



EUROPEAN SPATIAL PLANNING
OBSERVATION NETWORK

ESPON 1.4.2

„Preparatory Study on Social Aspects of EU Territorial Development“

Interim Report



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Social Aspects of
EU Territorial Development“

Interim Report
Part A

This report represents the interim results of a research project conducted within the framework of the ESPON 2000-2006 programme, partly financed through the INTERREG programme.

The partnership behind the ESPON programme consists of the EU Commission and the Member States of the EU25, plus Norway and Switzerland. Each partner is represented in the ESPON Monitoring Committee.

This report does not necessarily reflect the opinion of the members of the Monitoring Committee.

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Abbreviations

CDCS	Committee for Social Cohesion
ESPON	European Spatial Observatory Network
EU	European Union
MS	Member State
SGEI	Services of General Economic Interest
WP	work package

FOREWORD

The report "*Social aspects of EU territorial development*" aims to investigate the interrelationship between social and territorial development in order to integrate social aspects in the territorial analysis, as territorial development equally affects spaces, and people who live in these spaces, and vice versa.

The interim report at hand concentrates on delivering a first in-depth examination of policy documents and already existing research works in the field, and a list of relevant data, existing at European level. According to the contract it includes the following:

- (a) First results of the policy review presenting the main policy orientations at EU level,
- (b) First results of the review of existing scientific surveys integrating social issues and territorial development objectives, with EU focus.
- (c) A review (detailed list) of existing pertinent territorial indicators and datasets covering EU 25+2+2, available at NUTS 2/3 level.

Reflecting these requirements it is divided into two parts:

- **Part A – Report** including an overview about the first results of the research
- **Part B – Material** including the results of the policy review in detail and the a detailed list of existing territorial indicators and datasets

The interim report were elaborated by a team including the following members:

- ÖIR – Österreichisches Institut für Raumplanung / Austrian Institute for Regional Studies and Spatial Planning (Austria): Erich Dallhammer, Bend Schuh, Donata Persson (lead partner, especially focusing on chapter 1 and 3)
- Nordregio, Nordic Centre for Spatial Development (Sweden): Daniel Rauhut (focusing on chapter 2)
- MRI – Metropolitan Research Institute (Hungary): József Hegedüs, Nóra Teller (focusing on chapter 4)
- CEG – Centro de Estudos Geográficos, Faculdade de Letras, Alameda da Universidade (Portugal): Eduarda Pires Valente da Silva Marques da Costa (focusing on chapter 5)

1 CONTEXT OF THE STUDY

1.1 Task and structure of the study

At EU level, main strategic policy documents explicitly point out the necessity and challenge of addressing jointly the social, as well as economic and ecological dimensions of territorial development, most recently through the acknowledged “Territorial Cohesion” objective.

In order to provide support for the development of such policy-approaches, there is the necessity to integrate social aspects in the territorial analysis, as territorial development equally affects spaces, and people who live in these spaces, and vice versa.

In that context the ESPON 1.4.2 project “Social Aspects of EU Territorial Development” explores the relationship between social aspects and territorial dynamics. The study at hand is meant to be a preparatory study which should prepare for an ESPON applied research project to be financed in the next programming period. It aims to dedicate to the simple provision of scientific information and guidance, necessary to implement in the future a sound spatial analysis of social patterns, trends, impacts and dynamics.

According to the “Terms of Reference” the ESPON 1.4.2. preparatory is focusing on the 4 following key fields:

- Access to Social Services, Services of General Economic Interest (SGEI),¹ and mechanisms of public transfers;
- Employment and Income Distribution;
- Housing and territorial development,
- Education and Training.

Reflecting these requirements it is divided into two parts:

- **Part A – Report** including an overview about the first results of the research and covering the Presentation of the scope of the project and detailed work plan (Deliverable D0, see chapter 1.4 Methodical approach), a discussion about results of the policy review and first results of the review of existing scientific surveys (see chapters 2-5).
- **Part B – Material:** results of the policy review, including a List of relevant policies and an overview of 20 relevant policies concerning social and territorial issues (Deliverable D1) and a detailed list of existing territorial indicators and datasets covering EU25+2+2 at NUTSII/III-level (List of Indicators).

¹ SGEI refers to a service of an economic nature which public authorities provide for the benefit of their citizens via an operator acting and remunerated under a specific public service obligation (PSO), where the market will not provide it without state intervention.

1.2 Social issues and territorial patterns

1.2.1 European context and framework

Relevant Policies

Several European main strategic policies refer to the territorial aspect of social cohesion. They illustrate the way, how on European level the interrelationship between social and territorial patterns is acknowledged. As the ESPON Project 1.4.2. can be interpreted a spatial-related answer to the evolution of these key policy documents, it is useful to highlight this common European background in brief.

The re-launch of the Lisbon Strategy, as adopted at the Spring Summit on 23 March 2005, refocuses its priorities on growth and jobs as well as on environment and the social network. One of its main goals is to provide sustainable welfare for all citizens living in the European Union, including the creation of attractive areas for business development and for daily life. Hence, sustainable welfare is recognised as a basis for Europe's competitiveness.

In the "Revised Strategy for Social Cohesion" the European Committee for Social Cohesion (CDCS) defines social cohesion as *"[...] the capacity of society to ensure the welfare of all its members, minimising disparities and avoiding polarisation. Welfare implies not only equity and non-discrimination in access to human rights but also: (1) the dignity of each person and the recognition of their abilities and their contribution to society, fully respecting the diversity of cultures, opinions and religious beliefs; (2) the freedom of each individual to pursue their personal development throughout their life; (3) the possibility for each person to participate actively as a full member of society."*

Although the Lisbon Strategy has no explicit territorial dimension, "sustainable welfare" does have a strong spatial aspect in terms of both the access to markets and the provision of services of general interest.

Consequently the "White Paper on services of general interest" (COM(2004) 374 final) identifies under top 3.3.: *"[...] The access of all citizens and enterprises to affordable high-quality services of general interest throughout the territory of the Member States is essential for the promotion of social and territorial cohesion in the European Union, including the reduction of handicaps caused by the lack of accessibility of the outermost regions"*.

The concept of Territorial Cohesion includes fair access for citizens and economic operators to Services of General Economic Interest (SGEI), irrespective of the territory to which they belong. Hence, the Territorial Cohesion objective address jointly the social as well as economic and ecological dimensions of territorial development and highlights that *"[...] people should not be disadvantaged by wherever they happen to live or work in the Union."* (CEC (2004): Third report on economic and social cohesion).

Indicators to measure the progress towards the EU common objectives

In order to support the Member States and the Commission with the monitoring of national and EU progress towards the EU common objectives in the area of social inclusion in 2001 the Laeken European Council endorsed several indicators. The first set of 18 common indicators, generally referred to as "**Laeken indicators**", includes just one indicator of regional dimension: the variation in employment rates across regions (measured by the coefficient of variation across NUTS 2 regions).

Since 2001 the set of indicators has been refined, consolidated and extended. Currently there are 21 indicators organised in a two-level structure, consisting of primary indicators (1-12), covering the most important fields, and secondary indicators (13-21) intended to support the primary indicators and to describe other important dimensions of the phenomena.

The logic of just one specific regional disparity indicator as part of a set designed to focus on social inclusion (rather than for example regional cohesion) was questioned (Atkinson et al 2002). Atkinson et al refer to problems in presenting figures for the only existing regional indicator causing weak international comparability. Therefore they suggest to *"give, as Secondary Indicators, regional breakdowns for all indicators of social inclusion where it is meaningful and data allow."*

The Atkinson-Report recommended the integration of a regional breakdown of all primary indicators within the European System of Social Indicators (Laeken).

Stewart (2003) assumes that the decision not to include regional indicators in the first set of "Laeken indicators" might be caused by the evident lack of regional data covering EU territory. Hence the Commission shied away from the Atkinson-approach because of the much bigger requirement of investment into data collection.

Stewart (2003) further defines three reasons, why indicators on the regional level are important for the description of social conditions:

- Formulation of targeted policy responses needs an understanding of where deprivation is concentrated. Furthermore the development of hypotheses about the nature of causal mechanisms based on such analysis can assist in shaping preventive policies.
- A number of EU member states have decentralised significant elements of policy to regional (or provincial) level. In these cases indicators on national level mix effects in regions varying in their conditions and merge the outcome of different regional policies to a national average value.
- In Member States with centralised policies, regional breakdowns allow additional sources for a cross-national comparison.

So the concept of defining social indicators on regional level is highly discussed. The research within ESPON 1.4.2 tries to contribute to the discussion by defining relevant indicators describing social-territorial aspects at regional level goes in line with this discussion.

1.2.2 Relationship: Territorial development – social processes

In principle a region cannot be regarded as independent of the human beings living and acting within. As (for example) the German advisory board on spatial development (Beirat für Raumordnung) already formulated in 1983: Regional population, as people living within a region, play a crucial role as they uphold regional development within the region they are living and working. So regional population is highly responsible if and how existing regional resources are used and maintained.

Consequently, there is a strong relationship between social and territorial development: Territorial development equally affects spaces, and people who live in these spaces, and vice versa. The interdependence and mutual influence of population and spaces is a core factor of territorial development. So it is essential to integrate social aspects in the territorial analysis.

Several theoretical concepts try to explore the relationship between territorial and social issues focusing on the following core questions, how space (areas, regions) effects the living condition of humans and how humans change space. In this context Hamm (1982) defines two main relationships:

- space as result of social organisation (question 1) and
- social organisation as a result of space (question 2).

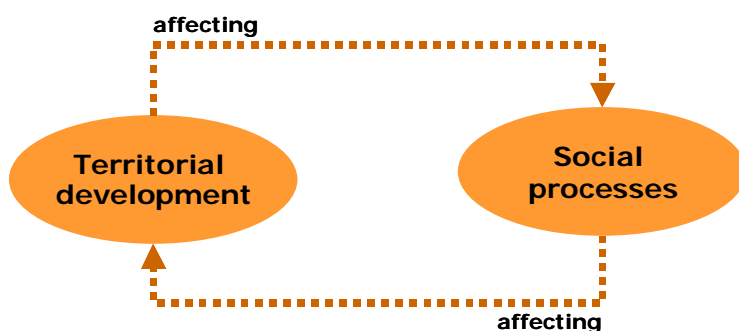
Hamm explains that social and territorial organisation of people are interdependent and relate to each other. Their dynamic process can be formulated as follows: Social processes form and change space and characteristics, conditions and infrastructure of space (territorial development) have effects on social processes.

In his "Theory of Structuration" Giddens (1984) assumes that a social structure cannot exist without social agents, since these agents are the ones who continuously create and re-create structure. The subjective (action) and objective (structure) dimensions of social reality are seen as inseparable outcomes of each other, together comprising "the duality of structure".

Läpple (1993) understands space as "societal space". It supports or hinders the influence on acting as well as it is the outcome of previous actions.

All these concepts reflect the existence of an interdependent dynamic relationship between (economic) territorial development and social processes, as shown in the following figure.

Figure 1 Relationship: Territorial development and social processes



Source: ÖIR

In this sense “territorial development” is standing for the development of a region, which is usually shown by a socio-economic analysis referring to demography, economy, labour force and technical infrastructure (transport, IT, ...).

