

Joint Report on Social Protection and Social Inclusion [2005]

Social security & social integration

Joint Report on Social Protection and Social Inclusion 2005



Employment & social affairs



European Commission

KE-67-05-290-EN-C



Joint Report on Social Protection and Social Inclusion 2005

Employment & social affairs

Social security and social integration

European Commission

Directorate-General for Employment, Social Affairs and Equal Opportunities

Unit E2

Manuscript completed in March 2005

Document drawn up on the basis of COM(2005) 14 (Communication from the Commission) and SEC(2005) 69 (Commission staff working paper).

If you are interested in receiving the electronic newsletter "ESmail" from the European Commission's Directorate-General for Employment, Social Affairs and Equal Opportunities, please send an e-mail to empl-esmail@cec.eu.int. The newsletter is published on a regular basis in English, French and German.

***Europe Direct is a service to help you find answers
to your questions about the European Union***

**Freephone number
00 800 6 7 8 9 10 11**

A great deal of additional information on the European Union is available on the Internet. It can be accessed through the Europa server (<http://europa.eu.int>).

Cataloguing data can be found at the end of this publication.

Luxembourg: Office for Official Publications of the European Communities, 2005

ISBN 92-894-9373-9

© European Communities, 2005

Reproduction is authorised provided the source is acknowledged.

Printed in Belgium

PRINTED ON WHITE CHLORINE-FREE PAPER

TABLE OF CONTENTS

Joint Report on Social Protection and Social Inclusion (Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions) [COM(2005) 14]	5
Introduction	7
1. Social Protection and Social Inclusion: Responding to Change	7
2. Promoting Social Inclusion	8
3. Pensions and Active Ageing	12
4. Key Policy Messages	14
 Joint Report on Social Protection and Social Inclusion – Technical annex (Commission staff working paper) [SEC(2005) 69]	 17
Introduction	19
1. Chapter I: Trends in social protection expenditure and financing	20
1.1. Scale of overall social protection expenditure	20
1.2. Trends of overall social protection expenditure	26
1.3. The structure of social protection expenditure	28
1.4. The age orientation of social protection expenditure	31
1.5. Sources of finance	33
2. Chapter II: Overview of the updates of the Naps Inclusion 2003-2005	35
3. Chapter III: Country profiles	47
Introduction	47
Belgium	47
Czech Republic	49
Denmark	51
Germany	53
Estonia	55
Greece	57
Spain	59
France	61
Ireland	63
Italy	65
Cyprus	67
Latvia	69
Lithuania	71
Luxembourg	73
Hungary	75
Malta	77
Netherlands	79
Austria	81
Poland	83
Portugal	85
Slovenia	87
Slovak Republic	89
Finland	91
Sweden	93
United Kingdom	95
Statistical annex	97

Joint Report on Social Protection and Social Inclusion

Communication from the Commission to the Council,
the European Parliament, the European Economic and Social
Committee and the Committee of the Regions

COM(2005) 14

INTRODUCTION

At its heart, the Lisbon strategy promotes the idea of a positive interaction between economic, employment and social policies. It aims at promoting a model of sustainable development for the Union which raises the standard of living of all European citizens by combining economic growth with a strong emphasis on social cohesion and the preservation of the environment. In so doing, it stresses the need to improve EU level coordination mechanisms in order to foster consistent and mutually reinforcing policies in the economic, employment and social areas.

While robust economic and employment growth is a vital precondition for the sustainability of social protection systems, progress in achieving higher levels of social cohesion is, together with effective education and training systems, a key factor in promoting growth. In this context, this first Joint Report on Social Protection and Social Inclusion advocates efforts to modernise social protection systems through decisive and credible reform strategies.

Social inclusion and the national strategies to fight poverty and social exclusion feature prominently in the present report, drawing on two rounds of the OMC on social inclusion at the level of EU15, plus its successful extension to the 10 new Member States in 2004. Pensions are also addressed, although to a lesser extent. The basic input is the 2003 Joint report on adequate and sustainable pensions. More recent work by the Social Protection Committee (SPC) provides additional material, together with the results of bilateral exchanges between the European Commission and the new Member States held prior to their accession.

This Joint Report, along with the Joint Employment Report and the Implementation report of the BEPGs, is intended to present a balanced and integrated view of the main challenges Member States have to tackle if they want to reach the ambitious Lisbon goals. It echoes the recommendations of the Report of the High-Level Group of Independent Experts (Kok Group) on the need for a stronger focus on implementation of the Lisbon goals and stronger political commitment at all levels.

1. SOCIAL PROTECTION AND SOCIAL INCLUSION: RESPONDING TO CHANGE

A high level of social protection affords societies with the means to face adversity and to eliminate and prevent the most severe and inhumane forms of poverty. Well-designed social protection systems also contribute to economic development by providing a favourable environment for economic growth, in which people and businesses consume and invest with confidence; they facilitate structural change by cushioning workers against the effects of restructuring; they also stabilise aggregate demand throughout economic cycles and create favourable conditions for recovery. Economic growth, in turn, provides the means required to underpin social cohesion.

In order to achieve their key role in European society and economy, social protection systems need to be responsive to wider social trends. The complex set of demographic, economic and societal factors that have driven and will continue to drive structural changes across the EU have put social protection systems under pressure to adapt and modernise.

Major shifts in the age structure of the population will have important implications for the full range of social policies. The decline in the age cohort 0-14 underscores the

importance of creating a child-friendly environment including adequate support for early development and basic education. Decreasing numbers in the age cohort 15-29 amplifies the importance of optimising transitions from school to work. Rapid growth in the age cohort 50-64 greatly raises the importance of active ageing. The increase in those aged 65 years and over accentuates the urgency of making adequate pensions sustainable. Finally, the expansion of the age cohort 80+ will result in a progressive rise of the need for age-related health and long-term care.

Higher net immigration could help address the imbalance arising from such demographic changes by rejuvenating the labour force and, thereby, offsetting labour supply shortages and, in the context of pension reforms, improving the financial sustainability of pension systems. Yet, societies will only reap such potential benefits if they create the necessary conditions for the integration of immigrants and ethnic minorities into the formal labour market and if they learn to manage inter-cultural tensions and are able to break down barriers to their economic and social integration.¹

Demographic changes are compounded by wider changes in cultural values, social relationships, the organisation of families and the nature of work.

Social demands have become more sophisticated and diversified, with a growing concern for quality of life and work-leisure balance. Individual choice has gained importance. Diversity has an important ethnic dimension, particularly in the big urban centres. The increased feminisation of the labour force is reflected in new social demands (e.g., for care facilities for children, elderly and dependent people) and in a new basis for the division of responsibilities within the household. Notable changes in family structures have taken place, in terms both of a reduction of household sizes and increasing diversity – driven by lower rates of partnership formation and higher rates of dissolution. As a consequence, family links are weakening and, in cases of need, more people have to rely on alternative forms of support. Finally, the working environment has become far more volatile and heterogeneous.

In this changing context, social protection systems need to be shaped so as to respond to the economic and social needs of the future. Social inclusion policies, for instance, are not only important to prevent and combat poverty but may also contribute to increasing labour supply, through developing people's capacity to work and action to make work pay. Reforms to ensure sustainable and adequate pensions should aim at providing the right incentives both for workers to stay active longer and for employers to hire and retain older workers. Accessible, quality and sustainable health care systems play a vital role not only in combating disease and vulnerability to social exclusion but also in maintaining a productive workforce.

2. PROMOTING SOCIAL INCLUSION

2.1. The situation of social inclusion in the 25 Member States

The fight against poverty and social exclusion remains a major challenge for the European Union and its Member States. The numbers affected by poverty and social exclusion across the Union are very significant, with more than 68 million or 15% of the EU

¹ See the Commission' proposal for an in-depth discussion on economic migration in COM(2004)881, "Green paper on an EU approach to managing economic migration".

population living at risk of poverty in 2002. They range from 10% or less in the Czech Republic, Sweden, Denmark, Hungary and Slovenia and 20% or more in Ireland, the Slovak Republic, Greece and Portugal.²

The risk of poverty tends to be significantly higher for the unemployed, single parent households (mainly headed by women), older people living alone (also especially women) and families with several dependants. Children tend to be more exposed to poverty: children who grow up in poverty are more likely to suffer from poorer health, do less well educationally and are at higher risk of future unemployment and of anti-social behaviour. There is also evidence of a link between environmental pollution and social deprivation.

The measure of poverty risk only shows part of the picture and recent data illustrate the extent of material deprivation particularly in those countries with significantly lower levels of the national poverty threshold.

Poverty and material deprivation are often compounded by an inability to participate fully in social life, as a result of an inadequate access to employment, education and training, housing, transport or healthcare.

Employment is a key factor for social inclusion, not only because it generates income but also because it can promote social participation and personal development and contributes to maintaining adequate living standards in old age through the accrual of entitlement to pension benefits. Shifting from unemployment to employment considerably lowers the likelihood of being exposed to the risk of poverty; furthermore, the well-being of the unemployed or the inactive of working age is even more at risk if there is no income from work within the household. A considerable group still has difficulties in entering employment. The share of long-term unemployed has remained practically stable (at around 4%) between 1999 and 2003. Although some countries have managed to reduce their long-term unemployment rates, the situation has worsened or remains serious in others.

Available statistical evidence at EU level on poverty and social exclusion still does not cover some of the most exposed groups. The NAPs/inclusion highlight that immigrants, ethnic minorities and the Roma, people with disabilities, the homeless, victims of people trafficking, people in or leaving care institutions and subsistence farmers face very particular risks. Also important is the concentration of disadvantage in particular communities and geographic areas, both urban and rural, where people are confronted with deep-seated factors of exclusion that tend to be transmitted across generations.

The years immediately preceding the set-up of the new strategy have witnessed a trend reduction in the level of relative poverty, with the average for the EU (15 Member States) declining from 18% in 1995 to 15% in 2000. This can be attributed to a large extent to the significant improvement of the labour market situation. There is now the clear risk that

² The figures for poverty risk rates reported here are based on the latest available data drawn from various sources, either national sources or the European Community Household Panel (ECHP). Due to the absence of a common data source, they cannot be considered to be fully comparable amongst themselves, even if every effort has been made to maximise consistency. Another factor affecting comparability is that the data refer to a mix of periods (2000 in the case of ECHP and 2002 for most of the new Member States). More fundamentally, the income data currently available does not reflect the money that one saves on rent by living in one's own accommodation, which can make comparisons between countries difficult if the share of owner-occupiers in the total number of people at risk of poverty varies significantly.

the recent economic slowdown, accompanied by rising unemployment and fewer job opportunities, puts more people at risk of poverty and social exclusion and worsens the position of those who are already affected.

The challenge is even greater in many of the new Member States, where rapid economic growth is underpinned by widespread industrial and agriculture restructuring, which, if not flanked by appropriate social inclusion policies, may result in rising numbers of people at risk of poverty.

2.2. Key policy priorities

A positive result of the social inclusion process has been the emergence of greater clarity as to the key policy priorities for tackling poverty and social exclusion, as reflected in the policy approaches being adopted by Member States. *Seven key policy priorities* stand out across the Union:

1. *Increasing labour market participation:* Seen as the most important priority by most Member States, this translates into expanding active labour market policies and ensuring a better linkage between social protection, lifelong learning and labour market reforms so that they are mutually reinforcing.
2. *Modernising social protection systems:* This means ensuring that sustainable social protection schemes are adequate and accessible to all and that benefits aimed at those who are able to work provide effective work incentives as well as enough security to allow people to adapt to change.
3. *Tackling disadvantages in education and training:* Emphasis is being laid on preventing early departure from formal education and training; facilitating the transition from school to work, in particular of school leavers with low qualifications; increasing access to education and training for disadvantaged groups and integrating them into mainstream provision; promoting lifelong learning, including e-learning, for all. Many recognise the need to invest more, and more efficiently, in human capital at all ages.
4. *Eliminating child poverty:* This is seen a key step in combating the intergenerational inheritance of poverty. Particular focus is given to early intervention and early education in support of disadvantaged children; and enhancing income support and assistance to families and single parents. Several countries also put increasing emphasis on promoting the rights of the child as a basis for policy development.
5. *Ensuring decent accommodation:* In some Member States attention is being given to improving housing standards; in others, to the need to address the lack of social housing for vulnerable groups. Several Member States are developing more integrated approaches to tackling homelessness.
6. *Improving access to quality services:* This includes improving access to health and long term care services, social services and transport, improving local environments, as well as investing in adequate infrastructure and harnessing the potential of new, accessible ICT for all.
7. *Overcoming discrimination and increasing the integration of people with disabilities, ethnic minorities and immigrants:* The fight against high levels of exclusion experienced by such groups involves a mixture of increasing access to mainline services and opportunities, enforcing legislation to overcoming

discrimination and developing targeted approaches. The difficulties faced by the Roma require special attention.

In pursuing these priorities, Member States need to develop integrated and co-ordinated strategies at local and regional levels and especially in those urban and rural communities facing multiple disadvantages. Such strategies should adapt policies to the local situation and involve all relevant actors. It will also be essential to ensure that gender is mainstreamed throughout these priorities with a view to promoting gender equality. An agenda based on a balanced development of rights, obligations and responsibilities is required.

2.3. Strengthening the social inclusion process

The development and implementation of NAPs/inclusion by all Member States clearly shows the intention to increase efforts to tackle poverty and social exclusion. In particular, the strong political commitment demonstrated by the EU10 Member States has given new impetus to the process and, more generally, underlines the relevance of the OMC.

The approach adopted by the Member States varies widely depending on the initial situations, the welfare regime and the experience of developing anti-poverty strategies. Most Member States have developed a comprehensive approach to tackling poverty and exclusion covering a wide range of policy fields. Institutional arrangements for mainstreaming social inclusion concerns into national policy making are being strengthened. More attention is being paid to the co-ordination of different government departments and levels so as to achieve a more integrated response. Finally, increased attention is being paid to encouraging the participation of key stakeholders (social partners, NGOs and enterprises).

Overall the OMC on social inclusion has made a useful contribution to date and provides a good basis for further action. The Community action programme on social exclusion has contributed significantly in this regard by promoting studies, peer reviews, transnational exchange projects and EU level networking. However, it is also clear that if the social inclusion process' overall aim of making a decisive impact on the eradication of poverty by 2010 is to be achieved, much more will be needed both at national and at EU level. In this regard Member States should:

- *Establish stronger links with economic and employment policy:* Such links need to be strengthened, most notably by introducing greater transparency on the budgetary resources necessary to achieve the objectives and targets set in the NAPs/inclusion and on how Structural Funds are being used to address social inclusion goals.
- *Strengthen implementation capacity:* this will include strengthening administrative and institutional capacity – including social protection systems, minimum guaranteed income schemes, social services and instruments for assessing gender mainstreaming -, better co-ordination across different Government branches and levels (i.e., national, regional, local); improving mechanisms for involving stakeholders.
- *Focus on key issues and set more ambitious targets:* The process would be significantly strengthened by Member States identifying the issues that are crucial for them and setting quantified outcome targets for each of these. Progress towards their achievement should then be monitored and reported on.

Member States who are lagging behind in certain areas could usefully consider the performance of the best performing Member States as a benchmark.

- *Strengthen monitoring and evaluation of policies:* A key to better delivery will be putting in place more effective arrangements for monitoring and evaluating policy impact, involving all stakeholders including the social partners, and developing more timely and relevant data.

At the EU level, the Commission and the Council should:

- *Strengthen the mainstreaming of social inclusion objectives across all EU policies:* Taking social inclusion into account in the design and implementation of EU policies is essential for ensuring that they are supportive of national efforts to promote social inclusion. This will be assisted by enlarging the OMC to health care and long-term care, aiming to ensure accessible, quality and sustainable systems.
- *Make greater use of the OMC's potential to contribute to effective delivery:* The exchange of good practice needs to be supplemented by a transparent identification of good and bad practice in order to be of effective use for Member States in policy making. The common indicators should play a key role in this regard.
- *Ensure that Structural Funds continue to play a key role in promoting social inclusion:* The potential contribution of the Structural Funds, especially the ESF, to address poverty and social exclusion by increasing employment and developing skills needs to be enhanced and fully exploited. Without prejudice to the negotiations regarding the future financing of these funds, this key role will need to be taken into account in the debate on the future financial perspectives for 2007-2013.
- *Further develop common indicators and enhance data sources:* In spite of improvements to indicators and the underlying statistical capacity, most notably through the launch of EU-SILC, there are still gaps in the timeliness and relevance of data that hamper comparative analysis. There is in particular the need to better capture the multi-dimensional nature of social exclusion and poverty.

3. PENSIONS AND ACTIVE AGEING

3.1. The sustainability and adequacy challenge to pension systems

Member States have long been aware of the consequences of demographic ageing for their pay-as-you-go pension systems and are now also realising the challenges that it poses to funded schemes as well. This requires credible reforms aimed at securing adequate future benefits in a financially sustainable way. In the context of the Lisbon strategy, the OMC on pensions was developed to promote such reform efforts centred on three major strands of common objectives: adequacy, financial sustainability and modernisation so as to accommodate changes in society.

The first Joint Report on adequate and sustainable pensions showed that most EU15 Member States have already made significant progress in curbing future trends in public pension expenditure. Since then, a number of Member States have adopted further

reforms. The next round of national strategy reports will carry out a fresh assessment of progress achieved, including in the EU10 Member States.

The Joint Report stressed the inseparable nature of sustainability and adequacy. Future pension systems can (continue to) provide adequate pensions only if they are financially sustainable and if they are well adapted to the changing societal context; conversely, if pension systems fail to provide adequate incomes to the retired, there will be additional costs, for instance in the form of increased social assistance spending. A major challenge will therefore be to achieve financial sustainability without jeopardising adequacy.

The joint report noted that many reforms since the 1990s aimed at curbing future expenditure rises will result in lower replacement rates from statutory schemes at a given retirement age. These reforms were often accompanied by measures to prevent poverty by strengthening minimum income guarantees for older people. To prevent future adequacy problems, Member States can encourage people to retire later and ensure that there are the resources for financing pensions by consolidating their public finances or by increasing the contribution of private pension schemes to the income of older people. The latter can be achieved through the collective bargaining process or by supporting individuals in making their own decisions about their retirement provision.

3.2. Two main policy responses: longer working lives and increased private provision

The modernisation of social protection systems can help to promote later retirement. It is important that pensions are only paid before the standard retirement age or before having fulfilled the standard working career to people who are genuinely unable to earn a living or who accept a fair reduction of their pension. At the same time, pension systems should offer opportunities to earn higher pension entitlements by working longer. Thus raising the effective retirement age represents the key tool for reconciling adequacy and financial sustainability. Given the current differences in the health status and employability of older people a flexible retirement age may be more appropriate. This will be an important issue in the modernisation of pension systems, alongside better incentives for longer working lives and policies aimed at preserving the health and employability of older workers.

A study by the SPC showed that the main early labour market exit pathways – in particular early retirement schemes, unemployment benefits and invalidity benefits – are being critically reviewed in most Member States. At the same time, more opportunities for achieving higher incomes to pensioners are being offered, by granting pension increments for deferring retirement or by allowing the combination of earned income with a pension (gradual retirement or part-time working after retirement). However, there is still much scope for reform in many Member States.

The SPC is also examining the role of privately managed pension provision. Most Member States expect private provision through occupational or personal schemes to play a more important role in the future, although public schemes will remain the most important source of pensioners' income in all but a few countries. Increased private provision should not make pension systems less transparent, both at an aggregate level and at the level of individuals. At an aggregate level, better information is required on the level of private provision and on the links between private provision and public finances, notably through the tax treatment of private schemes and the interaction between private pension benefits and public income guarantees for pensioners. Information is also extremely important for individuals, enabling them to make difficult choices with long-term consequences on their incomes and living standards.

3.3. Modernising pension systems

Adequate and equitable pensions for all can only be achieved if pension schemes are well adapted to the evolving needs of individuals. They need to take into account the greater diversity of employment patterns and the desire for greater gender equality. Moreover, governance issues need to be considered, in particular the need to base reforms on sound information and a solid consensus.

The modernisation of pensions and, more generally, social protection systems must also be seen as a crucial element for achieving the goals of the Lisbon strategy. Responding to the challenge of ageing calls for a review of the traditional life cycle patterns, with phases devoted to learning, working and caring becoming less distinct. Social protection systems have to accommodate such changes and allow and encourage people to make the most of the opportunities generated by a dynamic economy and labour market.

4. KEY POLICY MESSAGES

- Improving social protection is essential for growth and employment as well as for social cohesion. Raising employment levels should remain a key driver of the modernisation of social protection. Conversely through responding to the evolving needs of individuals over the life cycle, social protection systems will facilitate the management of new risks.
- In the area of social inclusion, the results gathered so far suggest that both perseverance and ambition are justified. Perseverance will be needed, because tackling the roots of poverty and exclusion will require concerted effort beyond 2010; ambition, because the process of collective action by all stakeholders across the EU is now firmly anchored. Without prejudice to the negotiations regarding their future financing, the support of the structural funds, particularly the European Social Fund, will be key to sustaining this ambition.
- Policies for social inclusion must adapt to the diversity of challenges in the Member States. Accordingly, the requirement for multi-faceted approaches is a priority. The work undertaken to date confirms the relevance of several key policy priorities. Focussing on these will help to address some of the most pressing issues like preventing child poverty, supporting the caring capacity of families, addressing gender inequalities, tackling homelessness and opening new routes to integration of ethnic minorities and migrants.
- In the area of pensions, maintaining older workers in employment stands as a key challenge across the European Union. It should be given priority in the process of reforms to secure the future adequacy and financial sustainability of pension systems. Rising life expectancy will demand further increase in labour market exit ages, implying the progressive removal of various incentives for early retirement. Member States should assess the role of social protection systems in promoting longer working lives and active ageing.
- At EU level, the planned extension of the OMC to health care and long-term care and the streamlining of all social protection and social inclusion processes in 2006 should be used to put stronger focus on implementation of objectives and on developing synergies between the different policy spheres.

This should be done while respecting the specificity of each strand - inclusion, pensions, health and long term care - within the OMC for social protection.

- The forthcoming evaluation process, to take place in 2005, should focus on delivery in order to prepare for a new cycle of the OMC after 2006. The Member States and the Commission should particularly assess how national strategies can be made more effective by the use of targets, benchmarks and indicators, better links with economic and employment policies, effective monitoring and evaluation provisions and the use of the structural funds. The extent to which national strategies have been able to involve local and regional government, social partners and other stakeholders, and to contribute to raising awareness about the critical issue of poverty and social exclusion should also be reviewed.
- Bringing back people to work, maintaining workers in employment, increasing employability and labour market participation are key for achieving the goals of competitiveness, employment and social inclusion of the Lisbon strategy. The latter still faces huge challenges in an enlarged Union, considering the situation of the most excluded from the labour market. On the basis of the lessons drawn from the OMC on inclusion and from the European Employment Strategy, the Commission should consult in 2005 the social partners, the Member States and all relevant stakeholders on whether and how further action at EU level could be needed for addressing those challenges.

Joint Report on Social Protection and Social Inclusion

Technical annex

Commission staff working paper

SEC(2005) 69

INTRODUCTION

This Technical annex underpins the Joint Report on Social Protection and Social Inclusion with more detailed analysis of specific aspects pertaining to social protection and social inclusion. It was drafted under full responsibility of the Commission services. It complements other inputs to the Joint Report that have been produced recently under the open method of coordination in the areas of social protection and social inclusion, such as the 2004 Joint Social Inclusion Report, the Commission staff document examining the 2004-2006 NAPs/inclusion of the new Member States, the 2003 Joint Pension report, and two studies carried out by the Social Protection Committee in 2004 on "promoting longer working lives through better social protection systems" and on "sustainability of second and third pillar schemes and their contribution to adequacy".

The first chapter of this document provides an overview of social protection expenditure and receipts in the 25 EU Member States, on the basis of recent data drawn from the ESSPROS database compiled by Eurostat. It is the first time a comparative assessment of such fundamental data for the enlarged Union is carried out and published. Analysis of this data should become a regular feature of all future Joint Reports.

The second chapter provides a synthesis of the updates of the National Action Plans for social inclusion 2003-2005 as submitted by ten of the EU-15 Member States during the summer 2004. The main purpose of these updates was to report on major policy developments one year after the delivery of the NAPs/inclusion 2003-2005.

The last chapter of the Technical Annex contains country profiles for the 25 Member States with key points summarising the main issues for policy review in the context of the Open Method of Coordination in the different fields where it has been applied – i.e., social inclusion and pensions¹

It was originally intended that the technical annex contained a detailed analysis of the situation and trends of social inclusion in the 25 Member States, on the basis of the common indicators of poverty and social exclusion. However, due to delays in the delivery of the figures compiled according to the new EU-SILC regulation², and the areas surrounding the extent of data breaks resulting from the use of the new statistical sources, this was not possible. The key facts about the situation of poverty and social exclusion in the EU are recalled in the section on "situation and key trends" of the country profiles on the basis of the available evidence. Future editions of the Joint Report on Social Protection and Social Inclusion will be able to analyse the

¹ It is expected to add elements related to healthcare and long term care for the elderly to such country profiles in future editions of this Joint Report.

² Commission Regulation no. 1980/2003 implementing Regulation no. 1177/2003 of the European Parliament and of the Council concerning Community statistics on income and living conditions (EU-SILC) as regards definitions and updated definitions. (OJ L165, 3.7.2003).

situation and trends of social inclusion in the EU Member States on the basis of the new evidence.

1. CHAPTER I: TRENDS IN SOCIAL PROTECTION EXPENDITURE AND FINANCING

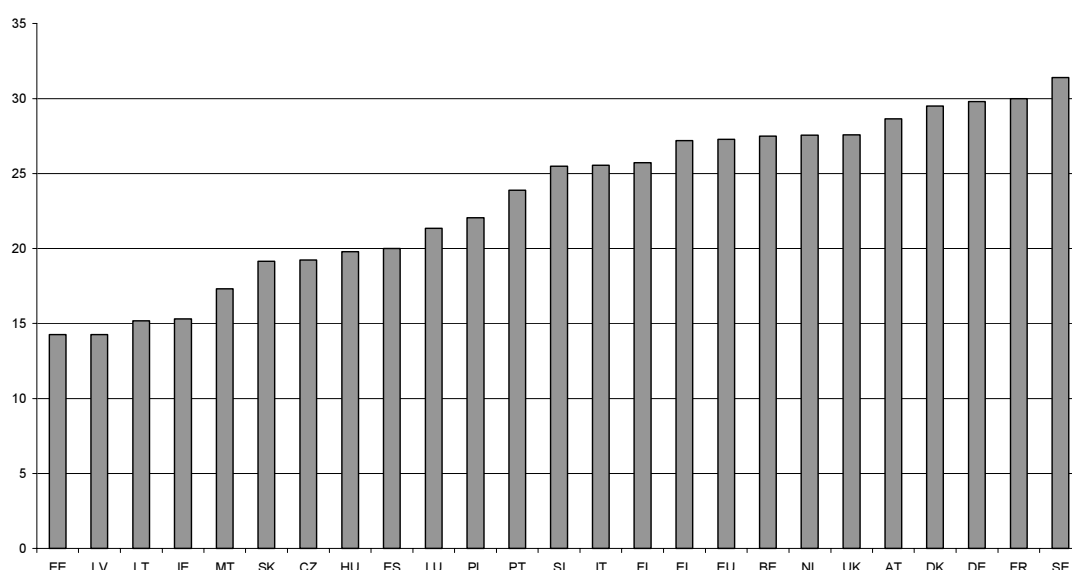
This chapter provides an overview of both the scale of expenditure on social protection and its evolution over the past decade, highlighting the differences across Member States and distinguishing between the various functions involved. The means of financing expenditure and developments in the sources of funding are also briefly examined. It does so for the first time for the 25 EU Member States (except Cyprus), on the basis of data compiled by Eurostat in the ESSPROS system of accounts.

At the time of writing the report, the ESSPROS database is still being completed and updated and it is not possible, therefore, to use the ESSPROS database in its full potential, for example by looking at social protection expenditure by type of scheme or by type of benefits (in kind and cash, with a particular focus on pensions), nor by making a thorough examination of trends of social protection expenditure by function or type of benefits in the light of background information on the demographic and socio-economic context in which this expenditure has taken place. Future editions of this publication will devote a more thorough analysis of social protection expenditure and receipts.

1.1. Scale of overall social protection expenditure

The average figure for social protection expenditure in the EU in 2001 is of 27.3% of GDP (Figure 1), which translates into a figure for average spending per head of population of around 5600 PPS (Figure 2). Taking account of differences in price levels between countries, expenditure varies between around 1300 PPS units or less in Latvia, Estonia and Lithuania and just below 10000 PPS units per capita in Luxembourg (but Luxembourg has to be considered as an outlier – see footnote to Figure 2); in Austria, France, Denmark and Sweden, social protection expenditure is also high, standing over 7500 PPS units per head and 28% of GDP, with Germany joining the higher ranks in terms of the latter measure.

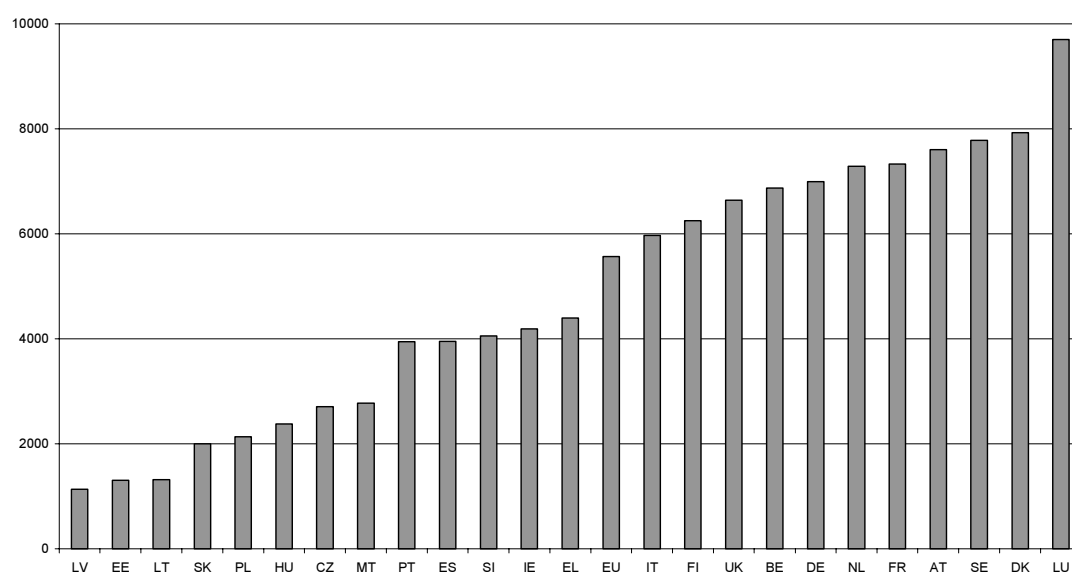
Figure 1. Social protection expenditure as a % of GDP, 2001



Data for Cyprus are not available.

Source: Eurostat - ESSPROS database

Figure 2. Social protection expenditure per capita in PPS, 2001



Luxembourg has to be considered as an outlier given that cross-border workers constitute a large share of its labour force.

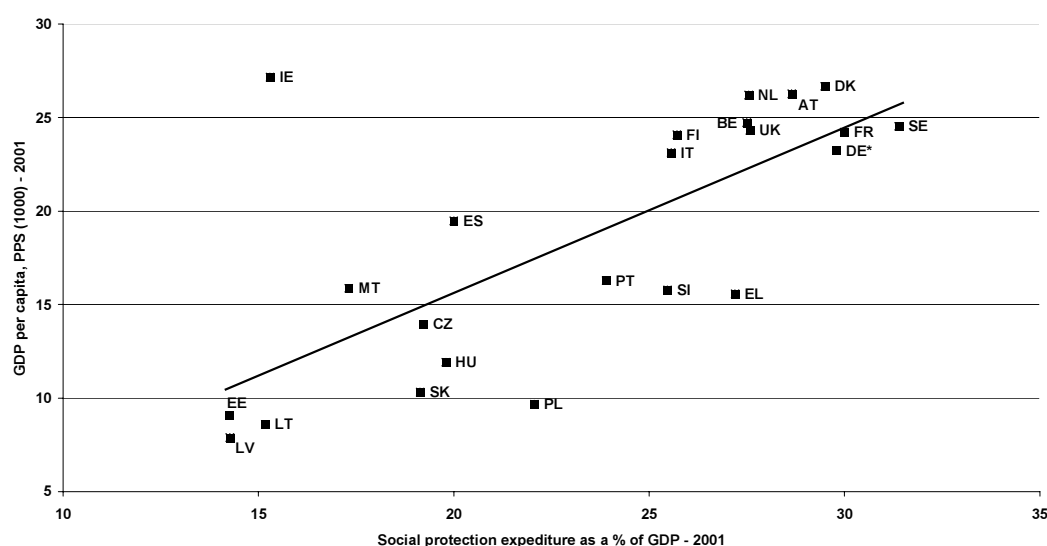
Data for Cyprus are not available.

