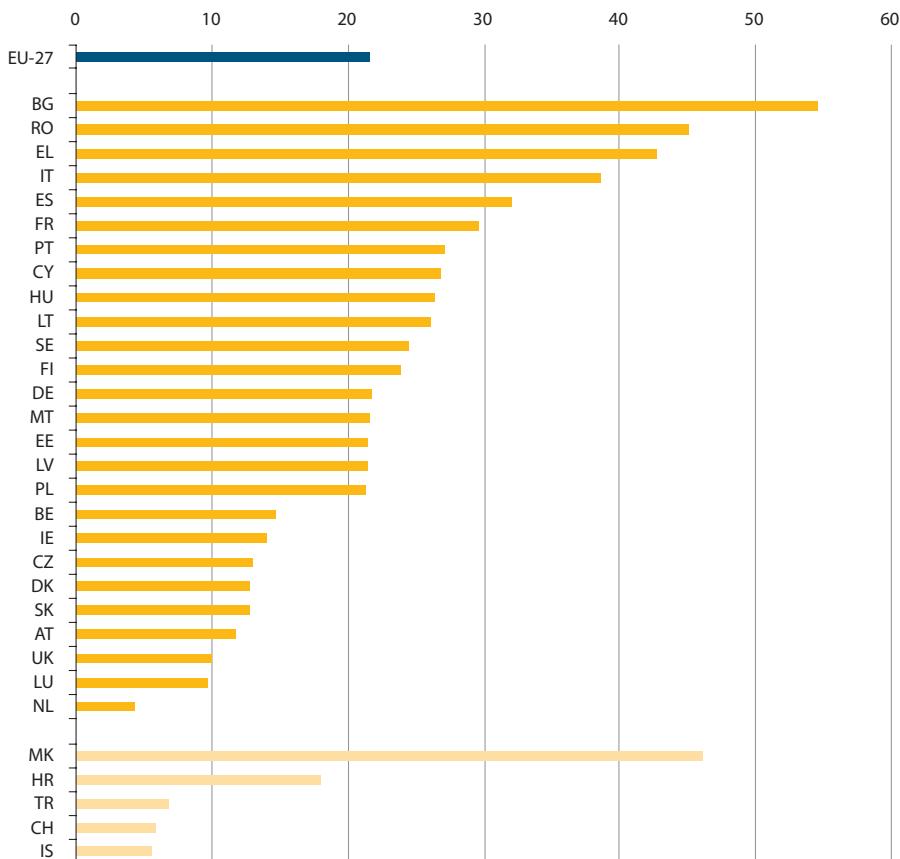


(1) Croatia and Iceland, 2006.

Source: Eurostat ([lfsi\\_emp\\_a](#))

in the Netherlands this share rose to almost one in two. Part-time work can provide flexibility that allows people to participate in the workforce alongside other activities. However, part-time work may also be of an involuntary nature, generally as a result of not being able to find full-time work. More than one in five part-time workers in the EU-27 was classified as involuntary

part-time, with the highest shares recorded in Bulgaria, Romania and Greece. It is interesting to note that the country with the highest part-time employment rate, the Netherlands, recorded the lowest rate of involuntary part-time work.

**Figure 4.4:** Involuntary part-time work, 2007 (% of total part-time work) (1)

(1) Luxembourg, Malta and Croatia, 2006; France and the Netherlands, 2005; Estonia, 2004; Ireland, 2003; Slovenia, unreliable.

Source: Eurostat ([lfsa\\_eppgai](#))

Whether working full- or part-time, a large proportion of those in employment work some kind of atypical or irregular hours (shift work, work at weekends, evenings or nights). Night and shift work may create difficulties with respect to maintaining social contacts and may also lead to health disorders (disrupted sleeping and eating rhythms).

More than a quarter of all persons in employment worked on a Saturday in the EU-27 in 2007, a share that reached a high of almost two fifths of the working population in Greece (2008).

**Table 4.1:** Population in employment, working during anti-social hours, 2008 (%) (1)

	<b>Working shifts (2)</b>	<b>Working on a Saturday (3)</b>	<b>Working on a Sunday (3)</b>	<b>Working at night (4)</b>	<b>Working in the evening (5)</b>
<b>EU-27</b>	17.7	27.7	13.5	7.6	20.1
<b>BE</b>	8.3	19.9	10.5	4.5	13.6
<b>BG</b>	21.4	26.9	11.7	5.1	14.3
<b>CZ</b>	28.9	22.9	14.6	5.2	10.9
<b>DK</b>	4.2	21.2	15.7	4.1	17.3
<b>DE</b>	16.7	26.5	13.8	8.9	27.1
<b>EE</b>	16.6	16.7	11.1	5.7	16.4
<b>IE</b>	16.5	20.9	12.4	5.4	9.2
<b>EL</b>	19.1	38.9	11.4	3.8	24.5
<b>ES</b>	16.3	28.5	13.9	5.0	18.9
<b>FR</b>	7.7	31.0	14.5	7.5	16.9
<b>IT</b>	19.1	37.8	13.3	8.1	15.4
<b>CY</b>	8.4	28.4	7.3	1.0	4.0
<b>LV</b>	21.1	22.1	12.9	4.5	7.8
<b>LT</b>	17.2	16.2	11.3	4.7	11.8
<b>LU</b>	9.8	19.7	12.1	6.3	13.5
<b>HU</b>	18.7	10.6	6.6	4.5	7.2
<b>MT</b>	18.2	29.1	15.0	9.3	16.5
<b>NL</b>	8.2	28.9	17.4	9.2	31.3
<b>AT</b>	18.8	31.2	16.7	7.3	13.8
<b>PL</b>	29.3	20.4	9.3	3.7	10.3
<b>PT</b>	11.1	26.2	12.5	7.2	:
<b>RO</b>	25.3	36.8	18.3	6.0	20.0
<b>SI</b>	31.6	24.5	15.3	7.7	21.9
<b>SK</b>	30.5	25.9	19.9	17.0	24.7
<b>FI</b>	23.6	22.4	16.2	8.3	22.9
<b>SE</b>	23.5	14.7	12.5	5.7	15.9
<b>UK</b>	19.0	:	:	11.9	29.3
<b>HR</b>	30.3	22.6	11.4	2.0	5.1
<b>MK</b>	33.5	52.5	26.4	12.8	24.5
<b>TR</b>	13.6	65.7	37.9	5.1	14.0
<b>IS</b>	20.5	19.9	15.5	5.5	17.3
<b>NO</b>	23.5	18.7	11.1	4.2	13.3
<b>CH</b>	14.7	32.3	17.5	5.3	17.2

(1) EU-27 and the former Yugoslav Republic of Macedonia, 2007.

(2) Ireland and the United Kingdom, 2005.

(3) Ireland, 2004; United Kingdom, unreliable.

(4) Croatia, 2006; Ireland and the United Kingdom, 2004.

(5) Ireland and the United Kingdom, 2004; Portugal, unreliable.

Source: Eurostat ([Ifsa\\_ewpshi](#), [Ifsa\\_ewpsat](#), [Ifsa\\_ewpsun](#), [Ifsa\\_ewpnig](#) and [Ifsa\\_ewpeve](#))

## 4.2 Education-related exclusion

Access to pre-primary education and/or affordable childcare can play an important role in employment participation, particularly for those facing other barriers such as low skill levels or single parenthood. In 2007, almost half (46 %) of all children aged between zero and two in the EU-25 were cared for solely by their parents. For children in childcare for 30 or more hours per week a small majority were in formal care arrangements, while for shorter periods other care arrangements were more common.

Low levels of educational attainment and illiteracy are often barriers to employment and further training. Participation in education (among 15 to 24 year olds) averaged just less than 60 % in the EU-27 in 2007. The cut-off age of 24 years allows a comparison between young and adult populations, although the resulting rates are influenced by choice or students having to repeat school years and reflect national service commitments. A high proportion of students may also have already completed tertiary education before the age of 24 in a number of Member States.

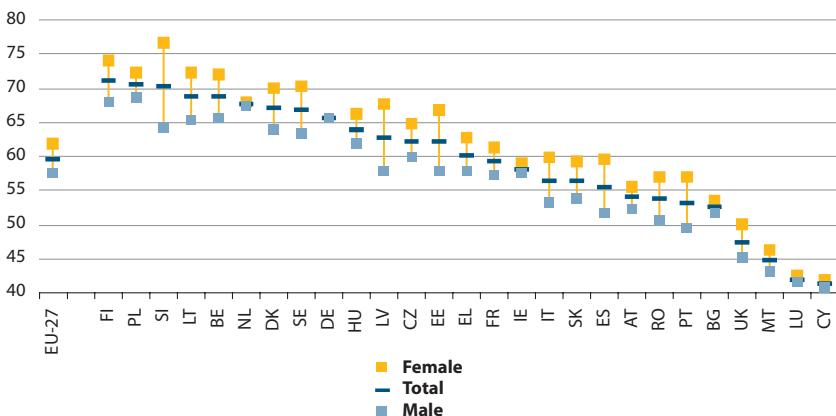
**Table 4.2:** Children cared for, by type of care, 0-2 year olds, EU-25, 2007 (% of all children) (1)

	No hours	1-29 hours	≥30 hours
Formal arrangements	71	17	13
Other arrangements	66	23	11

(1) Provisional; figures for formal arrangements do not sum to 100 % due to rounding.

Source: Eurostat ([ilc\\_caindformal](#))

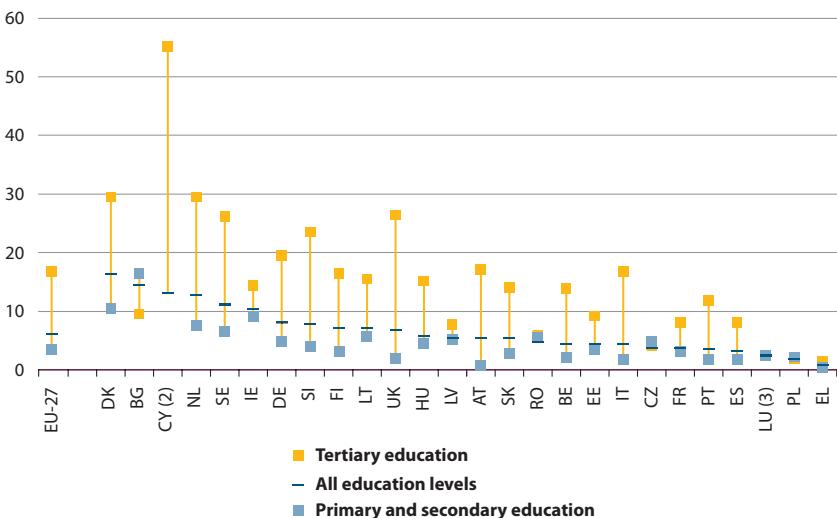
**Figure 4.5:** Participation rates in formal education, 15-24 year olds, 2007  
(% of corresponding age population) (1)



(1) Note, a high proportion of students from Cyprus, Luxembourg and Malta study abroad; note the y-axis starts at 40 %.

Source: Eurostat ([educ\\_thpar](#))

**Figure 4.6:** Financial aid to pupils by educational level, 2006  
(% of public education expenditure) (1)



(1) Greece and Romania, 2005; Malta, not available.

(2) Primary and secondary education, not available.

(3) Tertiary education, not available.

Source: Eurostat ([educ\\_fiaid](#))

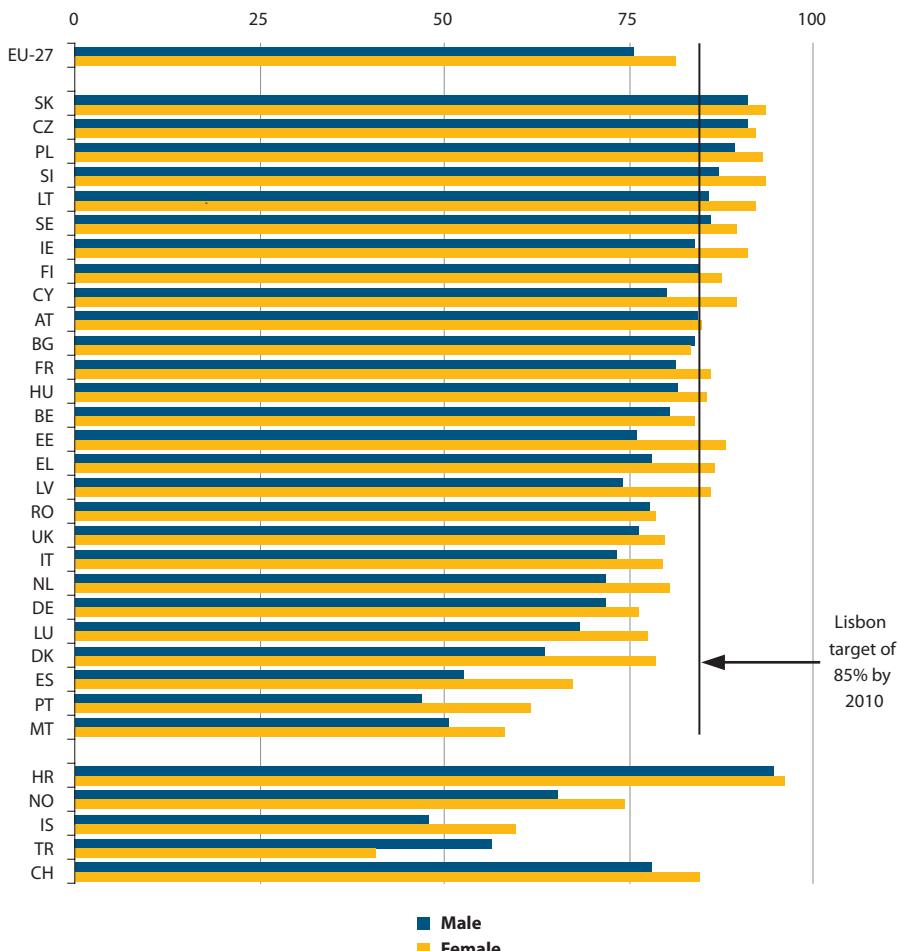
The majority of education funding in the Member States comes from public rather than private funds; this government spending accounts for approximately 5 % of GDP. Financial aid may take the form of scholarships, grants, child allowances, reimbursement of expenditure, or loans. One of the aims of such financial aid is to provide fairer access to education to students from lower income families. Financial aid to students accounted for around 6.0 % of all public expenditure on education, ranging from just 3.2 % of public expenditure on primary and secondary education to 16.6 % of public expenditure on tertiary education.