The notion of “social processes” addresses the issues of how regional population (living and working within a region) is acting. Social processes may differ within EU MS or groups of MS (e.g. because of different political developments, “new” – “old” MS), but also within MS (e.g. labour force migration, level of education, forms of housing, formation of regional identities) and even within regions.

Regarding the interdependent relationship between territorial development and social processes the definition of the scale or regional level seems to be a crucial question. Social processes are assumed to be more intensive within regions in which living and working population is somehow connected with each other (e.g. political structures, institutional organisation, Regional Governance). As Paasi (2004) formulated: *“Scales are not fixed, separate levels of the social world but, like regions/places, are structured and institutionalized in complex ways in de/re-territorializing practices and discourses that may be partly concrete, powerful and bounded, but also partly unbounded, vague or invisible. Scales are also historically contingent; they are produced, exist and may be destroyed or transformed in social and political practices and struggles. The institutionalization/deinstitutionalization of region, place and scale are in fact inseparable elements in the perpetual process of regional transformation.”* (cited after Jones, 2005)

Therefore the statistical units (NUTS II, III) respectively the regional level analysed must not be chosen arbitrarily (taking into account only data availability), but should also consider social and political structures below national ones. Concerning this question a major problem can arise in analysing EU territory, because the highly differing social and political structures (institutional organisation and political structures) between the Member States makes it difficult to choose adequate regional levels. Thus, a core question is, whether the regional data available actually give a correct picture of the social situation and how far the size of the regions influences the result of the analysis.

Empirical studies

Despite the fact that those interdependencies between territory and the structure of society have been formulated in concepts already three decades ago, there are few studies dealing with this matter. On the one hand, an overwhelming part of quantitative studies concerning social conditions and inequalities focus on people poverty and concentrate on the individual or on the household, while ignoring surrounding conditions (Stewart, 2003). On the other hand regional studies and spatial policies, usually based on "hard facts" concerning the regional assets, do not include social processes in order to explain regional disparities.

Nevertheless, because of difficulties concerning the explanation of differing regional development and regional disparities by these regional "hard facts" (regional assets), in some few cases regional research has begun to show interest in analysing other mechanisms.

Empirical studies in Germany outlined regional differences concerning economic culture and culture of work² (Danielzyk 1998). They focussed on the explanation of interregional differences concerning the share of working population and the results lead to a model with the following chain of cause and effect:

- (1) Geographical (climate, location), long term factors (history, religion) as well as factors concerning current politics and legal system have an effect on
- (2) the individual and collective ways of thinking (mentalities), which may differ between regions and which are shown by
- (3) differing regional attitudes to profession, family, neighbourhood, income, etc.
- (4) These attitudes may have an effect on regional differing economic culture and culture of work, in which the individual and collective importance of economic activity (working) is more or less high. These different cultures and attitudes cannot be covered by empirical studies, but have an impact on
- (5) regional differing acting of individuals and groups concerning economy and work.

Based on these this chain of cause and effect Danielzyk formulated the hypotheses that regional competitiveness is highly connected with (individual and collective) cultures of economy and work. Mobility, flexibility and entrepreneurial engagement is higher where the importance of economic activity (share of working people) also is high.

Conclusion

The effort of considering and analysing interdependencies of territorial developments and social processes can be argued as follows:

- Differing developments within regions of similar endowment often cannot be explained by usually used structural analysis in economic terms. Therefore, a major argument to consider social aspects in regional analysis is to explain

² Institut für Wirtschaft und Gesellschaft Bonn (IWG 1989, 1991, 1994).

such different developments within e.g. regional types (metropolitan centres, high density areas, rural and peripheral areas, ...).

- Regarding policy options, analysing the regional outcomes of (mainly national and international) social policies considering different situations (concerning economic and social developments) within the Member States may lead to a broader understanding of patterns of cause and effect.
- In order to analyse regional outcomes and different social and socio-economic developments, the regional level has to be chosen carefully.
- A better understanding of interdependencies between spatial development and social processes might lead to a more precise support for regions lacking behind (concerning social and territorial cohesion).

Therefore, as a **scientific objective** further research on the interrelationship between territorial and social development should try to **move beyond the separated research of regional/spatial and social issues in order** to show potential impacts of social processes (and policies) on regional development on one hand, and the effects of spatial conditions on social conditions on the other hand.

1.3 ESPON 1.4.2 in the ESPON world

The ESPON Programme generally aims at applied research on spatial aspects in order to provide a solid analytical basis for more integrated approaches. Consequently the ESPON Programme is focusing on the 'added value' of considering the territory as a unit of analysis and as basis for policy making, an approach that is likely to stimulate a better coordination of sector policies.

The ESPON 1.4.2 Project is part of the Priority 1 "Thematic projects" of the ESPON Programme under the strand "Studies on New Thematic Projects". It is a preparatory study that shall explore and evaluate the main elements of the forthcoming projects.

The relationship between territorial development and social aspects is not completely a new issue within the European research on spatial development. Even the Study Program on European Spatial Planning (SPESP), the forerunner of the ESPON programme, dealt with interdependencies between territorial and social aspects. E.g. strand 1.4 considered "Spatial integration".

Moreover several ESPON studies dealt with social aspects in relationship to territorial development (see the following table). However, none of these studies explicitly dealt with these interdependencies.

Table 1 ESPON projects possibly dealing with social aspects in relationship to territorial development

No.	Titel	WP2 Access to Social services	WP3 Employment & Income Distribution	WP4 Housing	WP5 Education & Training
1.1.	Polycentric Development and urban rural-relations				
1.1.1	The role, specific situation and potentials of urban areas as nodes of polycentric development	++			
1.1.2	Urban-rural relations in Europe	++		+	+
1.1.3	Particular effects of enlargement of the EU and beyond on a polycentric spatial tissue with special attention on discontinuities and barriers	++	++	++	+
1.1.4	The spatial effect of demographic trends and migration	++	++	++	++
1.2.	Access to infrastructure and knowledge				
1.2.1	Transport services and networks: territorial trends and basic supply of infrastructure for territorial cohesion	++	++	++	++
1.2.2	Telecommunication and energy services and networks: territorial trends and basic supply of infrastructure for territorial cohesion The role, specific situation and potentials of urban areas as nodes of polycentric development	++	+	+	+
1.2.3	Identification of spatial relevant aspects of the information society	++	++	0	++
1.3.	Natural and cultural heritage				
1.3.1	The spatial effects and management of natural and technological hazard in general and in relation to climate change				
1.3.2	Territorial trends in the management of the natural heritage				
1.3.3.	The role and spatial effects of cultural heritage and identity				
2.1.	The territorial effects of sector policies				
2.1.1.	Territorial impact of the EU transport and TEN policies	+	0	0	
2.1.2	Territorial impact of the EU research and development policy	+	++	0	++
2.1.3	The territorial impact of CAP and rural development policy	0			
2.1.4	Territorial trends of energy services and networks and territorial impact of EU energy policy	0			
2.1.5	Territorial Impacts of European Fisheries Policy				
2.2.	Structural Funds and related funds				
2.2.1	The territorial effects of the Structural Funds	0	+	0	
2.2.2.	Territorial effects of the 'Aquis Communautaire', Pre-accession Aid and Phare/Tacis/Meda Programmes		+	0	
2.2.3	Territorial Effect of Structural Funds in Urban Areas	+	++	++	+
2.3.	Institutions and Instruments of spatial policies				
2.3.1	The application and effects of the ESDP in the member states	0		0	
2.3.2	Governance of territorial and urban policies from EU to local level	0	0	0	0
2.4.	Filling gaps and new policy impacts projects				
2.4.2	Integrated territorial analyses based on ESPON results	0	++	0	0
3	Co-ordinating and cross-thematic projects				
3.1.	Integrated tools for European spatial development	+	+	+	+
3.2	Spatial scenarios and orientations in relation to the ESDP and EU cohesion policy	0	0	0	0
3.3	Territorial dimension of the Lisbon/Gothenburg process	++	++	++	++
3.4.1	Europe in the World				

++ highly interesting for co-ordination, information exchange, data-sources and networking
+ interesting for co-ordination, information, data-sources
0 potentially interesting for co-ordination & information

1.4 Methodical approach

The research design, methodology and tasks to be performed are intended to achieve the main purposes of the ESPON 1.4.2. preparatory study as stated in the "Terms of Reference"). In order to gain a harmonized result, the work is organised within six work-packages.

1.4.1 Work-Packages

Work Phase 'Structuring' (WP1)

In order to guarantee a common understanding of the research, the first task consists in the common definition of terms and concepts.

The second task of WP1 is to check the data availability in order to provide a sound basis for the identification of social-territorial indicators. As data availability differs substantially throughout the EU, shortcomings and data-gaps is shown as well. Therefore a grid for the analysis of data availability was commonly developed, implemented and updated throughout the research process. These commonly developed tools serve as a basis for the collection and evaluation of the data sources and indicators in the following WPs.

Work Phase 'Thematic Surveys' (WP2, WP3, WP4, WP5)

Given the highly specialised character of the key thematic fields, the thematic surveys are examined separately by for expert-teams covering the four key fields of the study.

- Access to Social Services, SGEIs and mechanisms of public transfers (WP2);
- Employment and Income Distribution (WP3);
- Housing and territorial development (WP4),
- Education and Training (WP5).

These WPs will elaborate a policy review on EU and National level, a literature review and the representation of territorial contexts and structures. This analysis provides the scientific basis for the integrative concluding work phase.

Work Phase 'Conclusions' (WP6)