Source: Eurostat - ESSPROS database

Besides the generosity of the social protection system (both in terms of levels and coverage), some of the factors that influence the level of social spending in the Member States are the demographic structure of the population, particularly by age, the level of unemployment/non-employment and the role of private social services. In general, there is a positive relationship between expenditure on social protection and average living standards.

Figure 3a shows that there is a positive relationship between the share of social spending on GDP and GDP per capita (in PPS). There is however, much variation in the pattern of associations, with Luxembourg and Ireland constituting two major exceptions. Luxembourg is not even shown in the Figure, given the peculiar structural composition of its labour force that explains why GDP per head in this country largely overtakes that of any other EU country. In 2001, cross-border workers represented as much as 36% of the labour force. These workers contribute to GDP but they are not taken into account in the denominator of the ratio as only the resident population is considered. . In the Irish case, the fact that public expenditure was less than would be expected given the level of prosperity as measured by GDP reflects a number of factors: the very rapid increase in GDP per head in recent years, which outpaced the growth of social expenditure; the relatively small share of people above retirement age which tends to reduce the need for expenditure on health care as well as old-age pensions; the relatively greater reliance on private pensions and private provision for health care, which are only partly covered in the ESSPROS data³; and, finally, the fact that a relatively large share of GDP, or income, is in the form of profits earned by foreign-owned companies which are not wholly available to finance social protection spending. In relation to GNP (gross national product), which excludes such income and transfers abroad, expenditure on social protection amounted to 17% in 2001 as against a figure of some 15.3% in relation to GDP. Allowing for such exceptions, a positive correlation between levels of social spending and average living standards seems to hold. The countries with the lowest GDP per head also had low levels of expenditure on social protection relative to GDP; those with above average expenditure had above average levels of GDP per head.

Figure 3a. Social protection expenditure and GDP per capita in the Member States, 2001



* Luxembourg is not shown in the Chart given its status as an outlier.

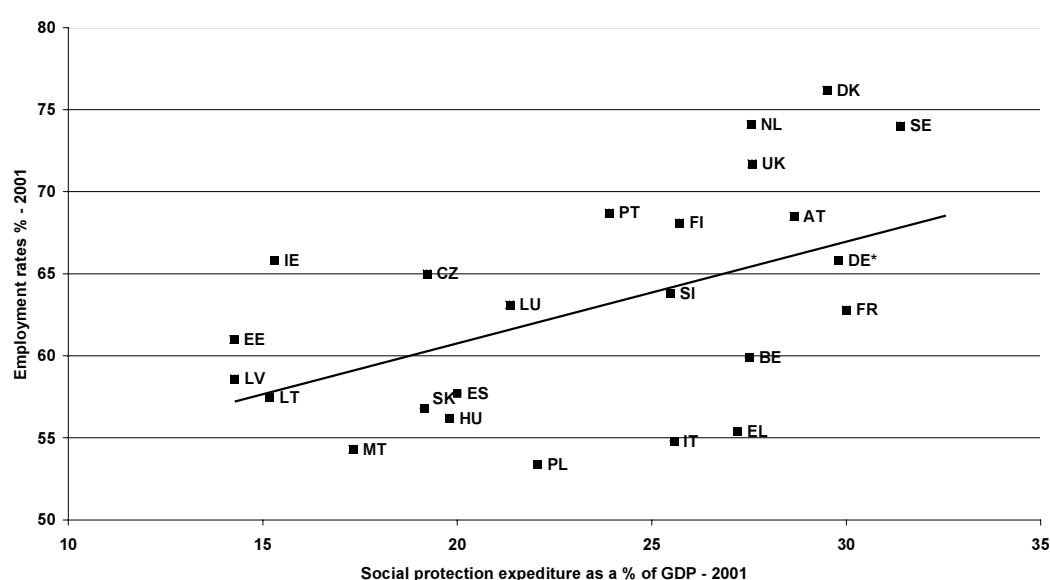
Data for Cyprus are not available.

Source: Eurostat - New Cronos databank and ESSPROS.

³ For Ireland, no data are available on occupational pension schemes for private sector employees with constituted reserves.

There exists also a relationship between the level of social spending and the employment rate in each country (Figure 3b). This relates to the fact that social protection is mainly financed through labour income, either in the form of payroll taxes or through general taxes. It highlights that high employment and high levels of social protection are two related factors: that is, the economic foundations of social protection are created through employment, while social protection sustains and increases society's ability to achieve a high level of employment, increased productivity and job quality. Figure 3b should not be interpreted as evidence that high levels of social protection automatically lead to higher employment rates. High levels of contributions and taxes on labour, particularly unskilled labour, are likely to discourage employment creation in the formal labour market and the commitment of most Member States to the objective of reducing the tax burden on labour and making social protection more "employment-friendly" remains important.

Figure 3b. Social protection expenditure and the employment rate in the Member States, 2001



Data for Cyprus are not available.

Source: Eurostat - New Cronos databank and ESSPROS.

Box 1. The European System of Social Protection Statistics

The data on social protection expenditure and receipts that are used in this chapter have been compiled by Eurostat according to the methodology of the European System of Integrated Social Protection Statistics (ESSPROS). The ESSPROS Manual 1996 defines social protection as encompassing "all interventions from public and private bodies intended to relieve households and individuals of the burden of a defined set of risks or needs, provided that there is neither a simultaneous reciprocal nor an individual arrangement involved." As such, the *field of observation* of the ESSPROS goes beyond that of social security (i.e., social protection offered or imposed by government) alone to include benefits provided by private social protection schemes, in so far as they have similar effects on the beneficiary as social security. The continued payment of salary by the employer in the case of sickness constitutes an example. Social protection expenditure includes social benefits, administrative expenditure and other expenditure of social protection schemes. Social benefits are classified into the following eight functions: sickness/health care; disability; old age; survivors; family/children; unemployment; housing and social assistance not elsewhere classified (see Box 2). Social benefits are recorded without deduction of taxes or other compulsory levies payable by beneficiaries. Tax benefits (tax breaks granted to households as part of social protection) are generally excluded.

Data are at present available for the EU-15 Member States for the years 1990 to 2002. In a number of cases, data are also available for the 1980s (though on a slightly different basis of classification). For the new Member States (except Cyprus), data are generally available only for the most recent years, and until 2002, except for Estonia, Latvia, Lithuania and Poland for which data are available only until 2001. The ESSPROS is designed to provide a comparable indication of the scale of expenditure and receipts in the EU Member States as well as of developments over time. However, in part because of the marked differences in the systems of social protection across the Union and the difficulties of allowing for these, the data are not fully comparable between Member States. Although the degree of comparability is improving from year to year there are, nevertheless, some differences between countries, in particular, as regards the division of spending between functions.

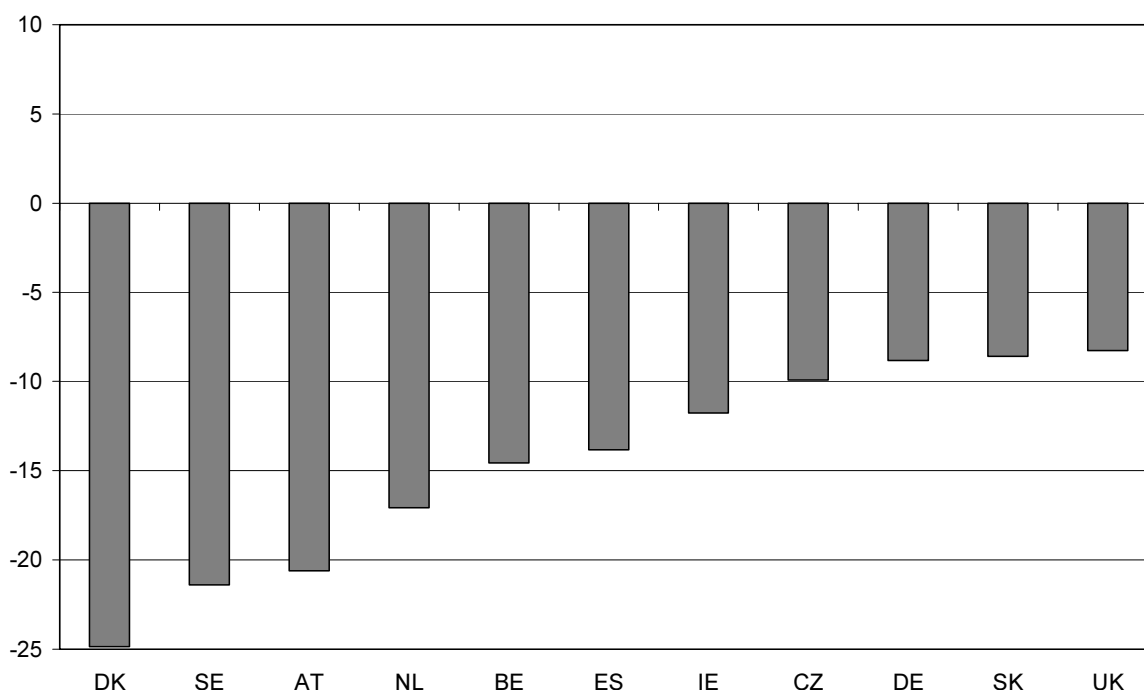
Specifically, data for survivors' benefits are in most cases not always distinguishable from those for old-age pensions and have, therefore, been aggregated with them in the analysis; data for disability benefits include those paid to people with disabilities in retirement in some cases, whereas these are included in old-age pensions in most. Data for early retirement benefits are also included in old-age pensions in many countries, instead of being included with unemployment benefits when they are paid to those retiring for economic reasons (but see the note in the text on this) and with disability benefits when they go to those no longer capable of working. For example, the Italian figures for the old age function include expenditure on the severance pay (the "TFR scheme") which is partially to be considered under other functions.

A high level of social gross expenditure cannot in general be taken to indicate a high level of social protection. A more in-depth quality analysis is necessary in order to assess the extent to which social benefits, social services and the delivery systems in a specific country ensure adequate income and living conditions for those deprived of sufficient own earnings. Account should also be taken of the efficiency in the use of resources: more spending does not necessarily lead to better protection. It is also necessary to take into account the role of

private resources and services/benefits, as well as of informal solidarity links in ensuring adequate protection, in addition to those provided by public systems. For all these reasons, the analysis in this chapter does not suggest to draw easy normative conclusions.

Furthermore, comparisons of social protection expenditure across countries as well as analysis of trends over time can be misleading if account is not taken of the impact of the tax system. Only the net social expenditure (after taxes are accounted for) provides a clear indication of the budgetary efforts of Governments to pursue social goals and the proportion of an economy's output that is reallocated to benefit recipients. Estimates of the scale of taxes and social charges levied on benefits, on the one hand, and tax breaks for social purposes, on the other, have been carried out by the OECD for a selection of countries. Because these estimates are often derived from micro-data sets and micro-simulation models, they inevitably involve some degree of uncertainty and should therefore be interpreted with caution. Figure 4 suggests that, in the EU countries for which the figures are available, taxes and/or social charges levied on welfare benefits are more important than tax breaks provided for social purposes, resulting in a negative net contribution of the tax system to public social spending. Accounting for the impact of the tax system on social expenditure has an equalising effect on levels of social effort across countries: the highest-spending countries in gross terms are also those where expenditure is reduced most by the tax system. In Germany, however, an extensive use of tax breaks towards non-pension expenditure and limited direct taxation levied on benefits limits the impact of the tax system on net social expenditure.

Figure 4. The effect of tax payments and tax expenditures on gross public social spending in selected EU Member States*, 2001
Percentage change in public social spending allowed by the tax system



* Account is taken of, on the one hand, the government "claw-back" on social spending through the direct taxation of benefit income and the indirect taxation of the goods and services consumed by benefit recipients; and, on the other hand, of the tax advantages for social purposes (i.e., tax breaks towards non-pension social policy spending).

Only *public* social spending is taken into account; furthermore, the definition of social spending in the calculations differs from the ESSPROS definition in some other respects.

Source: Adema, W. and Ladaique, M. (2004), "Net Social Protection Expenditure, 3rd Edition", Social Employment and Migration Working Paper, forthcoming, OECD, Paris.

1.2. Trends of overall social protection expenditure

Social protection expenditure has grown continuously over the past decades in most countries, reflecting improvements in benefit levels and coverage, the growing share of elderly people, increasing costs associated with health care and care for the elderly and the gradual extension of welfare support to people not eligible for social insurance on the basis of their employment records. There is little evidence available on a common basis for the new Member States but other (national) evidence seems to point to an increase in social expenditures as a percentage of GDP also in these countries over the most recent period.

Across the EU15 countries, for which data are available from 1990 on a comparable basis, expenditure has grown at a fast pace in the early '90s, a period of economic recession or slow growth and rising unemployment in the EU, it decreased its growth pace thereafter and until the late '90s, when it slightly picked up again under mounting ageing pressure. In the three years from 1990 to 1993, real expenditure in the EU-15 as a whole grew at an annual average rate of 6%, and went from 25.4% to 28.7% of GDP. It then started to grow at a slower pace in 1993/1994 in most countries and until the late '90s, at an annual average pace of 1.7% between 1993 and 1996 and 1.4% between 1996 and 1999. In this period,

expenditure even decreased as measured in terms of GDP, from 28.7% in 1993 to 27.4% in 1999. Expenditure has started to rise again thereafter, to reach 28% of GDP in 2002.

Overall, social protection expenditure in the various Member States has shown a tendency to converge to the EU average over the period under observation. Between whole period 1990 and 2002, Greece, Ireland, Portugal and Luxembourg recorded the highest annual average growth in real terms. For the former three countries, this reflects a long-term process of convergence of social protection expenditure towards the European average. For Luxembourg, it reflects real expenditure growth across all the social protection functions, particularly old age, sickness/health care, disability and family/children. Real expenditure growth over the period 1990-2002 has been relatively moderate, at less than 2% per year on average, in the Netherlands, Finland, Sweden, which were the three highest spending Member States at the beginning of the period, and in Italy. Evidence for the New Member States is only available for the most recent years. Over the period 1996-1999, the Czech Republic, Slovenia and the Slovak Republic, for which data are available as from the mid '90s, have recorded annual average growth rates well above the EU-15 average; the process of catch-up continued in the period 1999-2001 except for the Slovak Republic, where real social protection expenditure grew by only 0.7% a year, well below the EU-15 average.

Table 1. Real growth of social protection expenditure in the EU, 1990-2002

	1990-93 ²	1993-96	1996-99	1999-2002 ³	1990-2002 ²
BE	5.5	1.0	1.4	1.8	2.4
CZ	:	:	3.8	4.8	:
DK	4.3	2.8	0.8	1.6	2.3
DE	5.0	3.3	1.0	1.2	2.6
EE	:	:	:	:	:
EL	-0.7	3.6	8.1	5.8	4.1
ES	7.0	-0.4	1.6	3.7	3.0
FR	3.4	1.5	2.1	2.8	2.4
IE	6.6	3.0	4.7	11.9	6.5
IT	2.0	-0.4	2.4	2.5	1.6
CY	:	:	:	:	:
LV	:	:	:	:	:
LT	:	:	:	:	:
LU	7.9	4.6	5.3	5.6	5.8
HU	:	:	:	6.6	:
MT	:	:	:	1.9	:
NL	2.3	0.3	1.5	2.8	1.7
AT	4.0	2.8	2.5	1.7	2.8
PL	:	:	:	:	:
PT	10.3	3.4	7.3	6.1	6.8
SI	:	:	5.4	3.4	:
SK	:	:	3.7	0.6	:
FI	4.2	1.7	-0.6	1.2	1.6
SE	3.0	-0.8	1.2	3.1	1.6
UK	7.5	1.9	1.5	4.7	3.9
EU15	6.0	1.7	1.4	2.6	2.9
EU	:	:	:	:	:

1) 2002 data are provisional

2) For Germany, data refer to 1991-1993 and 1991-2002.

3) For Estonia, Latvia, Lithuania and Poland, data refer to changes between 2000 and 2001.

Data for Cyprus are not available.

Source: Eurostat – ESSPROS database

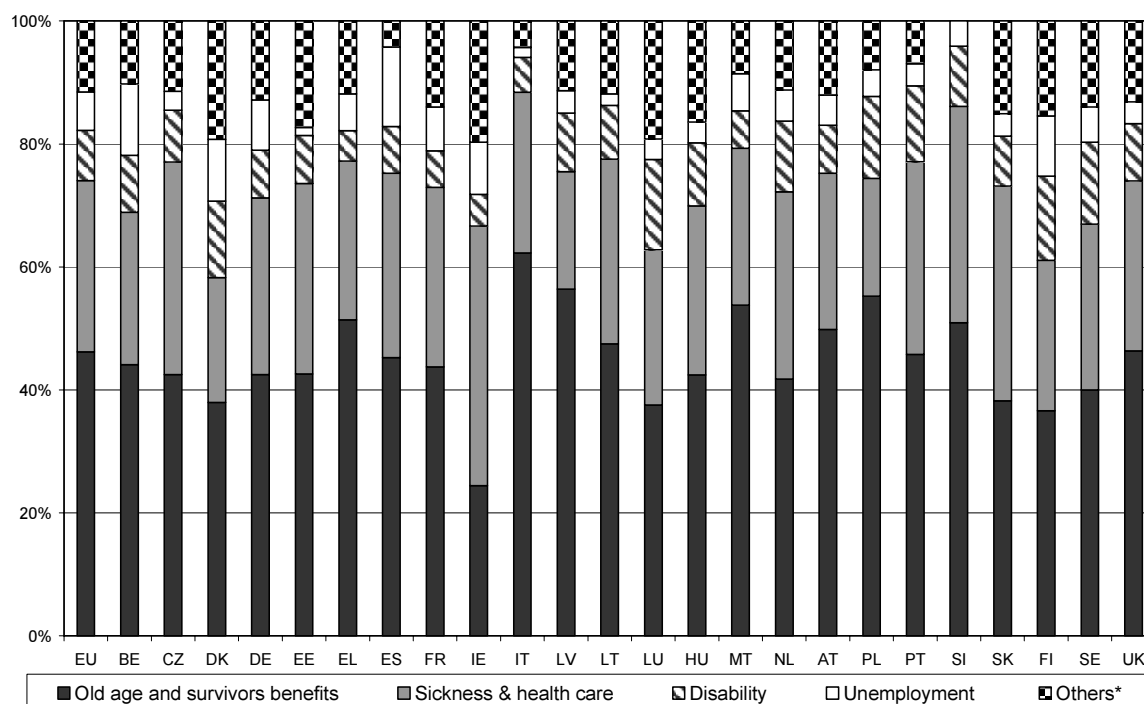
1.3. The structure of social protection expenditure

Expenditure by social protection function

Spending on old-age (including survivors) continues to be the largest component of total social benefit spending across the Union in 2001. In the EU as a whole, it accounted for some 46% of the total, or 11.4% of GDP (see Figure 5 and Table 4a in the Statistical annex). Except in Ireland, it was the largest spending component in all Member States, reaching over half of total outlays in Greece, Italy, Latvia, Malta and Poland. Given the different levels of overall social protection spending in these countries, old age and survivors in these countries account for widely different shares of GDP, ranging from less than 8% in Latvia to more than 14% of GDP in Italy. The Irish exception, with just 25% of total benefits or 3½% of GDP, reflects the comparatively small proportion of people above retirement age but also the higher weight of private funds in the pension system. Also Denmark, Luxembourg, Slovakia and Finland devote a lower share of social benefit spending to old age and survivors, at less than 40% of total spending.

These figures give a reasonably accurate view of the relative importance of transfers to those in retirement in the Union, but need to be assessed in the light of information on the demographic structure of the populations concerned. This will be done in the next section of this analysis – devoted to the age orientation of social protection expenditure – as well as in the section devoted to expenditure for old age and survivors functions.

Figure 5. The structure of social protection benefit expenditure by groups of functions, as a % of total benefit expenditure, 2001



Data for Cyprus are not available.

Source: Eurostat - ESSPROS database

Sickness and health care is the second largest component of total expenditure on social protection at the EU level as well as in all Member States, except for Ireland where it is the largest one. In 2001, it accounted for 28% of total spending, or just over 7% of GDP for the Union as a whole. The share was lowest, at 20% or less, in Denmark, Latvia and Poland, representing 6%, 2.7% and 4% of GDP respectively. For Denmark, this is not so much a reflection of a low level of spending but of a clearer distinction than elsewhere between the provision of long-term care for the elderly (not included in this category) and health care as such.

In 2001, disability represented just over 8% of total expenditure in the EU as a whole, or 2.1% of GDP. The Nordic countries, Luxembourg, Poland and Portugal devoted 12% or more of their total benefit expenditure to this function. As it is explained more in detail in Box 1, differences across countries in the relative share of this spending category reflect to some extent a different demarcation between functions. It also reflects, however, the extent to which disability pensions have been used as a pathway to exit from the labour market for older workers. This was a particular characteristic of the Dutch disability scheme in the past two decades; reform efforts in the '90s in this area have resulted in a marked decline of the share of this expenditure category, both in terms of GDP (from just below 5% in 1990 to

2.9% in 2001) and as a share of total expenditure (from around 16% in 1990 down to 11.5% in 2001).

Unemployment is the most variable category of expenditure, given the cyclical nature of the risk it covers. Expenditure on this function reflects, obviously, the unemployment to population ratio in each country. However, other factors play a role, namely the generosity of the benefit system (i.e., coverage, level and duration of benefits) but also the structure of unemployment - for example, if unemployment is concentrated among youths and women with low employment records, or the long-term unemployed, expenditure per unemployed person will tend to be lower. In 2001, unemployment benefits absorbed less than 7% of total benefit expenditure, but in Belgium, Denmark and Spain, their share was much higher, above 10%. On the other hand, in Italy and Estonia spend less than 2% of total benefits.

In Figure 5, the category of expenditure "others" includes spending on family/children, housing and social exclusion. Given the low share of these functions in total spending, they have been shown as an aggregate in the Figure, even if they cover quite different expenditure categories. In 2001 for the EU as a whole, this group of functions represented 11.5% of total benefit expenditure in 2001, or 3% of GDP. The largest spending category, in all countries except Sweden, is for family and children, which includes maternity benefits as well as family allowances, parental leave benefits and some services like child care and home help. Denmark is the country which devotes the largest part of its expenditure (over 19%) to this group of functions, followed by Estonia, Ireland and Luxembourg (more than 17%). By contrast, Spain and Italy spend less than 5% of total benefits on these functions.

Box 2. The functions of social protection in the ESSPROS

The broad functions or areas of need distinguished in the ESSPROS classification system are defined as follows:

Sickness/health care: income maintenance and support in cash in connection with physical or mental illness, excluding disability. Health care intended to maintain, restore or improve health irrespective of the origin of the ailment, includes, inter alia, paid sick leave, medical care and the supply of pharmaceutical products.

Disability: income maintenance and support in cash or kind (except health care) in connection with the inability of people with physical or mental disabilities to engage in economic and social activities, includes, inter alia, disability pensions and the provision of goods and services (other than medical care) to the disabled.

Old age: income maintenance and support in cash or kind (except health care) in connection with old age, includes, inter alia, old-age pensions and the provision of goods and services (other than medical care) to the elderly.

Survivors: income maintenance and support in cash or kind in connection with the death of a family member (e.g. Survivor's pensions).

Family/children: support in cash or kind (except health care) in connection with the costs of pregnancy, childbirth and adoption, bringing up children and caring for other family members.

Unemployment: income maintenance and support in cash or kind in connection with unemployment, includes, inter alia, unemployment benefits and vocational training financed by public agencies.

Housing: help towards the cost of housing, includes interventions by public authorities to help households meet the cost of housing.

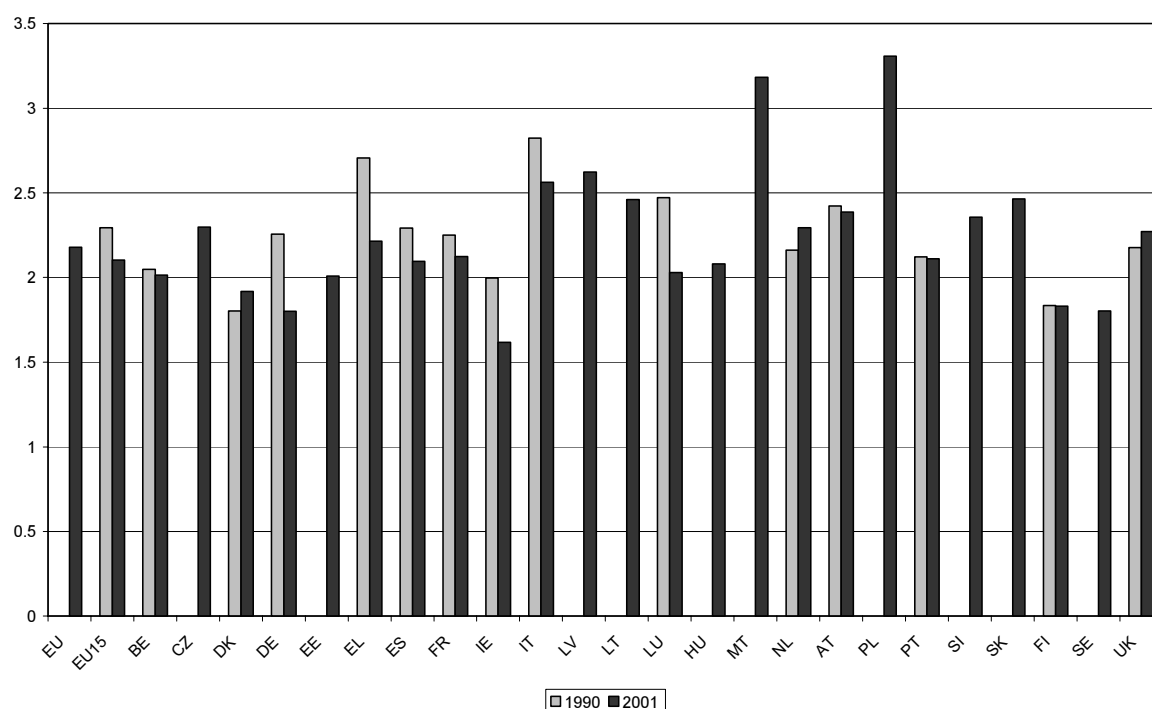
Social exclusion not elsewhere classified: benefits in cash or kind (except health care) specifically intended to combat social exclusion where they are not covered by one of the other functions, includes income-support benefits, rehabilitation of alcoholics and drug addicts, and various other benefits (other than medical care).

1.4. The age orientation of social protection expenditure

As was shown in Figure 5, almost half the expenditure on social benefits in the EU in 2001 was devoted to the old age/survivors function. Since the large majority of expenditure on survivors' benefits goes to the elderly, it can be considered that benefits under this group of functions are geared towards this age group. In this section, spending on these two functions is considered in the light of evidence on the age structure of the population. Figure 6 is an attempt to differentiate between the generosity of benefits in these functions and the relative numbers of people of (effective) retirement age – aged 60 years and over.

Spending per capita towards the elderly, adjusted by the share of the elderly in total population, is more than twice as large as for the total population, with Malta and Poland recording much higher values – three times or more. The age orientation of social spending towards the elderly decreased over the 1990s in almost all the countries for which data over a longer period are available, with the exception of Denmark, the Netherlands and the United Kingdom.

Figure 6. The old age orientation of social protection expenditure*, 1990 and 2001



* Social spending on old age and survivors benefits as a share of total social benefit spending, divided by the share of the elderly (aged 60 or more) in total population.

Data for Cyprus are not available.

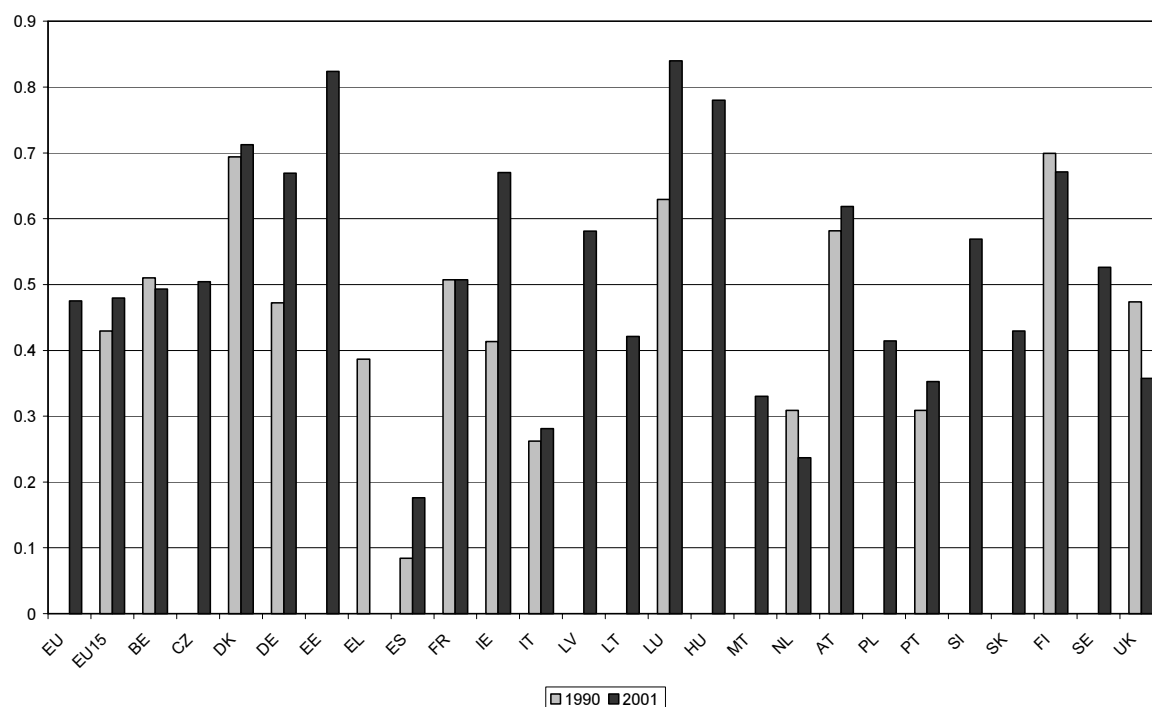
Source: Eurostat - ESSPROS database and demographic statistics.

The orientation of social spending towards old age would appear even greater if account is taken of the fact that a large part of the expenditure under other functions – health care, disability, housing and social exclusion, in particular – is also spent on the elderly. This is not to say, of course, that the elderly should not receive a higher share of social protection expenditure than the rest of the population. Old age is a social protection risk and, as such, it needs to be adequately covered. Furthermore, the elderly have financed much of the social insurance through their life-time contributions. Still, in some countries, high pension and other old age-related spending takes the toll over spending directed at other groups of the population, namely children and those with insufficient resources.

Figure 6bis differentiates between the generosity of benefits in the family/children function and the relative numbers of children (aged 0-14 years) in the total population. Spending per capita towards children, adjusted by the share of young children in total population, is always smaller than social spending per capita for the overall population; in 2001, in Spain and Italy, it was even less than 30% such expenditure, but having increased since an even lower level in 1990. In the Netherlands, social protection expenditure on children is also very low, and even decreased over the past decade. By contrast, Denmark, Estonia,

Luxembourg and Hungary devote a relatively high share of social protection expenditure to children. Luxembourg, followed by Germany, is also the country that increased most its efforts towards families and children over the '90s. Obviously, the assumption inherent in social protection systems is that children's main resource is work income of their parents; for this reason, childhood is identified as a social protection risk as such to a limited extent and intervention mainly takes place if the family is unable to earn income due to unemployment, disability or sickness.

Figure 6bis. The age orientation of social protection expenditure: children aged 0-14 years*, 1990 and 2001



* Social spending on family/children (including maternity benefits) as a share of total social benefit spending, divided by the share of children (aged 0-14 years) in total population.