Denmark, Bulgaria and Cyprus reported the highest proportions of public expenditure on education being provided as fi-

nancial aid to students. The situation for Cyprus is due, in part, to the high share of such aid afforded to assistance for tertiary education, including assistance for the large proportion of Cypriot students that study abroad (such aid is not included by other Member States). Bulgaria, the Czech Republic and Poland stand out as the only Member States where financial aid to students accounted for a larger share of public expenditure on education in primary and secondary education.

In 2008, more than three quarters (78.5 %) of young people in the EU-27 aged between 20 and 24 years had completed at least an upper secondary education. In all Member States, except Bulgaria, the proportion of young persons with at least an upper

**Figure 4.7: Youth education attainment level, 2008 (% of population aged 20-24 having completed at least upper secondary education) (1)**



(1) Switzerland, 2007; Finland, provisional.

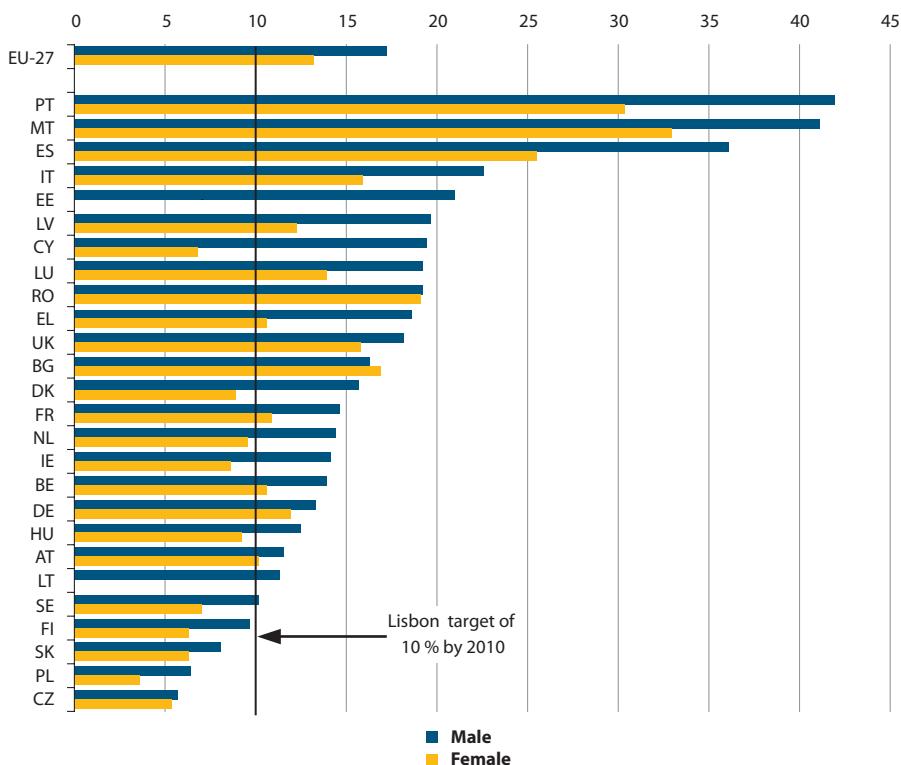
Source: Eurostat ([Ifsa\\_pgaed](#))

secondary education attainment level was higher for women than for men. Nine of the Member States had a rate above the 85 % Lisbon target.

Information on early school leavers shows the share of a particular age group that are

no longer studying (i.e. who are not participating in formal or non-formal education and training activities) and who have at most a lower secondary education. Early school leavers are considered as generally being at higher risk of social exclusion. In

**Figure 4.8:** Early school leavers, 2007 (% of the population aged 18-24 with at most lower secondary education and not in further education or training) (1)



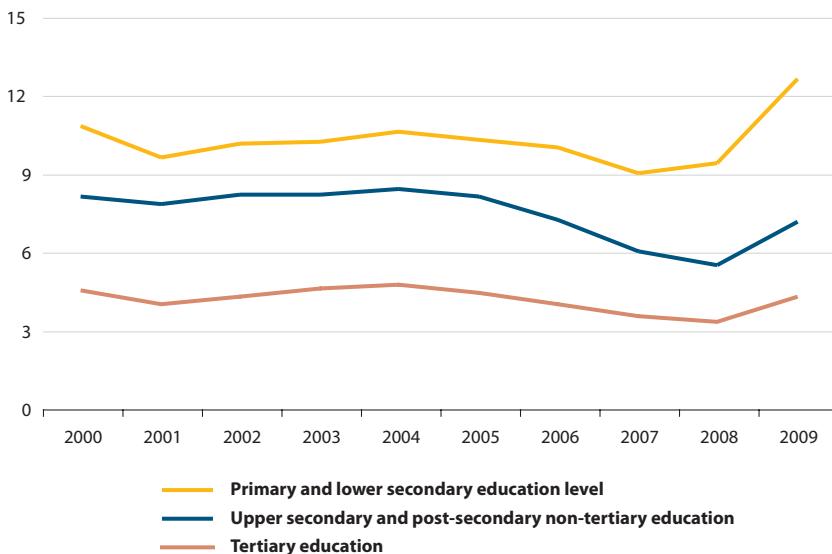
(1) Czech Republic and Luxembourg, 2006; Latvia and Portugal, provisional; Estonia (females), Lithuania (females) and Slovenia (males and females), unreliable. In this respect, it should be noted that there will be an important revision of these series in late 2009, based on annual averages rather than spring data. 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 Cyprus. The indicator covers non-nationals who have stayed or intend to stay in the country for one year or more.

Source: Eurostat ([lfsi\\_edu\\_a](#))

the EU-27, some 15.2 % of 18 to 24 year olds were classified as early school leavers, with every Member State reporting a higher proportion of male early school leavers. The southern Member States of Portugal, Malta and Spain reported by far the highest proportions of early school leavers.

The importance of education in terms of acquiring skills that can be used in the labour market is underlined by the substantial differences in unemployment rates depending on the level of education attained by members of the workforce. Generally, higher levels of educational

**Figure 4.9:** Unemployment rate by educational attainment  
(among those aged 25 to 64), EU-27 (%)



Source: Eurostat ([educ\\_iunemp](#))

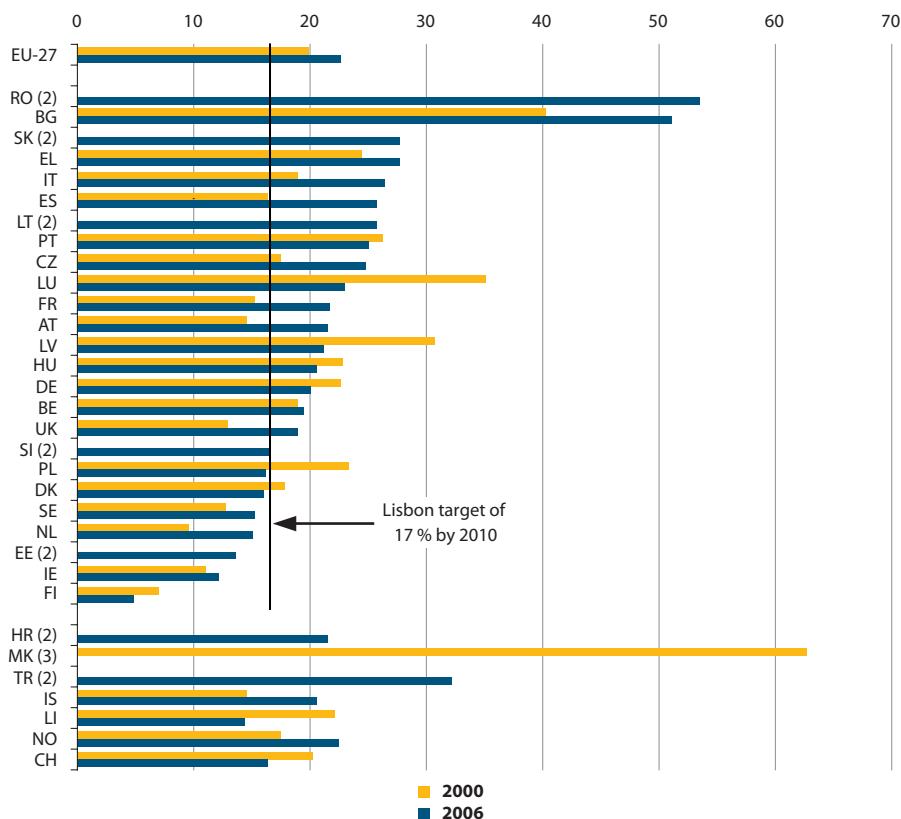
achievement reduce the likelihood of unemployment.

In the second quarter of 2009, the EU-27 unemployment rate among persons aged 25 to 64 with primary or lower secondary education as their highest level of educational achievement was almost three times (2.9) as high as for persons who had completed tertiary education. This ratio has grown in recent years, as it was 2.4 in 2004. In every Member State, a higher unemployment rate was recorded for persons with primary and lower secondary education than for persons with tertiary education, with the smallest differences in relative terms being in Greece and Denmark. In the Czech Republic and Slovakia, the difference in unemployment rates between these two groups were the largest, with the unemployment rate for persons with primary and lower secondary

education a little over twelve times as high as for those with a tertiary education.

Within the OECD's Programme for International Student Assessment (PISA), reading proficiency at level 1 and below means that a pupil is unlikely to demonstrate the most basic type of literacy, whereby students have serious difficulties in using reading as an effective tool to advance and extend their knowledge and skills in other areas. Based on the PISA measurement scale, 22.6 % of children aged 15 in the EU-27 had a low proficiency in reading in 2006, a value which was higher than that recorded in 2000 (19.8 %). Indeed, between 2000 and 2006 several Member States recorded a considerably higher proportion of 15 year olds with only basic reading skills, notably the Netherlands, Spain, the United Kingdom and Austria. In 2006, more than

**Figure 4.10: Low proficiency in reading, 2006**  
 (% of 15 year olds who are at level 1 or below) (1)



(1) Estonia, Cyprus and Malta, not available. (2) 2000, not available. (3) 2006, not available.

Source: Eurostat ([tsdsc450](#))

half of all children aged 15 in Bulgaria and Romania achieved only the lowest level of proficiency.

reinforce health problems, for example, where the form of social exclusion results in barriers to healthcare.

### 4.3 Health-related exclusion

A person's health results largely from inherent factors, lifestyle, access to, and quality of healthcare. Social exclusion can be triggered by poor health, and may also

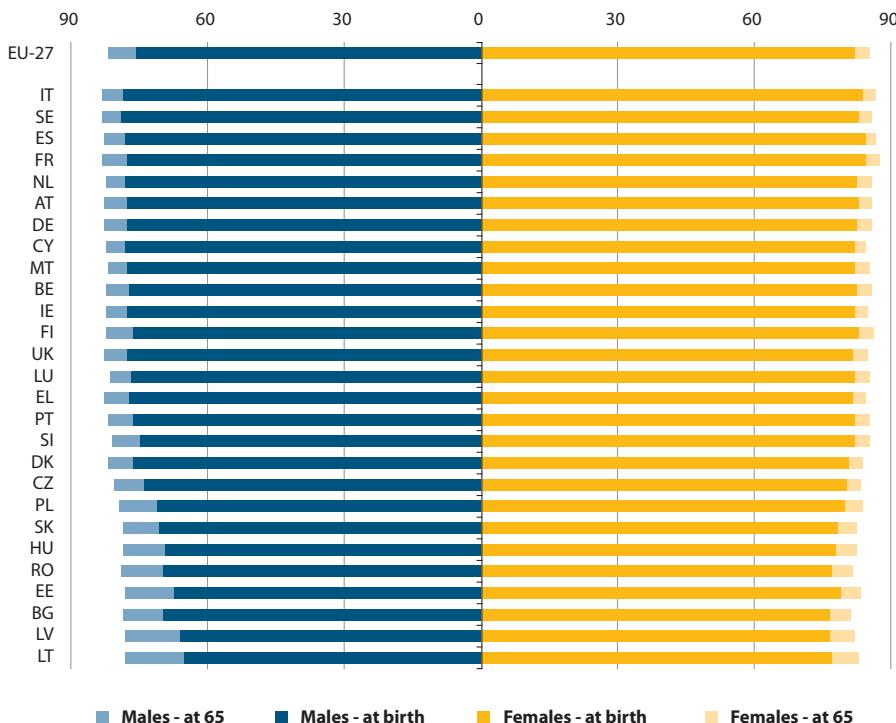
Reductions in infant mortality, changes in working/living conditions, education, and not least healthcare have all resulted in increased life expectancy, namely the mean number of years that a person (for example, a newborn child or a person aged 65) can expect to live if subjected throughout

(the rest of) their life to current mortality conditions.

The number of healthy life years indicates the number of years that a person is expected to live in a healthy condition, in other words in the absence of limitations in functioning/disability. Long-standing diseases,

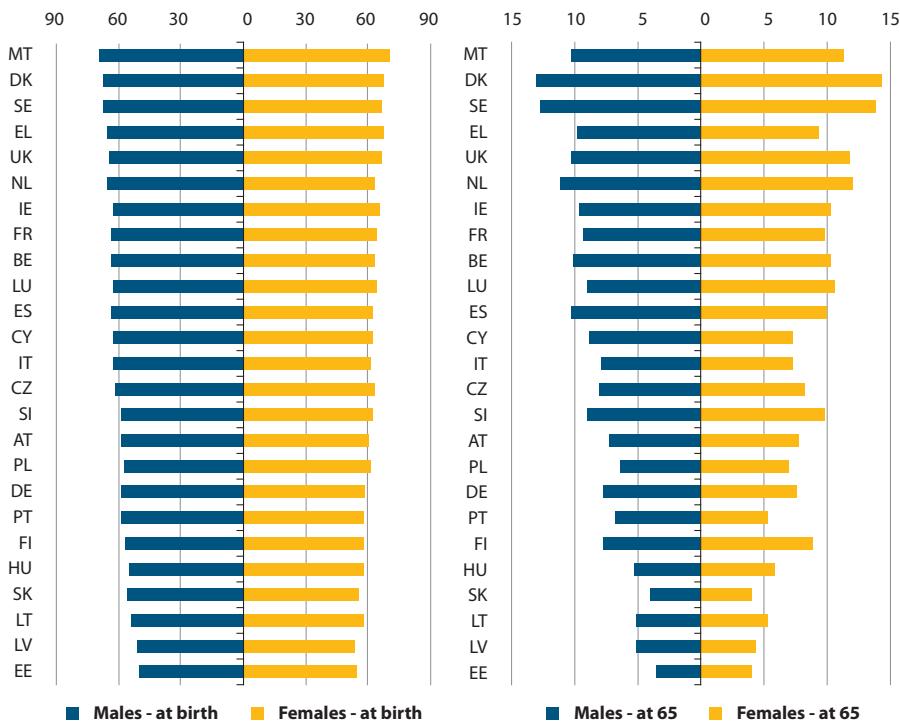
frailty, mental disorders and physical disability tend to become more prevalent in older age, and the burden of these conditions may result in a lower quality of life for those who suffer from such conditions and may also impact upon those who care for them.