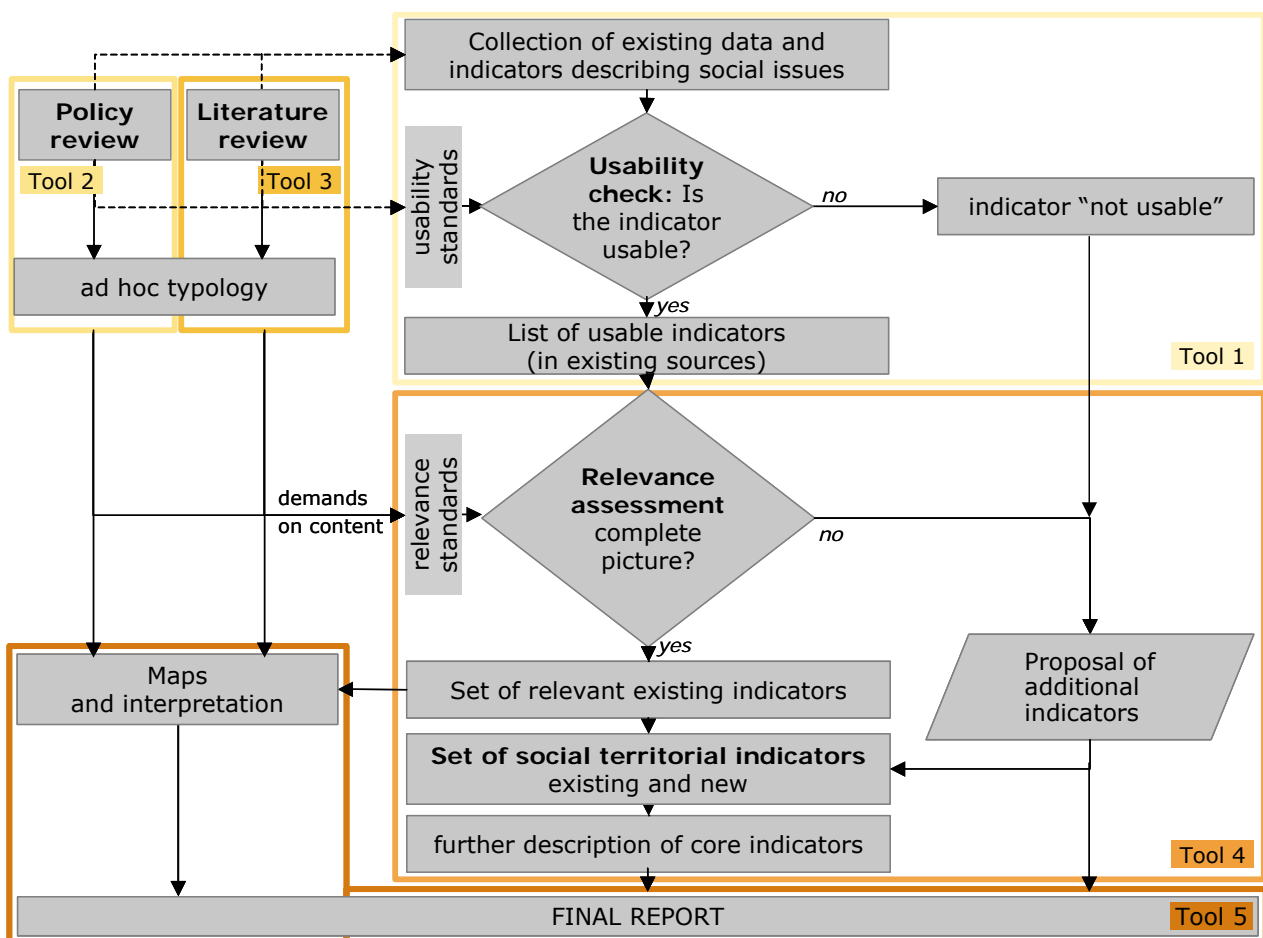
The last work phase consists in the compilation of the thematic surveys and the detection of cross-thematic issues and research gaps. This will lead to the elaboration of a proposal for a future research project and is part of the final report.

1.4.2 Tools

WP1 breaks down the research questions to the level of the key thematic fields. Five tools have been developed for the thematic surveys, which are closely linked together (see Figure 2):

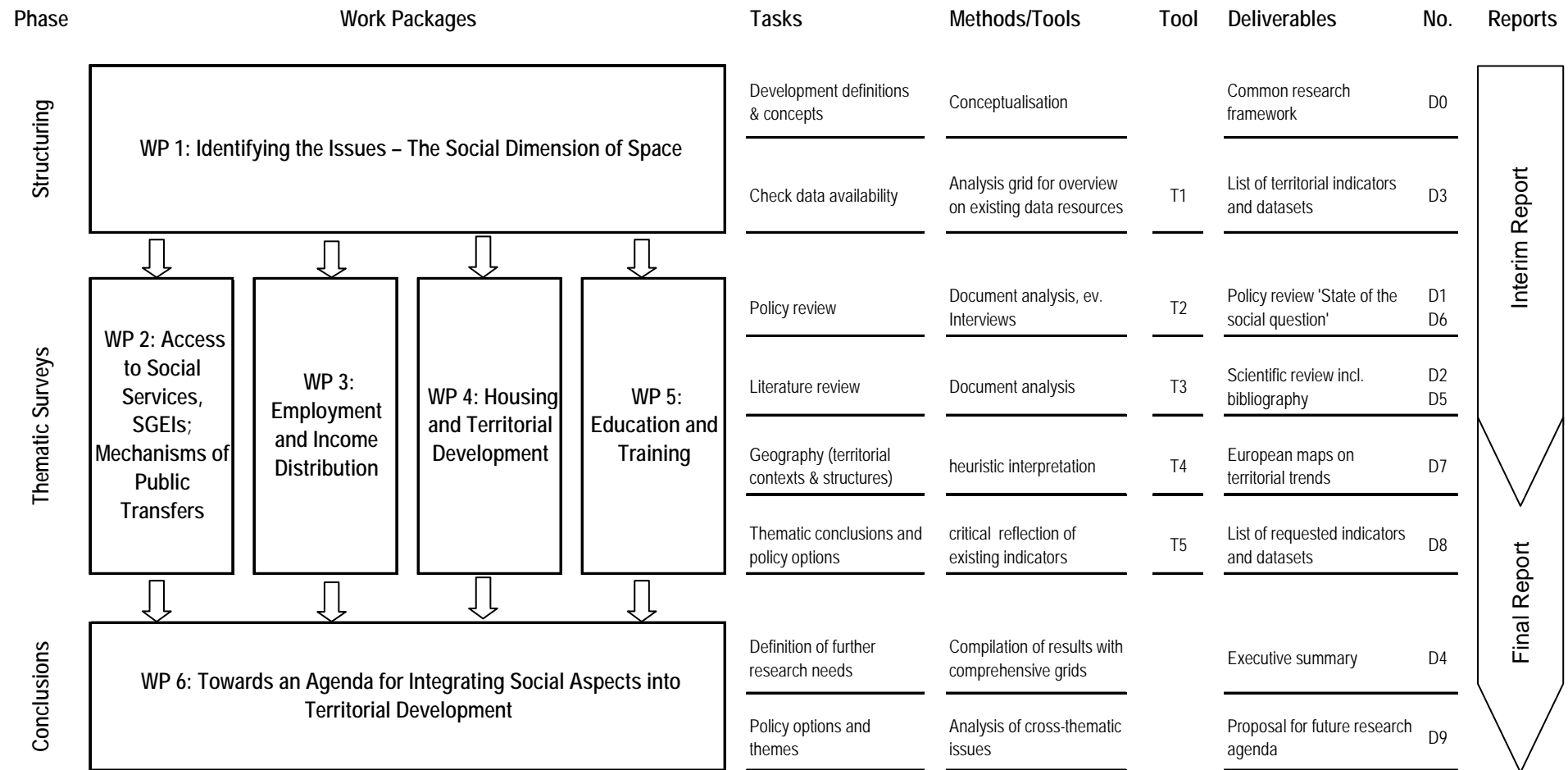
- Tool 1 (T1): Grid for existing data sources
- Tool 2 (T2): Analysis grid for the policy review
- Tool 3 (T3): Guidelines for the literature review and bibliography
- Tool 4 (T4): Grid for the collection and evaluation of Indicators
- Tool 5 (T5): Reporting Format for the Thematic Conclusions

Figure 2 ESPON.1.4.2 Tools



The conceptualisation of the work programme was done in an interactive participative form, in order to fine-tune the overall framework and to meet the requirements of the four thematic fields.

Figure 3 Work packages, methodological set, deliverables



Tool 1 (T1): Grid for existing data sources

Tool 2 (T2): Analysis grid for policy review

Tool 3 (T3): Guidelines for Literature Review and Bibliography

Tool 4 (T4): Evaluation Grid for Core Indicators / Requested Indicators

Tool 5 (T5): Reporting format for Thematic Conclusions

1.4.3 Grid for the collection of data and indicators

Tool 1 – the grid for the collection of data and indicators – provides a template for the **definition of already used (respectively harmonised) regional data and indicators** providing relevant information on social aspects of territorial development.

The aim of this step is to build up a **standardised list of indicators** (per key field), including an analysis of each single indicator. It is envisaged to collect existing **harmonised regional data** easily **available from EU sources** (e.g. Eurostat database). The proposed indicators have to be **territorial indicators**, covering EU 25+2+2 territory, **preferably at NUTS 3** (or at another appropriate territorial scale lower than National, at least NUTS 2).

Non harmonised indicators and data are not collected or built within the scope of the study. In that case, the study provides a list of relevant indicators for a future research in that field.

This list of indicators includes the following information on data availability and quality of data, as there were:

- **term** of indicator/**source** (institution, homepage)
- short **definition** (what does the data indicate/parameters)
- **availability** (territorial reference, available years, further surveys foreseen?)
- **quality of the indicator** (Does the indicator point out important aspects or provide sound typologies? Is the indicator comparable within the territory?)

The summary of these assessments can be seen as an input for the application of the "**Usability check**", where indicators are specified to reach minimum standards and classified as "potential indicators" (also based on the findings of policy and literature review).

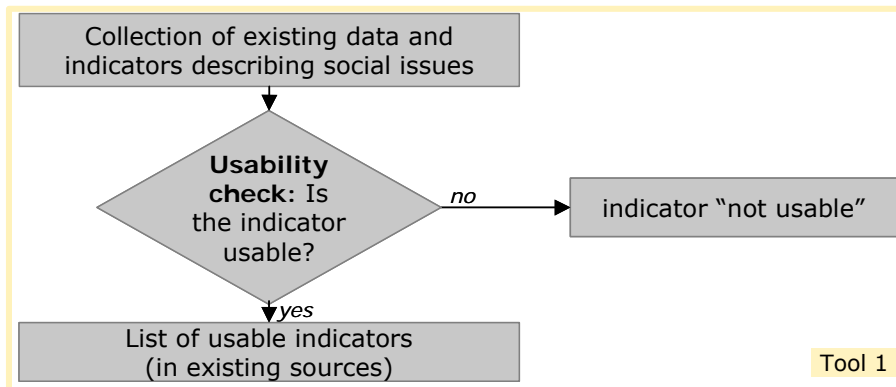
These **minimum standards** (concerning availability and quality) are defined as following:

- Available for how many countries? (collection problems)
- Is there a common definition possible?/Are the data harmonized? (definition problems)

The summary of these assessments leads to a list of available and usable indicators (one group per key field), with each of these indicators stated to enable the description of social aspects of territorial development.

These lists of usable indicators are input for tool 4.

Figure 4 Tool 1 – flow chart



Sources for the collection of indicators have been:

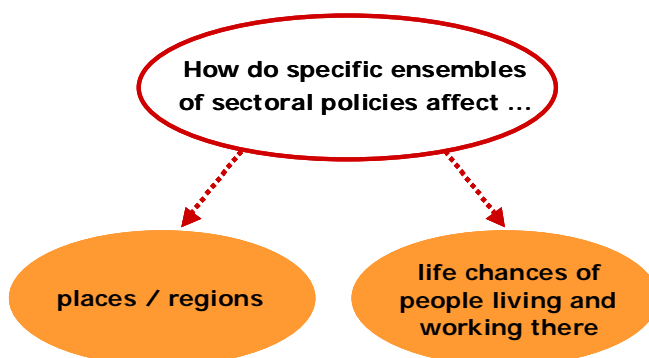
- Existing ESPON – database (www.espon.lu) – access
- Eurostat database (europa.eu.int/comm/eurostat/)
- Urban audit (<http://www.urbanaudit.org/index.aspx>)
- Study programme on European spatial planning (<http://www.nordregio.se/spespn/welcome.htm>)
- OECD (www.oecd.org)
- European Housing statistics
- UNECE

The result of this survey is presented in part B of the interim report.