For Luxembourg, see footnote to Figure 2.

Data for Cyprus are not available.

Source: Eurostat - ESSPROS database and demographic statistics.

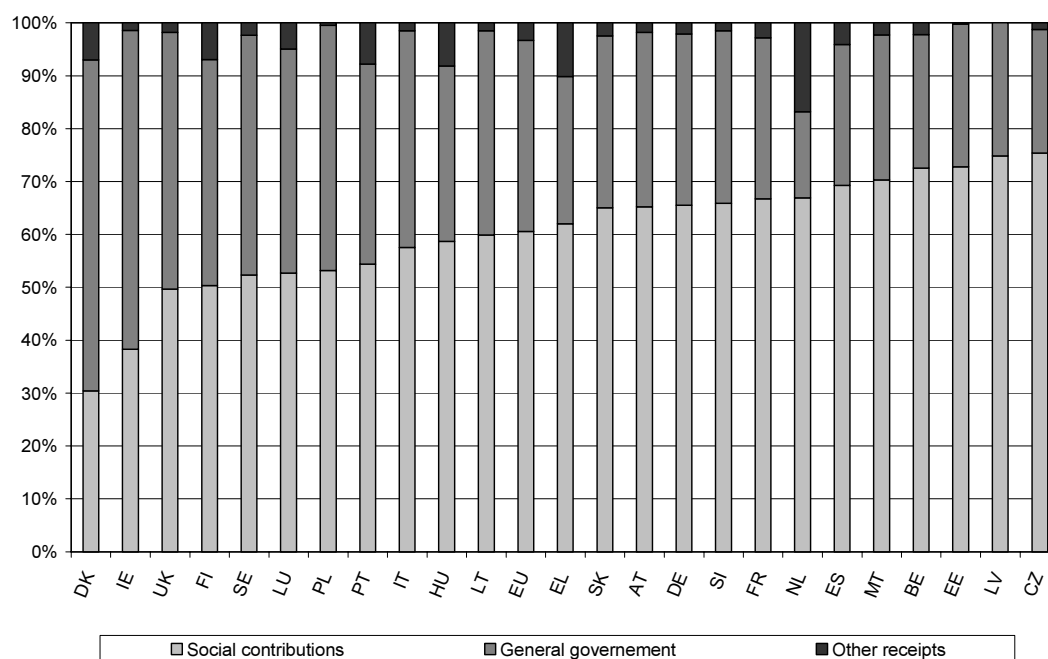
1.5. Sources of finance

In 2001, on average in the EU, social contributions accounted for over 60% of total funding; general Government contributions financed through taxes represented 36% of the total. The EU average masks some large national differences in the structure of social protection funding. Denmark and Ireland finance social spending mainly from general taxes; in the remaining countries, social contributions (either paid by employers or by employees) play a far more important role (Figure 7), up to more than 70% of total sources in Belgium, Estonia, Latvia and the Czech Republic. Other receipts are relatively more important in Finland, Portugal, Greece and the Netherlands.

In the EU15 as a whole, contributions declined continuously in importance as a source of revenue over the 1990s, from 63% in 1993, to just over 60 in 2002, in part reflecting the growing objective to reduce taxes on labour in order to promote job creation. This fall was

evident in most Member States, and particularly so in Italy and France. On the other hand, the relative importance of contributions slightly increased over the period in Luxembourg, Greece, Austria and the Netherlands.

Figure 7. The structure of social protection financing by source, 2001



Data for Cyprus are not available.

Source: Eurostat, ESSPROS and demographic statistics.

2. CHAPTER II: OVERVIEW OF THE UPDATES OF THE NAPS INCLUSION 2003-2005

Introduction

Ten Member States from the EU-15 have chosen to avail themselves of the opportunity to present an update of their National Action Plans for Social Inclusion 2003-2005⁴. The main purpose of these updates was to report on major policy developments one year after the delivery of the NAPs inclusion 2003-2005, so as to ensure that the debate at EU-level on social inclusion policies fully reflects the ongoing developments within the Member States.

Since the Commission has received in the summer of 2004 also the first NAPs inclusion from the ten countries that joined the Union in May 2004, the synchronised inputs offered by the new NAPs and by these updates provide a first opportunity to have a comprehensive overview of the situation concerning social inclusion in the whole EU25.

Policy reforms, legislative acts, direct actions and specific funding made available during the last year feature in all updates, but future developments are also announced. The heterogeneity of the updates, in terms of both content and format, directly reflects the diversity of the social situation in the Member States, as well as the different national calendars for policy reform. While France, Germany and Italy presented rather comprehensive updates reflecting strategic policy decisions that took place in key areas since the presentation of the last NAPs/inclusion, the other Member States tended to focus their updates on individual policy measures.

Response to the 'Key Policy Priorities' of the JIR 2004

In the Joint Inclusion Report 2004, the Commission and the Member States agreed on six key policy priorities that should be given particular attention over the implementation of the NAPs/inclusion 2003-2005. Because these priorities were considered as especially relevant in the context of a continuing uncertain global economic and political climate, it is useful to review the updates following their structure:

'Promoting investment in and tailoring of active labour market measures to meet the needs of those who have the greatest difficulties in accessing employment': This is the key priority that attracted the greatest number of important new policy initiatives in the NAP updates. A majority of Member States, in particular those with high rates of long-term unemployment, are pushing forward new policy efforts for promoting access to employment. **France** has introduced a series of new measures promoting employability in its new Plan for social cohesion, which envisages, inter alia, the strengthening of measures addressing the youth with the ambitious target of making 800,000 young people enter the labour market by the year 2009. In **Italy**, two new contract arrangements aim at facilitating the labour market insertion of such diverse "weak" categories as the severely disabled, the long-term unemployed, workers aged more than 50, and women residing in areas where the female rate of unemployment is particularly high. **Belgium** aims at providing 200,000 new jobs in the next four years, 60,000 by direct job creation, and has launched a new service

⁴ These countries are: Belgium, Denmark, Germany, Spain, France, Ireland, Italy, the Netherlands, Austria and Sweden.

voucher scheme, while the **Netherlands** are set to create 40,000 new jobs suitable for young people by the year 2007. In **Ireland**, the support for jobseekers suffering personal barriers to employment, was made available nationwide in 2004. It has been projected that by end 2004 almost 900 clients will have availed of their services. The new **Spanish** government decided to increase the minimum inter-professional salary (SMI) by 6.6% with the aim of making work pay and combat in-work poverty.

'Ensuring that social protection schemes are adequate and accessible for all and that they provide effective work incentives for those who can work': In Spain, an estimated three million pensioners will benefit from the 2005 increase of minimum 'contributive pensions'. In **Italy**, the framework law for the reform of the pension system was adopted, bringing about an increase in retirement age and improving financial incentives for elderly people who choose to continue to work. **Germany** announced the adoption of four new laws implementing labour market and social assistance reforms as a major step towards achieving more effective work incentives for long-term unemployed and benefit recipients. Austria improved the social protection coverage for family members engaged in care work, prisoners and young people in vocational training.

'Increasing the access of the most vulnerable and those most at risk of social exclusion to decent housing, quality health and lifelong learning opportunities': France has set itself ambitious targets in the field of *housing*, with three programmes in its Plan for social cohesion addressing housing shortages. The objective is to create 500 000 new accommodations until 2009, and to increase the capacity of urgent shelter by 100 000 places until 2007. The Bundesländer of **Austria** have improved the integration of homeless people, in particular in Vienna the objective of eradicating homelessness by 2006 seems to be achievable.

In **Germany**, the new law on the modernisation of the *health* insurance adopted in 2004 ensures the equal access to basic medical services for the social assistance benefit recipients. **Denmark** targeted at demented people, including the launch of a national information campaign, grants for further training of nursing staff and various application pools for specific initiatives targeting demented people. In **the Netherlands**, municipalities received €111 million extra in order to give the low-income chronically ill, the disabled and elderly compensation for high healthcare costs. An amendment of the **Austrian** Care Institutions Act significantly strengthened the rights of clients.

'Implementing a concerted effort to prevent early school leaving and to promote smooth transition from school to work': France envisages the creation of 750 'teams for educational success' with the objective of intervening in 900 priority education zones and help children experiencing school difficulties.

'Developing a focus on eliminating poverty and social exclusion among children': A strong commitment to *promoting a better re-conciliation of work and family life* is evident in many NAP updates (B, NL, IT, AT, DE, IE and SE). The shortage of childcare services has been addressed with determination in the **Netherlands**, where 12,600 new childcare places were created in 2003. The other Member States have introduced, or strengthened the legislative provisions aimed at facilitating parental leave and the adoption of flexible work arrangements. **Germany** too has set itself ambitious objectives aimed at the improvement of childcare provision. In Belgium tax relief for child-care has been extended to cover not just under-3s but all children under 12. A strategy to coordinate policy in relation to families and family life is to be produced by end-2004 following an extensive public consultation process

in **Ireland**. In 2006, more financial resources will be allocated to improve the situation for *children* in families with weak economy in **Sweden**. In **Austria** a legal entitlement to part-time work for parents was introduced and child-care facilities and afternoon care for pupils will be increased in response to demand.

'**Making** a drive to reduce poverty and social exclusion of immigrants and ethnic minorities': The French Plan generalises the integration contract for immigrants and recognises ongoing regional programmes. A new agency is set up to cater for the reception and integration of immigrants. Spain has established two new bodies, the Observatory against Racism and Xenophobia and the Council for the promotion of equal treatment and against ethnic discrimination.

BELGIUM

For Belgium, the 2003-2005 NAP was drafted at the end of the period of office of the Federal government. Whereas the Regions and Communities had drawn up more or less detailed programmes, the Federal level had to make more general commitments. One year later, an updated NAP inclusion has been published in which the statistical indicators have been updated and 50 Federal measures set out in greater detail. In this revision, all the measures proposed have now been given a number. Not only does this improve readability, these numbers correspond to an index in the Ministry's data-base. Here, there is information on each measure concerned (including result targets, indicators and budget where appropriate) intended to be accessible to the public in order to improve transparency and participation. Some problems regarding accessibility remain but are expected to be resolved over time.

Concerning **promoting employment**, a range of new measures was launched in 2003 with a view to providing 200 000 new jobs in four years, of which 60 000 would be the result of direct job creation. The revised text shows these measures have been renewed or adjusted. The direct measures included innovative and, as it turns out, highly successful actions to create neighbourhood services as well as measures to stimulate the social economy. There are also measures to reduce labour costs in the private sector. A link between a person's entitlement to benefit and his/her commitment to a personalised action plan has now been established through an agreement between governments and the social partners.

As for **social protection systems**, the link between wage increases and social welfare payments has been partly restored. Pensions and sickness benefits will rise by 2% over the next two years and other benefits are also improved. A system of work bonuses for the low-waged and part-time workers will be introduced. Tax relief for child-care has been extended to cover all children under 12 and has also been introduced to help families to care for older or disabled relatives at home. Parental leave has been extended and the benefit increased. Extra money has been promised to fund more child-care places.

On **housing**, the Federal government has agreed on a Federal plan: measures up to now consist for instance of incentives to renovate existing housing in cities and penalties for landlords of sub-standard dwellings. On **access to health care**, all the self-employed will soon be fully included in the compulsory health insurance scheme. Free annual visits to the dentist for all children will come in at the end of 2005. **Access to justice** has been made cheaper for certain people. There are also measures to provide alternatives to imprisonment for young people in the criminal justice system; there is a new Agency to reclaim unpaid amounts of child support payments from ex-spouses in default, while local welfare offices

will continue to advance money to urgent cases. There are some improved legal rights for asylum seekers. For **promoting e-inclusion**, a national action plan to bridge the ICT knowledge gap, a system of positive discrimination in the funding of schools to provide them with a more equal point of departure and moves towards a 'certificate of competence' for those who have little or no formal qualifications. In order to **prevent and tackle homelessness** an existing grant to homeless persons with guaranteed income to help them set up home has been extended to all homeless persons depending on social welfare benefits or low income.

DENMARK

Concerning **promoting employment**, in its update, Denmark focused on initiatives aimed to protect the most vulnerable. In the most recent Finance Bill, the Danish Government earmarked 6.7 M € annually in the period 2005-2008 for additional activities aimed at the most disadvantaged groups. The objective is to bring more of these people in closer contact with the labour market, and to improve their housing conditions.

Concerning **access to healthcare** in 2003 10.7 million € was allocated to a range of initiatives targeted at the mentally ill elderly, including the launch of a national information campaign, grants for further training of nursing staff and various application tools for specific initiatives targeting mentally ill elderly. Another 4.4 million € was allocated for development and establishment of temporary respite care homes.

Concerning **preventing the risks of exclusion** in October 2003, the Government introduced a joint multi-agency action plan to strengthen initiatives against drug abuse. The action plan sets up goals and means in the area of prevention, medical and social treatment, law enforcement, treatment of criminal drug misusers and international cooperation. Estimates show that Denmark has about 25,500 drug abusers in need of treatment. In 2003 about 12,000 abusers were undergoing treatment. Denmark has adopted a special legislative basis for women's shelters and set up quality standards for the centres. Further means have been allocated for the purpose of giving disabled women better access to the shelters.

On **preventing and tackling over indebtedness** the Government will propose a scheme for totally or partly cancelling socially disadvantaged people's debt to the public.

On **helping the most vulnerable** the Government has allocated 1.3 million € each year in the period 2004-2006 to be used for boosting the employment activities related to reunited refugee families and immigrant women. Also, for the period 2003-2006, 21.5 million euros have been allocated to strengthening integration in the labour market, while an additional 12.3 million euros have been set aside for the period 2004-2007 for other integration-related measures. Amongst a broad range of activities, the Ministry of Refugee, Immigration and Integration Affairs has launched a nationwide campaign aimed at providing traineeships to more young people with non-Danish ethnicity. The aim is to find at least 100 traineeships for young people with non-Danish ethnicity in 100 days. In May 2004, the Government set up a strategy to prevent ghettoisation with the aim of halting persistent ghettoisation trends and remedy problems in ghetto areas. The Government has set up a scheme under which regional and local authorities can apply for financial assistance to initiate special efforts for socially disadvantaged Inuit (Greenlanders), including Danish language courses.

As for **eliminating social exclusion among children**, in spring 2004, the Government concluded a broad political agreement on a placement reform on socially disadvantaged

children and young people to boost existing activities, heighten the involvement of children, young people and their families, ensure better case work in local authorities and sharpen focus on fostered children's school attendance. For 2005-2007, 32 million € has been allocated. In 2004, the Ministry of Social Affairs presented an action plan against child abuse, setting out a range of initiatives aimed at enhancing prevention and improving the way physical child abuse is handled. The initiatives involve information campaigns, the launch of parental preparation courses for risk groups and preparation of guidelines for the optimum handling. The Ministry of Education has further allocated 3.2 M € for a development programme aiming at increasing the quality of socially disadvantaged children's education.

GERMANY

The Federal Government has submitted a very extensive update of the 2003-2005 National Action Plan against poverty and social exclusion. The reason for the broad scope is the multiplicity of political strategy decisions taken after the governmental declaration by Federal Chancellor Schroeder in March 2003 on the "Agenda 2010".

In relation to the objective of **promoting employment**, Germany sees long-term unemployment and deficits in general education and lack of vocational training as major contributors to an increased risk of social exclusion. Set against the Pisa-Study results, the Federal Government and the *Länder* – which have the educational and cultural responsibility – have introduced a number of new measures for educationally disadvantaged groups i.e. early school leavers, all day-care and literacy. The update reports on the implementation of the "modern services in the labour market" (the so called *Hartz-Kommission*) proposals. The Hartz I-IV legislation intervenes deeply in the structures of the labour market. Components of the reform include: the creation of personnel service agencies (PSA), improvement to the quality and speed of placement activities, reorganisation of the federal agency for work, creation of job centres, merging of unemployment benefits and social assistance benefits, improved cooperation among local labour market actors.

As for **promoting access to resources, rights, goods and services**, the reform of social insurance systems with regard to increased sustainability has a high priority in the period 2003-2005. The law on the modernisation of the health insurance (GMG) adopted in 2004 aims to ensure equal access to basic medical services for the social assistance benefit recipients. For the first time, the NAP inclusion considers the spatial dimension of poverty and social exclusion. In view of the difficult situation in some rural areas of East Germany, the treatment of the topic "Participation of people in peripheral rural areas" opens a new perspective in the fight against poverty and social exclusion.

In order to **preserve family solidarity** through better reconciliation of family and work life, the Federal Government, in cooperation with the *Länder*, is increasing childcare capacity in the elementary section to meet demand. The initiatives "Alliance for the Family" and "Local Alliance for Family" in cooperation with trade associations as well as local authorities and other local actors extend the scope of the action programme of the Federal Government. An increase of the female employment rate to the Lisbon target of 60% is expected as a medium-term result of this initiative. In the field of e-inclusion the Federal Government co-operates with the *Länder* on a variety of initiatives to motivate 75% of the population above 14 to use the internet.

As for **helping the most vulnerable** the participation of people with disabilities in work, social and cultural life is promoted by the Federal Government. The legal framework for participation of people with disabilities in social and work life has been improved e.g. through the act "Promoting education and employment of severely disabled people". The implementation of this law is supported by the Federal Government, the *Länder*, the social partners and organisations of people with disabilities. The Immigration Act adopted in summer 2004 calls for a better integration of migrants, in particular of children and young people. Funding of "Social Counselling of Immigrants", "Youth Migration Services" and the local and regional "Vocational Qualification Networks" is confirmed. The "*Bund-Länder Kommission*" adopted a 5-year action plan, which secures the integration chances for this target group. The programme "The Social City" with its complementary programme platform, funds a total of 6000 micro projects to improve the social integration of these particularly at-risk groups.

Concerning the **mobilisation of all relevant bodies**, the contribution of the *Länder* and welfare organizations to the 2004 up-date is substantially extended, making this, more than ever before, a *National Action Plan*. The detailed description of initiatives and actions of the *Länder*, the municipalities and non-governmental organisations is a characteristic of the update, which contains large annexes. For the first time, the NGOs find space in a NAP inclusion to present their principles and strategic approaches and can provide examples of their activities to fight poverty and social exclusion. With this additional information, the update corresponds much better to Germany's federal structure. The co-operation with the *Länder*, which have some reservations concerning the open method of co-ordination, has been intensified. New and high value is assigned to the NAP inclusion-Process with the "FORTEIL" series of public events, accompanied by a series of general publicity actions. This new strategic orientation seems to be adequate to communicate the NAP/inclusion process to a larger public in the Federal Republic and to improve communication between the important actors in this field.

SPAIN

The update of the NAP inclusion includes the main actions adopted by the new government and coming into force in the following months, and those to be included in the budget for 2005. The new measures are mainly aimed at improving income and also at improving coverage of services for some groups. A national Council for the Disabled was created in December 2003, and the Royal decree that establishes the way it will work has been approved in September.

Concerning social protection systems, a recent measure taken by the new government which is very relevant to the reduction of income poverty is the 6.6% increase in the minimum inter-professional salary (SMI). It has also been announced that the target is to reach 600 euros per month by the year 2008. In 2005, minimum "contributive pensions" (those based on social security contributions) will be increased above the consumer price index. An estimated three million pensioners will benefit from this measure. On dependants care, a White Book will be published by the end of the year, a law will be sent to Parliament, and a special Fund (€1000 million) will be established. Moreover, in cases of domestic violence, a law has been approved by Parliament (to be in force from January 2005); meanwhile an urgent plan of action has been adopted. One of the important measures is to allow a lump-sum payment (based on the SMI and not on the new IPREM indicator) for women victims over 55 if they are classified as not being able to integrate into employment.

On access to housing the government has received a report on urgent measures. Its main aims are to facilitate the access to social housing and renting, and to put an end to the increase in house prices. However, this is intimately linked to the question of local government financing, where the largest income comes, precisely, from the exclusive competencies on urbanism of local authorities.

In order to promote the integration of people facing persistent poverty the update also includes some changes in immigration policy, with the following main aims: Fight against illegal immigration; better management of offer and supply; better integration of immigrants; Cooperation with countries of origin. An urgent plan to eliminate bottlenecks in the services that handle work permits has been adopted. Two new bodies have been established: *the Observatory against Racism and Xenophobia and the Council for the promotion of equal treatment and against ethnic discrimination*.

FRANCE

In France, following the cantonal and regional elections of spring 2004, the cabinet reshuffle had as a consequence the revival of policy action in favour of social inclusion. On 30 June 2004 a **multi-annual plan for social cohesion (2005-2009)** was presented which was endowed with substantial financial resources and translated into action through a draft programming law adopted by Parliament in December. The announced measures, some of which already figured in the NAP/inclusion 2003-2005, did not give rise to a revised text of the NAP itself. Noting the gap between the level of financial resources devoted to social protection (30% of national wealth) and the fact that a significant share of the population continues to face economic difficulties or experience inequalities, the preamble to the plan indicates that "social cohesion is in danger" and proposes massive and co-ordinated investment (€12.8 Billions) in three major sectors: employment, housing and equal opportunities. Access or the return to work is the absolute priority.

Concerning the objective of "**promoting access to employment**", the plan envisages in particular the reorganisation of the public employment service with a view to better co-ordinating the services offered; priority action for the insertion of young people (800.000 young people targeted) through the definition of benchmarks and the upgrading of different forms of professional integration; measures of work reintegration for the most disadvantaged with the creation of a specific contract in the non-market sector for social assistance recipients involving a personalised follow-up and vocational training (objective: 1 million people). Other measures include the improvement of the RMA contract (activity minimum income) and its refocusing in the market sector; improved supports for the development of the social economy and simplification of the subsidised contracts (*contrats aidés*) in both the market and non-market sectors. In addition, it is expected that the improvement of individualised services through the simplification of the procedures for job creation should create 250,000 jobs until 2009. Lastly, the renewal of start up aids for the unemployed and those most in difficulty aims to create 100,000 new jobs over the same period.

Regarding access to resources, rights, goods and services, the second pillar of the plan is devoted to **access to housing**. There are three programmes aimed at solving the current crisis by: shortening the delays for access to rented social housing (the aim is to create 500,000 social housing units between now and 2009); mobilisation of the private housing stock (in order to use about 100,000 vacant houses and to produce over five years 200,000 rent-controlled housing units); and the relaunching of the fight against sub-standard

accommodation. As regards **access to education**, intervention in disadvantaged areas will be strengthened with the creation of educational teams and an increased educational, social and medical support service to pupils. Among the measures for the **prevention and fight of homelessness**, it is envisaged to increase the capacity of reception facilities and of emergency accommodation up to 100,000 places between now and 2007. In order to promote the **integration of migrants entering the country for the first time**, the plan announces the generalisation of the reception and integration contract and proposes the adoption of regional integration programmes. The fight against discrimination and the promotion of equal opportunities will be supported by the creation of a dedicated high-level authority. Lastly, an increased and better distributed urban solidarity endowment for municipalities with vulnerable urban areas will make it possible to promote equal opportunities at local level.

Finally, concerning the **promotion of social dialogue and partnership**, it is envisaged that actors will be able to conclude charters for social cohesion at the local level. Regarding the overall policy setting and coordination role of Government, it will be strengthened within the framework of the inter-ministerial committee for the fight against social exclusion.

IRELAND

The focus in Ireland has been on delivering on the NAP inclusion commitments within a prudent economic framework aimed at maintaining competitiveness, increasing employment opportunities and maintaining low unemployment rates. The 2004 Budget was notable for its greater redistributive focus, with the greatest gains going to those in the lowest income deciles, and is likely therefore to have had a positive impact on the 'risk of poverty' indicator which had reached 21% in 2001, the highest level in the EU and affecting, in particular, elderly people, large families and lone parents. A recent study⁵ concluded that the high numbers at risk of poverty derives from the impact of sharply increased overall average incomes – driven by the availability of more better jobs, increasing numbers of two-income households, reduced unemployment and tax changes. The findings of this study are to be taken into account in future policy development. Efforts to **promote employment** have been sustained through the preventative measures contained in the National Employment Action Plan, including the enhancement of the High Supports Process, which provides tailored support to long-term unemployed people who are deemed to be 'not progression ready'.

Arrangements were introduced for local authorities to assume responsibility, over time, for meeting the long-term **housing** needs of some 19,000 household dependants on welfare Rent Supplements for more than 18 months. A central heating programme for local authority rented buildings has been introduced with funding of €15m in 2004. This will enable progress towards the achievement of the target of having adequate heating systems available in local authority rented dwellings providing for older people by 2007. In the area of **e-inclusion**, the telecommunications sector and the Government in 2004 jointly committed €18m towards the rollout of broadband to all primary and secondary schools over a three-year period. A €25 million Group Broadband Scheme began operation in March 2004, to be implemented over three years, and will address broadband needs in small, rural or more remote communities by empowering smaller communities to implement their own broadband plans in partnership with broadband service providers. In order to **prevent and tackle homelessness**, a wide range of accommodation and services has been provided for

⁵ ESRI - 'Why is Relative Income Poverty so High in Ireland' - 2004

homeless people since the introduction of the Homeless Strategy with particular attention being paid to rough sleepers. As for **eliminating social exclusion among children**, The Equal Opportunities Childcare Programme has started to make a visible impact, while a review of progress⁶ identifies a number of issues (e.g. early education provision) which must still be tackled. A new National Disability Strategy has been launched with the aim of underpinning the participation of people with disabilities in society. An additional 350 teaching posts for children with special needs have been approved together with a new system for the allocation of resources for special needs in primary schools. The development of a 5-year Traveller education strategy is also underway.

As for **promoting comprehensive actions in favour of areas marked by exclusion**, a new delivery mechanism supported by a dedicated fund of €4.5m in 2004 was introduced to progress proposals under the Rapid Programme which targets the most concentrated areas of disadvantage in the country. The forthcoming report of the Office for Social Inclusion, (due before end-2004) will focus primarily on implementation issues.

ITALY

As for **promoting employment**, two new contract arrangements have been devised, the "placement contract" and the so-called "accessory work", that should help the labour market insertion of the disadvantaged in regular, non-precarious jobs providing effective forms of protection. The latter can have as its object various activities performed by the worker for the benefit of families, non-profit organisations and public bodies, non-entrepreneurial parties or, in the case entrepreneurs, outside their business activity, through the provision of family and domestic assistance services, help and care for the sick or handicapped, the supervision of children, light gardening work, supplementary teaching, collaboration in socio-cultural or sporting or charitable events, and collaboration with public bodies and volunteer associations for the performance of solidarity or emergency work, such as those due to calamities or sudden natural events. The crucial feature of the former is instead the drawing-up of a work placement plan, which must guarantee the acquisition of vocational skills through on-the-job training. Concerning the issue of the conciliation of working time-schedules and care-taking time-schedules, a stimulus in this sphere has been provided by the funding of Art. 9 of Law 53/2000 (Provisions for support of maternity and paternity, for the right to care and training and for the coordination of time-schedules in cities), which arranges for the disbursement of contributions to firms that apply contractual agreements foreseeing positive measures regarding flexibility

Concerning **social protection systems**, the National Fund for Social Policy has seen in 2004 a 10% increase in the amount of funds it was allocated by Government. The resources of the Fund now top 1,880 M €. About half of it has been allocated to the regions, on which growing demands are put by the ongoing de-centralization process. In that sense, extremely useful might prove the ongoing series of surveys on social protection expenditure in Italian townships and municipalities overseen by ISTAT (the national body for statistics). The first phase of the survey was accomplished in June 2004, and the second will be completed in December 2004. Finally, the framework law on the reform of the pension system has completed its course through the Italian Lower and Upper Houses. Starting from 1 January 2008 workers can receive the ordinary old age pension at age 65 for men and 60 for women or the seniority pension at any age upon reaching 40 years of contributory seniority or at age

⁶ Developing Childcare in Ireland – a comprehensive review of progress to end-2003 of the EOCP

60 (this age limit will be brought to 61 years in 2010 and to 62 years, if necessary, in 2014) with 35 years of contributory seniority. Before 2008, private sector employees who are entitled to receive a pension under the current system (that is, workers with 57 years of age and at least 35 years of contributory seniority) will receive strong financial incentives should they choose to continue working.

The update also reports on a series of Governmental decrees aimed at **preserving family solidarity** extending and simplifying “extraordinary” parental leave benefits (which are reimbursed up to an annual income of Euro 35000 and for up to two years) in the case of dependent people who are severely disabled; and “streamlining” the rules governing the concession of maternity allowances for the self-employed (the allowance will now be calculated exclusively on the basis of fiscally declared self-employment income). The update also relates that so far (31-8-2004) 154,000 families have claimed the 1,000€ bonus for every child born or adopted after the first. The bonus is a lump sum (not means-tested) and might now be about to be extended to first children too.

As for **promoting the integration of people facing persistent poverty**, the update reports on a series of initiatives to the benefit of immigrants, and also aimed at promoting a better regulation of migration flows. One such initiative is the provision of training to aspiring immigrants in their countries of origin. It must be remembered that the current Italian legislation in matters of immigration establishes a clear causal link between the granting of immigration status and the existence of a (legal) work contract. Language and vocational training courses and civic orientation programmes to be held in the country of origin have to be approved by the Ministry of Labour and Social Affairs. Training is provided by regions, employers’ associations and international organisations, and is meant to provide the aspiring immigrants with the skills needed in the Italian labour market, so as to facilitate the matching of demand and supply and ease insertion problems. Pilot projects have been launched in co-operation with Tunisia, Sri Lanka and Moldova.

To **eliminate social exclusion among children**, new measures have been launched in the framework of an extraordinary plan for the closing of institutional homes within 2006 and the promotion of family foster care.

THE NETHERLANDS

The update submitted by the Netherlands reports both on new policy measures and on existing policy measures that have been intensified. To **promote employment**, the Act on Work and Social Assistance, introduced in 2004, has put a greater emphasis on activation of unemployed citizens. The local authorities have a greater role in effectively integrating benefit recipients into the labour market and are responsible for the local social assistance budget. In 2003, 93% of the municipalities offered extra financial support to people with a long-term minimum income without labour market perspectives. The Act Work and Income to Labour capacity that comes into force on 1 January 2006 puts the main emphasis on strengthen the *capacity* to work. An action plan to combat youth unemployment has to stimulate the creation of 40,000 extra jobs suitable for young people by 2007 and close cooperation between authorities, training institutions and employers to achieve that unemployed youngsters start working or go to school again within six months. Also, a new act on child care will reform the system in 2005 and provides for a new method of financing childcare; childcare will be financed by the government, the employer and the parents. The government will give partial compensation to single parents, parents on low income and to parents who do not receive a contribution from their employer. The Child Care for Single

Parents Scheme enables municipalities to buy child care for single parents who cease receiving welfare and start work or training or take part in social activation. Municipalities can also buy child care for single parents who work part-time as well as receiving social assistance.

As for **access to health care**, municipalities received €111 million extra in order to give the low-income chronically ill, the disabled and elderly compensation for high healthcare costs. The tax compensation amounts to €24 million for compensation for high medical expenses. Care is taken that those with a low-income can realize this tax compensation. The waiting lists for mental healthcare decreased from 75,100 in 2003 to 66,300 in 2004.

As for **promoting the integration of people facing persistent poverty**, a new Act on Integration of immigrants is expected to take effect on 1 July 2006. One of the key features of this new act is the focus on the individual's responsibility for his or her integration. This responsibility manifests itself in enabling individuals to freely choose the integration course they wish to follow, and making them financially responsible for this. A certification system will be set up by the government to ensure providers meet certain quality standards. This change in policy aims to increase the volume of integration courses and improve their accessibility. The aim of gender policies is also to encourage the emancipation and integration of non-native women and girls by cooperation agreements within the 30 large local authorities (G30) regarding joint implementation. The government has made available an amount of € 3.7 million on an annual basis from 2004 onwards in connection with the Emancipation Projects Subsidy Scheme. The subsidy is granted for a project aimed at women in vulnerable positions by improving the position of these women. One of the topics for which project proposals can be submitted is social participation.

To **eliminate social exclusion among children**, a new programme intends to improve the cooperation between institutions providing care for young people. This involves schools, youth welfare, judicial authorities and social work.

AUSTRIA

The Republic of Austria has submitted a 2004 update to the NAP inclusion 2003 – 2005. 10 topics are covered, where supplementary measures were introduced to fight poverty and social exclusion.