**Figure 4.11:** Life expectancy at birth and at 65, 2007 (years) (1)



(1) EU-27, France, Italy and the United Kingdom, 2006.

Source: Eurostat ([demo\\_mlexpec](#))

**Figure 4.12:** Healthy life years at birth and at 65, 2007 (years) (1)

(1) Note: both parts of the figure are ranked on healthy life years at birth; the scales used in the two parts of the figure are different; Italy and the United Kingdom, 2005; Bulgaria and Romania, not available. The disability prevalence data used in the calculation of the Healthy Life Years (HLY) indicator are provided by the GALI (Global Activity Limitation Instrument) question from the Community statistics on income and living conditions (EU-SILC). The way this question was implemented by the EU Member States in EU-SILC hampers cross-country comparisons.

Source: Eurostat ([tsien180](#) and [hlth\\_hlye](#))

While it is widely accepted that inequalities persist in health status, cultural differences as regards the perception of health status also exist and this should be borne in mind when analysing the following indicators. Unsurprisingly, self-perceived health is worse among older people and conversely better for younger people: the proportion of people reporting bad or very bad health status declined steadily through the age groups, from almost two fifths (38 %) of per-

sons aged over 85 to progressively less than one in every ten of those in the age groups under 55 years. Persons with lower income levels were more likely to report a bad health status. Larger proportions of retired or otherwise inactive persons also reported bad or very bad health status, although this may to some extent reflect the different age and income characteristics of persons in each category of working status. An analysis by the level of educational attainment also showed

**Table 4.3:** Self-perceived general health, EU-27, 2007 (% of respondents)

	<b>Very bad</b>	<b>Bad</b>	<b>Fair</b>	<b>Good</b>	<b>Very good</b>
<b>By gender</b>					
- All	2.1	8.7	24.1	44.5	20.6
- Male	2.3	9.8	25.7	43.4	18.7
- Female	1.8	7.4	22.4	45.7	22.7
<b>By age</b>					
- 15-24 years	0.3	1.1	6.7	45.0	46.9
- 25-34 years	0.4	2.1	10.8	52.5	34.2
- 35-44 years	0.7	3.7	17.3	54.7	23.7
- 45-54 years	1.7	8.2	25.8	48.6	15.7
- 55-64 years	2.3	12.3	34.2	40.4	10.8
- 65-74 years	3.8	16.8	41.3	31.8	6.2
- 75-84 years	7.4	24.4	42.5	21.5	4.3
- 85+ years	11.2	26.8	37.4	20.2	4.4
<b>By working status</b>					
- Retired	4.8	18.6	40.4	29.9	6.3
- Inactive population - other	3.2	11.0	20.0	38.7	27.2
- Unemployed	1.6	9.6	24.8	46.0	18.1
- Employed	0.3	2.8	17.6	52.9	26.3
<b>By income bracket (quintiles of median equivalised income)</b>					
- <20%	3.2	13.2	28.3	38.7	16.6
- >20% - <40%	2.7	11.5	28.2	41.0	16.6
- >40% - <60%	2.0	8.2	24.3	45.1	20.4
- >60% - <80%	1.6	6.3	21.8	47.4	22.9
- >80% - <100%	0.8	4.1	18.2	50.3	26.5
<b>By educational level attained</b>					
- Primary	4.8	18.3	36.8	32.2	7.8
- Lower secondary	2.0	8.7	24.7	43.8	20.8
- Upper secondary	1.3	6.3	21.6	47.2	23.6
- Post secondary, non-tertiary	1.0	5.1	21.6	50.0	22.2
- First stage of tertiary	0.7	3.5	16.7	49.9	29.2
- Second stage of tertiary	0.4	2.4	12.9	43.8	40.4

Source: Eurostat ([hlth\\_silc\\_10](#))

a clear pattern, with the self-perceived health status worsening among persons with lower levels of attainment.

As with the information relating to health status, statistics on health problems were also collected through an interview survey. Approximately one in three persons aged

15 and over in the EU-27 regarded themselves as having a chronic (long-standing) illness or health problem; note that no consideration is made as to the severity of the illness/condition, whether the illness is continuous/seasonal or intermittent, or whether treatment is being received.

A number of countries reported particularly high proportions of their population with a long-standing illness or health problem, notably Estonia (two in every five persons). In contrast, in Greece and Italy just one in five persons reported a long-standing illness or health problem. Around one in twelve respondents felt that for at least six months prior to the 2007 survey they were severely hampered in activities that people usually perform, due to a long-standing illness or health problem. Perceptions of long-standing illness or health problems severely hampering activities increase among those with lower incomes.

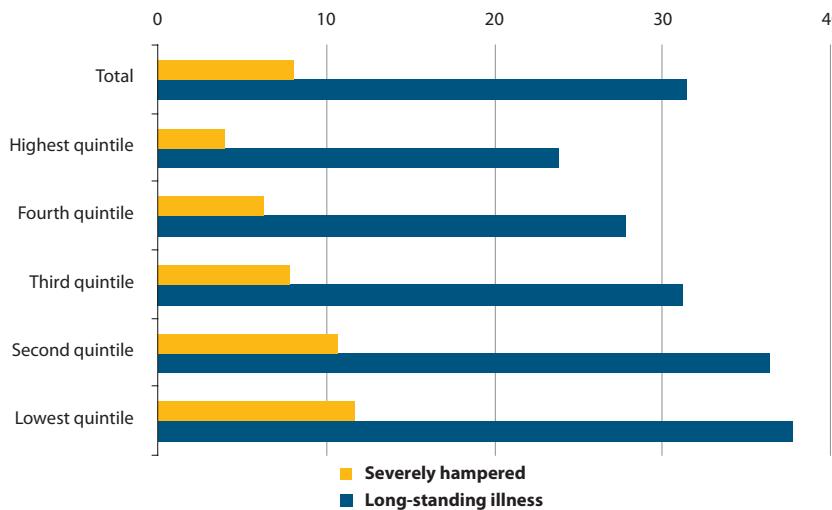
In the EU-27, some 7.0 % of persons perceived themselves as having unmet medical examination needs in 2007, while the corresponding figure for unmet dental examination needs was 8.7 %. The reasons for

these unmet needs were varied, but principally related to cost, waiting lists, a lack of time, and in some cases fear.

Just over half of the people who had unmet dental needs in the EU-27 cited cost as the main reason for not visiting a dental surgery, while more than one third of those with unmet medical needs also cited cost as the principal reason for not seeking treatment. In Estonia, Lithuania and the United Kingdom, the length of waiting lists was the most often cited reason for having unmet medical needs.

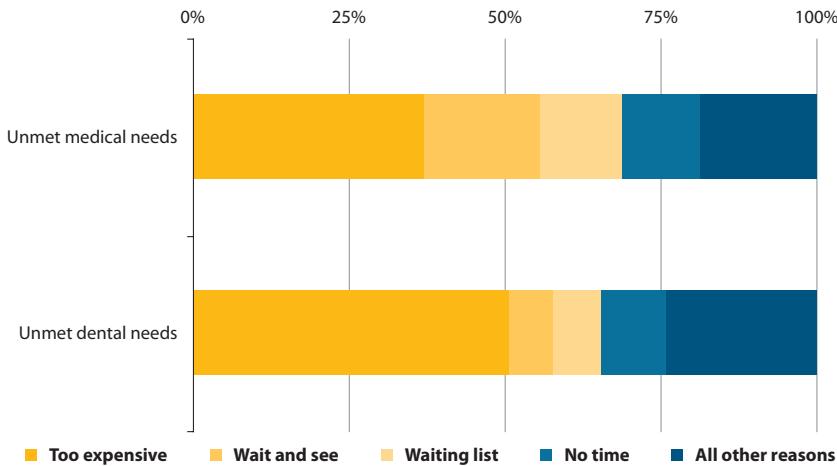
The infant mortality rate during a particular year is defined as the ratio of the number of deaths of children under one year of age for every 1 000 live births. Some countries use different definitions for spontaneous abortion, early foetal death and late foetal death (or stillbirth).

**Figure 4.13:** People having a long-standing illness or health problem and people severely hampered in activities that people usually perform, by income quintiles of median equivalised income, EU-27, 2007 (% of respondents)



Source: Eurostat ([hlth\\_silc\\_11](#))

**Figure 4.14:** Reasons for having perceived unmet medical and dental examination needs, EU-27, 2007 (%) (1)



(1) The shares for 'all other reasons' are calculated as a residual from the total.

Note that more than nine in every ten respondents in the EU-27 reported that their medical needs (93.0 %) and, separately, their dental needs (91.3 %) were met.

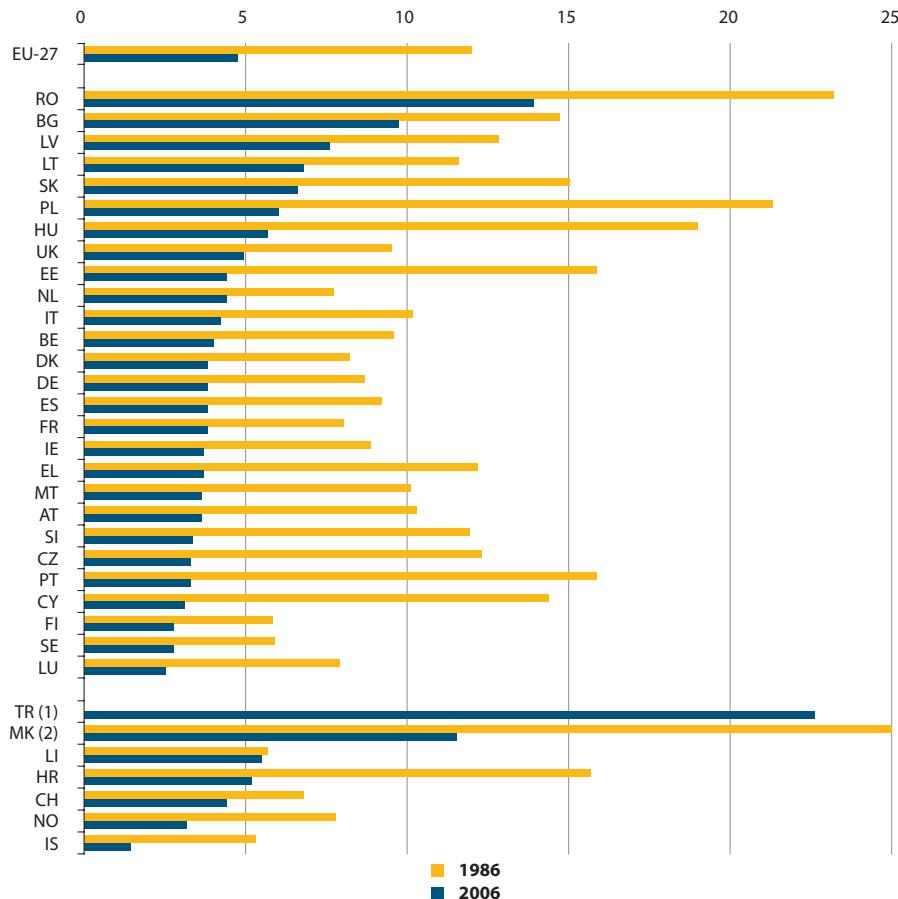
Source: Eurostat ([hlth\\_silc\\_08](#) and [hlth\\_silc\\_09](#))

Infant mortality rates have fallen significantly in the EU-27 and reached 4.7 deaths per 1 000 live births in 2006. The sharpest reductions in infant mortality rates between

1986 and 2006 among the Member States were registered in Portugal and Cyprus.

Underage pregnancies often interrupt the education of the mother and may impact

**Figure 4.15: Infant mortality (per 1 000 live births)**



(1) 1986, not available.

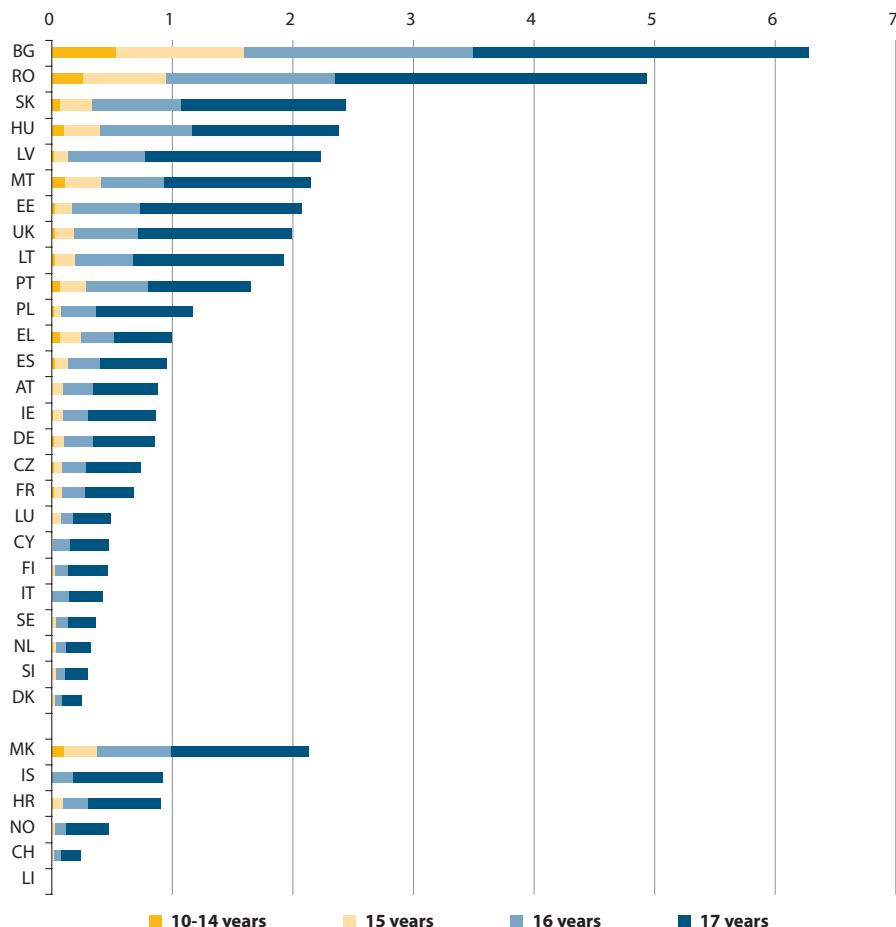
(2) Infant mortality rate in 1986 was 43.6 per 1 000 live births.