1.4.4 Analysis grid for the policy review

The policy review shall provide a picture of the **main policy orientations** at **EU level** and at **national level** for selected countries where **data is available**, covering the EU 25, plus Romania and Bulgaria, plus Norway and Switzerland. Additionally it may be useful to compare national and possibly regional situations with regards to public intervention and policy goals within the identified key fields.

Figure 5 Main research approach



Source: ÖIR

Nevertheless, due to the limitation of resources the policy review has to be **based on existing overviews and comparisons** possibly available in English and the most important level remains the EU level and current EU policies and strategies.

Tool 2 – the analysis grid for the policy review – is divided in two parts:

- (1) **An overall view of sector-policies** dealing with social aspects in form of a table, which contains the most important information in a concise form (see Figure 6).
- (2) A **short description of main contents and structure of each single policy** to identify policy goals and mechanisms and to pose key challenges and questions to be dealt with in the future in order to contribute to further achievement of territorial and social cohesion objectives. According to the structure of these summaries see Figure 8.

The policy review focuses on three main questions:

- Which EU and National policies have a critical impact on the social aspect of territorial development?
- Have member states developed specific measures to address the social aspects of territorial development?
- Which policies are relevant for the achievement of territorial and social cohesion?

The **conclusion** over these assessments should lead to a picture of the EU situation, comparing national and possible regional situations, with regards to public intervention and policy goals within the social key fields.

The result of the policy review is presented in part B of the report, the interpretation is in part A of the report.

Figure 6 Grid for the collection of data and indicators (Tool 1)

T O O L 1										
Nr.	Term	Source	Definition (including parameters)	Availability within EU25+2+2	Qualitative descriptions					Usability proof of each single indicator
					Main territorial reference	Indicator available for dates (years)	Periodical survey/collection foreseen (approx. interval)	Quality of indicator	Additional remarks	
1	Indicator 1 - Example	Eurostat	Data indicates development in	25	national, NUTS 2/3 (except ...), only urban regions	1990/91, 2000/2001, yearly, quarterly	yearly, 10 years, no survey foreseen	comparable within the territory provides sound typologies, points out important aspects, ...		potential indicator / indicator not usable
2										
3										
4										
5										

Figure 7 Overall view of policies dealing with social aspects

Source (institution, homepage or where to find)	Name of policy/ year of publishing	Key fields (WP) *	Territorial level of policy	Key policy goals	Implement ation (strategy, level, measures)	Monitoring foreseen (-/✓)	Key fields (WP) *
<i>explanatory notes:</i>							
<i>EU COMMISSION (www.....)</i>	<i>policy XXX, 2004</i>	<i>key fields</i>	<i>NUTS 2/3/4</i>	<i>formulated in key words</i>	<i>descriptive/ normative</i>	<i>- or ✓</i>	
<i>.. to be completed</i>							

* (2) Access to Social Services, SGEIs, mechanisms of public transfers; (3) Employment and Income Distribution; (4) Housing and territorial development; (5) Education and Training

Figure 8 Structure and contents of the policy reviews (questions to be answered)

**Institution:
Title**

2004

Private Health Insurance in OECD Countries, Policy Brief

A) Key policy goals

Which policy goals are defined? Which territorial reference?

B) Strategies/measures

*Which strategies (measures) are referred to? Which territorial reference?
Normative or descriptive? Who should implement them?*

C) Key mechanisms and challenges, questions

Is the document containing or referring to such topics (short summary)? Are there questions formulated to be dealt with in the future, in order to contribute to the further achievement of territorial and social cohesion objectives?

D) Monitoring

Is a monitoring foreseen? How is it implemented? Which data/indicators should be monitored? Who is defined/proposed to realize the monitoring? Which intervals are proposed for the monitoring?

E) Conclusions

Which conclusions can be taken from this policy regarding the aim of ESPON 1.4.2?

1.4.5 Guidelines for the literature review and bibliography (T3)

A basis for the development and identification of an **operational scientific platform approaching territorial development in its social dimension** is meant to be the main outcome of the scientific literature review and the overview and bibliography of **recent** existing research works with European focus (e.g. EU-, OECD-reports).

Tool 3 – the guidelines for the literature review and bibliography – provides an **overall view** of literature and research documents dealing with the social aspects analysed in form of a table, which contains the most important information in a concise form (see Figure 9).

As a final output of the literature review it has to be taken in consideration, that a **“Compendium of research”** should be formulated, covering the following issues:

- **Trends and dynamics** in relation to specific types of territories (e.g. ESPON projects)
- covering relevant knowledge related to territorial patterns
- referring as far as possible to social situations identified within urban areas, rural/remote areas, central/peripheral areas, geographically handicapped areas, etc.

The theoretical demands are:

- showing the relevant hypothesis
- discussing the question of the appropriate level to report on the social dimension (e.g. what tells a map on NUTS 2 or 3 level if there exists social segregation on the level of NUTS 5 and below)?
- analysing which indicators are useful to report on which level?
- Discussion of **links between a territorial and an urban perspective** taking into account the work that was done in the Urban Audit. Which are possible links and border lines between a research focus on a “territorial” or on an “urban” perspective?
- Formulation of an **“ad-hoc-typology”** where appropriate
- using an “heuristic approach” (e.g. Esping Andersen 1999)
- Showing what has been found/compiling findings

The first draft of this compendium is presented in part A of the interim report at hand.

Figure 9 Overview on literature reviewed

Source name, institution, homepage – citation	Key fields	Territorial reference	Key concepts indicators, tools and methodologies	Relevance
<i>explanatory notes:</i>				
<i>Harvard citation (add. homepage if the document can be downloaded there)</i>	<i>WP key fields (number) concerned by the strategy</i>	<i>national, NUTS 2/3/4/5 urban</i>	<i>main trends, dynamics and challenges formulated in key words indicators, tools and methodologies used</i>	<i>qualitative estimation (high, middle, low)</i>

* (2) Access to Social Services, SGEIs, mechanisms of public transfers; (3) Employment and Income Distribution; (4) Housing and territorial development; (5) Education and Training

1.5 Grid for the selection of relevant indicator sets

Tool 4 – the grid for the selection of data and indicators – can be seen as an extension of tool 1 and provides a template for the evaluation of the selected group of usable indicators (outcome of tool 1), which should lead to the definition of one **set of social territorial indicators** for each key field.

It is of high importance to discuss the **quality of indicators**, while paying special attention to the multi-dimensional character of these dynamics. The following leading questions (to be answered within this preparation study) have been identified:

- Which indicators are currently used on European level and in ESPON-projects to track areas and regions that are lagging behind in social terms?
- Which territorial indicators could lead to typologies of territories?
- Which indicators may serve as core indicators and which one are problematic to identify the social dimension of territorial development?

Figure 10 Grid for the selection of the core indicator sets (Tool 4)

T O O L 1		T O O L 4				
Nr. Term	Usability proof of each single indicator	Core indicators Relevance proof within the group of potential indicators (and additional indicators)	Meta-data concerning core indicators			Map recom- mended
			How to further collect the data?	Possible and pertinent administrative level	Harmonization and/or manipulation necessary? (additional indicators)	
1 Indicator 1 - Example	potential indicator / indicator not usable	core indicator / no core indicator				- / x
2						
3						
4						
5						

Following these questions a proposal of a **set of social territorial indicators** (selected available + additionally needed indicators) will be defined, which covers all aspects of social territorial patterns.

As methodological principles concerning the definition of indicators we further refer to the principles the European Social Protection Committee agreed on in the "Report on Indicators in the field of poverty and social exclusion", the so-called **Laeken indicators** (Social Protection Committee, 2001). According to the suggested set of indicators the following principles are taken into account (Social Protection Committee 20019):

Principles referring to the indicators:

- an indicator should capture the essence of the problem and have a clear and accepted normative interpretation;
- an indicator should be robust and statistically validated;
- an indicator should be responsive to policy interventions but not subject to manipulation;
- an indicator should be measurable in a sufficiently comparable way across Member States, and comparable as far as practicable with the standards applied internationally;
- an indicator should be timely and susceptible to revision;
- the measurement of an indicator should not impose too large a burden on Member States, on enterprises, nor on the Union's citizens;

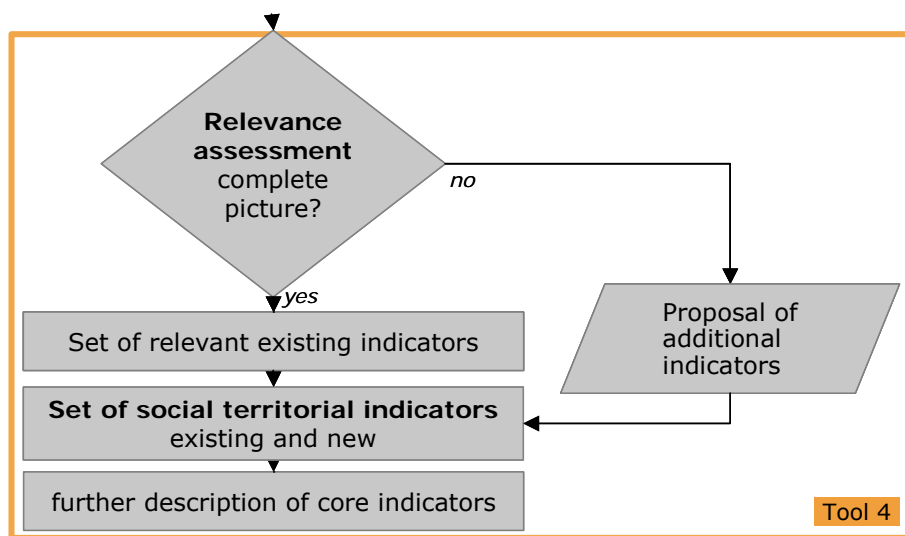
Principles referring to the portfolio (set) of indicators:

- the portfolio of indicators should be balanced across different dimensions;
- the indicators should be mutually consistent and the weight of single indicators in the portfolio should be proportionate;
- the portfolio of indicators should be as transparent and accessible as possible to the citizens of the European Union.

Information, which has to be provided within the scope of the study varies by the type of indicator:

- social territorial indicators, which have been classified as usable in tool 1 (**selected available indicators – harmonised data**) will have to be **collected**. Within this sample proposals for **maps** are made, on the basis of the harmonised data possible collected.
- About **additional** social territorial indicators (proposal) in minimum information on the **availability** and their **comparability** is requested.
- **Further information** requested address **time scale aspects**, and the question of the possible and pertinent **administrative level for the indicators** presented.

Figure 11 Tool 4 – flow chart



The indicators that will be suggested will be presented in the final report.

2 ACCESS TO SOCIAL SERVICES, SGEIS AND MECHANISMS OF PUBLIC TRANSFERS

2.1 Overall Background

The **demographic landscape** of Europe is of a very complex nature. Some areas face a stagnation and depopulation trends, whereas some others are growing steadily. The demographic evolution is constituted of two components, the natural population change and the net migration rate, each of them linked to a very pronounced trend in Europe. The strategic variable as regards the natural population change is, in fact, the number of birth, as the mortality rate has not evolved drastically in the latest decades. The fertility rate is often used when describing the birth phenomenon on a territorial scale. Different social behaviours and pre-conditions can be linked to it. Beforehand, it is dependent on the structure of the households in general, a high number of single persons, one-person households, as well as greater female participation in the labour markets are factors that can lower the fertility rate. These phenomena can be especially witnessed in the urban areas. Afterhand, the demand for day-care centres is thus an important issue in the areas witnessing higher fertility rates.