In the area of **promoting employment** and within the framework of the tax revision act 2004/2005, the tax burden for the lowest income groups was reduced. There are also improvements in the field of negative tax and for single parents, a group which has an above average poverty risk. In order to facilitate young people's transition to the labour market, the labour market service (AMS) in Austria has renewed the successful special programme "Jobs for You (th)" in 2004 and increased it in volume. With regard to an **improved reconciliation of work and family** a legal entitlement to part-time work was introduced for parents employed in an enterprise with more than 20 workers. This right to part-time work is granted until the seventh birthday of the child. Parents are entitled to change working hours (e.g. mornings-afternoons) and to return to full-time employment.

Concerning **promoting access to resources, rights, goods and services** and within the framework of the 2004 labour market reform, **social protection** was improved for family care takers, prisoners and youth under vocational training. The use of childcare services increased in all age groups between 0 and 5 years of age by up to 9% in the last 5 years. The

government is working on a country-wide survey on the state of play of childcare facilities. In cooperation with a commission and a round table, Austria will define initial objectives in order to achieve the Barcelona targets concerning childcare services.

On helping the most vulnerable an agreement between the Federal Government and all Austrian *Länder* ensures the supply of basic services to asylum seekers. The *Bundesländer* have created a charter of guiding principles for particular groups among asylum seekers. The asylum seekers are legally entitled to basic health insurance. In 2004 the Austrian Government delivered a legislative package on equal opportunities for people with disabilities. This package, which is still under discussion, provides for a multiplicity of regulations under civil and public law. Two measures were launched countrywide in order to reconcile working life and disability by improving both the access and the stability of disabled persons in the labour market. A countrywide quality management system was developed for the long-term care sector in order to improve the quality of care. As of 1.7.2004, an amendment of the Care Institutions Act has significantly strengthened the rights of users. On 1.1.2004, an amendment to the Act on protection against violence came into force. The Act improved the protection of people concerned.

On preventing and tackling homelessness the *Bundesländer* of Austria have improved the integration of homeless people. In particular in Vienna the objective of eradicating homelessness by 2006 (= objective in the NAP inclusion 2003 -2005) seems to be achievable.

SWEDEN

The update concerns new initiatives and additional financial resources in the areas of employment, access to services and prevention. The Swedish government puts **promoting employment** high up on the agenda for the forthcoming period with policies aiming at improving working conditions and by assessing work capacity of those on indefinite sickness allowance. This policy is also in line with the Council Employment Recommendations to Sweden 2003. Swedish policy efforts of reintegrating this group on the labour market has meant that reported sick leave has decreased by 18% since 2002, also long-term sickness is currently decreasing. The reason is not only due to the decrease in short-term sickness leave, but also due to that long-term sickness cases are transferred into activity and sickness allowances (former disability pensions). To remind employers of their responsibility to improve working conditions, they will be required to pay 15% of the sickness leave cost as from the 1 January 2005.

As regards **social protection systems**, Sweden has decided to allocate for the period 2005-2007 more than 1.5 billion € to local municipalities and regions to strengthen welfare services such as care for elderly, psychiatric care and health care in general and to promote job creation in the public sector. The Government also plans to present a bill to the Parliament in 2005 concerning policy towards older people, partly in the form of an action plan for future policies, which in a broad perspective includes objectives and visions, and partly in the form of concrete measures for health care and social services.

Concerning **access to health care** and **justice** and **eliminating social exclusion among children**, other policy priorities mentioned in the update are fighting alcohol/drug abuse and combating organised crime, the increase of child allowance and preventive measures to help children and young at risk.

3. CHAPTER III: COUNTRY PROFILES

INTRODUCTION

The 25 country profiles aim at providing a synoptic view of key trends, major efforts and challenges ahead in each of the Member States with respect to their social inclusion and pensions policies.

The first section of the fiches, “situation and key trends”, identifies those aspects of performance deserving to be highlighted in the OMC context or presenting greater risks and therefore calling for particular policy efforts from the viewpoint of social protection and social inclusion. The social inclusion section describes and analyses major policy initiatives taken in the context of the three waves of NAPs/inclusion (2001, 2003 and 2004) and synthesized in the respective social inclusion reports. The section on pensions draws upon the national strategy reports on pensions of 2002, the Joint Report on Pensions, the results of the bilateral exchanges with the new Member States and the two studies conducted by the SPC. The final section of the country profiles lists the key challenges ahead for each country that the Commission services have identified on the basis of the analysis carried out in the context of the relevant OMC in the areas of pensions and social inclusion.

BELGIUM

Situation and key Trends: After three years of weak economic growth, economic activity in Belgium started to show signs of recovery in the second half of 2003. Employment began to increase again but at a low rate and youth unemployment started to decrease. Employment rates are still below the EU average and with just over a quarter of people aged 55-64 in employment, Belgium has one of the lowest employment rates for older workers among the 25 Member States. In spite of activation efforts, the share of adults living in jobless households remains in 2003 among the highest in the EU, at around 14%. These people are affected by high poverty risk, whereas the poverty risk rate for the overall population, at 13% (2001 figure), is below the EU average. The poverty risk among older people is higher than for the rest of the population.

Social inclusion: An important element in the first NAP 2001-2003, and still important in political debate, is the great effort to combat inactivity traps at the same time as raising minimum incomes to alleviate rising poverty risk. Benefits are increasingly linked to activation and targeted fiscal measures have been taken to make work more attractive. In the period 1999-2002, the number of guaranteed income recipients decreased by over 13%, while the number of participants in activation measures, many of which are supported by the European Social Fund, doubled. A range of new measures was launched in 2003 with a view to providing 200000 new jobs in four years, 60000 of which as a result of direct job creation. In-work benefits for the low paid and part-time workers will replace the tax credit. Compared to the first NAP, the second NAP 2003-2005 and its 2004 update cover nearly all dimensions of social life. Important new areas include access to justice, culture, sports and leisure, family policy. Priority groups are identified in the homeless, children in care, victims of human trafficking, poorly literate persons and other vulnerable groups. The installation grant has been extended to all homeless persons depending on social welfare

benefits or low income to help them set up home. Finally, it is recognised that the supply of social housing is far from meeting the needs of the most vulnerable and that urgent efforts will have to be made to find innovative and effective ways to address the problem, for example through the private sector.

Pensions: The Belgian government has taken steps to enhance the adequacy of pensions. Wage ceilings, minimum pensions and older pensions underwent several welfare adjustments and new adjustments will take place in 2005 and 2006. A new structural procedure on welfare adjustments will come into force by 2007. For independent workers, minimum pensions will rise substantially by 2007. A new law on supplementary pensions that came into force on January 1, 2004 will encourage the creation of industry-wide schemes and thereby expand the coverage of second pillar occupational pension schemes. The legislation also promotes solidarity elements in the private schemes, e.g. in the form of continued pension accrual during periods of inactivity (e.g., sickness, unemployment...). For members of defined-contribution schemes the law introduces a requirement to provide a minimum return.

The strategy for securing financial sustainability continues to rely strongly on the reduction of public debt (and hence reduced future interest payments). Savings resulting from the reduction of public debt are transferred to a reserve fund and thus earmarked for future expenditure on ageing related needs. The government has recently tightened conditions for early retirement and somewhat improved the incentives to stay longer on the labour market. The new law on occupational pension provision makes 60 years the minimum age for receiving benefits. The standard retirement age for women (and the required number of years for a full pension) will be the same as that of men and rise to 65 (45) by 2009. A substantial increase in the employment rate of older workers could make a significant contribution to adequacy and sustainability, but would require a further review of early retirement options.

Challenges ahead:

- To provide more jobs while guaranteeing better social protection;
- To improve access to decent and affordable housing;
- To ensure that tighter conditions for early retirement effectively translate in increased labour-force participation of people in their '50s and '60s;
- To guarantee the sustainability of pension schemes by further reducing the public debt, and to make 2nd pillar pension schemes accessible to every worker.

CZECH REPUBLIC

Situation and key Trends: Economic growth in recent years has been relatively strong, at around 3% in 2003, and is expected to be somewhat greater this year and the next two. If the current pace of growth is sustained, then real catch-up to average living standards in the EU can get properly under way. Fiscal conditions have deteriorated⁷, and improving them through sustainable fiscal consolidation is the major macroeconomic challenge. Rapidly ageing populations, mainly due to very low fertility rates, bring specific challenges for public budgets. The labour market is slow to react to the pick up in economic activity and the unemployment rate, which is highly regionalised, is forecast to have risen further to 8.4% in 2004. Still, the employment rate is above the EU-25 average for both the overall working age population and older workers and the figures for those at risk of poverty are very low, in 2002 reaching only 8% (but with high concentration of people just above the poverty-risk threshold). The disadvantaged Roma represent a particularly vulnerable group as they face major integration problems and often suffer from poverty and social exclusion. The poverty-reducing effect of social transfers is particularly evident in the Czech Republic, as they reduce the poverty risk by more than three fourths.

Social inclusion: The outline of the NAP is clear, and its priorities cover the most serious challenges and vulnerable groups. A genuine multi-dimensional approach is also used in setting the following overall objectives: reducing regional disparities; facilitating participation in employment; improving access to resources, rights, goods and services for all; preventing social exclusion; providing assistance to the most vulnerable groups (including disadvantaged members of the Roma communities and the homeless). The use of the ESF is foreseen in support of several policy areas. While it is not overly ambitious in launching new policy measures, the NAP makes an important step in mainstreaming the social inclusion process into other public policies. However, the general strategic approach remains sometimes implicit, and the NAP implementation and monitoring measures should be further clarified. The NAP has helped bring together all relevant actors in the field, but had the process received more political visibility, more could have been achieved.

Pensions: Controlling public expenditure on pensions has been a major concern over the recent decade and the Czech Republic reformed the earnings-related public pension scheme in 1994, 1995, 1997 and 2003. The measures included rising the retirement age, lengthening the period of service required for a pension and lowering the assessment basis (covered earnings instead of average of best earnings). In 1997 the index-linking was made less favourable and conditions for non-contributory pensions and early retirement were tightened. These reforms resulted in lower replacement rates (the current gross replacement rate is estimated at around 40%, yielding a net replacement rate of about 53%). Adequacy is to be enhanced through voluntary supplementary pension funds.

Pension expenditure is currently around 9% of GDP and is expected to rise to around 13% in 2025. Early labour market exit remains a concern for the sustainability of the system. In 2002 and 2004 access to early retirement was further restricted and better rewards for deferred retirement was offered.

⁷ The general government deficit has reached 12.6% of GDP in 2003.

Challenges ahead:

- To make sure that the necessary efforts to redress the fiscal balance do not weaken the role of the Czech social protection system in redistributing income and alleviating poverty.
- To develop more comprehensive strategies for disadvantaged regions facing a combination of structural handicaps;
- To improve the situation of the Roma at risk of social exclusion;
- To improve the situation of other vulnerable groups such as the homeless;
- To encourage the creation and the take-up of jobs for older workers so as to facilitate the balancing of financial sustainability and pension adequacy.

DENMARK

Situation and key Trends: Denmark continues to record employment rates well above the EU targets, including for women and older workers; it is also among the Member States with the lowest risk of monetary poverty and a more equal income distribution. However, the data on life expectancy situate Denmark at the bottom. Moreover, while there has been an improvement in recent years, the increase in life expectancy between 1960 and 2000 was the lowest in EU15. Immigrants and the long-term unemployed are over-represented in the lower income brackets. The Danish social model is based to a large extent on a culture of 'partnership', characterised by the involvement of social partners, the local authorities and other relevant organisations for the implementation of social policies (including paying out benefits and agreeing on personal social plans with the clients). Measured in per capita Purchasing Power Standards (PPS), the Danish expenditure on social protection, at 7 754 PPS in 2001, is the highest of all Member States. With an ageing population, the challenge for the welfare system will be to safeguard the current level of protection while satisfying increasing demands for health and welfare services.

Social inclusion: The main Danish strategic approach to tackling poverty and social exclusion is to develop an inclusive labour market. In the NAP 2003-2005 and its update, the focus is on targeting the most vulnerable groups who are already socially excluded. In the period 2005-2008, 6.7 million € annually are allocated for additional activities for the most disadvantaged groups. The objective is to bring them in closer contact with the labour market and to improve their housing conditions. Refugees and immigrants are highlighted as vulnerable groups: a number of targeted policy measures are being put in place with the aim of increasing their employment level. To this purpose, the Government has introduced a qualifying period for social assistance such that migrants who arrived after 2002 will receive a substantially lower benefit for 7 years: the impact of this measure on the living standards of migrants needs to be monitored. In the longer term, the emphasis of the NAP is on 'combating negative intergenerational transmission', which is translated as requiring early and targeted intervention, improved early learning among children and increased focus on formal qualifications. In 2004, there was a broad political agreement on a placement reform on socially disadvantaged children and young people to strengthen existing activities. The ESF is mainly used in the field of social inclusion and generally supports innovative action for disadvantaged groups.

Pensions: The Danish public pension scheme pays out a universal, flat-rate pension complemented by occupational pension schemes which have developed rapidly over the past few decades and now cover almost the entire population in employment. Replacement rates are therefore expected to rise significantly and reduce the current income maintenance gap identified in the Joint Report on Adequate and Sustainable Pensions. The first pillar will nevertheless continue to play a dominant role in pension provision. Major pension reforms were undertaken in Denmark during the 1990s, aiming in particular at increasing labour force participation of older workers so as to offset the impact of an ageing workforce. An early retirement scheme paying a transitional allowance to people aged 50–59 years who had become unemployed and had contributed to the unemployment benefit scheme for at least 30 years, was closed for new entrants in 1996 and will be fully phased out by 2006. In 2001, a voluntary early retirement scheme was made less attractive by making early retirement contingent on prior contribution payments. In addition, people who postpone the take-up of a

voluntary early pension were offered more favourable tax conditions on their contributions. New rules introduced in 2004 allow people (including people over 65 who are already in receipt of their pension) to opt for a deferred old-age pension and to remain longer on (or return to) the labour market in exchange for a higher pension at a later stage.

Challenges ahead:

- to safeguard the current high level of protection while satisfying increasing demands for health and welfare services in view of the ageing population;
- To develop labour market tools in order to improve integration of ethnic minorities into the labour market;
- To ensure that more people with disabilities and workers in their 60s can stay on the labour market.

GERMANY

Situation and key Trends: In the first half of 2004, Germany's economy grew at a solid pace, thus putting a long stagnation to an end. However, since economic recovery is exclusively based on global developments, it remains fragile. Poor labour market performance continues to weigh on consumer confidence; uncertainty about how public finances will be put on a durably sustainable path is a further factor undermining confidence. The employment rate for the total population has further declined in 2003, but at 65%, it remains above the EU average; by contrast, for older people, it has been on a steady growth path since 2000 but in 2003 was still slightly below the EU average. A comprehensive social protection system helps ensure that Germany has a relatively low at-risk-of-poverty rate. Figures for 2001 indicate a rate of 11% for the total population⁸. People in the Eastern Länder and holders of foreign passports are particularly vulnerable to poverty risk. The German government has recently taken significant steps to reform labour and product markets; and substantial reforms to the social security system have recently been legislated and first initiatives taken to increase the efficiency of the education system. As a major part of its "Agenda 2010" reform programme, the federal programme passed legislation that improves incentives to take up work coupled with cuts in social transfers in 2005 (the so-called "Hartz IV package"). Reform efforts also focus on the health care and pension sectors.

Social inclusion: The German NAP 2003-2005 sets out a broad-ranging strategy to secure the active participation of all citizens in social life. This is to be achieved through education and employment policy, better work-life balance and appropriate social services. The extensive update of the NAP that was submitted by the Federal Government in 2004 describes the concrete decisions and measures that the Government has taken in these four areas with its initiative "Agenda 2010". In relation to the objective of promoting employment, the so-called Hartz I-IV legislation intervenes deeply in the structures of the labour market, including the Public Employment Service and unemployment benefits which are being merged with social assistance benefits. Other measures aim at fighting youth unemployment and the promotion of the employment of persons with disabilities. Initiatives have also been taken to facilitate the reconciliation between work and family life and to improve access to education and vocational training. Equal access to basic medical care for social assistance benefit recipients is one of the aims of the law on modernisation of the health insurance (GMG). It is too soon to assess the long-term effect of these measures on employment and on poverty rates but it needs to be carefully monitored. In drafting the 2004 up-date of the NAP, Germany has clearly stepped up its efforts to involve all relevant stakeholders in the process, including civil society. The ESF reinforces the social inclusion policy by supporting labour market measures for people with difficulties to enter the labour market.

Pensions: Since the 1990s several reforms of the public earnings-related pension scheme have reduced – and will continue to reduce in the future – the replacement rate from this scheme which currently provides around 78% of total old-age income. In order to maintain future adequacy, strong incentives for voluntary private provision, either through occupational or personal pension schemes, were introduced in 2001. Contributions to recognised schemes are heavily subsidised through tax allowances and direct public grants. Furthermore,

⁸ More recent data are available which suggest a higher rate, but their comparability at EU level is not secured.

employers were obliged to offer their employees the option of converting part of their earnings into contributions to an occupational pension scheme. Future adequacy will depend on the take-up rates of these new opportunities.

Since the Joint Report on Adequate and Sustainable Pensions, further reform measures were adopted with the aim of strengthening financial sustainability, including the suspension of pension up-rating for 2004 and restricting access to early retirement, notably by raising the minimum age for retirement for the unemployed and tightening the conditions for obtaining invalidity benefits. The German parliament has also decided to reform pension taxation by shifting income taxation gradually from the accrual to the pay-out phase.

Challenges ahead:

- To ensure that the impact of the Hartz IV legislation as of 1.1.2005 does not lead more people into poverty. This implies on the one hand that the income situation of the most vulnerable should be secured, on the other hand, people with a capacity to work, whether they are receiving long-term unemployment benefits (ALG II), social assistance or without any benefit, should have access to adequate support to enter the labour market.
- To ensure that the measures foreseen for the sustainable integration of immigrants are well implemented in view of the difficult budget situation at all government levels.
- To prevent an adequacy gap in pension provision by promoting a longer working life and an increased participation in supplementary pension provision.

ESTONIA

Situation and key Trends: A strong growth performance in Estonia is translating into sustained employment gains and lower unemployment. Also regional disparities in the labour market are starting to decline. Still, overall living standards in the country remain well below those for the average of the EU. GDP per capita in PPS in 2003 was estimated to be below 47% of the EU average and the at-risk-of-poverty threshold in 2001/2002 was the lowest in the EU. The at-risk-of poverty rate is quite high at 18% in 2002. The Estonian NAP and other available evidence point to serious problems of material deprivation in the country, especially as regards quality of housing. Negative demographic developments – i.e., low fertility rates, a rise in mortality, especially among men, and negative net migration – have resulted in a decrease of population in recent years (by 4% between 2002 and 2003) and raise concerns about the state of health of the population. Non-Estonians, who constitute 32% of the population (most of whom are Russians), are in a particularly disadvantaged position: their unemployment rate is much higher than that for Estonians. This population group is concentrated in the Ida-Viru region, where major economic restructuring is taking place.

Social inclusion: Estonia's first NAP/inclusion for 2004-2006 is a well focussed plan which builds on the long term objectives identified in its 2003 Joint Memorandum on Social Inclusion. It outlines clear objectives, includes quantified targets and, in the main, proposes specific actions to achieve them. The main emphasis is on expanding active labour market measures for the reintegration of the long-term unemployed and other groups at risk into the labour market. Significant attention is also given to measures to prevent and tackle educational disadvantage and to promote life long learning. The implementation of the NAP Inclusion is supported by the ESF through various activities. Improvements in social protection so as to decrease and prevent child and family poverty and to secure appropriate income for the elderly are foreseen. Attention is also given to the protection of children's rights, to improving access to social services and to affordable housing as well as to increasing e-inclusion. However, the plan is somewhat cautious in relation to the scale of the poverty and social exclusion problems in Estonia. Sometimes the objectives are not translated into specific measures but rather areas for action.

Pensions: The Estonian public pension scheme was reformed in 1998 by introducing a strong link between pensions and individual contributions. The retirement age will be gradually raised to reach 63 years for both men and women by 2016. As a new feature indexation of pensions was introduced using the average of the change in the consumer price index and the change in social insurance contributions during the previous year. The reform of the public scheme was followed by the introduction of funded components to the pension system. A legislative framework for voluntary funded pension schemes (in the form of pension insurance or savings in pension funds) was introduced in 1998. In 2001 a mandatory funded pension scheme was legislated and became operational in May 2002. Membership is only mandatory for people born after January 1, 1983 and voluntary for people born between 1942 and 1982. Nevertheless, the scheme proved very successful and by the end of 2004 more than 60% of the labour force had joined this new scheme.

Further reforms are regarded as necessary concerning certain special pension schemes. Maintaining sufficient replacement rates for the current old age pensioners is seen as a

challenge in view of the fact that one fifth of the contribution income from members of the mandatory funded pillar is channelled into the new funded scheme and hence no longer available for paying current pensions. Moreover, the mandatory funded component of the system still requires further legislation to define the modalities for the paying out of benefits from 2009 onwards.

Challenges ahead:

- to increase labour market participation of at risk groups;
- to reduce the high proportion of people at risk of income poverty and ensure an adequate income for those in need;
- to develop and implement an integrated approach to dealing with the worrying demographic trends and improving the health situation of the population;
- to strengthen the institutional arrangements for mainstreaming social inclusion in national policy making and ensuring a better coordination between ministries and between public and government institutions as well as with civil society;
- To ensure that sufficient resources are available to guarantee adequate pensions from the state pillar until the funded schemes have matured and to organise the conversion of pension savings into safe annuities.

GREECE

Situation and key Trends: The Greek economy continued to expand briskly in 2003, driven by domestic demand. Even if at a slower pace, growth will continue to outpace the EU average in the period ahead. The overall employment rate of 57.8% stands below the EU average, but picked up 2.4 percentage points since 2001; the unemployment rate remains among the highest in the EU despite a continuous reduction since the peak in 1999. Gender gaps in employment and unemployment, to the disadvantage of women, are noticeable. The poverty rate (20%) is above the EU-15 average (15%) in 2001, although a modest downward trend has emerged since 1999 and, if imputed rent were taken into consideration, this percentage would probably be lower due to the high share of owner-occupiers among those at risk of poverty. A high rate of economic growth combined with rising social spending and continuing job creation is expected to create an environment more conducive to tackling poverty and social exclusion through suitably designed policy measures. The large number of immigrants living in Greece, who are at high risk of poverty, constitutes undoubtedly a major challenge.

Social inclusion: Greece is making serious efforts to extend and improve its social protection system, as reflected in the substantial increase of social protection expenditure as a percentage of GDP. Greece has not adopted a generalised minimum guaranteed income scheme for the entire population, but there exist several categorical income benefit schemes targeted to population groups at greater risk (the elderly, jobless and disabled people). The coverage of these schemes has been extended to new population categories during recent years. Progress has been made in improving employability measures in favour of the vulnerable groups, accompanied by an increase in the number of social services provided to dependent household members. The 2003-2005 NAP inclusion forms an integral part of the Greek convergence strategy with the EU, and reflects an effort to strengthen and broaden the social protection system. Its strategic approach is based both on macroeconomic policies, especially in the area of economic growth and structural change, to sustain the pace of increase in social spending and redistribution, and specific policies to address problems of poverty and social exclusion. Four strategic policy areas are given priority: (a) addressing the specific situations of poverty and social exclusion in rural areas; (b) improving the situation of the elderly; (c) promoting access to employment; and (d) improving the quality of governance. The major social policy goal is to significantly reduce the number of individuals living in conditions of risk of poverty. To this end, ten national targets are set out to be achieved by 2010.

Pensions: The Greek pension system is dominated by the public primary insurance funds (84% of total pensions paid in 2001, 10.6% of GDP). They are complemented by occupation-based auxiliary funds, also mainly pay-as-you-go financed and accounting, in 2001, for around 14.5% of total pension expenditure (1.8% of GDP). Recent reforms in the pension system created a framework for the development of funded occupational pension schemes the role of which is currently negligible. Although theoretical replacement rates (pension as percentage of final earnings) are very high for a full career, few people have sufficient contribution records for such a high pension and adequacy remains a challenge to the Greek system. A large number of pensioners rely on minimum pension benefits and the means-tested pension supplement EKAS.

As indicated in the Joint Report on Adequate and Sustainable pensions, financial sustainability is a major concern which has yet to be tackled. Increased employment rates and longer working lives could make the main contributions to future financial sustainability of the pension system.

Challenges ahead:

- To make progress towards the socio-economic integration of immigrants and people with disabilities, requiring multidimensional policy approaches and sustained interventions;
- To improve digital literacy and life long learning, by gearing them towards employment needs.
- To strengthen the application of a gender mainstreaming approach;
- To ensure adequate pensions for the current generation of retired people while pursuing efforts aimed at improving the viability of the pension system in the medium-long term, notably by increasing employment so as to broaden the contribution base.

SPAIN

Situation and key Trends: Over the recent years the Spanish economy has maintained an annual GDP growth rate above the EU average. Progress towards the Lisbon employment objectives is slow but on a steady path. The employment rate has increased by more than 10 percentage points since 1996, up to 59.7% in 2003, mainly driven by an increase in female employment. Unemployment, at 11% in 2003, remains high but was much higher, at around 18%, in the mid '90s. Long-term unemployment is just below 4% of the labour force compared to a rate above 10% in 1995. Overall levels of educational attainment and participation in training stay quite significantly below the EU average. The situation of women in the labour market, although getting closer to EU averages, still shows very low employment and high unemployment as compared to men. Spain is among the EU countries with the highest proportion of people living with an income below the 60% threshold, i.e., 19% of the total population in 2001. Expenditure on social protection as a percentage of GDP is low relative to the average for the EU15 (20% in 2000 as compared to 27.1% for the EU-15) and mostly concentrated on out-of-work benefits and health care, leaving only 9% for addressing other needs.

Social inclusion: Employment continues to be seen as the main instrument for achieving social inclusion. The NAP describes a comprehensive range of measures but it is not clear how these are joined-up. While the reduction by 2 percentage points of the number of persons under the 60% median income threshold was set as a target, the lack of other quantified targets continues to be one of the strategic weaknesses, especially in the areas of health, housing and education. The NAP update includes the measures recently adopted by the new government. The new measures are mainly aimed at improving income for low wage workers (increase of the minimum wage) and for pensioners (increase of minimum non contributive pensions) and improving coverage of services for some vulnerable groups. There is also a reinforcement of the fight against domestic violence. The role of ESF in supporting social inclusion aims is covered well by the NAP in an informative and illustrative annex to the main Report. The implementation of ESF-supported activity will provide an important contribution to tackling poverty and social exclusion in Spain.

Pensions: The Spanish public pension scheme is earnings-related and represents the dominant source of income for older people, offering both minimum income protection through non-contributory benefits and the possibility to maintain living standards after a full career. Occupational and personal supplementary pension schemes cover nearly six million people, but only 10% of these are members of an occupational scheme established by a collective agreement. The legal framework for private pension provision was reformed by a law adopted in 2002 regulating in particular the tax treatment of these schemes and enhancing the protection of beneficiaries.

In order to tackle the challenge to financial sustainability arising from demographic ageing, the Government recently established a reserve fund into which surpluses of the social security system are to be transferred so as to help cover increased future pension expenditure (at the beginning of 2005, the assets of the fund amounted to 2.9% of GDP). Attention is focused on increasing the employment rate in general and of older workers in particular and the recent integration of migrant workers can also be beneficial to the financial balance of the pension

system. One way to increase the employment rate of older people consists in facilitating flexible and gradual retirement, as well as strengthening the incentives to prolong working life. As indicated in the Joint Report on Adequate and Sustainable Pensions, further reform measures are to be considered and the government seeks to do so on the basis of a large political consensus.

Challenges ahead:

- To strengthen the co-ordination and co-operation among the different administrative levels, so as to monitor progress at local and regional level. And (given the importance of employment as an instrument to achieve social inclusion) to strengthen the participation of social partners.
- To respond to increased demands on some social services and benefit schemes that may arise from the increase in the number of immigrants;
- To adopt further measures to secure financial sustainability of the pension system.

FRANCE

Situation and key Trends: The economic downturn since 2001 seems to have come to a halt in the second half of 2003, when GDP growth picked up at 2.5%. However, the rebound of real GDP growth has not yet triggered any improvement in the labour market. Constrained employment growth since late 2001 came to a standstill in 2003, with the overall employment rate at 62.8% unchanged for the third consecutive year. Unemployment and long-term unemployment even increased between 2002 and 2003, to 9.4% and 3.4% respectively of the labour force. "Administrative" poverty – i.e., the numbers drawing RMI (the occupational integration minimum income allowance) - has further increased in 2003. The poverty risk, measured at 12% in 2001 (national data), has been relatively stable over recent years.

Social inclusion: The French NAP inclusion 2003-5, and its update presented in September 2004, are based on the continuation of a strategy established in 1998 which takes account of the multi-dimensional character of social exclusion and which gives priority to promoting access or the return to the labour market. They respond to the four Nice objectives with a large range of measures. Among the new measures contained in the 2003-5 NAP, the following are significant: the decentralisation of the minimum income guarantee (RMI) scheme and of labour market training, the five-year programme for urban renewal, the programme for personal support in the event of over-indebtedness, a strengthened fight against illiteracy and improvements in service delivery and consultation of users of social services. The measures set out in the NAP and in the law for social cohesion for 2005-2009 constitute a major new investment in three areas: employment, housing and equal opportunities. France has chosen not to establish an overall objective for poverty reduction but has instead adopted quantitative objectives which partially cover the range of policies and which often relate more to measures of policy implementation than to policy outcomes. The ESF, which is appropriately referred to in the NAP, provides support of more than €3,000 million within the framework of the objective 3 programme, in particular to reinforce the preventive approach and also labour market insertion. In addition the EQUAL initiative and the programmes under objectives 1 and 2 support activities in favour of people in areas at risk of exclusion.

Pensions: The French pension system, consisting mainly of two tiers of pay-as-you-go financed, earnings-related schemes (public schemes and mandatory schemes established by collective agreements) enables people to maintain their living standard after retirement and achieved relatively low rates of poverty among retired people. In 2003, the major pension reform effort of 1993 was extended to civil servants and a set of important measures was adopted in order to raise the average age of retirement.

The reforms curb the growth of pensions expenditure by extending the number of years of earnings taken into account in the calculation of benefits and applying less favourable index-linking to past earnings (for calculating pensions) and to pensions in payment. While maintaining the standard retirement age at 60 years, the number of years of service to obtain a full pension was gradually increased from 37.5 to 40 years by the 1993 reform of the private sector scheme, while the 2003 reform will achieve the same for most public sector employees by 2008. A further increase in the length of service by one year will take place for both public and private sector employees between 2009 and 2012; thereafter, the length of service is to be

periodically reviewed every five years and adapted according to increases in life expectancy. These reforms will require an increasing number of people to retire after the age of 60 to obtain a full pension and will strengthen incentives to prolong working lives. They will be only fully effective in terms of safeguarding adequacy if they are accompanied by a strong increase in the comparatively low employment rate of older workers. People with more than 42 years of service were, however, given the opportunity to retire before 60 under certain conditions.

Challenges ahead:

- To promote the return to the labour market of those most disconnected from it, to reduce youth and long-term unemployment;
- To solve the current housing crisis and to prevent homelessness and improve the position of the homeless;
- To implement the planned inter-ministerial policy on fighting social exclusion which will involve creating a coordinated approach to budgeting and evaluation and implementation of policies supported by quantitative performance targets;
- To ensure pension adequacy and financial sustainability by putting in place the conditions for older workers to remain longer in employment and positively respond to improved employment incentives in the pension system.

IRELAND

Situation and key Trends: With GDP growth rate in 2003 at around 3.7% and employment growth at 2.6%, the Irish economy has performed robustly despite the recent economic slowdown. Unemployment remains significantly below the EU average, at 4.6% of the labour force in 2003, with long-term unemployment also remaining low, at 1.5% of the labour force in the same year. Analysis of poverty trends shows that the national 'consistent' poverty measure continues to fall, from 8% in 1998 to 5% in 2001. However, over the same period the 60% risk of poverty indicator has risen from 19% to 21%, the highest level in the EU, indicating continued income disparities affecting in particular elderly people, large families and lone parents – and, hence, children. Life expectancy remains low relative to other EU countries and affordability of housing and homelessness continue to be a problem.