Source: Eurostat ([demo\\_minfind](#))

on her ability to enter the workforce, as well as likely limiting any future social interaction or participation. Among Member States, the highest proportions of births to mothers aged 17 or younger were recorded in Bulgaria and Romania, although these countries both recorded a fall in underage pregnancies between

1997 and 2007 (particularly Bulgaria). Between 2002 and 2007, most Member States recorded a reduction in underage pregnancies, although small increases were recorded in a number of countries with relatively low rates, for example, Finland, Italy and Luxembourg, as well as Malta.

**Figure 4.16:** Underage pregnancies, by mother's age at last birthday, 2007 (% of live births) (1)



(1) Italy and the United Kingdom, 2006; Belgium, not available.

Source: Eurostat ([demo\\_fagec](#))

#### 4.4 Housing-related exclusion

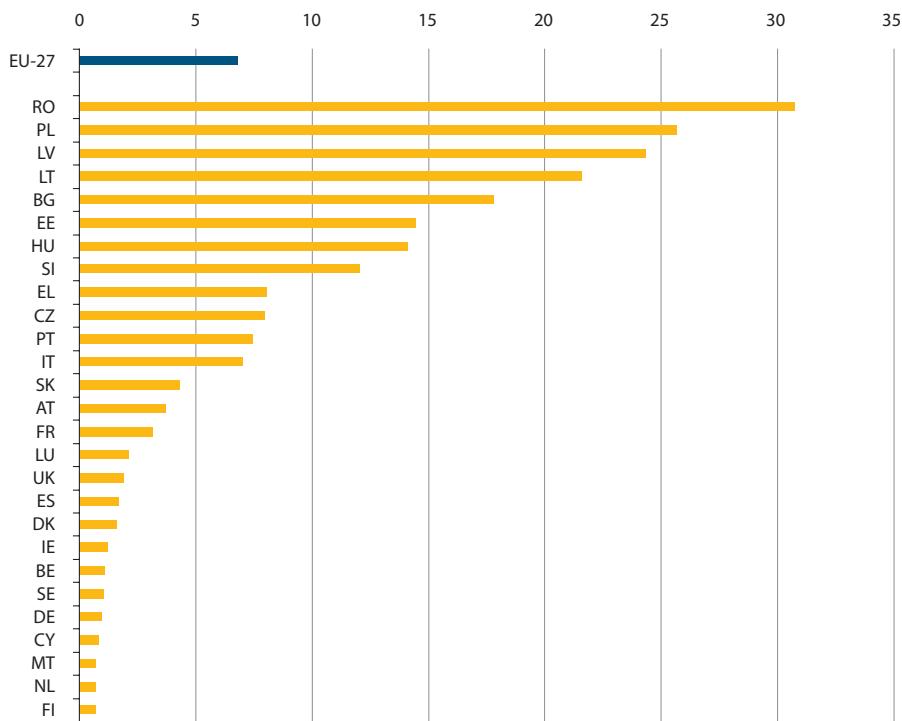
Housing problems vary from the extreme of homelessness to overcrowding, poor amenities, environmental problems such as noise and pollution, and crime. Access to affordable accommodation of an acceptable quality may be considered as a basic human need.

Housing deprivation is a measure of poor amenities and is calculated by referring to those households with a leaking roof, no bath/shower and no indoor toilet, or a

dwelling that is considered too dark. Severe housing deprivation is defined as households that are overcrowded (a definition of this is provided on page 93), while also exhibiting at least one of the housing deprivation measures.

Several of the Member States that have joined the EU since 2004 recorded a large proportion of their population facing severe housing deprivation, notably Romania, Poland, Bulgaria and the Baltic Member States.

**Figure 4.17:** Severe housing deprivation, 2007 (% of population) (1)



(1) Indicator shows the percentage of persons living in a household that is overcrowded and has at least one of the following: leaking roof, no bath/shower and no indoor toilet, dwelling is considered as being too dark.

Source: Eurostat (EU-SILC)

**Table 4.4:** Severe housing deprivation, 2007 (% of population)

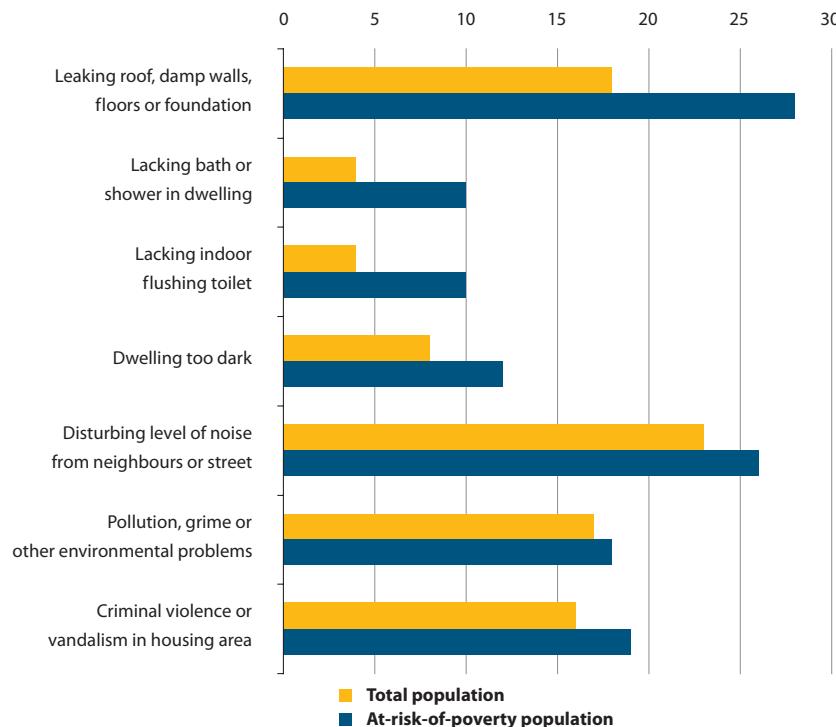
	Households with dependent children					Households without dependent children			
	Lone parent	2 adults, 1 child	2 adults, 2 child.	2 adults, 3+ child.	Other	Single h'hold	2 adults, both <65	2 adults, either or both 65+	Other
<b>EU-27</b>	8.6	5.4	5.4	11.1	19.9	3.4	1.7	1.9	7.5
<b>BE</b>	5.4	0.5	0.5	1.1	1.7	2.3	0.3	0.1	0.2
<b>BG</b>	21.5	10.2	20.0	68.4	29.0	4.3	4.7	5.7	10.6
<b>CZ</b>	12.4	9.7	7.7	25.9	13.2	4.1	2.6	2.1	6.9
<b>DK</b>	5.4	1.2	0.5	3.3	5.2	1.9	0.6	0.0	1.8
<b>DE</b>	4.6	0.3	0.7	1.0	2.9	1.5	0.4	0.0	0.2
<b>EE</b>	30.8	15.1	12.4	26.3	19.4	11.2	5.7	7.1	14.8
<b>IE</b>	1.6	0.0	0.0	3.0	2.6	0.8	0.0	0.0	1.6
<b>EL</b>	12.5	5.4	6.4	16.9	19.3	4.9	3.7	3.1	9.7
<b>ES</b>	2.1	0.1	0.7	9.4	6.2	0.3	0.2	0.1	1.5
<b>FR</b>	5.1	3.4	1.2	6.2	8.3	5.2	0.6	0.6	2.5
<b>IT</b>	11.5	6.5	7.3	13.1	17.0	2.6	2.1	2.7	7.4
<b>CY</b>	0.0	0.0	0.0	1.8	3.0	0.9	0.5	0.4	0.6
<b>LV</b>	26.6	23.9	26.5	37.3	35.2	15.9	13.4	10.6	23.0
<b>LT</b>	30.4	17.9	23.6	36.1	36.4	10.3	8.0	11.2	20.6
<b>LU</b>	10.9	3.3	1.0	2.3	1.4	2.9	0.5	0.0	2.9
<b>HU</b>	24.6	14.3	12.5	24.5	20.5	9.2	6.5	8.2	13.1
<b>MT</b>	2.9	0.3	0.0	0.4	2.3	0.0	0.0	0.8	0.4
<b>NL</b>	0.0	1.2	0.5	1.4	0.5	1.4	0.3	0.0	0.0
<b>AT</b>	6.8	2.2	2.5	8.2	8.5	2.7	2.5	0.6	3.2
<b>PL</b>	39.2	19.3	22.3	39.2	37.1	15.2	10.8	14.8	24.7
<b>PT</b>	15.0	3.2	7.2	23.6	17.6	1.3	1.3	1.3	6.7
<b>RO</b>	35.5	22.8	29.9	59.2	48.8	7.3	5.9	8.6	28.4
<b>SI</b>	24.1	11.6	12.2	17.5	16.1	8.8	6.7	5.0	10.9
<b>SK</b>	5.4	3.4	3.7	8.1	7.5	3.3	1.7	2.0	2.5
<b>FI</b>	1.2	0.2	0.0	0.2	0.8	2.2	0.5	0.2	0.6
<b>SE</b>	2.2	0.6	0.5	1.2	2.3	1.7	0.6	0.0	1.5
<b>UK</b>	4.8	1.4	0.8	3.3	7.1	0.7	0.2	0.0	1.1

Source: Eurostat (EU-SILC)

The incidence of severe housing deprivation within the EU-27 was greater among households with dependent children, particularly those with single parents or large households with more than two children. Among households without dependent children the incidence of severe housing deprivation was generally lower, although it was twice as high for single person house-

holds as it was for households composed of two adults.

Housing problems may concern the structure of the dwelling (such as the existence of a leak or damp), the availability of amenities (such as an indoor flushing toilet), or issues relating to the local environment (such as noise or crime). Such problems are much more

**Figure 4.18:** Housing problems, EU-27, 2007 (% of total population)

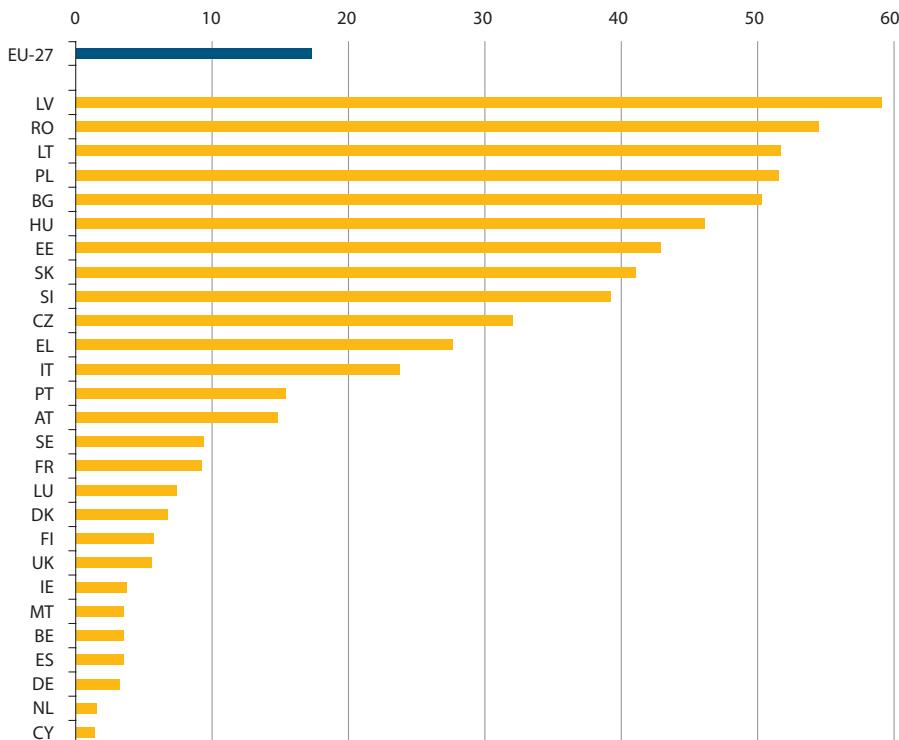
Source: Eurostat ([ilc\\_mdho01](#), [ilc\\_mdho02](#), [ilc\\_mdho03](#), [ilc\\_mdho04](#), [ilc\\_mddw01](#), [ilc\\_mddw02](#) and [ilc\\_mddw03](#))

likely to be faced by the at-risk-of-poverty population than by the total population; this is particularly true concerning the availability of a range of amenities.

In contrast, there was considerably less difference between the at-risk-of-poverty population and the total population as regards how often they cited environmental problems (such as noise, pollution, or violence) as commonly perceived housing problems. Among those who were at-risk-of-poverty, noise was the most commonly perceived environmental problem, other than in Ireland, Sweden and the United Kingdom (where crime was more commonly

perceived as a problem), and Estonia, Latvia and Malta (where pollution was cited more frequently).

Households are considered as overcrowded if the dwelling in which they live does not comprise a minimum number of rooms, established upon the basis of: one room for the household; one room for each couple; one room for each single person aged 18 or more; one room for two single people of the same sex between 12 and 17 years of age; one room for each single person of a different sex between 12 and 17 years of age; and one room for two people under 12 years of age.