The other demographic parameter, net migration, is however more likely to destabilise the good provision of social services in rural and peripheral areas. At the macro scale, the whole continent of Europe has become a strong magnet for attracting immigrants, especially due to its high economic and life-quality standards. Alas, many international immigrants will not experience the good provision of social services due to their marginal position in society.

At the meso scale, interregional migrations are mainly dependent on the economic and social gaps between regions, migrants often moving to economically better-off areas and/or with higher standards of social services, as, for instance, young adults are often migrating to the urban areas in order to start their working life. The migratory pattern is causing strong regional disparities in terms of age structure, often at the expense of the most rural and remote European areas. Thus, the former type of areas are often faced with a double phenomenon: ageing and thinning of the population. The tourist flows from the northern to the southern parts of Europe are also putting greater pressure on the public services facilities of these areas, which often have lower economic capacities.

However, the immigration phenomenon is, at a micro scale, especially concentrated in the metropolitan areas. The increase of the total population to be served by social services increase the pressure on the public services facilities.

As sketched previously, the structure of the **territory in urban or rural terms** is a defining notion as regards the access to and the demand for social services. In general, the reasons why people living in urban areas have a better access can be described as twofold. First of all, the larger population size enables larger economies of scale for developing a broader array of services; it is thus possible to access **more services**. Second, the denser telecommunications and transport

network in the urban areas enable the dweller to have in reach more people and faster; it is us possible to have a **better access** to services.

Unlike the urban areas, the provision of services in the rural areas is more dependent on public agencies and structure, for the very opposite reasons than described above, with poor public transportation limiting the accessibility to jobs and public services, creating a real urban/rural divide in social terms. In the countries where the provision of public services is the responsibility of sub-national authorities (regions or municipalities), the level of tax revenue is playing a major role for their ability to maintain a fair provision of social services. This phenomenon has often a negative impact in the rural areas.

However, the relations between urban and rural areas, and by this way their interdependencies, have also evolved during the latest decades. The increasing extent of commuter catchments areas, as well as the suburbanisation phenomenon, has blurred the boundary between what is urban and what is rural. In that respect, rural areas with strong connections with urban areas have improved their overall potential access to social services. Suburbanisation is the expression of a different consumption of the land. It also expresses the people's greater demand for better households providing them with a better quality of life. However, the diffuse household pattern from suburbanisation is also jeopardizing the good provision of public services as people are putting themselves increasingly out of their reach.

The structure of the territory is therefore an important feature when dealing with access to social services. As a theoretical concept, **polycentrism** is trying to develop the idea that a better balance of the territory at different scales would tend to reduce the regional economic and social disparities of Europe. For policy-makers, the notion of polycentrism should not be taken as a goal in itself, but more as a means to achieve general policy objectives, social equity not being the least. Applied to social services, several centres evenly spread over the territory should be the provider for social services for their respective hinterlands. An example of the benefits of polycentric development can be drawn from the New Member States where the more polycentric countries seem to have smaller differences in income levels between central and peripheral regions. Finally, proximity and accessibility to services on a micro scale are fundamental for better understanding the challenges to social equality. The location of the social services facilities over the territory is therefore of high important. The spatial distribution of such facilities should be seen as dependent on the distribution of population, but not similar to it. Indeed, hospitals or large retail centres are often situated at proximity of urban areas, but on their periphery. The provision of public services should thus be a matter of good governance and co-operation.

The notion of polycentrism is often applied to the urban centres themselves, but the concept could also be enlarged for instance to the balanced repartition and access of the main social services over a territory. Where should hospitals or another social services facility be located in order to be accessible to the most people? Such large facilities are also linked to land-use issues. As the location costs are often taken into account when settling a new facility. However, the theme of polycentrism is also highly linked to the connectivity of places. In that regard, the ESPON literature has particularly studied two main types of connection systems: the transport and telecommunications networks.

In general, the **supply of services and knowledge** is believed to be mainly an urban issue. On a macro scale, it is therefore considered that **access to services and knowledge** can be identified with accessibility to cities of various sizes. However, when considering a more local perspective, the localisation of large social services facilities, such as hospitals or universities, is often in the periphery of the city, which *de facto* decouples the accessibility of the facility itself to the one of the city. In that regard, the local transport networks, either road or public transportation, defines the accessibility to important services such as hospitals or universities. In that sense, better and denser networks are believed to improve this accessibility. An interesting indicator for depicting the accessibility to social services would be the use of 45min-isochrones around the facilities themselves in order to show the spatial extent of the territory that lies within a commuting distance for them.

The second important type of network is linked to the telecommunication systems. In general, a good access to the telecommunication networks and the services they provide enhances the possibilities for a territory to interact in a wider context. The use of telecommunications for providing services can be, in some cases, an artificial substitute to the physical mobility via the transport networks, which is particularly useful in the most remote areas.

*The following chapters have to deal with a **wide range of issues and research questions**, of which **parts are representing or including research questions of the following chapters**. Due to this fact, the presentation in this interim report on the one hand tries to give a **background and an overview** on the wide range of issues concerning "social services, SGEIs and mechanisms of public transfers", and on the other hand **concentrates on main questions**, which are analysed more in detail (generally according to the given structure: policies, scientific discussion, geography), such as:*

- **Poverty and social exclusion** as one (or the) main question, which is standing behind mechanisms of public transfers.
- **Social services and expenditures**: As an indicator, social expenditures depict the offer of social services and are therefore an important descriptive indicator in this field.
- **Health care**, which is stated to be one of the most important questions within the area of social services (together with employment/income distribution and education/training, which are covered by the following chapters).

2.2 Poverty and social exclusion

2.2.1 Background – Poverty concepts revised

Poverty is multi-faceted and can neither be analysed nor understood if a single dimension is analysed (Andreß 1998; Walker 1995, 1998; Rauhut et al. 2005). There are three **definitions of poverty**, absolute, relative and a definition containing both absolute and relative poverty. Absolute poverty is commonly conceptualised as biological needs or a poverty line. Relative poverty is usually conceptualised in four different ways: income insufficiency, relative deprivation, consensual poverty and social exclusion. Finally, the definition containing both absolute and relative poverty conceptualises poverty as dual poverty and capability deprivation.

According to Malthus (1993) poverty is related to the lack of food, which indicates the importance of biological needs when discussing poverty.

A common conceptualisation of absolute poverty is to use a *poverty line*. A basket of basic commodities, such as food, clothing and shelter, is calculated. This calculation is called the poverty line. If one cannot obtain these basic commodities one is poor. Hayek argues that it is the responsibility for the government that nobody lives below the poverty line, but redistribution of incomes to enable poor people to 'catch up with the Jones's' is strongly rejected (Hayek 1976).

Table 2 Definitions and concepts of poverty and their advocates

Definitions

Absolute poverty		Relative poverty		Absolute and Relative poverty	
<i>Concepts</i>	<i>Advocate</i>	<i>Concepts</i>	<i>Advocate</i>	<i>Concepts</i>	<i>Advocate</i>
Poverty line	Hayek	Insufficient income	Townsend	Dual poverty	Smith, Mill, Rowntree, Simmel
Biological needs	Malthus	Relative deprivation	Runciman	Capability deprivation	Sen
		Consensual poverty	Mack & Lansley, Halleröd		
		Social exclusion	(Room)		
		Inequality	Tawney		

Townsend argues that if the necessary resources, measured in income, are missing to 'keep up with the Jones's' and if the persons affected are unable to fulfil their role as members in the community in which they live, then they are poor. The necessities of life and the fulfilment of one's role in society are connected with one's level of consumption. A low-income will lead to a low level of consumption (Townsend 1987).

"The necessities of life are not fixed. (...) Certainly no standard of sufficiency could be revised only to take account of changes in prices, for that would ignore changes in the goods and services consumed as well as new obligations and

expectations placed on members of the community. Lacking an alternative criterion, the best assumption would be to relate sufficiency to the average rise (or fall) in real incomes" (Townsend 1979: 17f).

Runciman is the inventor of the poverty concept of *relative deprivation*. By comparing oneself to a subjectively chosen reference group, the individual can determine whether he or she is rich or poor compared with his or her reference group. A person is relatively deprived if he or she does not have what other persons have and want to have this too. "We can roughly say that [a person] is relatively deprived of *X* when (i) he does not have *X*, (ii) he sees some other person or persons (possibly including himself at some previous or future time) as having *X* (whether or not that is or will be in fact the case), (iii) he wants *X*, and (iv) he sees it as feasible that he should have *X*" (Runciman 1966: 10).

According to the conceptualisation of poverty as *consensual poverty* people are poor if they due to a lack of resources cannot consume goods or services a majority of the population considers essential (Mack & Lansley 1985). Some people do not care if they can consume or not goods and services considered as essential by the majority of the population; they feel happy anyway. According to the consensual poverty approach they only believe they are happy; in reality they are suffering from the Marxist concept of 'false consciousness' (Halleröd 1993).

The concept of *social exclusion* is a "French" reaction against to "British" focus on poverty as a lack of money and economic resources. Instead, "society is seen by intellectual and political elites as a status hierarchy or as a number of collectivities, bound together by sets of mutual rights and obligations that are rooted in some broader moral order. Social exclusion is the process of becoming detached from this moral order" (Room 1995: 6).

Common for all concepts of definitions including *both* absolute and relative poverty is that poverty contains a lack of basic commodities for biological survival, i.e. absolute poverty, *and* a social dimension of poverty, i.e. relative poverty (Smith 2000a, 2000b; Mill 1862; Rowntree 1902; Simmel 1983; Sen 1999a, 1999b). Amartya Sen, the 1998 Nobel Laureate in Economics, takes it one step further when arguing that poverty occurs when someone is deprived of the capabilities of changing his or her life in regard to basic commodities as well as in social terms. This is the *capability deprivation* approach (Sen 1999a, 1999b).

The advocates of a poverty definition including elements from both absolute and relative poverty are well-known liberals, and the advocates of absolute poverty are conservatives or neo-liberals.³ The advocates of relative poverty belong to socialistic ideologies.⁴ The ideological roots of social exclusion are unclear.

³ Hayek is sometimes considered a conservative (Nisbet 1986), sometimes a libertarian (Barr 1998).

⁴ Townsend and Tawney are considered to be socialists (George & Wilding 1989), while Runciman is considered to be a social democrat (Crick 1987).

2.2.2 Policies against poverty and social exclusion

In the Human Development Report 1997 it is clearly stated that poverty is “the denial of choices and opportunities for living a tolerable life” (Human Development Report 1997:2) and that “poverty must be addressed in all its dimensions, not income alone” (Human Development Report 1997:5).

The Study Program in European Spatial Planning (SPESP) analyses the indicators for social integration and exclusion in one of their reports. When discussing poverty, inequality and segregation must be included. According to the SPESP study in 1992 the European Commission considered the difference between poverty and social exclusion as follows:

“The concept of social exclusion is a dynamic one, referring both to processes and consequent situations (...) More clearly than the concept of poverty, understood far too often as referring exclusively to income, it also states out the multidimensional nature of the mechanisms whereby individuals and groups are excluded from taking part in social exchanges (...) it goes beyond participation in working life: it is felt and shown in the fields of housing, education, health and access to services (...)” (SPESP 1999: 7).