Social inclusion: Ireland's NAP 2003-2005 involves the adoption of a range of new targets and the creation of new institutional structures. It also breaks new ground in the way it acknowledges the multi-dimensional aspects of poverty and social exclusion. There are a large number of targets that are quantifiable and time focused. A new framework to tackle social exclusion has been established, with overall co-ordination and responsibility allocated to a new Office for Social Inclusion. Given its wide remit and ambitious work programme, it will be necessary to ensure that adequate resources are applied to this Office. A wide ranging consultation process and the establishment of a Social Inclusion Forum have increased civic society involvement. The NAP 2003-2005 continues to place employment growth at the heart of the fight against poverty and both the NAP and its update submitted in 2004 details a continued development of tailored labour market measures aimed at those most hard to place in employment. Among the targets which have been set are commitments to improve the adequacy of income supports. There is also recognition of the multiple difficulties which prevent certain groups – for example, travellers and immigrants, people with disabilities, ex-prisoners and the homeless - from benefiting from the general economic and employment growth. Social problems, such as domestic violence, indebtedness, and alcohol and drug misuse, are highlighted as requiring particular attention.

Pensions: The public pension scheme provides a flat-rate pension benefit which is roughly equivalent to one third of gross average industrial earnings. The commitment expressed in the 2002 National Strategy Report to raise the value of pensions relative to earnings to 34% during the coming years still holds. A significant number of current pensioners who have not acquired sufficient contributory pension rights are entitled to the means-tested social assistance pension which is slightly less than the contributory pension. Due to increased coverage by the public pension scheme over the past decades, the number of pensioners receiving the non-means tested contributory pension is increasing. The income situation of pensioners is also expected to improve as a result of increased participation in private schemes. Such supplementary pension provision is important for most workers in order to achieve adequate income replacement.

Membership in occupational and personal pension schemes is voluntary and encouraged by a favourable tax treatment of contributions and investment returns. The government has set the target of a coverage rate of 70% and is committed to reviewing the situation shortly. Rapid economic growth, a relatively young population and the less dominant role of public

pensions, compared to other Member States, imply that the Irish public pension scheme does not face financial sustainability challenges on the same scale as many other Member States.

Challenges ahead:

- to address deficits in infrastructure and social provision, notably in relation to educational disadvantage, the integration of refugees and immigrants and access to health services, in particular for vulnerable groups;
- to address income inequalities, which remain particularly high by European standards;
- to ensure the ongoing adequacy of income supports for those groups for whom labour market participation is not an option, in order to avoid their exclusion in a context of rapidly rising general living standards, and, thus, to ensure that targets set in this regard are adhered to;
- To achieve wider coverage by supplementary private schemes.

ITALY

Situation and key trends: In a context of limited growth and decreasing labour productivity since late 2001, the Italian labour market has been performing well. Employment has been rising for 8 consecutive years and the employment rate increased by almost 5 percentage points since 1996, but at 56.1% in 2003 remains one of the lowest in the EU. The women's rate, although rising, remains especially low, at 42.7%.⁹ Slow but steady favourable trends in the labour market also appear largely to credit for the overall slight decrease in the poverty rate recorded in national data: however, Italy suffers from a higher poverty risk than the EU as a whole. Regional differences remain vast, with the employment rate of the North (63.3%) twenty points higher than that of the South, and poverty still overwhelmingly concentrated in the South. Social protection expenditure stands at just over 26% (below the EU average) over 60% of which is made up of old-age and survivors' pensions. The preponderance of expenditure on pensions takes an obvious toll on other forms of social expenditure, namely unemployment and social assistance.

Social inclusion: The strategic approach in the NAP closely follows the 2003 White Paper on Welfare, which identified two basic issues: the demographic effects of Italy's very low fertility rate combined with a high rate of ageing population, and the role of the family as a pillar of the Italian social model. The 2004 light update of the NAP is fully consistent with this strategy. The following policy priorities, expressed in a series of principles and guidelines without specific targets, define Italy's social agenda for 2003-2005: to favour the family and to increase the national birth rate; to provide better services to disabled people; to fight against extreme poverty; to accelerate the development of the South through the launch of ESF-supported "territorially integrated plans"; to promote equal opportunities between men and women; and to prevent drug addiction and dependency. A recently adopted reform package has increased flexibility in the labour markets, also in order to promote "welfare to work" policies. An important decentralisation process of employment and social policy is undergoing and will be pushed further over the next few years. The regions have now been invested also with co-ordination tasks, while management and implementation tasks have been fully transferred to local authorities. Regional action plans have been approved for most regions.

Pensions: Italy undertook major reforms in the 1990s, with a gradual move towards an individual-accounts based (notional defined-contribution) pension scheme and the introduction of a new legal framework for supplementary pension schemes. A new framework law on pension reform has recently passed the two chambers of Parliament. It increases the number of contribution years required for retirement below the age of 60 (seniority pension) and provides for an increase in the minimum retirement age. However, the stricter provisions will apply only from 2008 onwards. Before this date, those who are entitled to receive a pension under the current system (that is, workers with 57 years of age and at least 35 years of contributory seniority) will receive strong financial incentives should they choose to continue

⁹ To harmonise statistics with EU legislation, the Italian Statistical Office (ISTAT) carried out a major reform of the labour force survey in 2004. The analysis in the text is based on the most recent Eurostat available data, which do not reflect the revised dataset yet. According to the revised data, in 2003 the employment rate attained 57.5% and the female employment rate 45.1%.

working. The reform also allows for advances in the implementation of supplementary pension schemes: the funds currently set aside yearly to finance severance pay allowances (TFR) will be diverted into pension funds unless the worker declares a different intention.

Future adequacy of pension will then depend crucially on the development of the supplementary social security entitlements that will be established by future delegated decrees

Challenges ahead:

- To ensure that the regions lagging behind do not lack the resources to cope with the decentralisation process, taking account of the existing budgetary constraints;
- To address the needs of the most vulnerable, against the backdrop of an increasingly flexible labour market;
- To implement all the envisaged measures intended to remedy the current rationing of childcare services, in order to remove obstacles to women's taking up and retaining employment;
- To monitor closely the effects of the new pension reform, particularly its capacity to make working lives longer, and to establish supplementary social security schemes.

CYPRUS

Situation and key Trends: The Cyprus economy grew at approximately 3.7% per year during 1995-2003. The employment rate (69.2%) almost reaches the Lisbon target and unemployment is low (4.5% in 2003). The employment rate for older workers with 50.4% stands above the Stockholm target. Recently, there has been a sudden widening of the fiscal deficit and real GDP growth slowed down. In 2003, the poverty rate reached 15% of the total population, comparing well with the EU but considered somewhat high in view of the high employment and low unemployment rates. The highest incidence of poverty occurs amongst persons over 65 (52%), especially if living in one-adult households; by contrast, children are much less exposed to poverty risk (11%). Expenditure for social protection reached 17.4% of GDP in 2001 as compared to 27% in the EU 25. Foreign workers represent 11% of the employed labour force. A fiscal consolidation programme drawn up in order to deal with the expanding public deficit contains a series of austerity measures, but it is intended that the level of social transfers will be at least maintained in real terms.

Social inclusion: The first 2004-2006 NAP inclusion acknowledges that, while the problems of poverty and social exclusion in Cyprus are not particularly acute, they mainly concern groups of people falling outside social networks (elderly living alone, single parents, drug/alcohol users etc.) as well as the disabled and immigrants. A series of interventions in crucial areas such as employment, education, health, social protection and housing are envisaged. The need to raise the involvement and strengthen the capacity of civil society and NGOs for participating fully and effectively in combating social exclusion is recognised and the strategy and institutional framework for their involvement must be reinforced. The participation of civil society is expected to be enhanced in the context of Cyprus' participation in the inclusion process. A dialogue with the stakeholders following the release and analysis of 2003 data on social exclusion is expected to lead to the adoption of targets and indicators that are currently lacking. Details of the contribution of the Structural Funds, and more particularly of the ESF, in support of national social and economic policies make the link between them and EU assistance clear and explicit.

Pensions: The pension system in Cyprus is dominated by a mandatory basic and supplementary scheme which is earnings related. Old age pension is payable at the age of 65, which is the pensionable age for both men and women, subject to the fulfilment of prescribed contribution conditions. However, old age pension can be paid at the age of 63 if additional contribution conditions are satisfied. Old age pension consists of a basic pension, replacing 60% of the lower part of earnings (up to €126), and a supplementary pension based on earnings in excess of this limit. The financing of the basic part is on a pay-as-you-go basis and the financing of the supplementary part on a partially funded basis. Basic pensions increase in line with earnings, whereas supplementary pensions are index-linked to the price level. Persons with insufficient insurance record are entitled to minimum pension, which is equal to 85% of the full basic pension. Social pension is payable to persons who complete the age of 65, are not entitled to a pension or other similar payment from any other source and satisfy prescribed residence conditions. It is equal to 81% of the full basic old age pension. Nevertheless, people aged 65 and more are at a particularly high risk of income poverty (52% in 2003) compared to the population under 65 (11%).

With the exception of the introduction of the social pension in 1995, the pension system has remained unchanged since 1980. A national strategy report on the modernization of the system is under preparation.

Challenges ahead:

- To further address the overall capacity of governmental services and of all actors involved, in particular as regards the monitoring and implementation of the NAP;
- The inclusion strategy needs to become more comprehensive so as to cope with varying sources of social exclusion faced by vulnerable groups of a different cultural background and has to be flexible and forward-looking so as to keep pace with the rapidly changing character of the Cypriot society;
- To address the high risk of poverty among people aged 65 and over.

LATVIA

Situation and key Trends: The Latvian economy has been performing strongly over much of the past decade, with GDP growth rates significantly above the EU average (7.5% in 2003). After decreasing during the '90s, sizeable employment gains have been recorded since 2001. The employment rate for the overall population, at 61.8% in 2003, is just below the EU average. However, the main problems remain high unemployment at 10.4% in 2003, long term unemployment at 4.3%, youth unemployment at 17.9%, and a mismatch of skills and labour market demands. Latvia suffers from low overall living standards, a relative high number of people at risk of poverty (16% in 2002) and serious problems of material deprivation. The extent of undeclared work (estimated at 14-20% of GDP), regional and urban/rural disparities are significant. Particularly vulnerable groups include large families and single-parent families with children, people with disabilities, old people, the unemployed, ex-prisoners, homeless people and victims in human trafficking. Ethnic minorities have a higher unemployment rate than Latvians, though poverty rates are similar, except for Roma. Health conditions as measured by life expectancy and mortality rates are unsatisfactory; Latvia also displays the highest infant mortality rate in the EU (9.8‰). Domestic violence is a significant issue.

Social inclusion: After the Poverty Reduction Strategy in 2000, this is the first action plan adopting a multi-dimensional approach to reducing poverty and social exclusion. It is based on long-term policy objectives identified in the 2003 Joint Memorandum on Social Inclusion. The analysis provides good coverage of different aspects of poverty and social exclusion. The strategic approach aims to improve the overall support systems and services of the central government, municipalities and non-governmental organisations, by making them more accessible to all inhabitants. The overall framework is based on existing programmes and measures to be implemented out of the national budget with significant support from the Structural Funds. The main emphasis is on employment promotion, including entrepreneurship, lifelong learning and prolonging working age. The needs of disabled people and unemployed youth are particularly addressed. A range of measures are foreseen to ensure an adequate income. Improvements in social services are envisaged as are increased access to housing including social housing, health care, transport and legal assistance. However, these measures are often not sufficiently targeted to meet the needs of vulnerable groups. A consistent gender equality mainstreaming policy across the NAP is not presented.

Pensions: The national social insurance system was reformed in 1996 by creating a notional defined contribution scheme (pay-as-you-go with individual accounts) with a direct link between contributions and pensions, which also reflect average remaining life expectancy at the moment of retirement. Currently, newly awarded pensions represent around 60% of earnings. Latvia is also moving towards an equal retirement age for women and men of 62 years. This has been reached for men in January 2003 and will be reached for women in 2008 (it is currently 60). Early retirement up to two years before the standard retirement age remains possible until mid-2005. Solidarity is ensured through a guaranteed minimum pension.

In a further reform step, Latvia introduced a mandatory fully funded tier in 2001. Private pension funds had already been operating on a voluntary basis since 1998. The closer link between contributions and pensions resulting from these reforms strengthens incentives to

remain in the official labour market and to pay pension contributions with positive effects for financial sustainability and future adequacy.

Challenges ahead:

- to develop a coherent strategic approach to promoting social inclusion including quantified targets, which takes into account regional and gender dimensions of poverty and social exclusion;
- to strengthen the social protection system, in particular in relation to healthcare and social assistance and by gearing it more towards making work pay and by addressing undeclared work;
- to consolidate institutional arrangements for mainstreaming and coordinating policies to promote social inclusion across all relevant policy domains and for evaluating and monitoring the implementation of policies, in particular by mobilising all stakeholders and by promoting partnerships between government and civil society organisations;
- To further develop targeted measures for the vulnerable groups.
- To ensure that sufficient resources for adequate pensions are available until the funded schemes have matured and to keep present pension expenditures under control.

LITHUANIA

Situation and key Trends: GDP in Lithuania continues to grow at a sustained pace (9.7% in 2003). However, GDP per capita in PPS is still well below the EU-25 average (45.9%). Rapid economic growth has started to translate into employment growth (2.4% in 2003) and reduction in unemployment, though the latter is still high (12.7% in 2003). Youth (26.9%) and long-term unemployment (6.1%) are still high and mainly related to a lack of necessary skills. Equally, unemployment rates are higher among ethnic minorities. In 2002, the at-risk-of-poverty rate was 17%, above the EU average, and overall living standards are very low compared to EU levels. Negative demographic developments – i.e., a drop in fertility, a rise in mortality, especially among men, and negative net migration – have resulted in a decrease of population in recent years (by 4.8% between 2002 and 2003) and raise concerns about the health status of the population.

Social inclusion: Lithuania's 2004-2006 NAPs builds on the Poverty Reduction Strategy developed in 2000 and the 2003 Joint Memorandum on Social Inclusion and identifies well the key social inclusion challenges and sets a number of long-term objectives and important quantified targets. At the core of the strategy is the elimination of extreme poverty by 2008. The other key areas are facilitating employment and access to resources, rights, goods and services, prevention of social exclusion and ensuring gender equality. A multi-dimensional approach to fighting poverty and social exclusion is followed and a long list of actions is provided in relation to the key areas. However, the lack of prioritisation and short-term targets together with the absence of clear budgetary resources and institutional responsibilities threaten to undermine the efforts of implementation, monitoring and evaluation.

Pensions: The public social insurance system was reformed in 1994, establishing a close link between contributions and pension benefits. In addition, benefits were index-linked and the retirement age is to be gradually raised to reach 60 years for women (in 2006) and 62.5 years for men (already in 2003). The conditions for early and deferred retirement were also reviewed: deferred retirement results in pension increments of 8% per year; early retirement is possible up to 5 years before the normal retirement age for people with a social insurance record of at least 30 years, who have been registered as unemployed during at least the last 1 year and earning no income. Early pensions are reduced by 0.4% per month (4.8% a year).

In 2003, a funded second tier of the first pillar was introduced. Since 2004 part of the mandatory social insurance contributions may be redirected into privately managed pension funds. Joining the system is voluntary for all insured persons up to the retirement age, but switching back is not allowed. Tax incentives for personal pension provision (3rd pillar) through pension funds or insurance companies were also introduced recently. Further reforms of the pension system are being considered, notably to equalise the retirement age for women and men and to expand the personal scope for guaranteed minimum pensions.

Challenges ahead:

- to translate rapid economic growth into more and better jobs and improve social security by taking into account regional differences and the problems of the most deprived areas;

- to develop and implement an integrated approach to dealing with the worrying demographic trends and improving the health situation of the population;
- to consolidate the mainstreaming and co-ordination of social inclusion policies and to further develop the involvement of civil society in the implementation and monitoring of the NAP/inclusion.
- to ensure availability of adequate minimum pensions and sufficiently high replacement rates from the modernised pension system.

LUXEMBOURG

Situation and key Trends: The Luxembourg economy still succeeds to keep a significant positive growth differential with its neighbours, despite the fact that GDP growth fell by almost 8 percentage points between 2000 and 2001 as a result of the global economic slowdown. The rather strong activity resulted in a rise in domestic employment by 3% in 2002 and 1.8% in 2003, which was much faster than in neighbouring countries. Like in previous years, however, employment growth was mainly driven by non-residents. Consequently, job creation was not strong enough to prevent a further increase in unemployment, from 2.8% of the labour force in 2002 to 3.7% in 2003, and a slight decrease in the employment rate, at 62.7% of the population in 2003, slightly lower than for the EU as a whole. The employment rate is particularly low for older workers, at 30% in 2003. The 2003 PISA study revealed a relatively low performance of 15-year old pupils in terms of reading literacy. Overall living standards in Luxembourg are very high and the poverty risk rate is quite low, at 10% in 2003.

Social inclusion: The 2001 and 2003 NAPs showed that for Luxembourg the challenge lies in the areas of housing, immigrants and social exclusion of young people (who show a relatively high poverty risk). Actions in these fields, such as the reform of the guaranteed minimum income RMG, launched in 2001, an active housing policy, efforts to improve the reception facilities for immigrants or to take specific charge of applicants for asylum, and measures to promote the social inclusion of under-25s, have been initiated.

Pensions: The Luxembourg pension system is dominated by the public scheme that covers employees and self-employed persons. It is financed in equal parts from employer, employee and general budget contributions and achieves a living standard for pensioners that is very close to that of the active population. The need for supplementary pension provision remains weak and only a few schemes exist for large companies. New legislation on occupational pension was introduced in 1999 to improve the protection of scheme members and to define the tax framework.

Luxembourg has a very low employment rate of older workers, and, as was pointed out in the Joint Report on Adequate and Sustainable Pensions, the financial sustainability of the pension system depends strongly on the employment of migrant and cross-border workers. Among the recent measures to improve the labour market participation of elderly workers the reform on labour disability and professional redeployment in 2002 is worth mentioning.

Challenges ahead:

- To consolidate the progress achieved in the areas of housing;
- To develop the initiatives taken to prevent school failure and, more generally, the exclusion of young people, in particular of those at risk of poverty;
- To build on the progress achieved in welcoming immigrants;

- To develop a genuine evaluation process and create the necessary tools for this: indicators, justification of the strategic choices made, quantified objectives, definition of financial resources, analysis of outcomes;
- To raise the employment rate of the resident population aged 55-64.

HUNGARY

Situation and key Trends: The Hungarian economy has achieved strong growth since 1997, with a temporary slowdown between 2001 and 2003. Though the employment rate of the working-age population improved to 57% in 2003, it remains significantly below the EU average. Despite rising considerably in the recent years, the employment rate of older workers is also far below the EU average. Unemployment remained low at 5.8%, while its long-term component is still high (41.1%). The activity rate totalled 60.6% in 2003 and remains one of the most acute problems of the Hungarian labour market. The problems of unemployment and poverty continue to have strong ethnic and regional related origins. With life expectancy at birth well below the EU average for both men and women, the health status of the population continues to remain a real concern.

Social inclusion: The Hungarian NAP 2004-2006 sets out five strategic objectives: promoting employment; guaranteeing access to public services; reducing poverty, including persistent and deep poverty; investing in the future: guaranteeing child well-being; and mainstreaming the fight against social exclusion. The Roma, people with disability and children are identified as clear priority groups. The measures intend to maximise the effective use of the ESF. Concrete measures will focus on promoting labour market access of the most disadvantaged social groups and on modernising the system of social services. However, in a number of areas overall coherence and coordination of policies could be improved. Also, certain required elements are not always present such as precise targets, deadlines, clear definition of responsible agents and details of funding. This renders the implementation of actions and their effective monitoring more difficult.

Pensions: A major reform package came into effect on January 1, 1998 overhauling the public pension scheme and introducing a mandatory funded scheme which consists of private pension funds. This new scheme is mandatory for workers below the age of 42 upon their initial entry into the labour force. Other workers can join on a purely voluntary basis. More than half of the active population has joined the new scheme. A legislative framework for personal pensions in the form of tax-privileged voluntary mutual benefit funds (VMBF) had already been established in 1993.

A major goal of the 1997 reform was to boost employment by reducing the contribution rate from 30.5% of gross wages to 26.5% (this includes mandatory contributions to private funds at the rate of 8% in 2004). The reform introduced pension accrual over the entire career and the adjustment of benefits in line with the average of wage and price changes ('Swiss indexation'). The problem of contribution evasion, which remains acute, should be alleviated by the 'ownership incentive' associated with the new personal accounts. The lower contribution rate combined with the fact that a large proportion of contribution income is being channelled into the private pension funds resulted in a financing gap.

Challenges ahead:

- To make social inclusion and the fight against poverty a higher national priority in practice, with increased resources, better cooperation among the relevant governmental bodies and a more effective mobilization and consultation of civil society.

- To improve employment performance and, crucially, to address the issue of the inactive. In this context, the informal economy needs to be further addressed.
- To mainstream consistently the gender perspective across all measures fighting poverty and social exclusion. In this context, more extensive gender-specific statistics are required to monitor developments in the field.
- To ensure that sufficient resources for adequate pensions are available in the long run, in particular by implementing measures to reduce the evasion of contributions.

MALTA

Situation and key Trends: In 2003, economic growth decelerated to 0.2%, while activity and employment rates (especially for women) increased but still remained the lowest in the EU. Unemployment has been rising from below 7% in 2000 to 8% in 2003. The social protection system, coupled with an active role played by NGOs and strong family and community bounds help keep the overall poverty rate on a par with that for the EU as a whole, in spite of the very low labour market participation. Nevertheless, the ratio of total borrowings on property and consumer debts to disposable income has increased indicating that Maltese people might become economically more vulnerable than in the 1990's. Overall levels of educational attainment and participation in training stay quite significantly below the EU average. The early school-leavers rate is the highest in the EU (53.2% in 2003) but showing a marked decreasing tendency (52.7% in 2002).

Social inclusion: Increasing the overall employment rate (with special attention for measures favouring female participation and making work pay), combating illiteracy and strengthening the welfare system, are the three main pillars of the Maltese strategy. These are further developed in twelve key national priorities, which are supported by relevant data; identification of target groups and – only in the case of four of them - also quantified targets. The plan sets the target of increasing female employment rate to 40.7% by 2010 obliging to pursue sustained efforts through a wide-ranging gender mainstreaming approach. An important number of measures are new and to be funded by the ESF showing not only the evolving policy dynamics in the field of social inclusion in Malta but also the importance of the ESF contribution. While exhaustive in the range of short and medium-term solutions to Malta immediate problems, the lack of in-depth analysis prevents the NAP from taking a truly multi-dimensional approach.

Pensions: The earnings related public pension scheme introduced in 1979 covers the entire economically active population. A full pension amounts to around 2/3 of the average individual pensionable income of the best three consecutive years during the final ten contribution years. There are differences in the benefit levels for civil servants, private sector employees and self-employed, though. Pension benefits are restricted to a maximum of €203 per week. The minimum pension benefit is set at €92 per week (€106 for a person with a dependent spouse). Pension benefits are adjusted annually according to an index that combines the cost of living and wages. The statutory retirement age is 60 for women and 61 for men; early retirement is not foreseen. The public pension scheme comprises invalidity and survivors' benefits.

Recently, the Maltese government has envisaged reforms to improve the financial sustainability of the pension system, notably by gradually raising the retirement age to 65 for both men and women. However, in late 2003 the reform plans had to be put on hold due to trade union protests.

Challenges ahead:

- To combat illiteracy and improve the educational attainment levels of both young students as well as adults in advanced age;

- To increase the overall employment rate – namely female – and develop policies to make work pay while promoting more and better jobs for both women and men currently inactive or who are recipients of social benefits and encouraging labour market integration of the most vulnerable groups; and
- To reform the welfare system in order to make it more responsive to the economic challenges, while guaranteeing its adequacy and comprehensiveness and building a strong consensus for the pension reform

NETHERLANDS

Situation and key Trends: Economic growth has fallen more sharply in the Netherlands since 2001 than in most other EU countries. In 2003, GDP decreased by 0.9%. Despite the overall employment rate declined by 0.9 percentage points in 2003, it remains well above the EU average. The upward trend in the employment rate for older workers continued, reaching 44.8% of the population aged 55-64 years, also above the average for the EU. Unemployment has risen sharply to 3.8% in 2003 but remains one of the lowest in the EU. In 2001, 12% of the population run poverty risks, one of the lowest shares within the EU. As elsewhere, the poverty risk has a gender, age and ethnic dimension. Early school leaving, overall below the EU average, remains above 30% for some ethnic minorities.

Social inclusion: Employment activation is seen as the key to promoting social inclusion. In the 2003-2005 NAP, the Netherlands have narrowed the strategic approach which intends to identify better risk accumulation and intergenerational poverty risks. An innovative risk model should help to better centre policies on the key risk factors. The 2004 light update sets a new target to create 40,000 new jobs suitable for young people by the year 2007. The 2004 Act on Work and Social Assistance has put greater emphasis on activation of unemployed citizens. The Act Work and Income to Labour Capacity that comes into force in 2006 intends to strengthen the capacity to work. The shortage of childcare places has been addressed by creating 12,600 new places in 2003. Municipalities received € 111 million extra in order to provide for healthcare for low-income chronically ill, elderly persons and people with disabilities.

Pensions: The Joint Report on Adequate and Sustainable Pensions emphasised the good performance of the Dutch pension system in terms of adequacy and noted that future sustainability depends on achieving budgetary surpluses and a high level of employment. In Summer 2004, the Dutch government announced plans to phase out tax incentives for early retirement schemes and allow employees to save for long-term leave at any moment during their careers for a variety of purposes (e.g. care duties, training or retiring earlier). The initial plans were strongly criticised by social partners and occupational pension funds, but an agreement with the social partners has been reached early November 2004. According to the agreement, the possibilities to save for long-term leave will be extended and supported by fiscal incentives. Tax deductibility of contributions to early retirement schemes for the benefits of employees who have not reached the age of 55 years before 1 January 2005 will be abolished as from 1 January 2006. The proposed reforms are part of a series of measures to raise the employment rate of people aged 55-64 years from around 45% in 2003 to 50% by 2010. A reform of the eligibility conditions for invalidity benefits will come into effect in 2006 and will reduce recourse to these benefits as a means to provide for early retirement.

The government remains committed to the strategy of reducing government debt with the aim of building up a 'virtual' old-age pensions savings fund consisting of allocations earmarked for financing pensions from 2020 onwards when around €125 bn should be available. Private occupational pensions will make a major contribution to adequacy and a new Pensions and Savings Fund Act is currently under preparation. The Act aims at increasing the transparency of pension schemes and promoting the involvement of pensioners in the administration and implementation of pension schemes.

Challenges ahead:

- To assess the impact of activation policies on the most vulnerable groups;
- To address the educational problems of ethnic minority youth;
- To evaluate the efficiency of the integration courses for former immigrants with a particular focus on the most vulnerable groups.
- To further reduce the number of early labour market exits due to long-term sickness and invalidity benefits.

AUSTRIA

Situation and key Trends: GDP growth in Austria decelerated from 1.2% in 2002 to 0.8% in 2003. The employment rate for the total population, at 69% in 2003, is well above the EU average, whereas for older people it is among the lowest in the EU, at 30.1%. The unemployment rate has increased for the second consecutive year, to 4.3% of the labour force in 2003, partly due to a rather strong rise in labour supply, particularly for women. In 2003, the at-risk-of-poverty rate was at 13%.

Social inclusion: Under the 2003-2005 NAP, a wide range of objectives have been formulated. The 2004 light update covers ten topics where supplementary measures were introduced. Programmes to facilitate transition from school to work for young people were renewed and increased in volume. The social protection for family care takers, prisoners and youth under vocational training was improved. The right for parents of children up to 7 years of age to work part-time with the right to return to full-time work has been established for those working in companies with more than 20 employees. A new agreement between the Federal Government and the Länder intends to ensure basic services for asylum seekers. In order to improve integration of migrants, a new, more structured, policy approach is being applied. A management system for long-term care was developed in order to improve the care quality. An amendment of the Care Institutions Act strengthens the rights of clients. The Länder have improved measures for homeless people: in particular in Vienna, the objective of eradicating homelessness by 2006 seems realistic. The ESF particularly supports labour market access for young people and the integration of migrants into social and work life.

Pensions: The Austrian government enacted significant reforms since the last national strategy report. The public earnings-related pension scheme which covers the entire active population will remain the dominant source of income, but the reforms entail significant benefit reductions. This results notably from the fact that the calculation of benefits will be based on a longer period of contributions. Furthermore, early retirement options will be restricted to people with long careers after a transition period until 2014. The number of contribution years required for a full pension entitlement will increase gradually from 40 to 45 years until 2009 and the retirement age for women will be raised from 60 to 65 years to become equal to that of men by 2033. Further reform measures implemented by January 2005 aim at harmonising the various pension schemes and have introduced a 'sustainability factor' to take into account increasing life expectancy for the calculation and up-rating of pensions. The cap of the maximum loss of pension rights due to the reforms that had been introduced for long-term insured by the 2003 reform have been reduced from 10% to 5% in 2004, increasing gradually to 10% by 2024. Early retirement options for employees in hard working conditions have been ameliorated.

The adjustments undertaken for the first pillar scheme are likely to represent a major step towards greater financial sustainability of public pensions. The benefit cuts can be compensated to some extent by a strengthening of private pension provision which, so far, has only played a minor role in the Austrian pension system.

Challenges ahead:

- To ensure the allocation of sufficient funds for the implementation of the ambitious policy objectives on all Government levels.
- To address the needs of the long-term unemployed, in particular against the background of the low lifelong learning participation of the low qualified.
- To analyse the living conditions of immigrants and to evaluate the efficiency of measures supporting immigrants and asylum seekers.
- To strengthen the involvement of the relevant partners for fighting poverty and social exclusion.
- To ensure that recent pension reforms translate into increased participation rates of older workers.

POLAND

Situation and key Trends: In 2003 GDP growth reached 3.8% and marked the first step out of the 2001-2002 stagnation. Growth has translated into productivity gains rather than an increase in employment. Indeed, since 1998 Poland has experienced a significant drop in employment, a surge in unemployment and in long-term unemployment. As a result, in 2003, only slightly more than one in two Poles of working-age is employed and the unemployment rate reaches 19.2 per cent, affecting in particular young people and the low-skilled. The Polish NAP reports a corresponding substantial increase in poverty rates in the late '90s, both when measured in relative and absolute terms. Rural areas are particularly affected by multiple disadvantages like high unemployment, high poverty risk and low student achievement levels.

Social inclusion: Poland has adopted a National Social Inclusion Strategy (NSIS) in June 2004 setting out objectives and targets until 2010. The NAP reflects the most urgent priorities set out in the NSIS, but fails to define in operational terms (including budgetary aspects) how the strategic objectives will be achieved. The NAP signals the shift from traditional income redistribution to a more multidimensional approach in promoting social inclusion. The key policy measures aim at both activating vulnerable groups and improving the institutional effectiveness of the welfare system and the labour market. Newly implemented principles for determining means-tests for social assistance and family benefits should simplify the complicated benefit system. But the complex institutional structure at local level will continue to hamper an efficient implementation of social programmes. The supportive role of the ESF is visible in measures related to education, employment and inclusion. It concentrates mainly on the vocational and social integration of at-risk groups.

Pensions: The Polish pension system was extensively reformed in 1999 when the public defined-benefit scheme was replaced by a two-tiered defined-contribution scheme, combining a pay-as-you-go tier with notional accounts and mandatory membership in fully funded private pension plans. A minimum pension level is guaranteed through top-up payments for people with at least 20 years of contributions; those not eligible for the minimum pension can receive social assistance. Serious initial administrative problems have now been largely resolved, but the conversion of accumulated contributions into benefits still needs to be sorted out until the first benefits accrued under the new system will become payable in 2009.

Other major issues that remain to be addressed are a comprehensive reform of the farmers' pension scheme (KRUS) and of disability pensions which become a major pathway for early labour market exit. Moreover, the issue of different pension ages for men and women, which makes little sense in the new system, remains to be tackled. The new pension scheme design offers good incentives for labour market participation. Whether this translates into higher employment and hence improved financial sustainability will, however, depend on the employability of older workers and overall demand for labour.

Challenges ahead:

- To reverse the very negative employment and poverty trends by defining a policy framework encompassing social inclusion priorities and employment creation measures;

- To improve access to the labour market of people with low qualifications, young unemployed persons and people with disabilities.
- To step up administrative capacity, strengthen social policy institutions and improve policy coordination at local level;
- To provide adequate support to large families, families with disabled children and promote affordable housing for low/moderate income households;
- To consolidate the reform of the pension system, notably by organising the conversion of funded pension savings into safe annuities, addressing the issue of raising the employment rate of older workers and equalising retirement age conditions for women and men.