**Figure 4.19:** Overcrowding, 2007 (% of all households)

Source: Eurostat (EU-SILC)

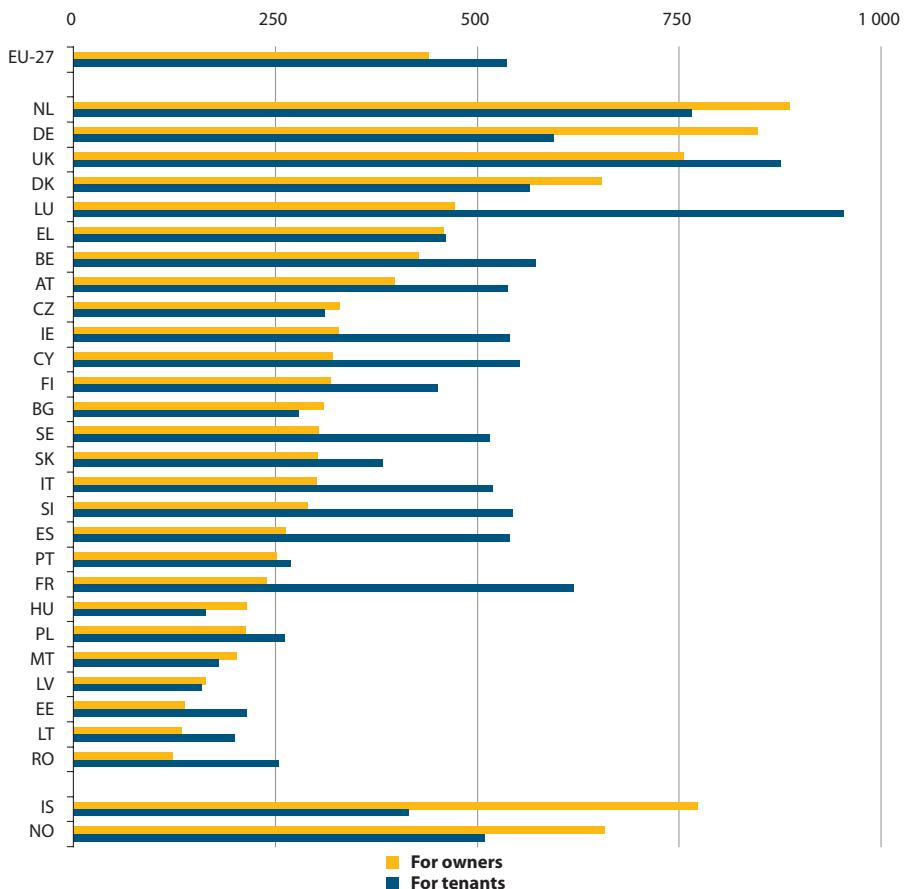
Overcrowding is a widespread problem in the EU-27, as reported by 17 % of all households in 2007. However, it was particularly common among the central and eastern Member States that joined the EU since 2004 and, to a lesser extent, Greece, Italy, Portugal and Austria.

Housing and food are generally the two main household expenditure categories. Across the EU-27, housing costs<sup>(25)</sup> were generally higher for tenants than for owner-occupiers, although this was not true in every Member State, notably in Germany. After adjustment

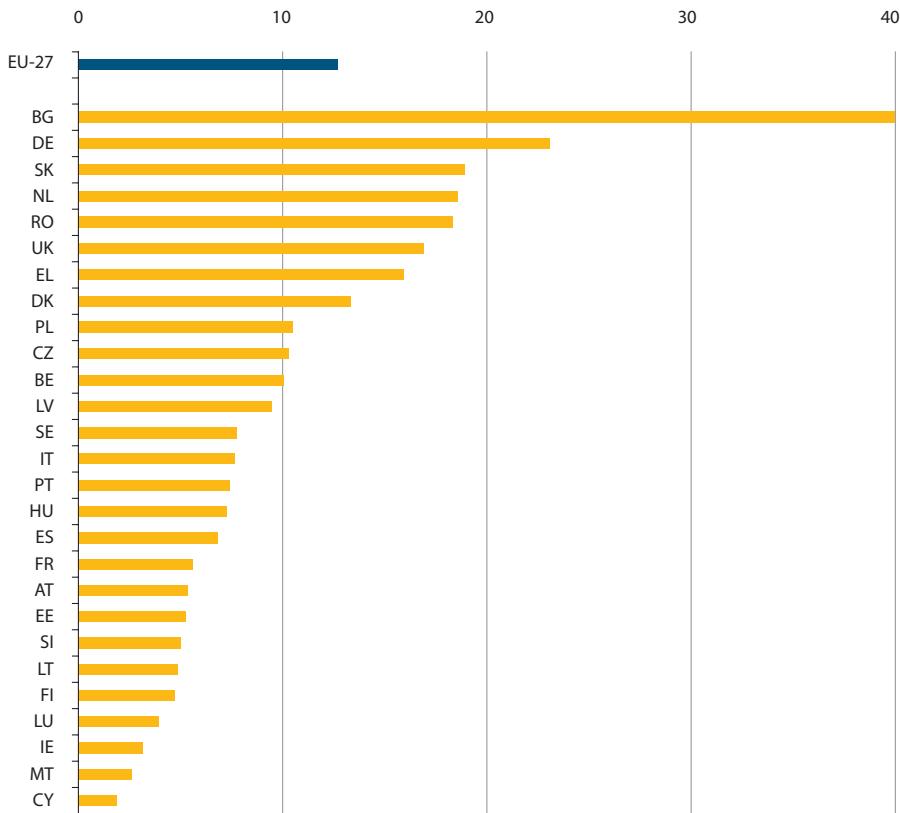
for purchasing power, housing costs for tenants in Luxembourg were around six times as high as in Latvia, while the equivalent ratio for owner-occupiers was 7.2 between the Netherlands and Romania.

The housing cost burden is defined as the ratio of housing costs to annual disposable income after adjustment for housing allowances. In the EU-27, around one in eight persons faced housing costs in excess of 40 % of their income, a proportion that rose to more than one in five in Germany and two in every five in Bulgaria; the lowest proportions were recorded in Cyprus, Malta and Ireland.

<sup>(25)</sup> Housing costs comprise all costs relating to the financing, maintenance and operation of the dwelling.

**Figure 4.20:** Total housing costs, 2007 (PPS)Source: Eurostat ([ilc\\_mded03](#))

**Figure 4.21:** Population whose housing cost burden exceeds 40 % of annual disposable income, 2007 (%)



Source: Eurostat (EU-SILC)

## 4.5 Exclusion from social networks and the information society

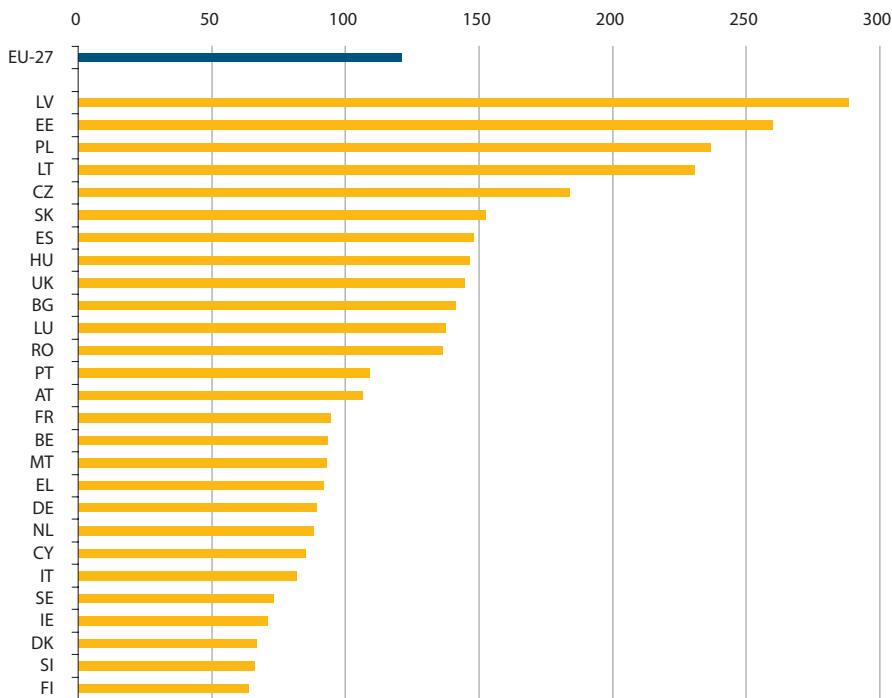
Social participation refers to involvement in society and interaction with others. A failure to participate in activities that most members of society take for granted may be due to voluntary or involuntary exclusion, while in some cases, such exclusion is enforced.

An extreme example of a group of individuals who face forced exclusion from social participation is that of the prison

population<sup>(26)</sup>: in 2007 there were over 600 000 prisoners in the EU-27, equivalent to 121 prisoners per 100 000 inhabitants. The highest prison population rates were recorded in the Baltic Member States, Poland and the Czech Republic, while the lowest rates were recorded in the Nordic Member States, Slovenia and Ireland. The ratio between the highest and lowest rates showed that the proportion of the population that was locked up in Latvia was 4.5 times as high as that in Finland.

<sup>(26)</sup> Generally, the prison population encompasses adult and juvenile offenders including those held in prison administration facilities, juvenile offenders' institutions, and other alternative facilities such as institutions for drug addicts and psychiatric or other hospitals.

**Figure 4.22:** Prison population, 2007 (per 100 000 inhabitants) (1)



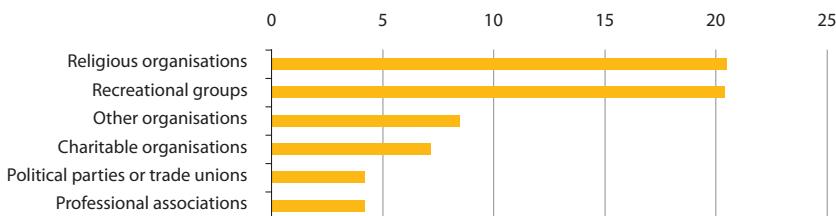
(1) Ireland and Greece, 2006.

Source: Eurostat ([crim\\_pris](#))

**Table 4.5:** Social contact and participation, EU-25, 2006 (% of population aged 16 or over)

<b>Frequency:</b>	<b>Daily</b>	<b>Weekly (not daily)</b>	<b>At least once a month (not weekly)</b>	<b>At least once a year (not monthly)</b>	<b>Never</b>
<b>Socialising:</b>					
- with relatives	18.1	36.1	30.1	13.6	2.1
- with friends	19.9	39.3	30.5	6.8	3.5
<b>Contact:</b>					
- with relatives	22.9	42.4	25.2	5.6	3.8
- with friends	21.8	37.2	28.3	5.9	6.9
<b>Number of visits:</b>					
<b>None</b>	<b>1-3</b>	<b>4-6</b>	<b>7-12</b>	<b>&gt;12</b>	
Visits to the cinema	54.0	24.9	11.1	5.8	4.2
Visits to live performances	57.5	28.6	8.5	3.5	2.0
Visits to cultural sites	57.1	27.5	9.1	3.7	2.6
Visits to live sporting events	69.2	15.6	5.8	3.2	6.2

Source: Eurostat (EU-SILC)

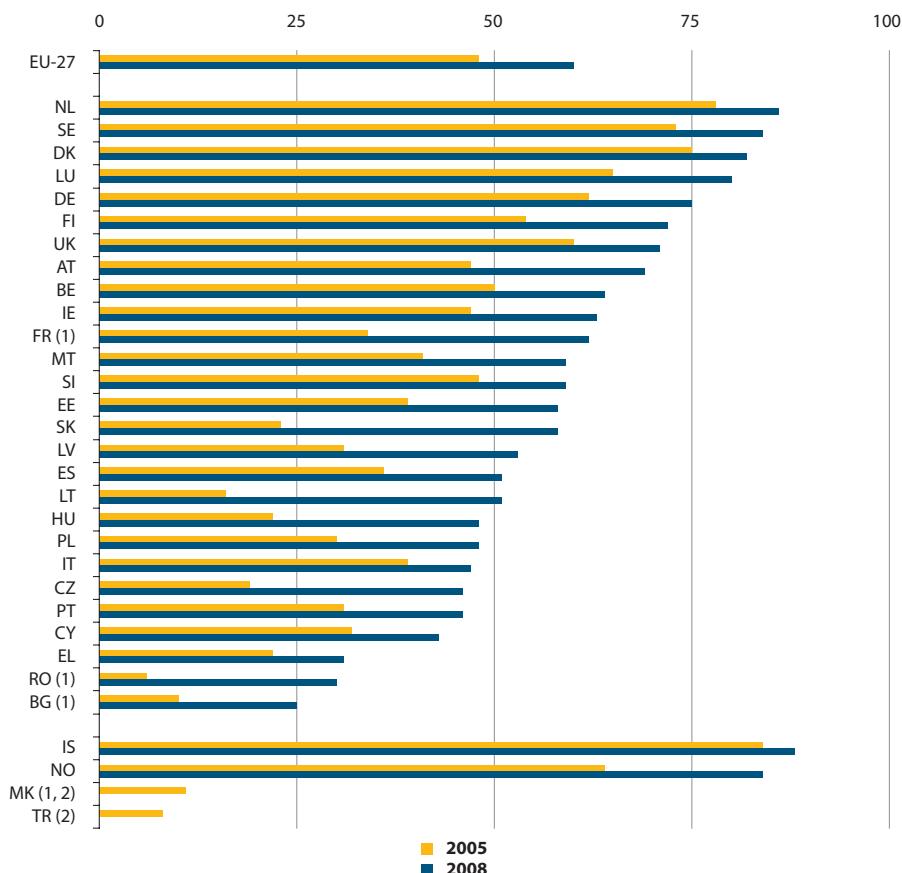
**Figure 4.23:** Participation in activities, EU-25, 2006 (% of population aged 16 or over)

Source: Eurostat (EU-SILC)

Leaving aside the extreme example of the prison population, most people in the EU have fairly regular contact with family or friends. A little under one quarter of the EU-25's population had daily contact with their relatives in 2006. This share rose to almost two thirds of the population when considering the number of people who contacted their relatives on a weekly basis. Contact with relatives was slightly more frequent than contact with friends, whereas the situation was reversed for socialising. In terms of social exclusion, some 2.1 % of the EU-25's population never socialised with relatives, rising to 3.5 % for those who never socialised with friends.

Socialising depends, at least to some degree, upon financial means and the affordability of leisure activities. Slightly less than half (46 %) of the EU-25's population visited the cinema at least once during 2006, with a similar proportion visiting a cultural site or attending a live performance; a smaller proportion went to see at least one live sporting event.

Use of the Internet has become progressively more widespread and by 2007 a majority of European households had Internet access, while the share reached 60 % the following year. Internet access at home in 2008 peaked at 86 % in the Netherlands (a densely populated country), which was 3.4 times as high

**Figure 4.24:** Internet access of households (% of all households)

(1) 2004 instead of 2005.