The SPESP report also quotes a source⁵ which argues that “society recognises social exclusion risk when it accepts that individuals and groups are dissatisfied with their current situation and role in society, and are unable to bring about sustainable improvements due to lack of means and confidence, and/or because of discrimination” (SPESP 1999: 7).

The eradication of poverty by 2010 was agreed at the **Lisbon European Council** in 2000. One means to reach this aim is that the Member States should “co-ordinate their policies for combating poverty and social exclusion (...) with the aim of promoting more ambitious and effective policy strategies for social inclusion. In this context Member States have prepared a second generation of National Action Plans against poverty and social exclusion (NAPs Inclusion)” (European Union 2004b: 5)

The **NAPs** are generally wide in scope and reflect the **diversity of national strategies and the different social protection schemes** and their development. A majority of the Member States has set quantitative targets for the eradication of poverty and efforts have been made to strengthen the institutional arrangements for national policy making. Finally, the agents of civil society have been encouraged to participate in the process of poverty eradication.

The **NAPs Inclusion 2003-2005** have six key policy priorities:

- (1) Promoting investment in and tailoring of active labour market measures to meet the needs of those who have the greatest difficulties in assessing employment;
- (2) Ensuring that social protection schemes are adequate and accessible for all and that they provide effective work incentives for those who can work;

⁵ The source is CPS (1998) 98//31/2/EN. Unfortunately, this source is missing in the reference list of SPESP (1999).

- (3) Increase the access of the most vulnerable and those most at risk of social exclusion to decent housing, quality health and lifelong learning possibilities;
- (4) Implementing a concerted effort to prevent early school leaving and to promote smooth transition from school to work;
- (5) Developing a focus on eliminating poverty and social exclusion among children;
- (6) Making a drive to reduce poverty and social exclusion of immigrants and ethnic minorities.

The **Nice European Council** set four objectives to combat poverty and social exclusion:

- (1) To facilitate participation in employment and access to resources, rights, goals, and services for all;
- (2) To prevent the risks of exclusion;
- (3) To help the most vulnerable;
- (4) To mobilise all relevant bodies.

In ***Joint Report on Social Inclusion*** poverty, social exclusion and social inclusion are defined the following way (European Commission 2004b: 10):

“Poverty: People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantage through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalised from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted.

Social exclusion: Social exclusion is a process whereby certain individuals are pushed to the edge of society and prevented from participating fully by virtue of their poverty, or lack of basic competencies and lifelong learning opportunities, or as a result of discrimination. This distances them from job, income and education opportunities as well as social and community networks and activities. They have little access to power and decision-making bodies and thus often feeling powerless and unable to take control over the decisions that affect their day to day lives.

Social inclusion: Social inclusion is a process which ensures that those at risk of poverty and social exclusion gain the opportunities and resources necessary to participate fully in economic, social and cultural life and to enjoy a standard of living and well-being that is considered normal in the society in which they live. It ensures that they have greater participation in decision-making which affects their lives and access to their fundamental rights.”

Three priority themes are presented in the **Third Report on Economic and Social Cohesion:** *convergence, competitiveness and cooperation*. Convergence is defined as “supporting growth and job creation in the least developed Member States and regions” (European Commission 2004a); competitiveness is defined as anticipating and promoting regional change; and cooperation is defined as “promoting the

harmonious and balanced development of the Union territory” (European Commission 2004a).

By promoting convergence, competitiveness and cooperation it is assumed that employment will increase, incomes will increase and the share of persons at risk of poverty will decrease (European Commission 2004a: 20-24).

“Economic development must go hand in hand with efforts to reduce poverty and to fight exclusion. Promoting social integration and combating discrimination is crucial to prevent social exclusion and to achieve higher rates of unemployment and economic growth, notably at regional and local level” (European Commission 2004a: xii)

The risk at poverty is defined as 60 per cent of the median income in the country where they live and the risk of poverty is closely connected with unemployment (European Commission 2004a).

In the *Revised Strategy for Social Cohesion* it is clearly stated that social cohesion is about the “capacity of a society to ensure the welfare of all its members, minimising disparities and avoiding polarisation (...) it [social cohesion] is also about creating solidarity in society such that exclusion will be minimised” (European Committee for Social Cohesion 2004: 2). But on the very same page it is also stated that “social cohesion is an ideal to be striven for rather than a goal capable of being fully achieved”.

2.2.3 Scientific discussion – the state of poverty

In 2000 relative poverty, measured with respect to a threshold set at 50 per cent of the median income, affected approximately 11 per cent of the OECD population, with an increase since the mid-1990s, which is similar to that of the previous decade. Absolute income poverty, which had declined by more than one-third in the decade from the mid-1980s to the mid-1990s, fell by close to one-fourth in the five years to 2000 (OECD 2005).⁶

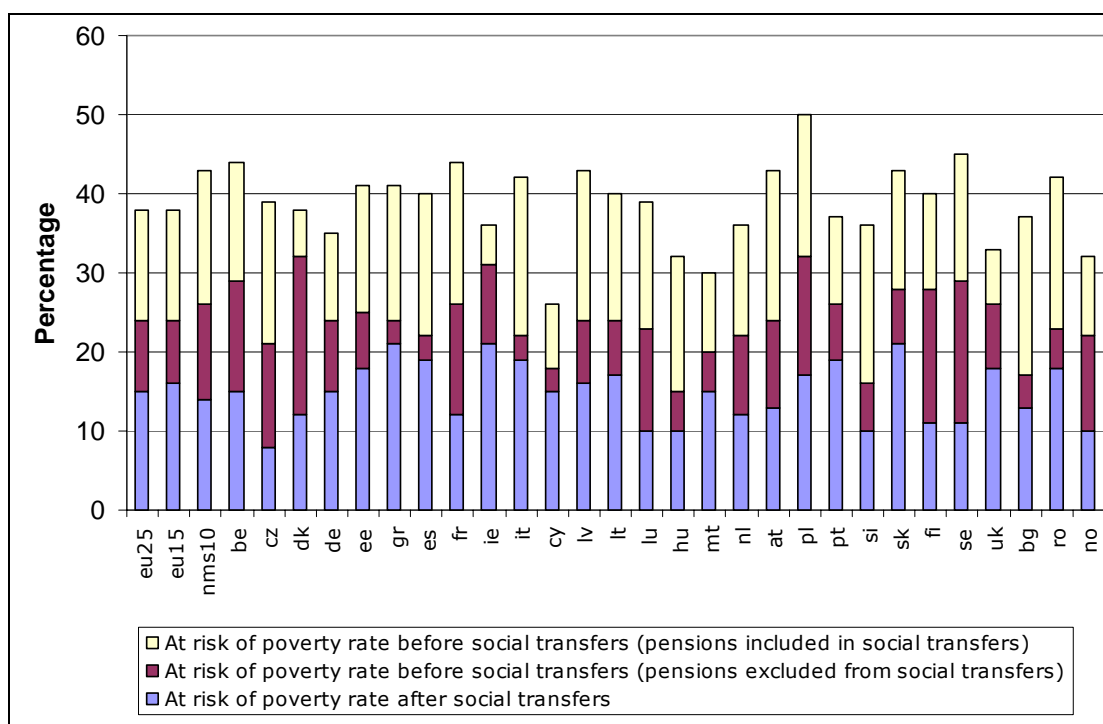
Third Report on Economic and Social Cohesion states that about 15 per cent, or around 55 million inhabitants, of the population in the enlarged European Union have income levels, which put them at risk of poverty 2001. Persons aged 65 and over, lone parents, persons with disability, ethnic minorities and long-term unemployed are especially exposed to poverty and social exclusion (European Commission 2004a).

Joint Report on Social Inclusion repeats the share of the European Union population having a low income as well as which groups mostly affected by being at risk of poverty. One more group is, however, mentioned: “young people deprived of sufficiently solid skills to get a firm grip on the labour market” (European Commission 2004b: 5).

⁶ The EU countries included in this study are Denmark, Germany, Hungary, Czech Republic, Luxembourg, Poland, Portugal, Spain, Austria, Greece, Sweden, Netherlands, Finland, Norway, Switzerland, Belgium, France, Ireland, Italy and United Kingdom. The other countries included in the study are Japan, Mexico, United States, New Zealand, Australia, Canada and Turkey

European Commission (2004d) also presents the share of population living at risk of poverty in 2001. This report states that there is a wide regional diversity in the employment and unemployment levels, and employment is important for social inclusion. Hence, we can assume that the regional share of persons at risk of poverty may just as varying as the unemployment rates. Unfortunately, there is **no regional data** on the share of population at risk of poverty.

Figure 12 Population at risk of poverty before and after social transfers in the EU25 plus Norway, Bulgaria and Rumania (2001/2003).



Note: No data for Switzerland.