PORTUGAL

Situation and key Trends: Convergence of the Portuguese economy towards the EU average seems to have halted in recent years, leaving a significant gap in per capita incomes. In 2003, real GDP shrunk by 1.2% over 2002. Recovery is now underway and GDP is expected to grow by 1.2% over the current year. The main factor of low growth is low labour productivity, as employment rates across the board are substantially higher than the EU average. Since 2001, the unemployment and long-term unemployment rates have increased substantially, respectively from 4.1% of the labour force to 6.3% and from 1.5% to 2.2%. The Portuguese population, even its younger members, have had less formal education than the population in other EU countries and workers also have less access to training opportunities. The situation regarding poverty and social exclusion remains worrying: in 2001, 20% of the population was exposed to the risk of poverty, and 15% on a persistent basis. The available empirical evidence also points to serious problems of material deprivation across households.

Social inclusion: The 2003-2005 NAP is a fairly straight continuation of the overall strategy presented in 2001, and contains little innovation. The Plan presents a rather broad list of principles, strategic aims, and priorities, and wide panoply of instruments, but falls short from identifying sources of funding and budgets for the main measures. For this reason, it is difficult to establish what the true priorities are and how the strategic objectives tie in with the implementation of the measures. A key measure of the NAP is the “Social Network”, which is to be extended and stepped up in order to mobilise all stakeholders. The NAP also identifies measures to improve education and training, to raise the social pensions, and to improve information and access to counselling services. Special attention is paid to certain vulnerable groups (poor children and young people, the homeless, immigrants). The ESF plays an essential role by contributing with about 16% of the resources allocated to Portugal to the implementation of the objectives in the field of social inclusion.

Pensions: As indicated in the Joint Report on Adequate and Sustainable Pensions, the Portuguese pension system is expected to deliver more adequate pensions thanks to the recently strengthened minimum pension provisions, the option of deferring pension receipt up to the age of 70, thus increasing one's pension entitlement, and finally due to the fact that new pensioners are more likely to have sufficiently long contribution careers.

To cope with the expected doubling of the old-age dependency ratio by 2050, future pension expenditure increases are to be moderated notably by extending gradually the reference period for assessing pensionable earnings to the entire career. In addition, a social security reserve fund was introduced which is expected to contribute to be spent on increased expenditure from around 2015 onwards. The Portuguese pension system will certainly continue to be dominated by the public scheme covering employees and the self-employed, but since 2000 a comprehensive legal framework for private pension provision was introduced, comprising tax incentives and making occupational pension rights more portable.

Challenges ahead:

- To identify the budgetary means for achieving the NAP goals, taking into account the current restrictions;

- To improve administrative capacity for monitoring and evaluating outcomes and set up an appropriate information system. Special attention should be given to budgetary information;
- To develop the participation of social partners and continue the effort to mobilise civil society by implementing an effective partnership-based approach
- To strengthen the institutional partnerships, namely the inter-ministerial monitoring committee, as an important tool for the mainstreaming of social inclusion.
- To ensure that the modernised framework for private provision allows such schemes to make an appropriate contribution to pensioners' incomes.

SLOVENIA

Situation and key Trends: In 2003, economic growth decelerated to 2.5 %, while employment declined by 0.3% bringing the rate to 62.6% and the unemployment rate increased from 6.1% to 6.5%. A gender gap of 9.8 percentage points persists in favour of male employment rate. The employment rate for older persons, at 23.5% in 2003, is the lowest in the EU and is also very low for older women (14.6%). In 2002, Slovenia's per capita income at purchasing power parity stood at 77% of the EU 25. According to national data, since 1997, the average at-risk-of-poverty rate is in decline, being at 10% in 2002. Children are exposed to a particularly low poverty risk, of 7%, whereas the Roma are among the most vulnerable groups. Regional disparities are considerable, with Eastern Slovenia significantly lagging behind in development and having considerably higher unemployment rates. The poverty-reducing effect of social transfers is particularly evident in Slovenia, as they reduce the poverty risk by more than three fourths. Overall levels of educational attainment are significantly above the EU average, and, together with the Slovak Republic, Slovenia displays the lowest share of early school leavers in the EU.

Social inclusion: The adoption of the Programme to Combat Poverty and Social Exclusion in 2000 defined and recognised social inclusion as a government all-inclusive policy priority. This is well reflected in the 2004-2006 NAP whose comprehensive strategy focuses on the four EU common objectives in the fight against poverty and social exclusion. Due to the significant changes in all spheres of social protection in the last few years, entitlement to social benefits and their levels have been improved, especially in terms of guaranteed minimum income and family benefits. The result was a significant improvement in the position of low income groups but on the other hand social benefit dependency is relatively high. This is the reason why the key priorities in the NAP/inclusion are an inclusive labour market, appropriate education, suitable living conditions and decreasing regional differences. Although the priorities are well identified in the NAP, the envisaged measures do not always respond to the challenges and do not cover the broad range of priorities listed in the strategy. A number of objectives are not sufficiently translated into operational measures and quantified targets. In such cases, there is a risk of difficulties in implementation, monitoring and evaluation. The NAP rightly refers to the use of Structural funds within the framework of the Single Programming Document and EQUAL Community Initiative Programme. However, the link between the NAP and the ESF could be more precise and clearer.

Pensions: The Slovenian pension system is dominated by the earnings-related public scheme the spending of which represents just over 11% of GDP (13.6% including health insurance contributions for pensioners). Poverty protection in old age is ensured through means-tested pension supplements or assistance pensions for people without sufficient pension entitlements of their own. The 2001 reform also introduced a new residence-based basic pension. Participation in supplementary pension schemes is voluntary except for workers in particularly heavy and hazardous occupations for whom employers have to pay additional contributions covering the risk of early labour market exit.

A major pension reform was adopted in 1999 with the aim of strengthening the financial sustainability of the earnings-related public pension scheme and promoting voluntary private provision. The reform tightened eligibility conditions and reduced benefit levels. Moreover, the pension age will be gradually increased to 61 years for women (to be reached at the latest

in 2023) and 63 years for men (to be reached in 2009). Since the reform the average retirement age has increased by more than one year, reaching 57 years and 8 months in 2003 (including workers in heavy and hazardous occupations who are entitled to earlier retirement). This has also benefited the financial situation of the statutory pension scheme.

Challenges ahead:

- To tackle the existing regional disparities.
- To introduce effective measures for bringing people who depend on benefits back to work.
- To increase access to accommodation especially for the most vulnerable groups, to promote integration of persons with disabilities avoiding a "disability trap", to promote social inclusion of older people and to facilitate integration of ethnic minorities and people without residence permit such as immigrants and "erased persons".
- To effectively fight discrimination as one of the major obstacles to social inclusion.
- To implement the rise in the pension age and in the effective retirement age, moving towards full equality between men and women.

SLOVAK REPUBLIC

Situation and key Trends: In 2003, the Slovak economy continued its positive expansion with GDP growth at 4%. The overall employment rate (57.7%) is still under the EU 25 average. Although slowly increasing since 2001, the employment rate of older workers remains extremely low, at 24.6%, particularly for older women (11.2%). The unemployment rate declined in 2003 to 17.5%, but long-term unemployment (11.1%) and unemployment of young people under the age of 25 (33.8%) remain very high. The at-risk-of-poverty rate at 21% in 2002 is the highest in the EU with unfavourable dispersion around the risk-of-poverty – 13% of the population have an income lower than 40% of the national at-risk-of-poverty threshold. Social protection expenditure is on a declining trend and stood at 19.1% in 2001, below the EU average of 27%. Overall levels of educational attainment are significantly above the EU average, and, together with Slovenia, the Slovak Republic displays the lowest share of early school leavers in the EU in 2003. The largest ethnic minority - the Roma – represents an estimated 7% of the population. Due to their low level of education and extremely high unemployment rate, the Roma are often exposed to social inequalities and exclusion.

Social inclusion: Slovak Republic's first NAP/Inclusion for 2004-2006 is strongly related to the national employment strategy built on the idea that employment is the most effective way to fight poverty and that welfare dependency should be very strongly discouraged. Major stress is put on strengthening the role of the individual in order to increase his/her motivation to (re)enter the labour market. Accordingly, the main tool in the combat against poverty and social exclusion is considered increasing employability. A new legislation in the field of social assistance and social benefits is presented. It brought a new structure of the social assistance benefits with a motivation aspect for people in material need to take up work; new measures were also introduced to support families with children (with at least one parent working). Different programmes for the Roma minority are being implemented. Support from the ESF provided to activities outlined in the NAP is well recognised and highly relevant. A more comprehensive approach to social exclusion implemented in close cooperation with relevant actors in society is needed as well as monitoring and evaluation arrangements of the NAP should be ensured, more targets and objectives quantified.

Pensions: The Slovak pension system has undergone a major reform in 2004 which split the statutory old-age pension scheme into two tiers, one being pay-as-you-go financed, the other one consisting of privately managed pension funds. Each of these tiers receives a contribution rate of 9% of wages; an additional 6% will be collected for survivor's and disability benefits. All new labour force entrants will be enrolled in this new two-tiered system and current workers will have until June 2006 to choose whether to join the new system or stay in the old one. The introduction of the privately managed funded tier entails a significant loss of contribution revenue. The government is nevertheless committed to raising benefits in line with a mixed index based of inflation and earnings growth and has earmarked part of its privatisation revenues for financing pensions. A legal framework for voluntary pension provision and tax incentives for such savings with pension funds or insurance companies are also in place.

The reform established a close link between contributions and benefits and started a gradual rise of pension ages to 62 for both men (from 60 today, to be reached in 2007) and women

(from 53-57 depending on the number of children today, to be reached in 2023). Early retirement will be possible provided that the acquired pension rights exceed 1.2 times the minimum subsistence level.

Challenges ahead:

- to closely monitor the impacts of the recent reforms of the social protection system;
- to enhance the involvement of the social partners, the poor and excluded themselves;
- to tackle the housing shortage and to combat homelessness;
- to monitor and assess the implementation of programmes prepared for the Roma and to increase public awareness in relation to this minority;
- to increase the employment rate of older people - especially of older women - and increase their participation in active labour market policy measures;
- to ensure that sufficient resources for adequate pensions are available until the funded schemes have matured.

FINLAND

Situation and key Trends: Over the past decade, the growth performance of the Finnish economy has been among the most impressive in the OECD, underpinned by both strong productivity and employment gains. The pace of GDP growth has slowed down since 2001 but is expected to recover to 3% this year. The overall employment rate fell slightly in 2003, reaching 67.7% after a period of slight continuous rise. During 1997-2003 the employment rate of people aged 55-64 rose by 14 percentage points, while on average the employment rate rose by (only) 4 percentage points. The unemployment rate was at 9% in 2003. Regional differences in unemployment remain great. In 2001, 11% of the Finnish population and 6% of children lived on an income of less than 60% of median income.

Social inclusion: Finland has a universal social welfare and health service system and a comprehensive income security system. The NAP 2003-2005 has taken a comprehensive and multidimensional approach to social inclusion. In addition to efforts to strengthen the universal system, measures targeted at vulnerable groups are also put in place. Four general policies have been highlighted: promoting health and ability to lead an active life, increasing attractiveness of working life, prevention and combating of social exclusion, and ensuring effective services and a reasonable level of income security. A National health care policy programme and a National Health Project are aiming at increasing the availability and quality of health services both at the local and national level. The government's housing policy aims at reducing homelessness and increase the annual supply of reasonable priced rental housing up to 10.000 new units in the period 2004-2007. The education policy is aimed at preventing social exclusion, for example by reducing the number of dropouts and raising the level of education among adults. There are a number of measures targeted at vulnerable groups. Some examples are organising morning and afternoon activities for schoolchildren, a national alcohol program, supporting the integration of immigrants, combating violence against women, prostitution and trafficking and a voluntary debt adjustment program. Some 22% of ESF funding in Finland is reserved for specific measures aimed at reintegrating the most vulnerable and disadvantaged groups.

Pensions: The Joint Report on Adequate and Sustainable Pensions noted that Finland has made significant progress towards meeting the challenge of financial sustainability while ensuring the adequacy pensions. The measures taken included a tightening of the conditions for early retirement, an extension of the period of earnings considered for calculating the pension and a weaker earnings link in the pensions indexation. The reform process continued with a train of measures adopted, after negotiations with the social partners, in June 2003. They will further restrict early retirement options while extending the period during which pension rights accrue (from 23-65 to 18-68) and offering strong incentives for staying longer on the labour market. From 2009 onwards, benefit levels will be automatically adjusted in line with life expectancy.

The reforms can be expected to contribute to a higher effective retirement age which will allow the statutory earnings-related pension scheme to continue to provide adequate pensions on its own. The high level of financial reserves of the statutory schemes also enhances the capacity of the Finnish pension to respond to the challenge of ageing over the medium term. Due to the implemented pension reforms and efforts to encourage employers to keep workers

longer in employment, employment rates of older workers have been rising markedly and the Lisbon target of 50% employment rate was already achieved in the first half of 2004.

Challenges ahead:

- To improve further the relatively high level of performance in the field of tackling social exclusion.
- With an ageing population, to continue to address a situation where there are pressures to increase social protection expenditure while the tax base is decreasing at the same time.
- To reduce structural unemployment and intensify work integration measures.
- To combat regional segregation in social exclusion.
- To ensure that the recent tightening of conditions for early retirement will effectively translate into further increases in the employment rate of older workers.

SWEDEN

Situation and key Trends: Sweden's favourable macro-economic position continued in 2003 with a real GDP growth of 1.6%, above the EU average. In spite of the positive economic performance, overall employment growth is stagnating if not slightly decreasing compared to last year. The Swedish overall employment rate in 2003 stood at 72.9%, a drop of 0.7% from the previous year, 10 percentage points more than for the EU as a whole. For older workers the employment rate stood at 68.6%, the highest in the EU. The situation of poverty and social exclusion is particularly favourable in many respects: the rate of poverty is very low, at 9% for the total population and 7% for children in 2001; the level of educational attainment of the population, especially youth, is generally high; and life expectancy for both women and men is the highest in the EU. A very high old age dependency ratio poses a challenge to the capacity to maintain the strong solidarity principles of the existing welfare state.

Social inclusion: Full employment for women and men and a universal security system is the basis of the Swedish welfare system. There is a strong focus on policies aiming at promoting employment and improving working conditions to prevent poverty and social exclusion. Efforts to reintegrate persons on indefinite sickness allowance into the labour market have resulted in a decrease in both short term and long term sickness leave. To remind employers of their responsibility to improve working conditions, they will be required to pay 15% of sickness leave costs from 1 January 2005.

Due to recent low economic growth, additional government grants of more than 1.5 billion € will be allocated to municipalities for the period 2005-2007. This will allow for the strengthening of welfare services such as care for the elderly, psychiatric care and health care in general and promote job creation in the public sector. The government plans to present a bill to the Parliament in 2005 on policy towards older people, and will raise child allowances from 2006. The Government is devoting increased efforts aimed at better integrating immigrants into the Swedish society. The Social Fund contributes towards the goals of social inclusion by supporting active labour market measures for weak groups such as the long term sick, the unemployed and immigrants.

Pensions: A completely new earnings-related public pension scheme was introduced in 1999, based on the principles of actuarial neutrality, individual accounts and automatic adjustments to changing demographic and economic circumstances. The Joint Report on Adequate and Sustainable Pensions noted the advantages of the system particularly in terms of securing financial sustainability. Adequacy can be maintained by extending working lives in line with rising life expectancy. Occupational pensions can also make a significant contribution as they cover around 90% of employees and currently account for approximately 16% of total pension payments.

The Swedish pension system also provides very comprehensive information to individuals by sending out annual statements of pension capital accumulated so far and a projection of future pension entitlements. The government now focuses its efforts on promoting better health working life so as to enable people to stay on the labour market sufficiently long to acquire adequate pension rights without having to rely on the solidarity mechanisms foreseen in the pension system.

Challenges ahead:

- To maintain the strong solidarity principles of the welfare state despite a sharp increase in the dependency ratio;
- To continue efforts to further reduce the number of people on long term sick leave and improve health for all.
- To monitor the policy efforts taken to reduce the disadvantages of immigrants, particularly with respect to employment;
- To support longer working lives by promoting better health and thus preventing premature withdrawal from the labour market.

UNITED KINGDOM

Situation and key Trends: The UK economy has proved resilient during the recent global economic slowdown, with growth rates significantly above the EU average. The employment growth rate increased to 0.9% in 2003 and is expected to continue to grow, albeit at a more moderate rate, over 2004 and 2005. In 2003, the overall employment rate was at 71.8% for the total population and at 55.5% for older people, almost 5 percentage points more than in 2000. Unemployment and long-term unemployment remain significantly below the EU average, at 4.9% and 1.1% respectively in 2003. However, concentrations of unemployment and inactivity persist in certain communities and among particular groups (lone parents, old people, those with few or no qualifications; ethnic minority groups; and residents of deprived neighbourhoods), and the number of people claiming incapacity and severe disability benefits (around 7 % of the workforce in 2004) gives cause for concern. In spite of favourable labour market developments, the poverty risk for the total population remains high, at 17% in 2001. A particularly high share of lone parents and an uneven distribution of work across households, resulting in a divide between work-poor and work-rich households are to account for the high share of children living in poverty risk (24% in 2001).

Social inclusion: The second UK NAP (2003-05) maintains the process of developing a broad and comprehensive strategy. Facilitating access to employment for those capable of working is at the centre of the strategic approach and has been helped by continued good economic and employment growth. The strategy also envisages the provision of good income support and high quality social services to those who cannot access work. Among the groups identified as requiring special support are: lone parents; the long-term unemployed; older people; those with few or no qualifications; ethnic minority communities; sick or disabled people; and residents of deprived neighbourhoods. The strategy involves commitment to a number of targets, supported by national indicators, most notably the aim of eradicating child poverty by 2020. An important measure to help meet this target has been the provision of high-quality, integrated early-years education and health, family support and childcare services in the most disadvantaged areas. These services will now be extended to cover all areas of England over the next ten years. The European Social Fund has a key role in support of the National Action Plan to help people develop their employability and skills, with a particular focus on unemployed and socially excluded people. The process of creating the second NAP also shows a greater degree of openness and involvement of relevant stakeholders. Important areas for action remain, some of which are highlighted in the challenges below.

Pensions: The basic state pension scheme covers all persons in employment and provides modest flat-rate benefits below the minimum level guaranteed for pensioners through the Pension Credit scheme, introduced in 2003, which currently tops up the incomes of around a third of pensioners. Participation in an earnings-related scheme is mandatory and there is a choice between contributing to the State Second Pension scheme or contracting out into a recognised occupational or personal pension scheme. The statutory retirement age for women will be raised gradually from 60 to 65 years and thus adjusted to the men's pension age by 2020.

The Joint Report on Adequate and Sustainable Pensions noted that the UK had made significant progress in addressing the adequacy challenges, but raised the risk of insufficient retirement savings through occupational and personal pension schemes. The UK government is seeking to address the issue of under-saving through its Informed Choice programme, which aims to maximise the take-up of work-based pensions and support people through education and information in making decisions about saving for their future. Financial sustainability may be adversely affected by insufficient private provision if an increasing proportion of pensioners have to rely on supplements under the Pension Credit scheme. The adequacy of private pension saving has recently been reviewed in the interim report of the Independent Pensions Commission, appointed by the Government.

Challenges ahead:

- To address the high risk of child poverty, concentrations of low income and low pay among women;
- To tackle the persistence of significant regional and local imbalances in relation to poverty and social exclusion;
- To build upon recent progress made in the delivery and affordability of childcare required, particularly in poorer areas;
- To address the pensions adequacy gap notably by supporting people in saving for their retirement.

STATISTICAL ANNEX

Table 1a. General economic context

EU 25		BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
Growth rate of GDP at constant prices (1995) - percentage change over previous year																										
1990-1995	:	1,6	:	2,0	:	:	1,2	1,5	1,1	4,7	1,3	5,3	-11,8	-10,3	3,9	:	:	2,1	2,2	:	1,7	-0,6	:	-0,9	0,7	1,7
1995-2000	2,7	2,8	1,5	2,7	1,8	5,5	3,5	3,9	2,7	9,8	1,9	3,8	5,4	4,2	7,0	4,0	:	3,7	2,9	5,1	3,9	4,3	3,7	4,7	3,2	3,2
2002	1,1	0,9	1,5	1,0	0,1	7,2	3,6	2,2	1,2	6,1	0,4	2,1	6,4	6,8	2,5	3,5	1,8	0,6	1,2	1,4	0,4	3,3	4,6	2,3	2,0	1,8
2003	0,9	1,3	3,7	0,5	-0,1	5,1	4,5	2,5	0,5	3,7	0,3	1,9	7,5	9,0	2,9	3,0	0,2	-0,9	0,8	3,8	-1,2	2,5	4,0	1,9	1,5	2,2
2004 f	2,4	2,5	3,8	2,3	1,9	5,9	3,8	2,6	2,4	5,2	1,3	3,5	7,5	7,1	4,0	3,9	1,0	1,4	1,9	5,8	1,3	4,0	4,9	3,0	3,7	3,3
2005 f	2,3	2,5	3,8	2,4	1,5	6,0	3,3	2,6	2,2	4,8	1,8	3,9	6,7	6,4	3,5	3,7	1,5	1,7	2,4	4,9	2,2	3,6	4,5	3,1	3,1	2,8
2006 f	2,3	2,6	4,0	2,0	1,7	6,2	3,3	2,7	2,2	5,0	1,8	4,2	6,7	5,9	3,6	3,8	1,8	2,4	2,4	4,5	2,4	3,8	5,2	2,7	2,9	2,8
GDP per capita in Purchasing Power Standards (PPS), (EU-25 = 100)																										
1995	100	120,2	70,0	124,9	119,4	33,9	72,1	87,5	115,2	99,4	115,4	86,1	29,8	34,1	178,7	49,6	:	120,2	129,1	40,8	73,1	68,4	44,5	105,8	118,3	110,5
2000	100	116,9	64,8	126,8	112,0	41,6	72,5	91,7	114,0	126,3	111,3	86,2	35,5	38,5	218,6	53,5	78,6	121,6	127,9	45,8	77,3	73,3	47,9	114,3	119,8	114,1
2003 f	100	117,2	72,5	123,2	107,8	46,4	79,6	95,5	113,3	132,8	107,6	85,2	42,3	45,7	212,3	60,6	74,2	119,9	121,6	46,1	74,5	77,1	51,1	109,8	115,1	118,1
2004 f	100	116,8	74,9	123,3	107,3	48,3	80,9	95,0	113,5	132,2	106,1	84,1	44,9	48,4	214,0	61,7	72,1	117,7	120,4	47,4	72,9	78,4	51,7	109,4	114,9	119,1
2005 f	100	116,8	77,0	123,5	106,5	50,2	81,8	94,9	113,1	132,7	105,7	84,7	47,2	50,8	215,4	62,5	71,1	116,6	119,8	48,6	72,5	79,5	52,6	109,2	115,0	119,6
2006 f	100	116,8	78,5	123,1	105,7	52,3	82,8	95,0	112,8	133,4	105,3	85,7	49,7	53,0	217,8	63,6	70,2	116,2	119,2	50,0	72,3	80,8	53,7	108,7	114,4	119,4
Productivity per person employed - GDP in PPS per person employed relative to EU-25 (EU-25 = 100)																										
1995	100	131,3	57,8e	102,3	107,9	32,0e	85,4	104,6	124,9	115,2	124,3	67,0e	31,6e	31,2e	140,4	58,5e	:	107,7	108,7	44,2e	62,9	64,2e	46,9e	108,7	105,3	102,5
2000	100	126,8	59,8	105,2	102,8	43,2	87,8	100,7	123,0	122,8	120,3	85,7	38,6	36,7	156,6	61,8	90,8	103,1	107,5	51	69,3f	70,4	55,3	111,2	107,8	105,3
2002	100	127,3	61,4	103,3f	101,2	46,7	95,5	102,5	121,4	130,1	113,3	83,1f	40,6	45,5	141,9	67,2	86,8	103,4	104,2	52,2	69,2f	73,3	59,6	109,1	102,8	109,1
2003 f	100	128,8	62,4	104,7	101,5	48,7	98,5	104,6	119,4	128,0	110,5	82,3	41,7	47,8	142	68,2	89	103,2	104,2	53,2	67,8	74,9	59,3	108,9	103,7	109,6
2004 f	100	128,4	65,1	104,7	101,2	49,6	98,7	102,9	120,4	126,7	108,9	81,4	43,7	49,8	141,8	68,9	86,6	103,3	103,2	54,9	66,7	76,2	60,2	109,4	104,7	110,5
2005 f	100	128,3	67,1	105,0	100,2	51,1	99,6	101,8	120,1	127,2	108,3	81,8	45,8	52	141,3	69,7	85,9	102,6	103,1	56	66,2	77,4	61,2	109,5	105,3	111,3

Inflation rate - Annual average rate of change in Harmonized Indices of Consumer Prices (HICPs)

2000	2,4i	2,7	3,9	2,7	1,4	3,9	2,9	3,5	1,8	5,3	2,6	4,9	2,6	0,9i	3,8	10,0i	3,0	2,3	2,0	10,1	2,8	8,9	12,2	3,0	1,3	0,8
2002	2,1i	1,6	1,4	2,4	1,3	3,6	3,9	3,6	1,9	4,7	2,6	2,8	2,0	0,4i	2,1	5,2	2,6	3,9	1,7	1,9	3,7	7,5	3,5	2,0	2,0	1,3
2003	1,9i	1,5	-0,1	2,0	1,0	1,4	3,4	3,1	2,2	4,0	2,8	4,0	2,9	-1,1i	2,5	4,7	1,9	2,2	1,3	0,7	3,3	5,7	8,5	1,3	2,3	1,4

f = forecast

e = estimate

Source : Structural indicators database

Table 1a. General economic context (cont.)

Public balance - Net borrowing/lending of consolidated general government sector as a percentage of GDP																			
2000	0,8	0,2	-3,7	1,7	1,3	-0,6	-4,1	-0,9	-1,4	4,4	-0,6	-2,4	-2,8	-2,5	6	-3	-6,2	2,2	-1,5
2002	-2,3	0,1	-6,8	0,7	-3,7	1,4	-3,7	-0,1	-3,2	-0,2	-2,3	-4,6	-2,7	-1,5	2,8	-9,2	-5,9	-1,9	-0,2
2003	-2,8	0,4	-12,6	0,3	-3,8	3,1	-4,6	0,4	-4,1	0,1	-2,4	-6,4	-1,5	-1,9	0,8	-6,2	-9,7	-3,2	-1,1
General government debt - General government consolidated gross debt as a percentage of GDP																			
2000	62,9	109,1	18,2	52,3	60,2	4,7	114	61,1	56,8	38,3	111,2	61,6	12,9	23,8	5,5	55,4	56,4	55,9	67
2002	61,6	105,8	28,8	48,8	60,9	5,3	112,5	54,4	58,8	32,7	107,9	67,4	14,1	22,4	5,7	57,2	62,7	52,6	66,6
2003	63,3	100,7	37,8	45,9	64,2	5,3	109,9	50,7	63,7	32,1	106,2	70,9	14,4	21,6	5,4	59,1	71,1	54,1	65,1
Employment growth - Annual percentage change in employed population																			
Total																			
1998	1,7e	1,8	-1,4	1,6	1,1	-1,9	7,5	3,9	1,5	8,6	1	1	-0,3	-0,8	4,5	1,8	:	2,6	1
1999	1,2e	1,4	-2,1	2,1	1,2	-4,4	0,1	3,5	2	6,3	1,1	1,3	-1,8	-0,5	5	3,2	-0,5	2,6	1,4
2000	1,4e	1,9	-0,7	0,3	1,8	-1,5	0,3	3,5	2,7	4,6	1,9	2,8	-2,9	-3,7	5,7	1	2,3	2,2	0,8
2001	1,1	1,5	-0,1	0,3	0,4	0,8	-0,3	2,4	1,7	3	2	1,9f	2,2	-4,1	5,7	1	2,1	2,1	0,6
2002	0,3	-0,3	0,8	-0,4	-0,6	1,3	0,1	1,5	0,7	1,8	1,8	1,4f	2,3	-7,4	3	0,1	-0,7	0,4	-0,2
2003	0,2	0	-0,6	-0,9	-1	1,5	1,4	1,8	-0,1	2	1,2	0,9f	1	2,4	1,8	1,3	-1,0f	-0,4	-0,1
Women																			
1998	:	3,3	:	2,6	1,7	:	7,9	4,6	2	10,3	2,1	:	:	:	7,4	3	:	3,7	1,3
1999	2,0e	3,7	-1,7	2,4	2,1	-3,6	1,4	5,9	2,2	7,9	2,4	:	-2,2	:	4,2	3,5	:	4,5	1,9
2000	2,0e	2,1	-0,7	0,9	2,5	-1,9	1,1	6	2,7	5,8	3,1	:	-1,2	:	6,1	1,1	:	2,5	0,9
2001	1,6e	1,4	-0,2	0,5	1,1	0,8	-0,4	3,6	2	3,8	3,7	:	3,4	-4	5,7	1,6	-1,1	3,1	2,3
2002	0,9e	0,6	0,3	-0,3	0,5	1,4	0,9	2,8	1,6	3,3	2,5	:	1,2	-9,6	5,6	0,2	4,5	1,5	1,8
2003	0,7e	1,3	-0,8	-1,7	-0,2	1,2	1,9	4	0,3	2,6	1,7	:	0,5	2	1,6	2,1	-0,7f	0,4	0,8
Men																			
1998	:	0,8	:	0,8	0,6	:	7,2	3,5	1,1	7,5	0,5	:	:	:	3,4	0,8	:	1,9	0,8
1999	0,6e	-0,2	-2,4	1,9	0,5	-5,2	-0,7	2,2	1,8	5,2	0,4	:	-1,4	:	5,5	2,9	:	1,3	1
2000	1,1e	1,8	-0,7	-0,2	1,3	-1,1	-0,3	2,1	2,6	3,9	1,2	:	-4,5	:	5,3	0,9	:	2	0,6
2001	0,6e	1,5	0,1	0,1	-0,1	0,9	-0,3	1,6	1,5	2,5	0,9	:	1	-4,2	5,7	0,5	3,4	1,3	-0,7
2002	-0,2e	-1	1,1	-0,4	-1,4	1,1	-0,4	0,7	-0,1	0,7	1,4	:	3,3	-5,2	1,3	0	-2,8	-0,4	-1,8
2003	-0,2e	-0,9	-0,4	-0,2	-1,6	1,7	1,1	0,5	-0,5	1,5	0,8	:	1,5	2,7	1,8	0,7	-0,7f	-1	-0,9

f = forecast

e = estimate

Source : Structural indicators database

Table 2a. General demographic context

EU 25		BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
Total population (in millions)																										
1.1.2003	454560e	10356	10203	5384	82537	1356	11006	41551p	59635p	3964	57321	715	2332	3463	448	10142	397	16193	8082	38218.5 t	10408	1995	5379	5206	8941	59328.
1.1.2004	456815e	10396p	10212	5398	82532e	1351p	11041p	42345p	59901p	4027.5 e	57888.2 e	730.4 p	2319	3445.9 p	452	10116.7 f	400	16258.0 f	8114.0 p	38191	10475	1996	5380	5220	8976	59651.

Source : Eurostat - First demographic estimates.