(2) 2008, not available.

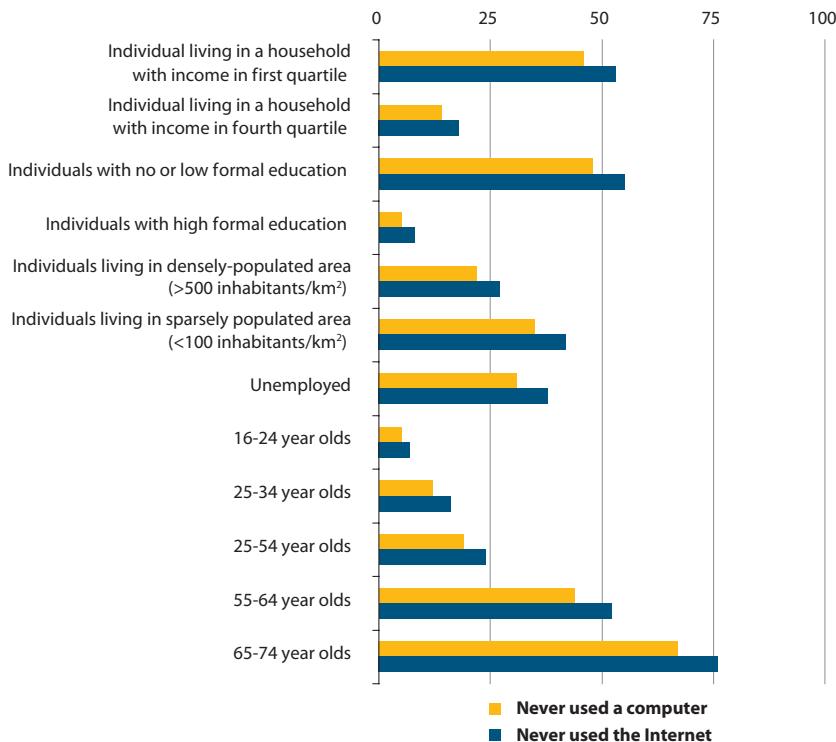
Source: Eurostat ([tsiir040](#))

as in Bulgaria. Around two thirds of people aged 16 to 74 living in a household with an Internet but non-broadband connection regularly used it, and this proportion increased to over four fifths in households with a broadband connection.

In the EU-27, one third of the population aged 16 to 74 had never used the Internet in 2008, a share that fell to 7 % among those aged 16 to 24 years old, while increasing to

63 % among those aged 55 to 74, indicating a large generation gap. Use of the Internet was particularly weak among lower income groups, persons with a low level of formal education, as well as those living in sparsely populated areas. Failure to make use of the Internet creates exclusion in terms of access to an ever-growing stock of information and a range of goods and services that are available on-line.

**Figure 4.25:** Individuals that have never used a computer or the Internet by socio-economic status or age, EU-27, 2008 (% of all individuals aged 16-74)



Source: Eurostat ([isoc\\_ci\\_cfp\\_cu](#))



# 5

## Social protection

Social protection<sup>(27)</sup> is a form of ‘safety net’ for the vulnerable, poor and needy, the effectiveness of which relies on the amount of resources being redistributed and their allocation.

Within the European System of Integrated Social Protection Statistics (ESSPROS), social protection encompasses all interventions from public or private bodies that are intended to relieve households and individuals of a defined set of risks and needs. Social protection benefits cover risks and needs that may arise from sickness and healthcare, disability, old age, survivors (after the death of an adult upon whom others are dependent), family and children, unemployment, housing needs or social exclusion not elsewhere classified. Benefits granted under social protection measures can take the form of benefits in cash and benefits in kind (for example, goods and services directly provided to the protected persons).

In addition to ESSPROS data, labour market policy (LMP) interventions that are designed to help persons with difficulties in the labour market, and healthcare statistics from the System of Health Accounts that describe the process of providing and financing healthcare are presented

<sup>(27)</sup> The concepts, definitions and data included in this chapter come from different sources: ESSPROS, EU-SILC, SHA and LMP that may use different concepts tailored for their specific function.



and analysed under the umbrella of social protection expenditure in Subchapter 5.1.

Social protection measures can be used as a means for reducing poverty and social exclusion. This may be achieved, for example, through the distribution of (means-tested) benefits, the availability of childcare credits or tax credits. One way of evaluating the success of social protection measures is to compare at-risk-of-poverty indicators before and after social transfers, as done in Subchapter 5.2.

Social protection measures have to be funded: contributions come from a mix of employers and protected persons (employees, self-employed, pensioners and others), general government contributions (from

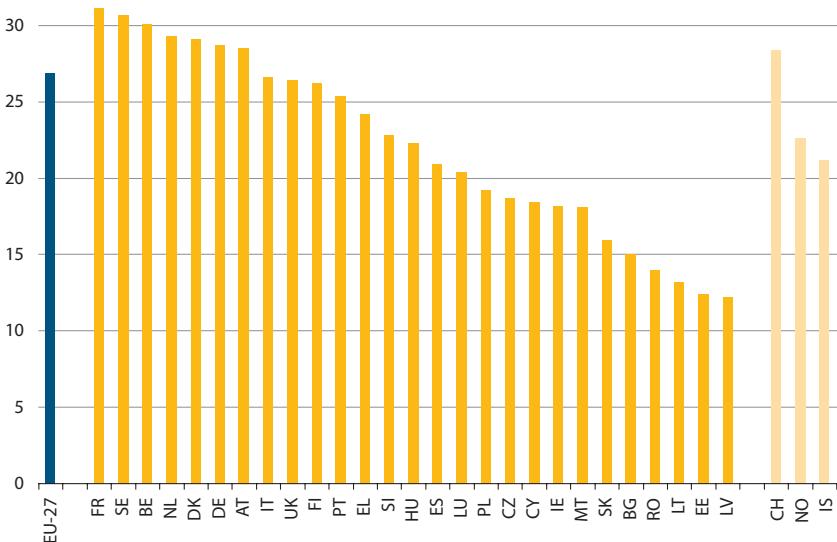
taxes and general revenue), transfers from other schemes, and other receipts (such as property income). A broad overview of social protection receipts is given in Subchapter 5.3.

## 5.1 Social protection expenditure

Within ESSPROS, social protection expenditure covers benefits, administration costs and other expenditure. Such expenditure is commonly analysed as a share of GDP or on a per capita basis, with the results often expressed in purchasing power standards (PPS) which take account of the different price levels between Member States.

**Figure 5.1:** Total expenditure on social protection, 2006 (% of GDP) (1)

35



(1) EU-27, Germany, Spain, France, Italy, Latvia, Lithuania, the Netherlands, Slovenia, Slovakia, Sweden and the United Kingdom, provisional.

Source: Eurostat ([tps00098](https://ec.europa.eu/eurostat/))

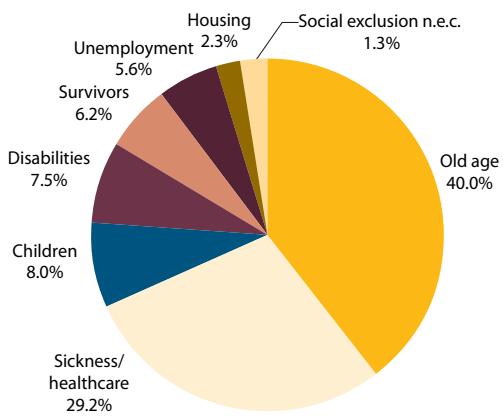
Overall social protection expenditure in the EU-27 averaged over one quarter of GDP in 2006. Social protection expenditure in eleven of the EU-15 Member States also exceeded one quarter of GDP, while the lowest share among EU-15 Member States was in Ireland. Among the Member States that joined the EU since 2004, the lowest shares of social protection expenditure in GDP were recorded in the Baltic Member States, Romania and Bulgaria, and the highest in Slovenia and Hungary.

If social protection expenditure is expressed in terms of per capita spending (as measured by purchasing power standards, PPS), the differences between countries are more pronounced. Luxembourg had the highest expenditure in 2006 (PPS 13 458 per inhabitant), followed by the Netherlands and Sweden (with around PPS 9 000 per inhabitant). The lowest expenditure, in these terms, was recorded in Romania, Bulgaria and the three Baltic Member States (between PPS 1 277 and PPS 1 976 per inhabitant).

Among social protection benefits (the largest component of total expenditure), a majority of the EU-27's expenditure was directed towards either old age (for example, pensions) or to sickness and healthcare; together these two items accounted for close to 70 % of total EU-27 benefits in 2006. Benefits related to children, disabilities, survivors and unemployment each accounted for shares of between 5 % and 8 % of total expenditure, while housing accounted for 2.3 %.

Costs other than benefits accounted for 3.8 % of total social protection expenditure in the EU-27 in 2006, most of which was administration costs. In Ireland, the Netherlands, Portugal and France these costs exceeded 5 % of total social protection expenditure, while in Malta, Estonia, Romania, Cyprus and the United Kingdom such costs were less than 2 % of total social protection expenditure.

**Figure 5.2: Structure of social protection expenditure on benefits, EU-27, 2006 (% based on PPS) (1)**



(1) Provisional.

Source: Eurostat (tps00106)

A breakdown of social protection expenditure provides information on the specific areas that may be targeted by policy-makers in each country. These disparities partly relate to absolute differences in levels of wealth (resources that are available), but also reflect differences in the relative importance of social protection systems (their share of GDP), demographics, unemployment rates and other social, institutional and economic factors. As noted, there are two main areas of social protection expenditure – old age and sickness/healthcare.

The pensions aggregate covers disability pensions, early-retirement due to reduced capacity to work, old-age pensions, anticipated old-age pensions, partial pensions, survivors' pensions, and early-retirement benefits for labour market reasons; it accounted for 11.9 % of GDP in the EU-27 in 2006, from a high of 14.7 % in Italy to a low of 5.0 % in Ireland.

**Table 5.1:** Components of social protection expenditure, 2006 (% of GDP)

	<b>Sickness/healthcare</b>	<b>Pensions</b>	<b>Elderly</b>
<b>EU-27</b>	7.5	11.9	0.5
<b>BE</b>	7.4	11.0	0.1
<b>BG</b>	3.8	7.6	0.0
<b>CZ</b>	6.2	8.4	0.3
<b>DK</b>	6.1	10.6	1.7
<b>DE</b>	8.0	12.7	0.2
<b>EE</b>	3.8	6.0	0.1
<b>IE</b>	7.0	5.0	0.2
<b>EL</b>	6.8	11.9	0.1
<b>ES</b>	6.4	8.8	0.3
<b>FR</b>	8.7	13.2	0.3
<b>IT</b>	6.9	14.7	0.1
<b>CY</b>	4.6	6.8	0.0
<b>LV</b>	3.5	6.1	0.1
<b>LT</b>	4.1	6.4	0.2
<b>LU</b>	5.1	8.6	0.0
<b>HU</b>	6.3	10.0	0.3
<b>MT</b>	5.1	9.2	0.6
<b>NL</b>	8.7	12.7	0.8
<b>AT</b>	7.1	14.0	1.0
<b>PL</b>	3.8	12.4	0.2
<b>PT</b>	6.9	13.0	0.3
<b>RO</b>	4.8	6.5	0.0
<b>SI</b>	7.1	10.3	0.2
<b>SK</b>	4.7	7.3	0.4
<b>FI</b>	6.6	11.0	0.7
<b>SE</b>	7.8	12.0	2.4
<b>UK</b>	8.2	10.7	1.0
<b>IS</b>	7.3	6.8	1.8
<b>NO</b>	7.2	7.6	1.6
<b>CH</b>	6.9	12.7	0.3

Source: Eurostat ([spr\\_exp\\_fsi](#), [tps00103](#) and [tsdde530](#))

Expenditure on care for the elderly, covering care allowance, accommodation, and assistance in carrying out daily tasks, accounted for 0.5 % of GDP in the EU-27 in 2006, although Sweden reported a rate that was almost five times as high; expenditure on the elderly fell to below 0.1 % of GDP in Belgium, Bulgaria, Estonia, Greece, Cyprus,

Luxembourg and Romania. Some of these differences likely reflect the varying degrees of importance across Member States that are attributed to looking after members of the extended family.

Sickness/healthcare covers some income maintenance in connection with physical or mental illness, excluding disability, as well as

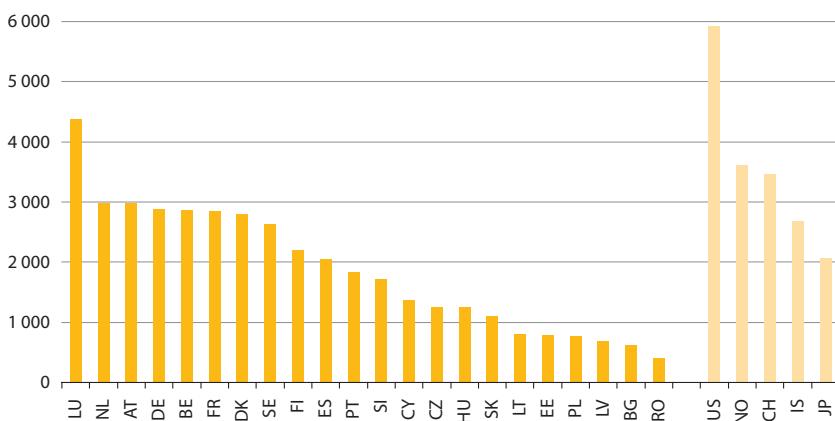
the costs of healthcare intended to maintain, restore or improve the health of the people protected; it accounted for 7.5 % of GDP in the EU-27 in 2006, although among the Member States this varied from a high of 8.7 % in the Netherlands and France to a low of 3.5 % in Latvia.

It is worth noting, however, that sickness and healthcare benefits in ESSPROS do not cover all healthcare expenditure, but focus on that incurred by social protection schemes. The system of health accounts (SHA) provides a broader overview, aiming to capture both public and private expenditure. SHA allows these expenditures to be broken down according to healthcare functions (for example, curative, rehabilitative or long-term care), healthcare providers (for example, hospitals, general practitioners), or financing agents (for example, social security insurance, households out-of-pocket spending, or the outlays of enterprises).