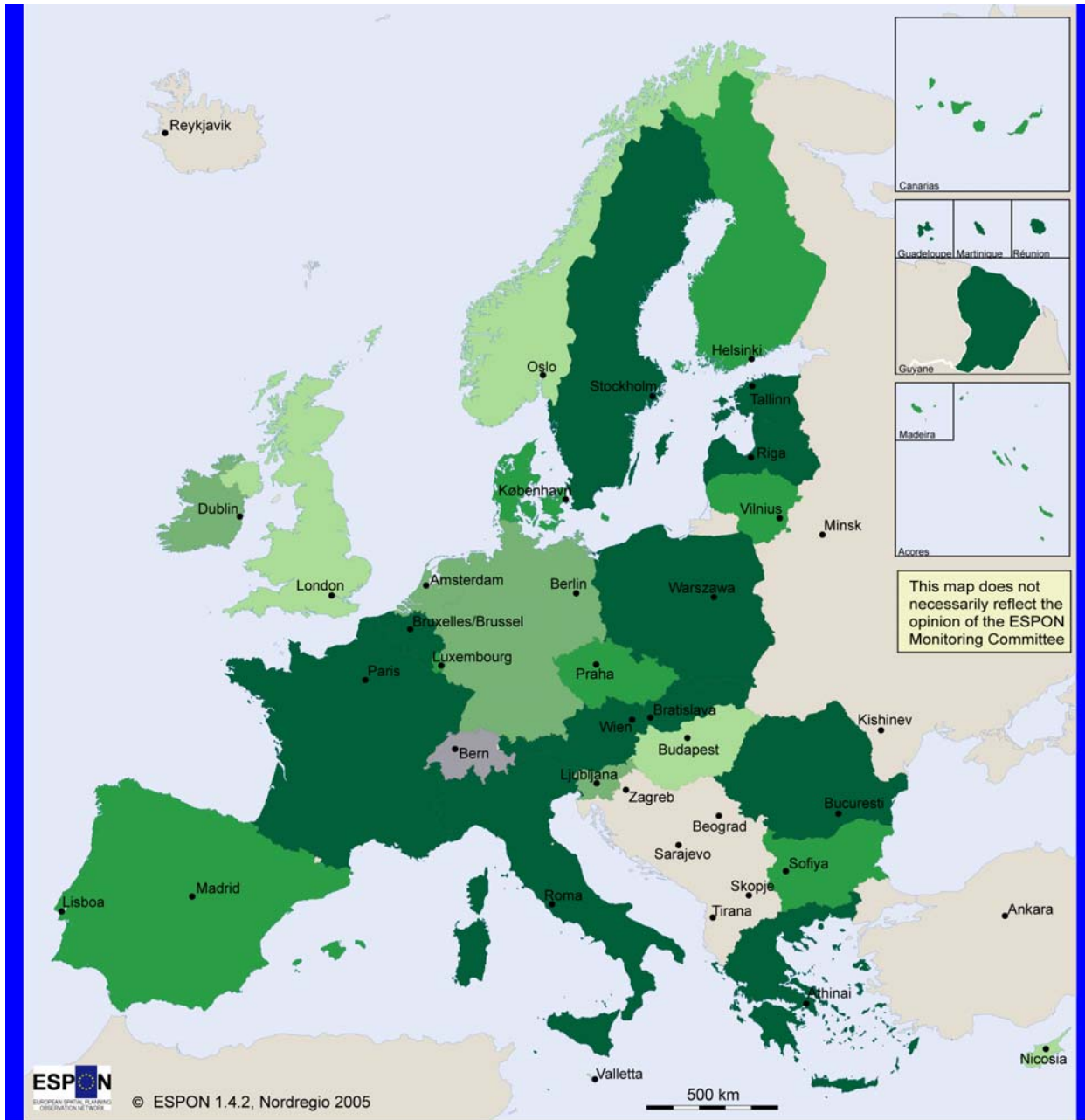
Source: Eurostat

In 2003 the number of persons living at risk of poverty, i.e. where the equivalised income is below the threshold of 60 per cent of the national equivalised median income, had increased to 16 per cent of the population or 72 million persons. It is, however, important to remember that people, as well as their needs, are heterogeneous; "having an income below this threshold is neither a necessary nor sufficient condition of being in a state of poverty, this indicator is referred to as a measure of *poverty risk*" (Eurostat 2005: 1. Italics in original).

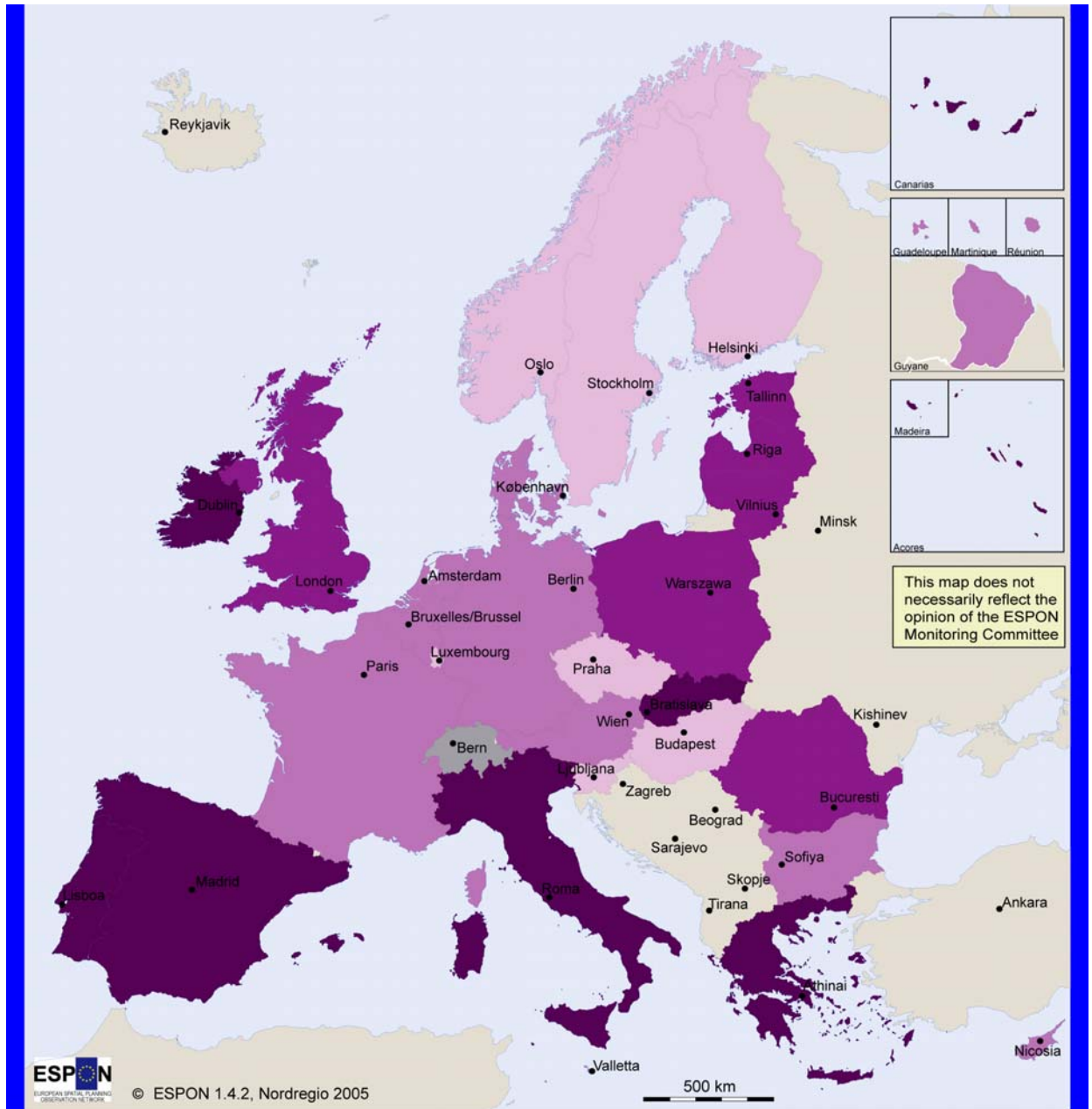
2.2.4 Geography – poverty and social transfers

The share of population at risk of poverty before social transfers (pensions included) is, in general, very high in all 28 covered countries. The share of population at risk of poverty after social transfers decreases significantly (see following maps). When using this kind of definition of poverty (i.e. when the equivalised income is below the threshold of 60 per cent of the national equivalised median income) income transfers has successfully managed to decrease the share of population at risk of poverty. Given another definition of the share of population at risk of poverty will lead to another result.

Map 1 Share of the population at risk of poverty before social transfers, including pensions, in 2003



Map 2 Share of the population at risk of poverty after social transfers, including pensions, in 2003



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Source: Eurostat

Between 2001 and 2003 the share of persons living at risk of poverty increased with one percentage unit, or with 6,7 per cent. In absolute numbers the increase was 17 million persons. The data does not allow us to do any analysis over time for more than Greece, Spain, France, Ireland, Italy, Luxembourg, Austria and Portugal; all other countries have had breaks in the time-series due to changed definitions. Data gaps are also common. For Latvia, Lithuania, Hungary, Netherlands, Poland, Slovenia, Bulgaria and Rumania it is possible to analyse a short time period.

Table 3 Changes in the share of population at risk of poverty before social transfers 1995-2001 and 2000-2002 for some selected countries

	Changes 1995-2001	Changes 2000-2002
Italy	5	
Luxembourg	0	
Austria	7,3	
Portugal	0	
Greece	2,6	
Spain	-8,8	
France	4,8	
Ireland	-14,3	
Finland	-11,1 ^a	
United Kingdom	0 ^b	
Slovenia		-2,7
Poland		6,4
Latvia		-4,4
Lithuania		0
Hungary		-5,9
Netherlands		2,9
Bulgaria		-5,1
Rumania		10,5

Note: All Member Countries have not been included in this table. Since the definitions have changed over time some countries have been excluded from the analysis.

a. Time-span 1996-2000

b. Time-span 1995-2000

Source: Own Estimations from Eurostat

Changes in the share of population at risk of poverty rate before and after social transfers are shown in table Table 3, but the result should be interpreted with caution. There is a marked decline for Spain, Finland and Ireland in the share of population at risk of poverty during the second half of the 1990's. There is also a marked increase in the share of population at risk in Austria during the same time. During the period 2000-2002 the share of population at risk of poverty shows a marked increase in Poland and Rumania, and for the period 1998-2001 the share of population at risk of poverty is marked in France.

Regarding the expenditure on social exclusion not elsewhere counted for Belgium and Netherlands almost doubled their expenditures on this between 1990 and 1996 (see table Table 4). The increase in the expenditures on social exclusion not elsewhere counted for was also very high during the same period in Denmark, Germany, France, Luxembourg and Switzerland. During the same period the

expenditures on social exclusion not elsewhere counted for decreased in Italy and Greece.

It is clear that the expenditures on social exclusion not elsewhere counted for more than doubled in Czech Republic, Luxembourg and Portugal between 1996 and 2002. At the same time there is a marked increase in the expenditures on social exclusion not elsewhere counted for in Greece, Ireland, Netherlands, Austria, Slovakia, United Kingdom and Norway. During the same period the expenditures on social exclusion not elsewhere counted for decrease in Denmark, Germany, Finland and Sweden.

Table 4 Expenditure in EUR per inhabitant on social exclusion not elsewhere counted for 1990-2002 in 1995 constant prices

	1990	1996	2002
Belgium	89,0	146,0	110,5
Czech Republic	n.a.	7,6	29,2
Denmark	232,0	331,5	310
Germany	110,4	148,4	117,8
Estonia	n.a.	n.a.	8,6 ^a
Greece	26,7	23,7	58,6
Spain	9,4	19,3	21,7
France	39,9	70,4	90,4
Ireland	34,4	54,2	89,9
Italy	5,2	3,7	7,7
Latvia	n.a.	n.a.	2,3 ^a
Lithuania	n.a.	n.a.	9,5 ^a
Luxembourg	59,3	82,1	224,2
Hungary	n.a.	n.a.	6,7
Malta	n.a.	n.a.	18,6
Netherlands	145,6	283,4	321,2
Austria	62,7	86,1	97,1
Poland	n.a.	n.a.	1,0 ^a
Portugal	3,4	7,2	105,3
Slovenia	n.a.	31,6	32,8
Slovakia	n.a.	21,6	34,4
Finland	114,9	138,9	124,9
Sweden	n.a.	230,8	176,7
United Kingdom	28,0	33,3	56,5
Norway	221,3	199,8	242,0
Switzerland	129,4	217,8	248,3

^a Value for 2001

Note: No data for Cyprus, Bulgaria and Rumania

Source: Eurostat

The spatial implications of the expenditures on social exclusion not elsewhere counted for are unknown. Social assistance and poor relief is the final social security system in the European countries. The responsibility for this final social security net, both when it comes to financing as well operating, varies between countries. In some countries (e.g. Sweden) this is a local matter, in others (e.g. Italy) it is a regional matter, and in other countries (e.g. United Kingdom) it is a national matter (Eardley et al. 1996).