Population growth rates (per 1000 population)

Average annual growth rate 1970-1980																										
Total increase	:	2,0	3,9	4,3	-0,2	8,5	8,7	10,3	6,1	14,2	4,9	:	6,5	8,7	7,0	3,7	:	8,4	1,2	8,0	10,1	9,6	8,9	3,3	3,6	1,3
Natural increase	:	1,1	5,0	3,4	-1,3	3,8	7,1	10,4	4,7	11,0	5,3	:	2,3	6,8	-0,4	3,8	8,3	6,1	0,1	9,7	8,9	6,4	10,4	4,0	2,2	1,7
Net migration	:	0,8	-1,1	0,8	1,1	4,7	1,5	-0,1	1,4	3,2	-0,4	:	4,2	2,0	7,4	-0,1	:	2,3	1,0	-1,7	1,1	3,2	-1,4	-0,7	1,4	-0,4
Average annual growth rate 1980-1990																										
Total increase	2,9	0,9	0,4	0,3	1,1	6,5	5,4	4,1	5,2	3,2	0,5	11,6	6,1	8,1	4,2	-3,2	6,5	5,5	1,3	7,1	2,0	5,2	6,3	4,2	2,6	2,1
Natural increase	2,4	0,9	0,7	-0,4	-0,9	3,6	3,3	4,4	4,2	8,9	0,8	9,5	2,7	5,5	0,7	-1,4	7,6	4,1	0,1	8,0	4,1	3,7	7,2	3,5	0,9	1,6
Net migration	0,5	0,1	-0,2	0,7	2,1	2,9	2,1	-0,3	0,9	-5,7	-0,3	2,1	3,4	2,7	3,5	-1,9	-1,2	1,4	1,1	-0,9	-2,1	1,5	-0,9	0,7	1,7	0,4
Average annual growth rate 1990-2000																										
Total increase	3,0	2,9	-0,8	3,7	3,8	-13,9	7,4	2,9	3,8	7,4	1,7	18,6	-11,5	-5,1	13,4	-1,5	9,7	6,3	4,5	1,6	2,7	-0,5	2,1	3,9	3,8	3,7
Natural increase	1,0	1,4	-1,0	1,2	-1,0	-3,3	0,3	0,8	3,6	5,5	-0,2	6,9	-4,4	0,6	3,7	-3,2	5,7	3,9	1,0	2,0	0,9	0,2	2,6	2,6	1,4	1,9
Net migration	2,0	1,5	0,2	2,5	4,7	-10,6	7,1	2,0	0,2	1,9	2,0	11,7	-7,2	-5,7	9,7	1,7	3,9	2,3	3,5	-0,4	1,8	-0,6	-0,6	1,3	2,4	1,8
Annual growth rate 2003																										
Total increase	4,9	3,9	0,8	2,6	-0,1	-4,0	3,1	18,9	4,4	16,0	9,8	21,2	-5,3	-4,8	7,3	-2,5	6,5	4,0	4,0	-0,7	6,4	0,7	0,2	2,6	3,9	5,4
Natural increase	0,4	0,5	-1,7	1,3	-1,7	-3,7	0,0	1,3	3,5	8,2	-0,5	3,6	-4,9	-3,0	2,9	-4,1	2,3	3,7	0,0	-0,4	0,4	-1,0	-0,1	1,5	0,7	1,4
Net migration	4,5	3,4	2,5	1,3	1,7	-0,3	3,2	17,7	0,9	7,8	10,3	17,6	-0,4	-1,8	4,4	1,5	4,3	0,4	4,0	-0,4	6,1	1,7	0,3	1,1	3,2	4,0

Source: Eurostat - Demographic statistics.

Population structure by age (percentage of total), 2003

Population structure by age (percentage of total), 2003																														
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
0-14	16,6	17,4	15,6	18,8	15	16,6	:	:	18,7	21	:	20,9	16	18,3	18,8	16,1	:	18,6	16,6	17,8	15,8	15	18	17,8	18	:				
15-24	:	12,1	14,1	11,1	11,5	15,1	:	:	13,0	16,2	:	15,6	15,1	15,0	11,4	13,7	:	11,9	12	16,8	13,4	14	16,6	12,5	11,7	:				
25-49	:	36,2	36,5	35,9	37,1	34,7	:	:	35,0	36,6	:	35,7	35,2	35,8	39,4	36,1	:	37,6	37,9	36,1	36,9	38,3	37,5	34,3	33,8	:				
50-64	:	17,3	19,9	19,4	18,8	17,8	:	:	17,0	15,1	:	16,0	17,9	16,2	16,3	18,7	:	18,1	18	16,4	17,3	18	16,3	20,1	19,3	:				
65-79	:	13	11,2	10,8	13,4	13,0	:	:	12,1	8,5	:	9,2	13,1	12,1	11	12,3	:	10,4	11,6	10,5	13,1	12,1	9,4	11,7	11,9	:				
80 and over	3,8	4	2,7	4,0	4,1	2,8	:	:	4,2	2,6	:	2,6	2,8	2,7	3,1	3,1	:	3,4	3,9	2,2	3,6	2,7	2,1	3,6	5,3	:				

Source: Eurostat - Demographic statistics.

Table 2a. General demographic context (cont.)

EU 25		BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	
Average number of persons per household																											
1998		2,5	2,7		2,2	2,6	2,7	3,1	2,4		2,7				2,7			2,3	2,5		2,9		3,1			2,4	
2003		2,4	2,5	2,2	2,1	2,6	2,5	2,9	2,4		2,6	3,0	2,8	2,9	2,5	2,6	3,0	2,3	2,4		2,8		3,1	2,2		2,3	
Source : Eurostat - European Labour Force Survey, Spring results																											
Population living in private households by household type, 2002 (percentage of total population)																											
- Single adults, no children																											
of which:																											
- Single men																											
- Single women																											
- Under 65																											
- 65 and over																											
- Single parents																											
- 2 adults below 65, no children																											
- 2 adults, at least one aged 65+, no children																											
- 3 or more adults, no children																											
- 2 adults, 1 child																											
- 2 adults, 2 children																											
- 2 adults, 3 or more children																											
- 3 or more adults,																											

EU aggregates based on available country data

Source : Eurostat - European Labour Force Survey 2003, Spring results. Annual averages for DK and FI.

Table 2a. General demographic context (cont.)

	EU 25	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
Total fertility rate*																										
1960	2.61	2.56	2.11	2.57	2.37	2.28	2.86	2.73	3.76	2.41	3.51	2.60	2.28	2.02	3.62	3.12	2.69	2.98	2.98	3.10	2.18	3.07	2.72	2.20	2.72	
1970	2.34	2.25	1.91	1.95	2.03	2.16	2.39	2.90	2.47	3.93	2.42	2.54	2.01	2.40	1.98	1.98	2.02	2.57	2.29	2.20	2.83	2.10	2.40	1.82	1.92	2.43
1980	1.87	1.68	2.10	1.55	1.56	2.02	2.21	2.20	1.95	3.23	1.64	2.46	1.90	2.00	1.49	1.91	1.99	1.60	1.65	2.28	2.18	2.11	2.32	1.63	1.68	1.90
1990	1.65	1.62	1.89	1.67	1.45	2.05	1.39	1.36	1.78	2.11	1.33	2.42	2.02	2.00	1.61	1.87	2.05	1.62	1.45	2.04	1.57	1.46	2.09	1.78	2.13	1.83
2000	1.48	1.66	1.14	1.77	1.36	1.39	1.29	1.23	1.88	1.89	1.24	1.84	1.24	1.27	1.78	1.33	1.67	1.72	1.34	1.34	1.52	1.26	1.30	1.73	1.54	1.64
2002	1.46e	1.62e	1.17e	1.72	1.34e	1.37	1.27e	1.26ep	1.88p	1.97p	1.27e	1.49	1.23e	1.24	1.63	1.30p	1.46	1.73p	1.40e	1.25	1.47p	1.21	1.19	1.72	1.65	1.64e
2003	1.48e	1.61e	1.18	1.76	1.34e	1.35e	1.27p	1.29e	1.89e	1.98	1.29e	1.46e	1.29p	1.25p	1.63	1.30p	1.41e	1.75p	1.39p	1.24e	1.44e	1.22e	1.17e	1.76	1.71	1.71e
* The total fertility rate is the average number of children that would be born alive to a woman during her lifetime if current fertility rates were to continue.																										
Crude birth rate*																										
1980	13.8	12.6	14.9	11.2	11.1	15	15.4	15.3	14.9	21.7	11.3	20.3	14.1	15.2	11.5	13.9	17.1	12.8	12	19.6	16.2	15.7	19.1	13.2	11.7	13.4
1990	12.3	12.4	12.6	12.3	11.4	14.2	10.1	10.3	13.4	15.1	10	18.3	14.2	15.4	12.8	12.1	15.2	13.2	11.8	14.4	11.8	11.2	15.2	13.1	14.5	13.9
1995	10.8	11.4	9.3	13.3	9.4	9.4	9.5	9.2	12.6	13.5	9.2	15.2	8.7	11.4	13.2	10.9	12.4	12.3	11.2	11.2	10.7	9.5	11.5	12.4	11.7	12.5
2002	10.3e	10.8	9.1	11.9	8.7	9.6	9.4	10.1p	12.8p	15.4	9.4	11.1	8.6	8.6	11.9	9.5	9.9	12.5	9.7	9.2	11	8.8	9.4	10.7	10.7e	11.3e
2003	10.4e	10.8p	9.2	12	8.7e	9.8p	9.5e	10.4e	12.7e	15.4e	9.5e	11.2p	9	8.9p	11.8	9.3p	10	12.4p	9.5p	9.2	10.8	8.7p	9.6	10.9	11.1	11.7e
* The ratio of the number of live births to the total population in a given year and country.																										
Net migration rate*																										
1980	1.2	-0.2	-4.0	0.1	3.9	4.1	5.4	3.0	0.8	-0.2	0.1	0.6	1.0	0.6	3.6	-0.7	-18.9	3.6	1.2	-0.7	4.3	2.8	-2.3	-0.5	1.2	-0.6
1990	2.0	2.0	0.1	1.7	8.3	-3.6	6.3	-0.5	0.5	-2.2	0.4	16.6	-4.9	-2.4	10.2	1.8	2.5	3.3	7.6	-0.3	-5.6	-0.1	-7.8	1.7	4.1	1.2
1995	1.8	0.2	1.0	5.5	4.9	-10.9	7.3	1.5	-0.3	1.6	1.7	10.3	-5.5	-6.5	10.5	1.7	-0.5	1.0	0.3	-0.5	2.5	0.4	0.5	0.8	1.3	2.0
2002	2.9 e	3.9	1.2	1.8	2.7	0.1	1.7	15.8 p	1.1 p	8.3	6.1	9.7	-0.8	-0.6	5.8	0.3	4.8	1.7	5.1	-0.3	6.8	1.1	0.2	1.0	3.5 e	2.1 e
2003	4.5 e	3.4 p	2.5	1.3	1.7 e	-0.3 p	3.2 e	17.7 e	0.9 e	7.8 e	10.3 e	17.6 p	-0.4	-1.8 p	4.4	1.5 p	4.3	0.4 p	4.0 p	-0.4	6.1	1.7 p	0.3	1.1	3.2	4.0 e
* The difference between population change and net increase during the year per 1000 population.																										
Crude death rate*																										
1980	10.6	11.5	13.1	10.9	12.2	12.3	9.1	7.7	10.2	9.8	9.8	11.1	12.8	10.5	11.3	13.6	9.8	8.1	12.2	9.8	9.7	9.9	10.2	9.3	11	11.7
1990	10.4	10.4	12.5	11.8	11.6	12.4	9.3	8.6	9.3	8.9	9.6	9.8	13.1	10.8	10	14	7.6	8.6	10.8	10.2	10.4	9.3	10.3	10	11.1	11.1
1995	10.2	10.3	11.4	12.1	10.8	14.5	9.4	8.8	9.2	9	9.7	8.6	15.7	12.5	9.3	14.1	7.3	8.8	10.2	10	10.4	9.5	9.8	9.7	10.6	11
2002	9.8e	10.2	10.6	10.9	10.2	13.5	9.4	8.9p	9.0p	7.5	9.8	7.3	13.9	11.8	8.4	13.1	7.8	8.8	9.4	9.4	10.2	9.4	9.6	9.5	10.6e	10.2e
2003	9.9e	10.3p	10.9	10.7	10.4e	13.4p	9.5e	9.1e	9.2e	7.2e	9.9e	7.6p	13.9	11.9p	9.1	13.4p	8	8.7p	9.5p	9.6	10.4	9.7p	9.7	9.4	10.4	10.3e
* The ratio of the number of deaths to the total population in a given year and country.																										

e = Eurostat estimate

p = provisional figure

Source = Demographic statistics

Table 3a. General labour market context

Activity rates (% of population aged 15-64)		EU	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SL	SK	FI	SE	UK
1998																											
Total		67,9	63,5	72	79,7	70,8	72,2	62,6	61	68,4	65,6	59	:	69,8	72,1	62,1	58,7	:	73	71	65,7	70,8	68,2	69,3	72,8	76,2	75,4
Male		77,3	72,8	80	83,8	79,2	79	77,3	75,9	75,2	78,2	73,6	:	76,4	78,2	75,9	66,6	:	82,6	80,3	72,8	79,4	72,6	77,2	76,1	79	83,2
Female		58,5	54	64	75,6	62,2	66,4	48,6	46,1	61,9	52,9	44,6	:	63,9	66,5	48,1	51,2	:	63,2	61,7	58,8	62,6	63,6	61,7	69,5	73,5	67,4
2000																											
Total		68,6	65,1	71,3	80	71,1	70,2	62,9	63,2	68,7	68,2	60,1	69,1	67,2	70,8	64,1	60,1	58	75,2	71	65,8	71,5	67,5	69,9	74,5	77,3	75,7
Male		77,4	73,7	79,1	84,2	78,9	75,6	76,9	77,3	75,2	79,8	74,1	81,4	72,7	74,5	76,3	67,9	80,5	84,1	80	71,7	79,3	71,9	76,8	77,2	79,8	83,2
Female		59,8	56,4	63,6	75,6	63,3	65,3	49,7	49,2	62,4	56,5	46,3	57,7	62,1	67,3	51,6	52,7	35,2	66	62	59,9	63,9	62,9	63,2	71,8	74,8	68,2
2002																											
Total		69	64,8	70,6	79,6	71,7	69,3	63,1	66	69,1	68,7	61,1	71,2	68,8	69,6	65,2	59,7	58,5	76,5	72,6	64,6	72,1	67,8	69,9	74,9	77,6	75,6
Male		77,4	73,2	78,6	83,6	78,9	74,6	76,6	79	75,5	79,3	74,3	81,3	74,1	73,6	76,7	67,1	80,1	84,5	80	70,6	79,5	72,5	76,7	77	79,4	82,7
Female		60,7	56,3	62,7	75,5	64,4	64,4	50,1	52,8	63	58	47,9	61,8	63,9	65,8	53,6	52,7	36,7	68,3	65,3	58,7	65	63	63,2	72,8	75,8	68,3
2003																											
Total		69,3	64,9	70,2	79,5	72	70,1	63,9	67,3	69,4	68,8	61,5	72,4	69,2	69,9	65,1	60,6	58,6	76,3	72,7	63,9	72,1	67,1	70	74,5	77,3	75,6
Male		77,4	72,9	78	83,8	78,9	75	77,1	79,7	75,5	79,1	74,7	82,2	74,1	73,5	75,5	67,6	80,2	83,9	80	70	78,8	72	76,7	76,8	79,2	82,7
Female		61,2	56,9	62,5	75,1	65,1	65,7	51,1	54,8	63,5	58,4	48,3	63,3	64,7	66,5	54,5	53,9	36,8	68,5	65,6	58	65,6	62,1	63,5	72,2	75,4	68,3

Source : Eurostat - Labour Force Survey, Annual averages.

Employment rate (% of population aged 15-64)

1998																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Source : Eurostat - Labour Force Survey, Annual averages.

Table 3a. General labour market context (cont.)

Employment rate of older workers (% of population aged 55-64)																											
		EU 25	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SL	SK	FI	SE	UK
1998	Total	35,8	22,9	37,1	52	37,7	50,2	39	35,1	28,3	41,7	27,7		36,3	39,5	25,1	17,3		33,9	28,4	32,1	49,6	23,9	22,8	36,2	63	49
	Male	46,6	32,1	53,2	61,3	47,2	62	55,8	52,6	32,5	60,2	41,4		48,1	54,4	35,2	27		47,5	40,5	41,5	62,9	31,8	39,1	38,4	66,1	59,1
	Female	25,6	14	22,9	42	28,3	41,6	23,4	18,8	24,4	23,1	15		27,5	28,3	15,5	9,6		20,3	17,1	24,1	38	16,1	9,4	34,1	60	39,2
2000	Total	36,6	26,3	36,3	55,7	37,6	46,3	38,6	37	29,9	45,2	27,7	49,4	36	40,4	26,7	22,2	28,5	38,2	28,8	28,4	50,7	22,7	21,3	41,6	64,9	50,8
	Male	46,9	36,4	51,7	64,1	46,4	55,9	54,9	55,2	33,6	63,1	40,9	67,3	48,4	50,6	37,2	33,2	50,8	50,2	41,2	36,7	62,1	32,3	35,4	42,9	67,8	60,1
	Female	26,9	16,6	22,4	46,6	29	39	23,9	20,1	26,3	27,1	15,3	32,1	32,6	16,4	13,3	8,4	26,1	17,2	17,2	21,4	40,6	13,8	9,8	40,4	62,1	41,7
2002	Total	38,8	26,6	40,8	57,9	38,9	51,6	39,7	39,7	34,7	47,1	28,9	49,4	41,7	41,6	28,1	25,6	30,1	42,3	29,1	26,1	51,4	24,5	22,8	47,8	68	53,5
	Male	48,9	36	57,2	64,5	47,3	58,4	56	58,6	38,7	63,9	41,3	67,3	50,5	51,5	37,7	35,5	50,8	54,6	39,6	34,5	61,9	35,4	39,1	48,5	70,4	62,6
	Female	29,2	17,5	25,9	50,4	30,6	46,5	24,4	22	30,8	30	17,3	32,2	35,2	34,1	18,4	17,6	10,9	29,9	19,3	18,9	42,2	14,2	9,5	47,2	65,6	44,7
2003	Total	40,2	28,1	42,3	60,2	39,5	52,3	42,1	40,8	36,8	49	30,3	50,4	44,1	44,7	30	28,9	32,5	44,8	30,1	26,9	51,6	23,5	24,6	49,6	68,6	55,5
	Male	50,3	37,8	57,5	67,3	47,8	58,9	59,2	59,3	40,9	64,7	42,8	68,9	51,3	55,3	39,1	37,8	53,8	57,3	40,2	35,2	62,1	33,2	41	51	70,8	64,8
	Female	30,7	18,7	28,4	52,9	31,2	47,3	26,2	23,4	32,9	33,1	18,5	32,7	38,8	36,7	20,9	21,8	13	32,1	20,6	19,8	42,4	14,6	11,2	48,3	66,3	46,4

Source: Eurostat - Labour Force Survey, Annual averages.

Unemployment rate (% of labour force aged 15+)

1998	Total	9,4	9,3	6,3	4,9	9,1	9,2	10,9	15,2	11,1	7,5	11,7	14,3	13,2	2,7	8,4		3,8	4,5	10,2	5,1	7,4		11,4	8,2	6,2
	Male	8,2	7,7	5	3,9	8,6	9,9	7,1	11,2	9,5	7,7	9	15,1	14,6	1,9	9		3	3,8	8,5	4,1	7,3		10,9	8,4	6,9
	Female	10,9	11,6	8	6	9,7	8,3	16,7	21,8	12,9	7,3	16,1	13,6	11,7	4	7,8		5	5,4	12,2	6,4	7,5		12	8	5,3
2000	Total	8,7	6,9	8,6	4,4	7,8	12,5	11	11,3	9,1	4,3	10,4	5,2	13,7	16,4	2,3	6,8	2,9	3,7	16,4	4,1	6,6		9,8	5,6	5,4
	Male	7,6	5,6	7,3	4,1	7,5	13,4	7,2	7,9	7,6	4,3	8	3,2	14,4	18,6	1,8	6,8	2,2	3,1	14,6	3,3	6,4		9,1	5,9	5,9
	Female	10,2	8,5	10,3	4,8	8,1	11,5	16,7	16,7	10,9	4,3	14,3	7,8	12,9	14,1	3,1	7,4	3,8	4,3	18,6	5	6,8		10,6	5,3	4,8
2002	Total	8,8	7,3	7,3	4,6	8,7	9,5	10	11,3	8,9	4,3	9	3,9	12,6	13,5	2,8	7,7	2,7	4,2	19,8	5	6,1		9,1	4,9	5,1
	Male	8,1	6,7	5,9	4,4	8,8	10,1	6,6	8	7,9	4,6	7	3	13,6	13,6	2,1	6	2,5	3,9	19	4,1	5,8		9,1	5,3	5,6
	Female	9,8	8,2	9	4,7	8,4	8,9	15	16,4	10	4	12,2	4,9	11,4	13,4	3,8	9,8	3	4,4	20,7	6	6,5		9,1	4,6	4,5
2003	Total	9,1	8	7,8	5,6	9,6	10,2	9,3	11,3	9,4	4,6	8,6	4,5	10,4	12,7	3,7	8	3,8	4,3	19,2	6,3	6,5		9	5,6	4,9
	Male	8,3	7,6	6,1	5,3	10	10,5	5,9	8,2	8,5	4,9	6,7	3,9	10,1	12,3	3	6	3,6	3,9	18,6	5,4	6		9,2	6	5,5
	Female	10	8,4	9,8	5,9	9,2	9,9	14,2	15,9	10,5	4,2	11,6	5,2	10,6	13,1	4,6	10,7	4	4,7	20	7,2	7		8,9	5,2	4,3

Source: Eurostat - Harmonised unemployment series, Annual average

Table 3a. General labour market context (cont.)

EU 25		BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	
Youth unemployment rate (% of labour force aged 15-24)																											
1998																											
Total	18,7	22,1	12,8	7,3	9,4	15,2	30,1	31,1	25,6	11,3	33,5	:	26,8	25,5	6,9	15	:	7,6	6,4	22,5	10,6	17,8	:	23,5	16,1	13,1	
	Male	17,5	20,2	11,5	7,1	10,2	16,7	24,9	23,3	11,6	29,4	:	27,4	30,1	6,5	16,6	:	7,4	5	20,2	8,3	16,9	:	22,8	16,4	14,7	
	Female	20	24,5	14,4	7,4	8,6	13,1	39,7	38,8	28,3	11	38,6	:	26	18,4	7,3	13	:	7,9	7,9	25,1	13,3	18,8	:	24,3	15,8	11,3
2000																											
Total	17,7	17	17,8	7	8,5	23,6	29,4	22,6	20,1	6,7	30,7	11,5	21,4	30,6	7,2	12,1	13,7	5,9	5,3	36,3	8,9	16,2	37,1	21,4	10,5	12,3	
	Male	16,7	14,7	18,5	7	9,3	23	21,7	17,4	18	6,4	27,1	7,1	21,2	32,3	6,6	13,1	15,1	4,8	4,8	34,6	6,7	14,9	39,9	21,1	11	13,3
	Female	18,9	19,8	17	7,1	7,6	24,5	37,8	29,2	22,5	7,1	35	15,3	21,6	28,3	7,9	10,7	12,1	7,1	6	38,2	11,7	18	33,9	21,6	9,9	11,1
2002																											
Total	17,9	18,5	16,9	7,9	10	19,3	26,4	22,2	20	8	27,2	9,7	23,9	23,8	8,3	12	18,3	5,1	6,7	41,8	11,6	15,3	37,6	21	11,9	12,1	
	Male	17,7	18,9	16,6	9,3	11,7	15,6	19,6	18,4	18,9	8,7	24	9,3	22,4	22	6,8	12,6	18,5	5,3	6,4	40,9	9,7	13,8	38,8	21,2	12	13,6
	Female	18,2	18	17,3	6,3	8	24,8	34,3	27,3	21,4	7	31,4	10	25,8	26,2	10,1	11,2	18	4,9	7	42,9	13,9	17,4	36,2	20,9	11,8	10,2
2003																											
Total	18,4	21	18,6	9,9	11,1	23,4	26,3	22,7	21	8,3	27	10,7	17,9	26,9	11,4	13,5	19,1	6,6	8,1	41,2	14,4	15,7	33,8	21,8	13,4	12,3	
	Male	18,4	21,5	18,4	10,7	13,4	19,8	18,8	19,3	20,5	9,1	24,1	10,4	14	22,8	10,6	13,7	17,2	6,9	7,4	39,9	12,4	13,3	35,6	21,9	13	13,8
	Female	18,5	20,4	18,8	9,1	8,5	29	35,6	27,2	21,7	7,5	30,8	11	23,5	32,2	12,4	13,1	21,3	6,4	9	42,8	17	19	31,7	21,6	13,7	10,6
Source: Eurostat, Harmonised unemployment series - Annual average																											
Average exit age from the labour force																											
1998																											
Total	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
	Male	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
	Female	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
2000																											
Total	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
	Male	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
	Female	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
2002																											
Total	60,4e	58,5	60,2	60,9	60,7	61,6	61,8	61,5	58,8	62,4	59,9	61,4			59,3	59,2	58,2	62,2	59,3	56,9	63	56,6	57,5	60,5	63,2	62,3	
	Male	60,8e	58,6	62,2	61,9	61,1	61,2	61,5	58,9	62	60,2					59,6	59,6	62,9	59,4	58,1	62,9	62,9	59,6	60,6	63,4	62,7	
	Female	60,0e	58,4	58,4	59,8	60,3	62,4	61,5	58,7	62,8	59,7					58,8	58,8	61,6	59,3	55,8	63,1		55,7	60,4	63,1	61,9	
2003																											
Total	61,0p	58,7	60	62,1	61,6	60,8	63,2	61,4	59,6	64,4p	61	62,7	60,3	63,3		61,6	58,8	60,4p	58,8	58	62,1	56,2	57,8	60,3	63,1	63	
	Male	61,5p	58,6	61,2	62,3	61,9	63,9	61,6	59,7	60,9						60,9		61,0p	59,4	59,8	63,7		60	60,7	63,5	64,2	
	Female	60,5p	58,7	59	62	61,4	62,5	61,3	59,6	61						62,1		59,9p	58,2	56,4	60,6		55,9	60	62,8	61,9	

Source: Eurostat, Harnoonised unemployment series - Annual average

Average exit age from the labour force

1998																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

e = Eurostat estimate; p = provisional figure

Source: DG Employment / Eurostat, Labour Force Survey - Annual average

Table 3a. General labour market context (cont.)

Structure of employment by sector (% of total employment)																											
EU 25		BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	
1998	services	66	74,2	53,5	72,2	66,8	58,2	57,7	63,9	72,5	62,2	64,3	67,8	55,8	:	73	58	62	75,8	59,9	48,8	51,4	:	56,2	65,9	72,8	76,6
	industry	27,8	23,1	41	23,9	30,6	33	24,3	28,7	22,9	28,8	30,4	22,7	25,5	:	25,1	34,4	36	20,6	25,9	32,1	35,3	:	36,8	27,7	24,4	22,2
	agriculture	6,2	2,7	5,5	3,9	2,6	8,8	18	7,4	4,6	9	5,3	9,5	18,7	:	1,9	7,6	2	3,6	14,2	19,2	13,3	:	7	6,4	2,8	1,3
2000	services	67,5	75,1	55,4	73,3	68,4	59,8	58,8	64,2	73,4	63,3	65,5	70,2	59,8	53,9	75,4	59,5	63,7	76,4	61,5	50,4	52,8	50	59,4	66,4	73,7	78,3
	industry	26,8	22,4	39,5	23,1	29,1	33,2	23,9	29,4	22,4	29	29,6	20,7	25,9	26,2	22,9	33,9	34,3	20,1	25,1	30,9	34,5	38	35,1	27,7	23,6	20,6
	agriculture	5,7	2,5	5,1	3,6	2,5	7	17,3	6,4	4,3	7,7	4,9	9,1	14,3	19,9	1,7	6,6	1,9	3,5	13,4	18,8	12,7	11,9	5,6	6	2,7	1,2
2003	services	69,2	75,6	56,1	74,5	70,3	61,5	60,6	65,3	74,3	65,8	66,5	:	60,8	54,1	77,2	62,3	:	77,7	63,3	53	55	52,3	61,5	68,9	74,8	80,4
	industry	25,5	22,2	39,4	22,2	27,2	32,3	23,4	29,1	21,7	27,7	29	:	25,8	28	21,5	31,9	:	18,9	23,8	28,6	32,3	36,9	34,1	26	22,8	18,7
	agriculture	5,2	2,2	4,5	3,3	2,4	6,1	16	5,7	4,1	6,5	4,4	:	13,4	17,8	1,3	5,8	:	3,3	12,9	18,4	12,6	10,9	4,4	5,1	2,3	0,9
Annual average growth rate of employment in the services sector 1998-2003*																											
		1,70	1,17	0,38	0,63	1,39	0,60	1,06	2,94	1,88	4,57	2,28	:	1,87	-2,99	5,40	3,03	:	1,89	1,58	-0,75	2,18	1,40	1,29	2,26	1,81	1,94

* For Lithuania and Slovenia: annual average growth rate in the services sector 2000-2003

Source: Eurostat, National Accounts - Annual average

Table 4a. Social protection expenditure

	EU	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SL	SK	FI	SE	UK
Total social protection expenditure (as a % of GDP)																										
1992	:	27,7	:	30,3	27,6	:	21,2	22,4	29,3	20,3	26,2	:	:	:	22,5	:	:	31,9	27,2	:	18,4	:	:	33,6	37,1	27,9
1995	:	28,1	17,0	32,2	28,9	:	22,3	22,1	30,7	18,9	24,8	:	:	:	23,7	:	:	30,9	28,9	:	22,1	:	18,7	31,7	37,2	28,2
2001	27,3	27,5	19,2	29,5	29,8	14,3	27,2	20,0	30,0	15,3	25,6	:	14,3	15,2	21,3	19,8	17,3	27,5	28,6	22,1	23,9	25,5	19,1	25,7	32,4	27,6
2002	:	27,8	19,9	30,0	30,5	:	26,6	20,2	30,6	16,0	26,1	:	:	:	22,7	20,9	17,7	28,5	29,1	:	25,4	25,4	19,2	26,4	33,7	27,6
Total social protection expenditure (in PPS per capita)																										
1992	:	4913	:	5404	4965	:	2354	2864	5076	2616	4468	:	:	:	5845	:	:	5597	5231	:	2013	:	:	5185	6063	4298
1995	:	5396	1897	6418	5503	:	2612	3085	5642	3000	4568	:	:	:	6762	:	:	5931	5955	:	2585	:	1330	5355	6536	4922
2001	5567	6872	2706	7928	6992	1308	4399	3955	7331	4192	5972	:	1139	1318	9700	2382	2774	7291	7601	2135	3946	4058	2005	6252	7782	6643
2002	:	7131	2971	8095	7292	:	4681	4186	7729	4809	6266	:	:	:	10503	2678	2884	7646	7870	:	4298	4253	2181	6467	8190	7003

2002 data are provisional.

Source : Eurostat - ESSPROS database.