Among the EU-15 Member States, the highest value of total healthcare expenditure in 2006, expressed in PPS terms per inhabitant, was recorded in Luxembourg, while Portugal had the lowest level of expenditure. Within the Member States that joined the EU since 2004, Slovenia recorded the highest value of healthcare expenditure, at a similar level to that recorded in Portugal, while Bulgaria and Romania reported the lowest levels of expenditure.

Labour market policy (LMP) interventions are government actions designed to help and support persons with difficulties in the labour market. The focus of LMP statistics is limited to interventions that are explicitly targeted at groups of persons with difficulties in the labour market: the unemployed, persons employed but at risk of involuntary job loss, and persons currently considered as inactive but who would like to enter the labour market.

**Figure 5.3:** Total healthcare expenditure, 2006 (PPS per capita) (1)



(1) United States, provisional; Latvia, Luxembourg, Norway and Japan, 2005; Ireland, Greece, Italy, Malta and the United Kingdom, not available.

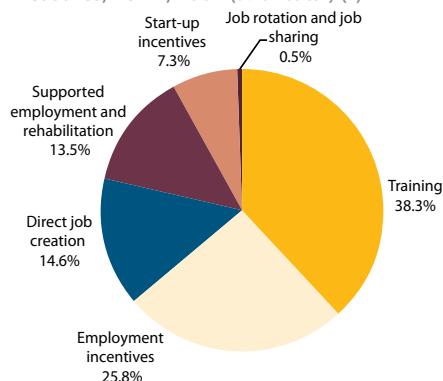
Source: Eurostat ([hlth\\_sha1h](#))



Three types of interventions can be distinguished:

- **LMP services** cover publicly funded services for jobseekers and made up 11 % of expenditure on LMP interventions in the EU-27 in 2007;
- **LMP supports** cover financial assistance that aim to compensate individuals for wage or salary losses and support them during job-search (mostly unemployment benefits) or which facilitates early retirement – these accounted for 61 % of expenditure on LMP interventions in the EU-27;
- **LMP measures** cover interventions that provide support for groups that are disadvantaged in the labour market and which aim to help the unemployed move from involuntary inactivity into employment, or maintain jobs threatened by unemployment – these accounted for the remaining 28 % of expenditure on LMP interventions in the EU-27; the largest share of LMP measures was made-up of training and employment incentives, which together accounted for close to two thirds of the EU-27 total in 2007.

**Figure 5.4:** Public expenditure on LMP measures, EU-27, 2007 (% of total) (1)



(1) Provisional.

Source: Eurostat ([tps00077](http://tps00077))

## 5.2 Effect of social transfers on at-risk-of-poverty rates

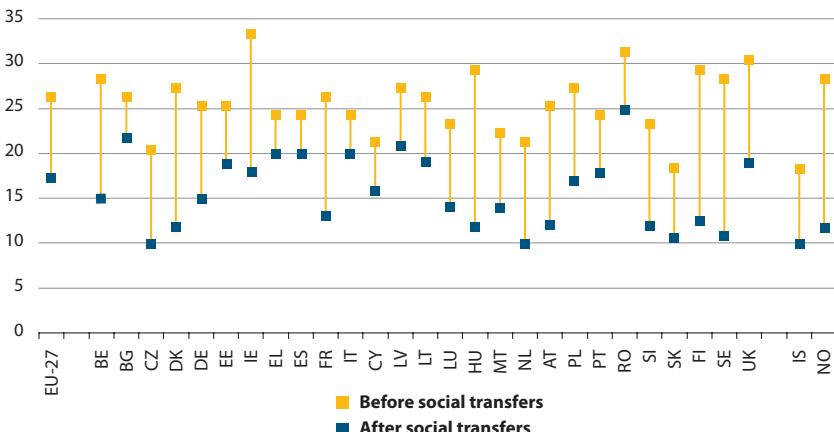
The at-risk-of-poverty rate is defined as the proportion of the population with an equivalised disposable income that is below the at-risk-of-poverty threshold, set at 60 % of the national median. This rate is expressed before or after social transfers (excluding pensions<sup>(28)</sup>), with the difference measuring the hypothetical impact of national social transfers in reducing poverty risk<sup>(29)</sup>. It should be noted that this indicator does not measure wealth, per se, but relatively low levels of current income (in comparison with other persons in the same country), which does not necessarily imply a low standard of living.

The impact of social benefits, as measured by those persons who were removed from being at-risk-of-poverty by social transfers, was lowest in Bulgaria and a number of the Mediterranean Member States (Greece, Spain, Italy and Cyprus). In contrast, more than half of those persons who were at-risk-of poverty in Hungary, Sweden, Finland, Ireland and Denmark were removed as a result of social transfers.

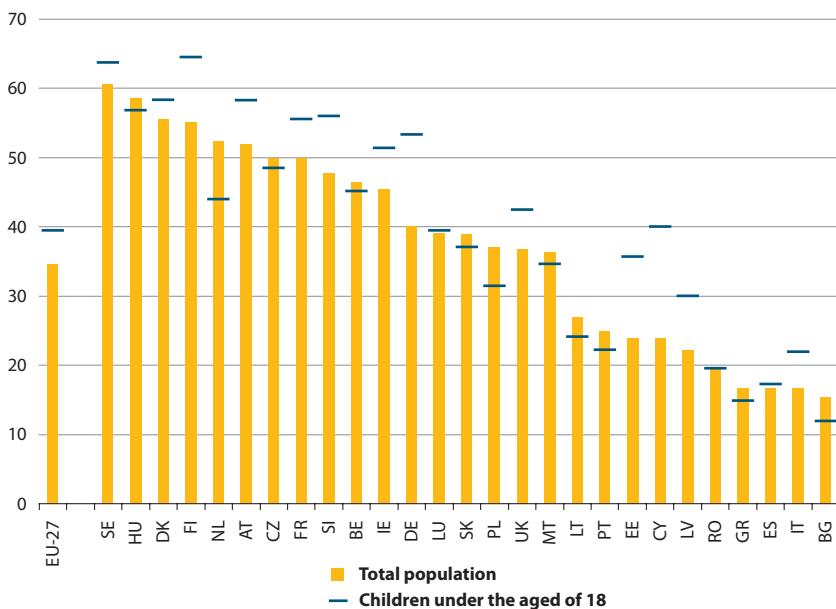
Social transfers had a significant impact on reducing the risk of poverty among children (under the age of 18); they contributed to remove 39.4 % of children from the risk of poverty in the EU-27 in 2007. The reduction

<sup>(28)</sup> For the purpose of this analysis, pensions are considered as primary income since their role is not only to redistribute resources across income groups but also, and primarily, over the life-cycle of individuals and/or across generations.

<sup>(29)</sup> The indicator for the poverty risk before social transfers must be interpreted with caution for a number of reasons. First, no account is taken of other measures that, like social cash transfers, can have the effect of raising the disposable incomes of households and individuals, namely, transfers in kind, tax credits and tax allowances. Second, the pre-transfer poverty risk is compared with the post-transfer risk with all other things being equal – namely, assuming unchanged household and labour market structures, thus disregarding any possible behavioural changes that the absence of social transfers might entail.

**Figure 5.5:** At-risk-of-poverty before and after social transfers, 2007 (% of population) (1)

(1) The income reference period concerns the year preceding the survey year for the majority of countries.

Source: Eurostat ([ilc\\_li10](#) and [ilc\\_li02](#))**Figure 5.6:** Reductions in the at-risk-of-poverty rate after social transfers, 2007 (% change) (1)

(1) The income reference period concerns the year preceding the survey year for the majority of countries.

Source: Eurostat ([ilc\\_li10](#) and [ilc\\_li02](#))



**Table 5.2:** At-risk-of-poverty rate before and after social transfers, by age and gender, 2007 (% of relevant population) (1)

	Before social transfers				After social transfers			
	Under 18	Over 65	Male	Female	Under 18	Over 65	Male	Female
<b>EU-27</b>	33	24	25	27	20	20	16	18
<b>BE</b>	31	27	26	29	17	23	14	16
<b>BG</b>	34	28	25	27	30	23	21	23
<b>CZ</b>	31	12	19	21	16	5	9	10
<b>DK</b>	24	34	26	29	10	18	11	12
<b>DE</b>	30	18	24	26	14	17	14	16
<b>EE</b>	28	36	23	27	18	33	17	22
<b>IE</b>	39	42	31	35	19	29	16	19
<b>EL</b>	27	28	23	25	23	23	20	21
<b>ES</b>	29	31	23	25	24	28	19	21
<b>FR</b>	36	18	25	27	16	13	12	14
<b>IT</b>	32	24	23	25	25	22	18	21
<b>CY</b>	20	55	19	23	12	51	14	17
<b>LV</b>	30	37	25	29	21	33	19	23
<b>LT</b>	29	34	24	27	22	30	17	21
<b>LU</b>	33	10	23	24	20	7	13	14
<b>HU</b>	44	11	30	29	19	6	12	12
<b>MT</b>	29	23	21	22	19	21	14	15
<b>NL</b>	25	17	20	22	14	10	10	11
<b>AT</b>	36	17	23	26	15	14	11	13
<b>PL</b>	35	12	27	26	24	8	18	17
<b>PT</b>	27	29	24	25	21	26	17	19
<b>RO</b>	41	35	30	31	33	31	24	25
<b>SI</b>	25	30	21	25	11	19	10	13
<b>SK</b>	27	13	18	19	17	8	10	11
<b>FI</b>	31	31	27	31	11	22	12	14
<b>SE</b>	33	23	26	30	12	11	11	11
<b>UK</b>	40	38	28	32	23	30	18	20
<b>IS</b>	23	20	17	19	12	15	9	11
<b>NO</b>	32	25	26	30	12	14	11	14

(1) The income reference period concerns the year preceding the survey year for the majority of countries.

Source: Eurostat ([ilc\\_ov251](#) and [ilc\\_ov1a1](#))

was greater than the average across the whole of the EU-27 (where 34.6 % of persons were removed from the risk of poverty by social transfers), suggesting that targeted expenditure on children had some positive effects.

Social transfers had a relatively important impact upon children in Cyprus, Germany and Estonia, as the proportion of children who were taken out of the risk of poverty was at least ten percentage points higher than the corresponding share for the whole

population. On the other hand, particularly in the Netherlands, but also Bulgaria, Portugal, Lithuania, Greece, Slovakia, Hungary, the Czech Republic and Belgium, the proportion of persons removed from the risk of poverty as a result of social transfers was higher across the whole population than it was for children.

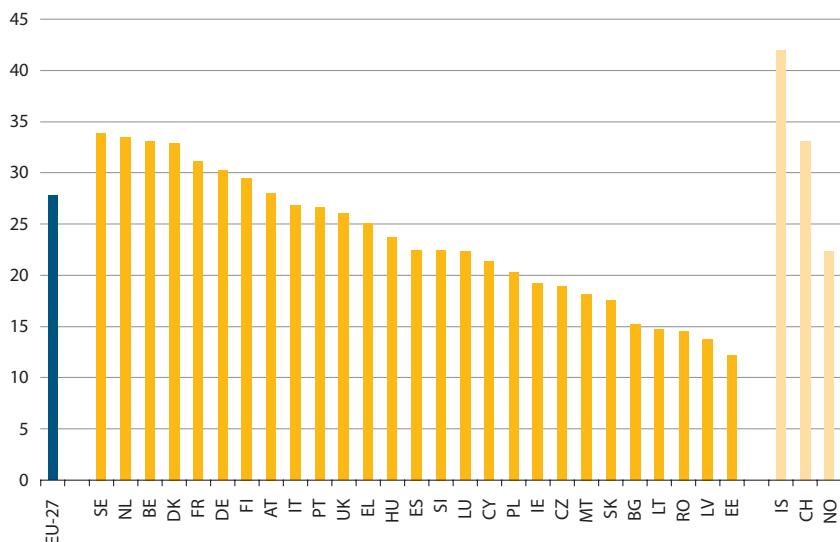
There appeared to be little gender bias in the impact of social transfers on reducing at-risk-of-poverty rates; for both males and females, EU-27 at-risk-of poverty rates after social transfers were nine percentage points lower than before transfers. Social transfers reduced the at-risk-of-poverty rate for those below 18 years from 33 % to 20 %. In contrast, they reduced the risk of poverty among the elderly by just four percentage points. As a result, following social transfers, 20 % of both age groups remained at-risk-of-poverty.

The highest proportion of persons aged below 18 who were taken out of the risk of poverty following social transfers was recorded in Hungary (a 25 percentage point reduction); while reductions of at least 20 points were recorded in Ireland, France, Austria, Finland and Sweden. Bulgaria and Greece were the only countries where a higher proportion of elderly persons (than persons aged below 18) were taken out of the risk of poverty.

### 5.3 Social protection receipts

The main sources of funding for social protection in the EU-27, according to ESSPROS, are social contributions paid by employers and by the persons protected (employees, self-employed persons, retired persons and others), general government contributions from taxes and general revenue, and other

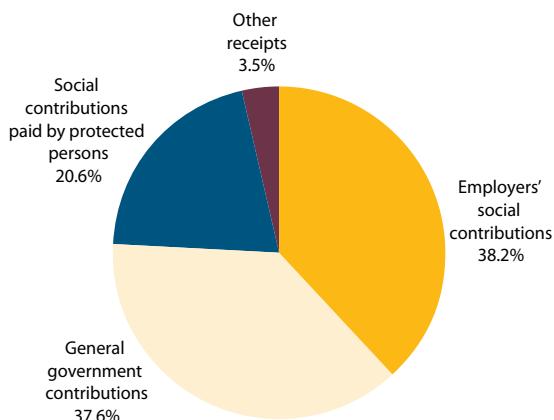
**Figure 5.7:** Social protection receipts, 2006 (% of GDP) (1)



(1) EU-27, Germany, Spain, France, Italy, Latvia, Lithuania, the Netherlands, Slovenia, Slovakia, Sweden and the United Kingdom, provisional.

Source: Eurostat ([spr\\_rec\\_gdp](#))

**Figure 5.8:** Social protection receipts, EU-27, 2006 (% of total receipts) (1)



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

Source: Eurostat (tps00108)

receipts from a variety of sources (for example, interest, dividends, rent and claims against third parties). Employers' social contributions are the costs incurred by employers to secure entitlements to social benefits for their employees, former employees and their dependants.

Social protection receipts were the equivalent of more than one quarter (27.8 %) of GDP across the EU-27 in 2006. Among the Member States, the relative importance of social protection receipts was highest

(around one third of GDP) in Sweden, the Netherlands and Belgium, falling to less than 15 % of GDP in Romania and the Baltic Member States.