Social protection benefits by group of functions (as a percentage of total benefits)																										
Old age and survivors benefits																										
	EU	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SL	SK	FI	SE	UK
1992	:	41,6	:	35,3	41,4	:	52,5	40,8	43,0	28,5	60,4	:	:	:	47,0	:	:	37,3	47,8	:	40,7	:	:	32,1	:	43,3
1995	:	43,1	38,9	37,7	42,7	:	52,1	43,9	43,5	26,5	63,4	:	:	:	45,1	:	:	38,0	48,6	:	41,1	:	38,1	32,8	37,5	43,1
2001	46,2	44,1	42,5	38,0	42,5	42,6	51,4	45,3	43,7	24,4	62,3	:	56,4	47,5	37,5	42,4	53,8	41,8	49,9	55,2	45,8	45,5	38,2	36,6	40,0	46,3
2002	:	43,8	41,6	37,7	42,4	:	50,5	44,8	43,2	22,5	61,9	:	:	:	37,4	43,0	52,8	41,1	49,7	:	44,3	46,5	38,3	36,9	39,5	46,4
Sickness, health care																										
1992	:	27,8	:	19,6	31,8	:	25,8	29,6	28,5	34,2	26,3	:	:	:	25,9	:	:	29,4	27,9	:	34,1	:	:	23,4	:	24,7
1995	:	23,6	37,5	17,8	31,0	:	26,0	28,6	28,3	36,2	23,2	:	:	:	24,9	:	:	28,5	25,5	:	36,2	:	33,0	20,9	22,0	24,0
2001	27,9	24,7	34,6	20,3	28,7	31,0	25,8	30,0	29,2	42,2	26,1	:	19,1	30,0	25,2	27,5	25,5	30,4	25,3	19,2	31,3	31,4	35,0	24,5	26,9	27,6
2002	:	24,2	35,5	20,9	28,3	:	26,2	30,0	29,7	40,0	26,1	:	:	:	24,9	27,8	25,4	31,1	25,2	:	30,9	31,3	34,2	24,8	27,4	27,6
Disability																										
1992	:	6,8	:	9,9	6,3	:	5,7	7,3	6,0	4,4	6,8	:	:	:	12,6	:	:	16,2	6,8	:	14,5	:	:	15,1	:	9,3
1995	:	8,8	8,2	10,6	6,9	:	4,8	7,4	5,9	4,8	7,0	:	:	:	12,7	:	:	12,6	7,4	:	11,8	:	6,8	15,0	12,2	10,9
2001	8,2	9,3	8,5	12,5	7,8	7,8	5,0	7,6	6,0	5,1	5,7	:	9,6	8,8	14,7	10,3	6,1	11,5	7,8	13,3	12,3	8,7	8,1	13,7	13,3	9,3
2002	:	9,2	8,3	12,9	7,7	:	5,2	7,5	5,8	4,9	6,1	:	:	:	14,2	10,4	6,4	11,2	7,5	:	11,5	8,5	8,8	13,4	13,9	9,3
Unemployment																										
1992	:	12,7	:	16,8	9,7	:	4,5	19,7	8,9	16,6	3,0	:	:	:	2,6	:	:	8,4	5,0	:	4,0	:	:	13,2	:	7,2
1995	:	13,0	2,2	14,8	9,0	:	4,5	16,5	7,9	15,3	3,0	:	:	:	3,1	:	:	9,9	5,8	:	5,3	:	3,5	14,4	10,8	5,6
2001	6,2	11,6	3,1	10,0	8,2	1,3	6,0	12,9	7,1	8,5	1,6	:	3,6	1,9	3,4	3,4	6,0	5,0	4,9	4,3	3,6	3,7	3,6	9,8	5,7	3,5
2002	:	12,4	3,3	9,2	8,5	:	6,3	13,6	7,6	8,3	1,7	:	:	:	3,6	3,0	6,6	5,3	5,4	:	3,9	0,0	0,0	9,8	5,5	3,5
Family and children																										
1992	:	8,7	:	11,8	8,2	:	8,0	1,9	9,7	11,3	3,3	:	:	:	10,8	:	:	5,0	10,8	:	6,2	:	:	12,9	:	8,7
1995	:	8,8	11,9	12,4	7,5	:	8,8	2,0	10,0	12,0	3,2	:	:	:	13,1	:	:	4,6	11,2	:	5,2	:	14,0	13,4	11,3	8,9
2001	8,0	8,7	8,2	13,3	10,4	14,6	6,7	2,6	9,5	14,4	4,1	:	10,1	8,3	16,0	12,9	6,5	4,4	10,5							

Source : Eurostat - ESSPROS database.

Table 5a. Common indicators of poverty and social exclusion: Labour market

	EU 25	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SL	SK	FI	SE	UK
Long-term unemployment rate by gender, selected years (% of the labour force 15+)																										
1999																										
Total	4,1	4,9	3,1	1,0	4,2	5,0	6,4	5,9	4,2	2,4	6,8		7,6	4,3	0,7	3,3		1,2	1,2	5,8	1,7	3,2	7,8	3,0	1,9	1,7
Male	3,5	4,1	2,4	0,9	3,9	5,5	3,7	3,7	3,5	3,0	5,2		7,6	4,9	0,7	3,6		0,9	1,0	4,5	1,5	3,4	7,4	3,2	2,2	2,2
Female	5,0	5,9	4,2	1,2	4,6	4,4	10,5	9,4	5,1	1,6	9,3		7,6	3,6	0,8	2,9		1,5	1,5	7,4	2,0	3,0	8,4	2,8	1,4	1,0
2002																										
Total	3,9	3,5	3,7	0,9	4,1	5,0	5,1	3,9	3,0	1,3	5,3	0,8	5,7	7,3	0,8	2,4	3,3	0,7	1,1	10,8	1,7	3,4	12,2	2,3	1,0	1,1
Male	3,4	3,2	3,0	0,8	4,0	5,9	3,0	2,3	2,6	1,7	4,1	0,5	6,5	7,4	0,6	2,7	3,5	0,6	1,0	9,7	1,4	3,4	11,9	2,5	1,2	1,4
Female	4,5	4,1	4,5	1,0	4,2	4,1	8,3	6,3	3,5	0,7	7,2	1,1	4,8	7,1	0,9	2,1	2,5	0,8	1,2	12,2	2,1	3,4	12,6	2,0	0,8	0,7
2003																										
Total	4,0	3,7	3,8	1,1	4,7	4,6	5,1	3,9	3,5	1,5	4,9	1,1	4,3	6,1	0,9	2,4	3,5	1,0	1,2	10,7	2,2	3,4	11,1	2,3	1,0	1,1
Male	3,6	3,4	2,9	1,3	4,8	4,8	2,8	2,4	3,1	1,9	3,9	0,8	4,1	5,7	0,9	2,5	3,5	1,0	1,2	10,1	1,8	3,3	10,9	2,6	1,2	1,4
Female	4,5	4,0	5,0	1,0	4,7	4,4	8,4	6,0	4,0	0,9	6,7	1,4	4,6	6,5	0,9	2,3	3,0	1,1	1,2	11,5	2,7	3,6	11,4	2,0	0,8	0,7

Source : Eurostat - Labour Force Survey, Annual averages

Long-term unemployment share by gender, selected years (% of the unemployed population)

1999																										
Total	45,0	56,9	36,6	21,6	50,8	44,4	54,4	46,0	39,2	42,9	60,3	:	54,2	38,4	30,4	48,1	:	36,3	30,3	43,1	39,0	44,8	46,9	29,3	28,1	28,3
Male	43,6	56,1	32,2	21,1	49,0	44,4	47,5	40,7	38,0	52,4	60,4	:	52,8	40,1	36,2	49,1	:	40,0	28,4	37,8	38,4	48,5	44,4	32,4	33,6	33,5
Female	46,5	57,6	40,3	21,9	53,0	43,9	58,9	50,3	40,2	28,8	60,3	:	55,8	36,1	25,6	46,7	:	33,7	32,6	48,3	39,6	40,6	49,8	26,1	21,0	20,1
2002																										
Total	44,0	48,6	50,2	19,0	47,7	52,4	51,2	34,2	34,4	29,7	59,1	21,1	45,3	53,5	26,8	43,4	43,9	25,7	21,5	54,7	34,4	55,6	65,1	24,7	19,9	21,9
Male	42,4	47,3	49,9	17,3	45,8	58,3	45,3	28,8	33,3	36,7	58,8	18,1	47,6	53,8	29,9	45,5	53,4	24,6	20,0	51,0	33,2	58,3	63,8	27,7	22,2	25,6
Female	45,7	49,9	50,4	20,7	50,2	45,6	55,0	38,2	35,4	18,4	59,4	23,5	42,3	53,1	24,2	40,6	25,7	26,8	23,6	58,8	35,4	52,8	66,7	21,6	16,9	16,1
2003																										
Total	44,4	45,3	48,7	20,3	49,6	45,9	55,0	34,1	37,3	31,8	57,5	24,3	41,4	48,0	24,7	41,1	42,5	27,3	25,0	55,9	34,6	52,8	65,2	25,0	17,7	21,5
Male	43,4	43,7	46,4	24,0	47,9	47,4	48,1	29,1	37,2	37,9	57,8	20,8	40,3	47,1	32,8	40,8	51,3	27,1	27,3	54,5	32,9	54,3	64,7	27,8	19,8	25,1
Female	45,5	47,1	50,5	16,9	51,8	44,3	59,3	37,9	37,4	22,0	57,3	27,9	42,5	49,0	17,3	41,3	26,6	27,4	21,5	57,5	36,1	51,3	65,7	21,9	15,0	15,9

Source : Eurostat - Labour Force Survey, Annual averages

Table 5a. Common indicators of poverty and social exclusion: Labour market (cont.)

Very long-term unemployment rate by gender, selected years (% of the labour force 15+)																										
1999																										
EU 25	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SL	SK	FI	SE	UK	
Total	2,5	3,5	1,4	0,4	2,7	3,0	3,8	4,0	2,4	1,6	4,9	:	5,3	2,1	0,4	1,6	:	0,7	0,6	2,2	0,9	2,4	4,5	1,7	0,0	1,0
Male	2,1	2,9	1,1	0,4	2,5	3,4	2,1	2,4	1,9	2,2	3,8	:	5,3	2,5	0,3	1,8	:	0,6	0,6	1,6	0,7	2,6	4,1	1,9	0,0	1,4
Female	3,0	4,4	1,9	0,5	3,1	2,6	6,3	6,6	2,9	0,9	6,5	:	5,3	1,7	0,5	1,4	:	0,8	0,7	3,1	1,1	2,2	5,1	1,4	0,0	0,5
2002																										
Total	2,2	2,4	2,3	0,3	2,6	3,2	3,0	2,2	1,6	0,7	3,8	0,4	4,0	4,8	0,3	1,1	1,8	0,3	0,4	4,8	0,9	2,2	7,5	1,2	0,0	0,6
Male	1,9	2,1	1,9	0,3	2,4	4,0	1,7	1,2	1,3	1,0	3,0	0,3	4,9	5,1	0,2	1,3	2,1	0,3	0,4	4,0	0,7	2,2	7,3	1,4	0,0	0,8
Female	2,6	2,8	2,8	0,4	2,7	2,5	5,0	3,7	1,9	0,3	5,2	0,4	3,0	4,5	0,4	0,9	1,0	0,4	0,4	5,6	1,1	2,2	7,8	0,9	0,0	0,4
2003																										
Total	2,3	2,3	2,3	0,4	2,8	3,1	2,8	2,1	1,8	0,8	3,5	0,4	2,5	3,9	0,3	1,1	1,9	0,5	0,5	5,1	1,0	2,0	7,4	1,1	0,0	0,5
Male	2,0	2,1	1,8	0,5	2,7	3,5	1,4	1,2	1,5	1,1	2,8	0,3	2,5	3,9	0,3	1,2	2,0	0,4	0,6	4,6	0,8	2,1	7,2	1,3	0,0	0,7
Female	2,6	2,6	3,0	0,3	3,0	2,6	4,7	3,5	2,0	0,3	4,6	0,6	2,5	3,9	0,4	1,1	1,3	0,5	0,4	5,7	1,2	2,0	7,7	1,0	0,0	0,3
Source : Eurostat - Labour Force Survey, Annual averages																										

Source : Eurostat - Labour Force Survey, Annual averages

People living in jobless households: children (0-17 years) and prime-age adults (18-59 years), selected years (% of population in the relevant age group)

1999	Children	:	11,3	7,2	:	9,5	10,2	5,3	7,4	9,9	11,7	8,3	:	12	:	4	15,5	:	6,9	4,2	:	4,5	4,1	10,6	:	18,4	18,4
	Adults:																										
	Total	:	13	7,2	:	10,5	10,4	9,9	8,4	11,3	9,8	11,7	:	14,9	8,8	6,7	14,2	:	7,8	8,2	:	4,7	9,6	9,8	:	11,7	
	Male	:	11,2	5,6	:	9,5	10,5	7,2	7,6	10,1	8,5	9,8	:	13,4	9	5,1	12,8	:	6,3	6,5	:	4,1	8,7	8,8	:	9,5	9,5
	Female	:	14,8	8,8	:	11,4	10,4	12,4	9,3	12,5	11,1	13,5	:	16,4	8,5	8,4	15,6	:	9,4	9,8	:	5,3	10,5	10,9	:	13,9	11,7
2003	Children	9,9e	13,9	8,4	5,7	10,3	9	4,5	6,1	9,6	10,8p	7	3,4	7,2	6,1	3,1	12,6b	8	7,2	4,3	:	5	4	11,8	5,7	:	17
	Adults:																										
	Total	10,2e	14,4	7,7	8,6	10,6	10,9	9	7,2	10,7	8,5p	9,7	5,2	8,7	7,4	6,6	11,6b	7,9	8,1	7,4	14,8	5,5	8,7	10,1	10,9	:	10,9
	Male	9,0e	12,7	5,8	7,8	10	11,3	6,4	6,5	9,5	7,3p	8,1	4,3	8,9	7,4	5,4	10,9b	6,2	6,9	6,1	13,7	4,8	7,8	9,3	11,6	:	8,9
	Female	11,4e	16,2	9,7	9,3	11,2	10,5	11,4	7,8	11,8	9,8p	11,3	6,1	8,6	7,4	7,9	12,2b	9,7	9,5	8,7	15,9	6,1	9,6	10,9	10,3	:	12,9
2004	Children	9,9p	13,2	9	5,7p	10,3p	9,6	4,5p	6,3	9,6	11,8p	7,0p	2,6	7,2	6,5	3,1p	13,2	8,9	7	5,6	:	4,3	3,8	12,8	5,7p	:	16,8
	Adults:																										
	Total	10,4p	13,7	8	8,6p	10,6p	9,5	9,0p	7,3	10,8	8,6p	9,7p	5	7,8	8,1	6,6p	11,9	8,8	8,3	8,8	15,8	5,3	7,5	10,8	10,9p	:	11
	Male	9,2p	11,3	6,4	7,8p	10,0p	10,2	6,4p	6,7	9,5	7,2p	8,1p	3,8	7,1	8,3	5,4p	11,1	6,9	7	7,6	14,8	5	7	10	11,6p	:	9
	Female	11,5p	16	9,6	9,3p	11,2p	8,7	11,4p	7,9	12,1	10,1p	11,3p	6,1	8,4	8	7,9p	12,7	10,8	9,6	10	16,8	5,7	8	11,6	10,3p	:	13

Source : Eurostat, Labour Force Survey - Spring results (except DK, LU (2003) and FI: annual average)

Table 5a. Common indicators of poverty and social exclusion: Labour market (cont.)

EU 25		BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SL	SK	FI	SE	UK
Dispersion of regional employment rates*, selected years (%)																										
1999	13,4	8	5,6	-	5,4	-	5,2	10,7	7,1	-	17,4	-	-	-	-	9,1	-	2,3	2,3	4,8	2,6	-	8,1	6,7	5	7,1
2000	13,4	7,9	5,8	-	5,6	-	5,1	10,5	6,9	-	17,5	-	-	-	-	9	-	2,2	2,5	6,9	3	-	9,1	6,8	4,9	7
2001	13,5	8	5,7	-	6	-	4,6	9,9	6,4	-	17,1	-	-	-	-	8,8	-	2,3	2,6	7,2	3,2	-	8,3	7	4,2	6,8
2002	13,4	8	5,6	-	5,9	-	4,2	9,2	6,2	-	16,7	-	-	-	-	9,4	-	2,2	2,4	7,3	2,3	-	7,3	6,7	4,6	6,6
2003	13	7,7	5,8	-	6	-	3,6	8,9	5	-	17	-	-	-	-	8,5	-	2,4	3,1	7,2	3,9	-	7,6	6,1	4,3	6

* Coefficient of variation of employment rates across regions at NUTS2 level

e = estimate; p = provisional figure

Source : Eurostat - Labour Force Survey, Annual averages

Table 6a. Common indicators of poverty and social exclusion: Education and training

EU 25		BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
Early school-leavers		(% of the total population aged 18-24 who have at most lower secondary education and not in further education or training)																								
1999	Total	15,2	:	11,5	14,9	14	17,8	29,5	14,7	:	27,2	15	:	:	19,1	13	:	16,2	10,7	:	44,9	:	:	:	9,9	6,9
	Female	12,7	:	9,1	15,6	9,2	14,8	23,6	13,4	:	24,2	11,8	:	:	19,4	12,7	:	14,9	11,9	:	38,9	:	:	:	7,9	6,1
	Male	17,7	:	14,2	14,2	19	21,2	35,4	16	:	30,3	19,3	:	:	18,9	13,3	:	17,5	9,6	:	50,8	:	:	:	12	7,7
2003	Total	15,9b	12,8	6,0b	10,0b	12,8	11,8	15,3b	29,8	13,7b	12,1b	23,5	15,1b	18,1	11,8	17,0p	11,8b	48,2	15,0p	9,2b	6,3	40,4	4,3u	4,9b	8,3b	9,0b
	Female	14,0b	10,8	6,8b	9,6b	12,8	:	11,0b	23,4	12,2b	9,2b	20,1	11,0b	13,4	8,9	19,6p	11,1b	46,8	14,3p	9,7b	4,7	33	2,3u	4,7b	6,5b	8,2b
	Male	17,9b	14,7	5,2b	10,3b	12,9	16,1	19,6b	36,1	15,3b	14,9b	26,8	20,2b	22,7	14,9	14,4p	12,4b	49,7	15,7p	8,7b	7,8	47,7	6,2u	5,2b	10,1b	9,8b
2004	Total	15,9	11,9b	6,1	8,1	12,8p	13,7	15,3p	30,4	14,2	12,9p	23,5p	18,4	15,6	9,5b	:	12,6	45,0b	:	9,2	5,7b	39,4b	4,2u	7,1	8,7	8,6
	Female	13,6	8,3b	6,5	5,8	12,8p	:	11,0p	23,2	12,4	9,7p	20,1p	14,3	10,7	7,4b	:	11,4	43,1b	:	8,5	3,7b	30,6b	2,6u	6,4	6,9	7,9
	Male	18,1	15,6b	5,8	10,4	12,9p	20,5	19,6p	37,2	16	16,1p	26,8p	23,3	20,5	11,6b	:	13,7	46,6b	:	9,9	7,7b	47,9b	5,8u	7,8	10,6	9,3

u = data lack reliability due to low sample size / : = not available or unreliable data / b = break / p = provisional

In DK, LU, IS, NO, EE, LV, LT, CY, MT and SI, the high degree of variation of results over time is partly influenced by a low sample size.

In CY, the reference population (denominator) excludes students abroad. In DE (2003 and 2004), participation to personnel interest courses is excluded

EU25 based on provisional UK data (all GSCE levels excluded until a new ISCED 3c level definition is implemented in 2005 at EU level).

Source : Eurostat, Labour Force Survey - Spring results (except DK, FI: Q1, AT: Q2 from 2003)

Table 6a. Common indicators of poverty and social exclusion: Education and training (cont.)

Persons with low educational attainment by age and gender, 2004 (% of total population in the relevant age group)																											
		EU 25	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
25-34 years																											
Total	23.3p	20.2	6.4	11.8	15.0p	11.1	24.5p	37.7	20.2	20.6p	38.4p	18.9	17.4	11.9	31.6p	16.5	59.5	22.7p	12.9	8.5	59.8	9.9	6.5	10.6	8.3	23.9p	
Female	22.2p	18.5	6.8	11.6	16.6p	7.9u	21.3p	33.3	18.7	17.1p	35.6p	17.6	14.6	10.0	30.8p	16.3	61.0	21.0p	14.4	7.7	54.3	8.1	6.6	7.6	7.2	25.7p	
Male	24.3p	21.8	5.9	12.0	13.4p	14.4	27.5p	42.0	21.7	24.2p	41.1p	20.3	20.2	13.8	32.3p	16.6	58.0	24.3p	11.4	9.2	65.2	11.6	6.4	13.4	9.3	22.0p	
35-44 years																											
Total	28.6p	31.2	7.3	15.7	13.9p	4.0u	37.0p	49.8	29.8	31.8p	48.7p	25.1	7.1	5.0	35.6p	18.4	77.6	28.1p	16.2	10.7	73.8	17.0	8.4	13.7	11.4	29.7p	
Female	29.5p	28.5	9.8	16.3	16.0p	0.0	37.7p	48.8	30.7	27.9p	47.1p	28.3	4.7	3.0	39.6p	20.7	83.8	29.4p	20.4	10.8	71.8	17.8	10.5	11.3	9.6	33.8p	
Male	27.8p	33.8	4.9	15.2	12.0p	6.3u	36.2p	50.8	28.8	35.7p	50.3p	21.7	9.6	7.2	31.7p	16.0	71.3	26.8p	12.1	10.6	75.8	16.2	6.4	16.1	13.1	25.6p	
45-54 years																											
Total	35.3p	42.7	13.5	18.5	15.9p	9.9	52.9p	64.7	41.5	46.2p	57.3p	42.2	12.6	10.2	41.7p	24.3	84.7	37.2p	24.5	18.4	82.2	26.0	16.4	24.1	19.2	30.7p	
Female	38.9p	44.3	19.6	19.4	20.2p	7.7u	56.0p	67.8	45.6	43.6p	59.8p	46.2	9.7	8.1	47.9p	30.0	87.9	43.3p	31.6	20.0	82.0	30.9	20.8	22.1	15.7	38.1p	
Male	31.6p	41.1	7.3	17.7	11.6p	12.5	49.6p	61.6	37.3	48.9p	54.8p	38.0	15.9	12.5	35.8p	18.2	81.6	31.1p	17.4	16.6	82.5	21.4	11.8	26.2	22.6	23.1p	
55-64 years																											
Total	46.1p	55.4	17.8	22.4	22.0p	21.6	69.8p	79.5	51.5	60.6p	73.6p	60.3	29.8	31.7	49.2p	43.7	86.4	45.9p	30.4	33.8	88.4	32.2	27.6	41.4	29.7	35.8u	
Female	52.2p	59.4	25.7	27.2	30.1p	21.4	75.1p	84.2	56.0	59.1p	77.9p	68.3	26.8	30.2	60.8p	49.9	89.4	56.5p	39.2	37.0	89.4	42.2	36.0	41.7	27.4	46.8u	
Male	39.9p	51.2	9.1	17.7	13.8p	21.8	64.3p	74.4	46.7	62.1p	68.9p	52.0	33.8	33.6	37.8p	36.1	83.0	35.5p	21.1	30.1	87.2	21.6	17.6	41.0	32.0	27.9p	
65+ years																											
Total	67.5u	74.1	37.8	55.6	38.7p	43.0u	84.7p	90.9	75.3	75.7p	87.5p	80.2	53.1u	70.4	68.8p	72.4u	94.1	61.7p	51.3	60.5	94.3	50.7	61.0	70.9	47.8u	37.1u	
Female	74.3u	80.1	50.2	65.0	52.7p	47.1u	89.1p	94.2	79.5	75.9p	90.2p	87.3	53.4u	74.9	81.0p	76.4u	96.9	71.2p	61.9	67.2	95.6	62.9	72.1	73.4	45.9u	49.4u	
Male	58.0u	65.7	18.1	43.2	19.1p	36.1u	79.3p	86.4	69.4	75.5p	83.5p	71.5	52.5u	61.6	51.9p	66.2u	90.3	48.8p	35.4	49.5	92.3	31.0	42.7	67.1	49.9u	29.8u	
25-64 years																											
Total	32.5p	36.4	11.0	17.0	16.5p	11.1	45.9p	55.1	34.9	37.0p	53.1p	34.4	16.0	13.3	38.4p	24.9	77.0	32.4p	20.4	16.6	74.7	20.7	13.4	22.4	17.1	29.6p	
Female	34.7p	36.5	15.2	18.4	20.4p	9.3	47.7p	55.4	36.8	33.9p	53.6p	37.4	13.5	11.8	42.9p	28.8	80.6	35.9p	25.7	17.8	73.0	24.0	16.9	20.8	14.9	34.8p	
Male	30.3p	36.2	6.7	15.6	12.6p	13.2	44.1p	54.8	32.8	40.1p	52.6p	31.2	18.8	15.0	33.9p	20.8	73.4	28.9p	15.1	15.3	76.5	17.5	9.6	24.1	19.2	24.6p	

u = data lack reliability due to low sample size

CY: students usually living in the country but studying abroad are not yet covered by the survey. LU, NL: 2002 data

EU25 based on provisional UK data (all GSCE levels excluded until a new ISCED 3c level definition is implemented in 2005 at EU level).

Source: Eurostat, Labour Force Survey - Spring results (except FI: Q1)

Table 7a. Common indicators of poverty and social exclusion: Health

		EU 25	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SL	SK	FI	SE	UK
Life expectancy by age and gender, selected years		Life expectancy at birth																									
1970	Women	74.4e	74.2	73	75.9	:	74.1	73.8	74.8	75.9	73.5	74.9	:	74.4	74.8	73.4	72.1	72.6	76.5	73.4	73.3	70.8	72.4	72.9	75	77.1	75
	Men	68.0e	67.8	66.1	70.7	:	65.5	70.1	69.2	68.4	68.8	69	:	66	66.9	67.1	66.3	68.4	70.7	66.5	66.6	64.2	65	66.7	66.5	72.2	68.7
1980	Women	76.8e	76.8	73.9	77.3	76.1e	74.1	76.8	78.6	78.4	75.6	77.4	77	74.2	75.4	75.9	72.7	72.7	79.3	76	75.4	75.2	75.2	74.3	77.6	78.8	76.2
	Men	69.8e	70	66.8	71.2	69.6e	64.1	72.2	72.5	70.2	70.1	70.6	72.3	63.6	65.5	69.1	65.5	68.5	72.7	69	66.9	67.7	67.4	66.8	69.2	72.8	70.2
1990	Women	78.8e	79.4	75.4	77.7	78.4	74.9	79.5	80.3	80.9	77.6	80.1	78.6	74.6	76.2	78.5	73.7	78.1	80.9	78.8	76.3	77.4	77.4	75.4	78.9	80.4	78.5
	Men	71.7e	72.7	67.6	72	72	64.7	74.6	73.3	72.8	72.1	73.6	74.1	64.3	66.4	72.3	65.1	73.7	73.8	72.2	66.7	70.4	69.5	66.6	70.9	74.8	72.9
1995	Women	79.7e	80.2p	76.6	77.8	79.7	74.5	80.3	81.5	81.8	78.4	81.3	79.8	73.1	75	80.2	74.5	79.5	80.4	79.9	76.4	78.7	77.8	76.3	80.2	81.4	79.2
	Men	72.8e	73.4p	69.7	72.7	73.3	61.9	75	74.3	73.9	72.9	74.9	75.3	60.3	63.3	73	65.3	74.9	74.6	73.3	67.6	71.6	70.3	68.4	72.8	76.2	74
2002	Women	81.1e	81.1	78.7	79.5	81.2p	77.1	80.7p	83.5e	83.0p	80.3	82.9e	:	76	77.5	81.5	76.7	81	80.7	81.7	78.7	80.5	80.5	77.8	81.5	82.1	80.5
	Men	74.8e	75.1	72.1	74.8	75.4p	65.3	75.4p	75.8e	75.8p	75.2	76.8e	:	64.8	66.3	74.9	68.4	75.9	76	75.8	70.4	73.8	72.7	69.9	74.9	77.7	75.9
2003	Women	:	:	78.5	79.5	81.3e	:	80.7p	83.7e	82.9	:	82.9e	:	76.8p	77.7p	:	:	:	80.8p	81.8p	78.9	80.5e	:	:	81.8p	82.4	80.7e
	Men	:	:	72	74.9	75.5e	:	75.4p	77.2e	75.8	:	76.9e	:	65.5p	66.3p	:	:	:	76.1p	76.0p	70.5	74.0e	:	:	75.1p	77.9	76.2e
		Life expectancy at age 1																									
1970	Women	:	74.5	73.3	75.9	:	74.2	74.3	75.6	76.1	73.8	75.8	:	74.5	:	73.7	73.4	73.3	76.3	74.1	74.5	73.4	73	73.8	:	76.8	75.2
	Men	:	68.4	66.7	71	:	65.9	72.2	70.4	68.8	69.2	70.1	:	66.4	:	67.7	68.1	69.4	70.8	67.5	68.2	67.2	65.9	67.8	:	72.1	69.1
1980	Women	:	76.6	73.9	76.8	:	74.2	76.7	78.4	78.1	75.3	77.4	76.8	74.1	75.4	75.7	73.2	72.6	78.9	76	75.8	76	75.2	74.8	77.1	78.3	76.1
	Men	:	70	67.1	69.9	:	64.4	72.8	72.5	70	69.9	70.7	72.4	63.7	65.7	68.9	66.2	68.8	72.4	69.2	67.5	68.7	67.5	67.5	68.7	72.4	70.2
1990	Women	:	78.8	75	77.2	77.9	74.7	79.2	79.9	80.4	77.2	79.7	78.4	74.4	75.9	78.1	73.7	77.7	79.6	78.3	76.3	77.1	76.9	75.5	78.3	79.8	78.1
	Men	:	72.3	67.4	71.6	71.5	64.7	74.4	72.9	72.4	71.7	73.3	74	64.3	66.2	71.9	65.2	73.5	73.4	71.9	66.9	70.3	69.3	66.7	70.3	74.3	72.6
1995	Women	:	79.6	76.1	77.2	79.1	74.4	79.8	80.9	81.2	77.9	80.7	79.4	73.3	74.9	79.7	74.2	79	79.7	79.3	76.3	78.2	77.2	76	79.5	80.7	78.7
	Men	:	73	69.3	72.1	72.7	61.9	74.7	73.7	73.3	72.4	74.4	75	60.5	63.2	72.3	65	74.7	74.1	72.8	67.6	71.2	69.7	68.2	72.1	75.5	73.5
2002	Women	80.4	80.4	78	78.8	:	76.5	:	:	:	79.7	:	:	75.7	77.1	80.9	76.3	80.3	80.1	80.9	78.2	79.9	79.7	77.4	80.7	81.4	:
	Men	74.2	74.5	71.5	74.2	:	64.7	:	:	:	74.6	:	:	64.5	65.8	74.3	67.9	75.2	75.4	75.2	70	73.2	72.1	69.4	74.1	77	:
2003	Women	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	Men	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:

p = provisional value; e = Eurostat estimate

Source : Eurostat - Demographic statistics

Table 7a. Common indicators of poverty and social exclusion: Health (cont.)

Life expectancy by age and gender, selected years		Life expectancy at age 60																																
		EU 25	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SL	SK	FI	SE	UK							
1970	Women	19.7e	19,2	18	20,6	:	19,4	19,1	20	20,8	18,7	20,2	:	19,9	:	18,8	:	:	20,5	18,8	:	18,9	:	18,7	:	20,9	19,8							
	Men	15.8e	15,2	14,1	17,1	:	15,2	17,5	16,8	16,2	15,6	16,7	:	16,5	:	15,2	:	:	16,8	14,9	:	15,5	:	15,7	:	17,8	15,2							
1980	Women	20.9e	20,9	18,2	21,4	:	19,4	20,8	22,1	22,4	19,5	21,2	:	19,7	20,5	19,9	:	:	22,6	20,2	:	20,6	:	19,2	20,5	22,1	20,4							
	Men	16.5e	16,3	14,3	17	:	14,8	18,2	18,4	17,3	15,9	16,8	:	15,1	16,5	15,5	:	:	17,5	16,3	:	16,3	:	15,5	15,6	17,9	15,9							
1990	Women	22.1e	22,7	19,1	21,6	21,7	19,5	22,3	23,3	24,1	20,9	23	:	19,6	20,7	22,4	:	:	23,1	22	:	21,3	:	20	21,9	23,2	21,8							
	Men	17.7e	17,9	14,6	17,4	17,4	14,8	19,4	19,1	19	16,7	18,6	:	14,9	16,2	17,8	:	:	18,1	17,8	:	17,5	:	15,2	17,1	19,1	17,5							
1995	Women	22.8e	23,3	20	21,3	22,7	19,9	22,8	24,2	24,9	21,4	24	22,9	19,7	20,6	23,2	:	:	23,2	22,8	:	22	:	20	22,9	23,9	22,2							
	Men	18.3e	18,5	15,9	17,6	18,2	14,4	19,8	19,7	19,7	17,3	19,5	20,1	13,8	15,5	18,2	:	:	18,5	18,5	:	18,2	:	15,6	18,1	19,8	18,3							
2002	Women	23.8e	23,9	21,5	22,4	:	21,3	:	:	:	22,9	:	:	20,8	21,7	24,2	20,9	23,3	23,5	24,1	22	23,3	23,1	21	24	24,3	:							
	Men	19.6e	19,6	17,3	19,1	:	15,4	:	:	:	19,2	:	:	15,2	16,1	19,6	16,1	19	19,5	20,2	17,1	19,4	18	16,4	19,5	20,9	:							
2003	Women	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:							
	Men	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:							

p = provisional value; e = Eurostat estimate

Source : Eurostat - Demographic statistics

European Commission

Joint Report on Social Protection and Social Inclusion 2005

Luxembourg: Office for Official Publications of the European Communities

2005 — 116 pp. — 21 x 29.7 cm

ISBN 92-894-9373-9

SALES AND SUBSCRIPTIONS

Publications for sale produced by the Office for Official Publications of the European Communities are available from our sales agents throughout the world.

How do I set about obtaining a publication?

Once you have obtained the list of sales agents, contact the sales agent of your choice and place your order.

How do I obtain the list of sales agents?

- Go to the Publications Office website <http://publications.eu.int/>
- Or apply for a paper copy by fax (352) 2929 42758