A breakdown of social protection receipts across the EU-27 in 2006 shows that the majority of receipts could be attributed to employers' social contributions (38.2 %) and general government contributions (37.6 %). Approximately one fifth (20.6 %) of all EU-27 receipts were funded by contributions made by protected persons.

These average figures for the whole of the EU-27 mask some considerable differences at the national level that relate to differences in the way that social security systems operate across the Member States and the role that is played by each of the three main sources of funding (employers, employees and government). More than half of the receipts in the Czech Republic (53.9 %), Lithuania (54.9 %), Romania (56.3 %) and, most notably, Estonia (80.0 %) came from employers' contributions, while a majority of the funding of social protection in Denmark (62.8 %), Ireland (53.2 %) and the United Kingdom (50.4 %) came from general government contributions (taxes). The highest contributions from protected persons to social protection receipts were recorded in Slovenia (40.8 %) and the Netherlands (37.7 %).

## Glossary and abbreviations

### **Acquisitions of citizenship:**

refers to grants of citizenship by the reporting country to persons who have previously been citizens of another country or who have been stateless.

### **Aggregate replacement ratio:**

the ratio of the median individual gross pensions of retired persons aged 65-74 relative to median individual gross earnings of persons in work aged 50-59; EU aggregate figures are calculated as population-weighted averages of national values.

### **Asylum applications:**

refer to all persons who apply on an individual basis for asylum or similar protection, irrespective of whether they lodge their application on arrival or from inside the country, and irrespective of whether they entered the country legally or illegally. An asylum applicant is a person who has requested protection under: either Article 1 of the Convention relating to the Status of Refugees of 28 July 1951, as amended by the New York Protocol of 31 January 1967; or within the remit of the United Nations convention against torture and other forms of cruel or inhuman treatment (UNCAT); or the European convention on human rights; or other relevant instruments of protection.

### **Asylum decisions:**

cover positive decisions, negative decisions and other non-status decisions. These figures cover grants of refugee status as defined by Article 1 of the Geneva Convention of 28 July 1951 relating to the status of refugees, as amended by the New York Protocol of 31 January 1967 as well as grants of other types of protection status such as humanitarian protection.

### **At-risk-of-poverty rate anchored at a fixed moment in time (2005):**

the share of persons with an equivalised disposable income in a given year below the risk of poverty threshold in the year 2005, adjusted for inflation; EU aggregate figures are calculated as population-weighted averages of national values.

### **At-risk-of-poverty rate after social transfers:**

the share of persons below a defined poverty line, which is widely set throughout this publication as being below 60 % of the national median equivalised disposable income; EU aggregate figures are calculated as population-weighted averages of national values.

### **At-risk-of-poverty rate before social transfers (excluding pensions):**

the share of persons below 60 % of the national median equivalised disposable income before social transfers excluding pensions; EU aggregate figures are calculated as population-weighted averages of national values.

### **Dispersion of regional employment and unemployment rates:**

variation of employment (age group 15-64) and unemployment rates (age group 15-74) across regions (NUTS 2 level) and within countries; the indicator is not applicable for Estonia, Cyprus, Latvia, Lithuania, Luxembourg and Malta as these countries comprise only one NUTS 2 level region.

**Early school leavers:**

are persons aged 18-24 years old in the following two conditions: the highest level of education or training attained is ISCED 0, 1, 2 or 3c short; respondents declared not having received any education or training in the four weeks preceding the Labour Force Survey.

**Employees with temporary contracts:**

are those persons who declare themselves as having a fixed-term employment contract or a job which will terminate if certain objective criteria are met, such as completion of an assignment or return of the employee who was temporarily replaced.

**Employment gap between non-nationals and nationals:**

the percentage point difference between the employment rates of non-nationals and nationals.

**Equivalised disposable income:**

defined as the household's total disposable income divided by its equivalent size. In order to establish the equivalent size of the household, a quotient is attributed to each household member (including children) on the basis of the OECD modified scale. A weight of 1.0 is given to the first adult, 0.5 to other persons aged 14 or over who are living in the household, and 0.3 to each child aged less than 14.

**Expenditure on care for the elderly:**

is defined as the percentage share of social protection expenditure devoted to old age care in relation to GDP. These expenditures cover care allowance, accommodation, and assistance in carrying out daily tasks.

**Expenditure on social protection:**

according to ESSPROS, this expenditure item includes: social benefits, which consist of transfers, in cash or in kind, to households and individuals to relieve them of the burden of a defined set of risks or needs; administration costs charged to the scheme for its management and administration; and other expenditure, which consists of miscellaneous expenditure by social protection schemes (payment of property income or other).

**Gender pay gap:**

represents the difference between average gross hourly earnings of male paid employees and female paid employees, expressed as a percentage of average gross hourly earnings of male paid employees; the population consists of all paid employees in enterprises with ten employees or more in NACE Rev. 1.1 Sections C to O (excluding Section L).

**Healthy life years:**

is the number of years that a person of a specific age is expected to continue to live in a healthy condition. It is compiled separately for males and females, at birth, and at age 65. It is based on age-specific prevalence (proportions) of the population in healthy and unhealthy conditions and age-specific mortality information. A healthy condition is defined by the absence of limitations in functioning/disability. The indicator is also called disability-free life expectancy.

**Household consumption expenditure:**

refers to the expenditure incurred on the domestic territory (by residents and non-residents) on goods and services used for the direct satisfaction of individual needs; it covers the

purchase of goods and services, the consumption of own production (such as garden produce) and imputed rents for owner-occupied dwellings.

**Housing cost burden:**

the ratio of monthly housing costs multiplied by 12 to annual disposable income after adjustment for housing allowances.

**Infant mortality rate:**

is the number of infant (under one year of age) deaths occurring in a given geographical area during a given calendar year, per 1 000 live births occurring among the population of the same given geographical area during the same year.

**Internet access and use:**

Internet access means access at home via any connection (dial-up, ISDN, DSL, UMTS etc.). Broadband Internet connections include DSL (ADSL, SHDSL, etc.) and other broadband connections (cable, UMTS, etc.). Regular Internet users are individuals who used the Internet, at any location (home, place of work, etc.), at least once a week in the last three months prior to the Community survey on ICT usage.

**Involuntary part-time employment:**

is composed of persons who declare that they work part-time because they are unable to find full-time work; the distinction between full-time and part-time work is made on the basis of a spontaneous answer given by the respondent.

**Long-term unemployment rate:**

persons aged 15–74 years who have been unemployed for 12 months or more as a proportion of the total number of active persons in the labour market; active persons are those who are either employed or unemployed. Unemployed persons are those aged 15–74 years who, during the reference week, actively sought work during the past four weeks and were ready to begin working immediately or within two weeks. The duration of unemployment is defined as the duration of a search for a job or as the length of the period since the last job was held (if this period is shorter than the duration of search for a job).

**Low proficiency in reading:**

as defined by Level 1 of the internationally standardised assessment developed by the OECD and administered to 15-year-olds in schools: the Programme for International Student Assessment (PISA). Students whose proficiency is measured at Level 1 or below face serious difficulties in using reading literacy as an effective tool to advance and extend their knowledge and skills in other areas.

**Material deprivation:**

is defined as the enforced lack of a combination of items depicting material living conditions, such as housing conditions, the possession of certain durable goods, and the capacity to afford basic requirements.

**Nationals:**

persons who are citizens of the country in which they are currently resident.

**Non-nationals:**

persons who are not citizens of the country in which they are currently resident.

**Night work:**

work done during usual sleeping hours, therefore implying unusual sleeping times; the indicator covers work during the night for at least half the number of days on which the person worked during a four-week reference period before the survey interview.

**Overcrowded households:**

are defined in relation to the dwelling failing to comprise a minimum number of rooms, established upon the basis of: one room for the household; one room for each couple; one room for each single person aged 18 or more; one room for two single people of the same sex between 12 and 17 years of age; one room for each single person of a different sex between 12 and 17 years of age; and one room for two people under 12 years of age.

**Pensions aggregate:**

defined as the sum of the following social benefits: disability pension, early-retirement benefit due to reduced capacity to work, old age pension, anticipated old age pension, partial pension, survivors' pension, early-retirement benefit for labour market reasons.

**Prison population:**

the total number of adult and juvenile prisoners (including pre-trial detainees); includes offenders held in prison administration facilities, other facilities, juvenile offenders' institutions, drug addicts' institutions and psychiatric or other hospitals. It excludes, however, non-criminal prisoners held for administrative purposes (for example, people held pending investigation into their immigration status).

**Relative median at-risk-of-poverty gap:**

the difference between the median equivalised total income of persons below the at-risk-of-poverty threshold and the at-risk-of-poverty threshold; the resulting indicator is expressed as a percentage of the at-risk-of-poverty threshold (cut-off point: 60 % of median equivalised income); EU aggregate figures are calculated as population-weighted averages of national values.

**S80/S20 income quintile share:**

ratio that compares the total income received by the 20 % of the population with the highest income (top quintile) to that received by the 20 % of the population with the lowest income (lowest quintile); income must be understood as equivalised disposable income; EU aggregate figures are calculated as population-weighted averages of national values.

**Saturday and Sunday working:**

the concept should be interpreted strictly on the basis of formal agreements concluded with the employer; employees taking office work home and/or occasionally working at the workplace on Saturdays or Sundays are not included. To work on Saturdays (or Sundays) means having worked two or more Saturdays (or Sundays) during a four-week reference period before the interview.

**Severe housing deprivation:**

a measure of poor amenities, calculated by referring to those households with a leaking roof, no bath/shower and no indoor toilet, or a dwelling that is considered too dark. Severe housing deprivation is defined as households that are overcrowded, while also exhibiting at least one of the housing deprivation measures.

**Shift work:**

is a regular work schedule during which an enterprise is operational or provides services beyond normal working hours (weekdays 8 a.m. to 6 p.m.; evening closing hours might be later in the case of a longer noon break), and where different crews of workers succeed each other at the same work site to perform the same operations. Shift work usually involves work in the early morning, at night or at the weekend; the weekly rest days might not coincide with normal rest days.

**Social protection receipts:**

according to ESSPROS, these comprise social security contributions paid by employers and protected persons, contributions by general government, and other receipts from a variety of sources (for example, interest, dividends, rent and claims by third parties).

**System of Health Accounts (SHA):**

is organised around a tri-axial system for the recording of health expenditure, by means of the international classification for health accounts, defining: healthcare by function; healthcare service provider industries; and healthcare financing agents.

**Total housing costs:**

comprise all costs relating to the financing, maintenance and operation of the dwelling.

<b>EU</b>	European Union
<b>EU-27</b>	European Union of 27 Member states from 1 January 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, UK)
<b>EU-25</b>	European Union of 25 Member states from 1 May 2004 to 31 December 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, UK)
<b>EU-15</b>	European Union of 15 Member states from 1 January 1995 to 30 April 2004 (BE, DK, DE, IE, EL, ES, FR, IT, LU, NL, AT, PT, FI, SE, UK)
<b>BE</b>	Belgium
<b>BG</b>	Bulgaria
<b>CZ</b>	Czech Republic
<b>DK</b>	Denmark
<b>DE</b>	Germany
<b>EE</b>	Estonia
<b>IE</b>	Ireland
<b>EL</b>	Greece
<b>ES</b>	Spain
<b>FR</b>	France
<b>IT</b>	Italy
<b>CY</b>	Cyprus
<b>LV</b>	Latvia
<b>LT</b>	Lithuania
<b>LU</b>	Luxembourg
<b>HU</b>	Hungary
<b>MT</b>	Malta
<b>NL</b>	Netherlands
<b>AT</b>	Austria
<b>PL</b>	Poland
<b>PT</b>	Portugal
<b>RO</b>	Romania
<b>SI</b>	Slovenia
<b>SK</b>	Slovakia
<b>FI</b>	Finland
<b>SE</b>	Sweden
<b>UK</b>	United Kingdom
<b>HR</b>	Croatia
<b>MK</b>	former Yugoslav Republic of Macedonia
<b>TR</b>	Turkey
<b>IS</b>	Iceland
<b>NO</b>	Norway
<b>CH</b>	Switzerland
<b>US</b>	United States of America

<b>COICOP</b>	classification of individual consumption by purpose
<b>EEA</b>	European economic area
<b>ESF</b>	European social fund
<b>ESSPROS</b>	European system of integrated social protection statistics
<b>EUR</b>	euro
<b>EU-SILC</b>	Community statistics on income and living conditions
<b>GALI</b>	global activity limitation instrument
<b>GDP</b>	gross domestic product
<b>HYL</b>	healthy life years
<b>HIV</b>	human immunodeficiency virus
<b>ICT</b>	information and communication technology
<b>ISCED</b>	international standard classification of education
<b>ISCO</b>	international standard classification of occupations
<b>LMP</b>	labour market policy
<b>NACE</b>	statistical classification of economic activities in the European Community
<b>NAP</b>	national action plans
<b>NUTS</b>	classification of territorial units for statistics
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OMC</b>	open method of coordination
<b>PISA</b>	programme for international student assessment
<b>PPS</b>	purchasing power standard
<b>SHA</b>	system of health accounts
<b>UN</b>	United Nations
<b>UNCAT</b>	United Nations convention against torture and other forms of cruel or inhuman treatment
<b>USD</b>	United States dollar



European Commission

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A statistical portrait of the European Union 2010**

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## Combating poverty and social exclusion

### A statistical portrait of the European Union 2010

Building a more inclusive Europe is considered vital to achieve the EU's goals of sustained economic growth, more and better jobs, and greater social cohesion. It is hoped that such solidarity will be further promoted through the designation of 2010 as the European year for combating poverty and social exclusion. Nevertheless, just over 84 million persons, or 17 % of the EU-27's population were at-risk-of-poverty in 2007, while a similar proportion (17 %) of the total EU-27 population suffered from material deprivation. There was a clear overlap between those who were at-risk-poverty and those suffering from, among others, being unable to face unexpected expenses, afford a holiday, keep their home adequately warm, or being able to afford a car.

*'Combating poverty and social exclusion: a statistical portrait of the European Union 2010'* presents a broad range of statistical concepts and indicators from social statistics. The publication explores poverty and social exclusion across the 27 Member States, as well as providing (whenever possible) information about candidate and EFTA countries. A data code is included as part of the source under each table and graph to allow readers to easily access extended data sets or the most recent data available on the Eurostat website:  
<http://ec.europa.eu/eurostat>.

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