2.3 Social services and expenditures

2.3.1 Policies on social services

The *Joint report on social inclusion* states that a key policy approach for objective 1.2 'promoting access to resources, rights, goods and services' include a social transfer system. "(a) To organise social protection systems in such a way that they help, in particular, to: Guarantee that everyone has the resources necessary to live in accordance with human dignity" (European Commission 2004b: 53). This report also states that since there is a strong correlation between risk at poverty and social expenditures, the best way to organise a social security system is through income transfers. Nearly all Member States have some form of minimum income guarantee for all legal residents. However, "the calculation of minimum income or assistance is nor yet adapted to the Lisbon Strategy, as access to the knowledge society is more and more limited by fees which cannot be covered by a very small income" (European Commission 2004b: 56). Most important is that this report reveals that the **issue of policies and strategies on social services belong to the national scene.**⁷

It is concluded that the Member States do need to reform their social protection schemes and social services since they are not sustainable for very long. The demographic changes pose a major stress on the welfare systems in the Member States, and so do e.g. unemployment, social exclusion and immobility (European Commission 2004c). Also European Commission (2004d) concludes that the welfare systems in the Member States are very different from each other. There are, however, some similarities as well. It is also noted that the policies and strategies on social security and services have so far been a national issue rather than a European.

European Committee for Social Cohesion (2004) states that "despite the considerable variations from country to country, the European approach is sufficiently distinctive when compared with other world regions that it has often be referred to as the 'European social model' " (p. 2). This can be understood as either that one single social model exists or that the 'European social model' actually is a model containing several completely different models.

In European Commission (2004a) economic and social cohesion is discussed thoroughly. The major part of the expenditures on economic and social cohesion is spent by the governments of the Member States, and just a minor part through the Structural Funds. The focus of the government spending, however, tends to target "immediate social problems and supporting income rather than on strengthening underlying competitiveness (...) despite the relatively small size, the Structural Funds have a crucial role in combating regional disparities and strengthening cohesion" (European Commission 2004a: 84).

⁷ The policies and strategies on social services are dealt by the National Action Plans for Inclusion (the NAPs Inclusion documents), which means that there is no 'all-European' view or policy in this field.

A large part of the public expenditure in the Member States is spent on social protection and social services; approximately 40 per cent of the total government spending went to social protection in 2001. About 21 per cent of the average GDP of the Member States was spent on social services. "Within this, the share of expenditure going to the wages and salaries of public sector employees fell, partly reflecting the contracting out – or privatisation – of some services" (European Commission 2004a: 86). Furthermore, "between 1995 and 2002, spending on social benefits (just over 16% of GDP in the EU as a whole) was reduced, on average, by almost 1% of GDP" (European Commission 2004a: 85). This decrease is explained by lowering the social security benefits and a decreasing unemployment (*ibid.*).

Economic and social cohesion is, to large extent, a matter for the governments of the Member States; the Structural Funds can only be a complement for achieving social cohesion. Differences in systems of government and the degree of decentralisation of responsibility for policy and policy implementation create problems regarding the responsibility on creating social cohesion. Just as the national state the regions will look on what is best for them, not what is best for the European territory as a whole.

In 1996 a study on OECD countries identified a range of universal options that, either alone or in combination, could simultaneously provide income support to the poor families and the incentive to work. One of the conclusions, with relevance for this ESPON study, is that

"No single policy is capable of both assuring adequate income support to those without sufficient earnings (i.e. poverty reduction) and stimulating an increase in employment of low-skilled workers. The 'iron law' of income support needs to be again emphasized: an income guarantee assuring all citizens of an 'adequate' level of living financed via a personal income tax requires a structure of marginal tax rates implying substantial work disincentives. And, the higher the guarantee, the more severe are the work disincentives" (Haveman 1996: 29).

European Commission (2004c) actually emphasises the need for a common EU policy on making work pay and that welfare should be connected to work.⁸

2.3.2 Scientific discussion – social expenditures in EU29

Three kinds of expenditures on social services will be discussed here. The expenditures on social exclusion not elsewhere counted for will be discussed briefly, while the expenditures on family and children as well as the expenditures on sickness and health will be analysed more thoroughly.

It is difficult to compare social expenditures on social services internationally. One major reason for this is because countries have different systems for providing social services. The data available in Eurostat is not specified to sector; there is an important difference between public and private expenditures and production of

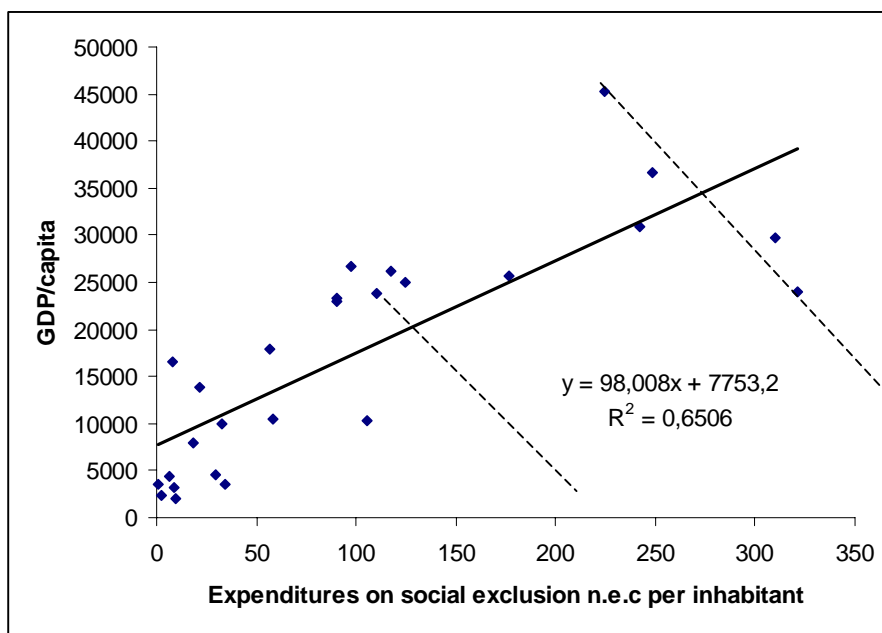
⁸ In the scientific literature this is sometimes referred to as *workfare*, which is a selective targeting of social security and social services to a specific group (persons active on the labour market). The opposite, a general provision of social security and services, is called *welfare*.

social services. If the data only covers the public expenditures, the result of the analysis will be biased.

In two studies by Oxley et al. (1999, 2000) it is concluded that the “taxes and transfers substantially reduce income inequality and poverty a given year” (Oxley et al. 1999:56) and “tax and transfer system sharply reduces poverty rates, particular as regards to long-term poverty” (Oxley et al. 2000:9). Table 3 above on the share of population at risk of poverty before and after social transfers clearly illustrated this.

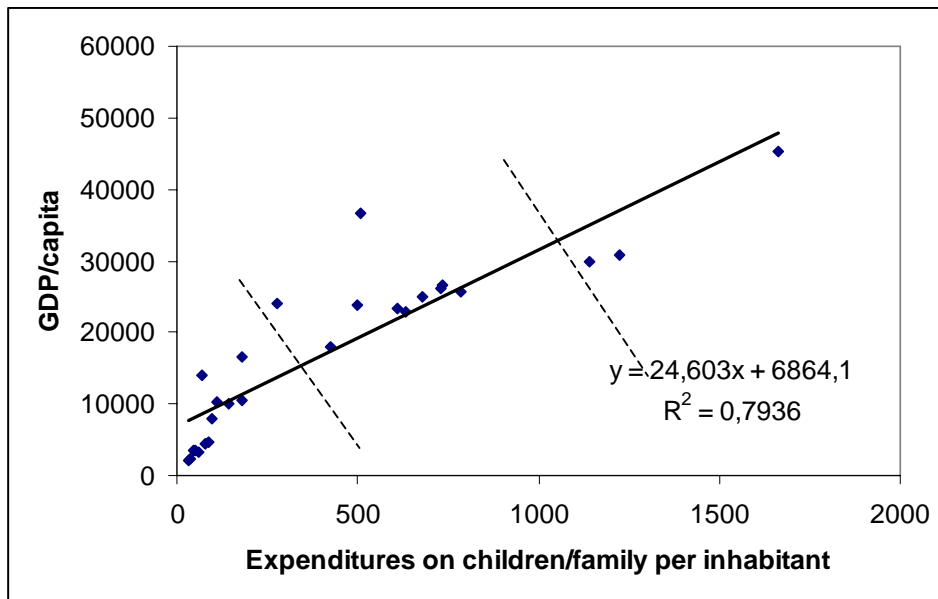
The patterns on the expenditures on social exclusion not elsewhere counted for are unclear. In Figure 13 it is clearly shown that there is a distinct correlation between GDP/capita and the expenditures per inhabitant on social exclusion not elsewhere counted for – the richer country in terms on GDP per capita, the higher expenditures per inhabitant on social exclusion not elsewhere counted for.

Figure 13 The correlation between GDP/capita and expenditures on social exclusion not counted for elsewhere for EU25 plus Norway and Switzerland (2002)* in EUR 1995 constant prices



* No data for Cyprus, Bulgaria and Rumania on social exclusion not elsewhere counted for. Source: Eurostat

Figure 14 The correlation between GDP/capita and expenditures in EUR per inhabitant on family and children 2002 for EU25 plus Norway and Switzerland in 1995 constant prices

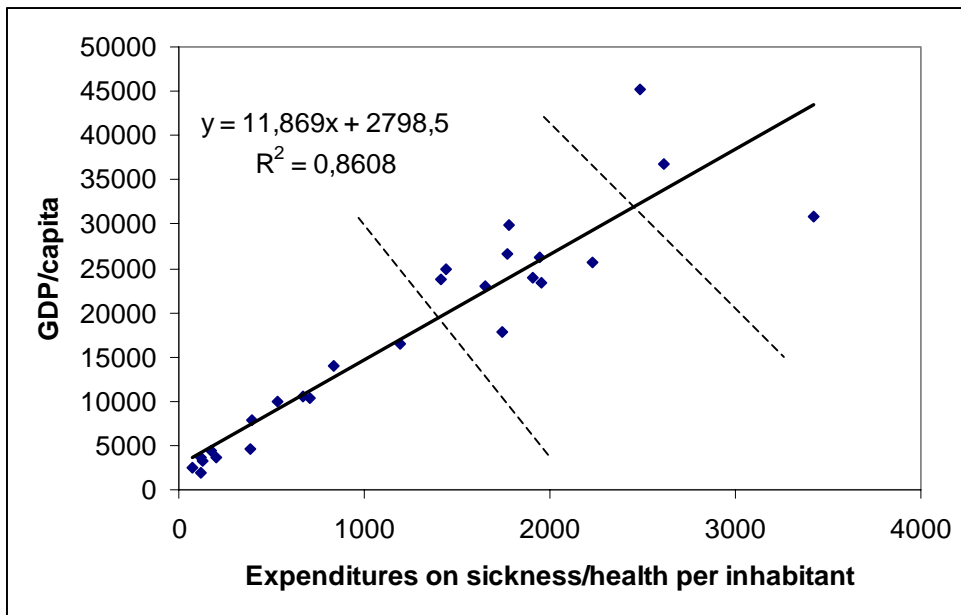


Note: No data for Cyprus, Bulgaria and Rumania
Source: Eurostat

The expenditures per inhabitant on family and children 1990-2002 are varying over time and between countries. In Figure 14 the correlation between GDP/capita and expenditures in EUR per inhabitant on family and children 2002 for EU25 plus Norway and Switzerland is shown; the result indicates a correlation between GDP/capita and expenditures in EUR per inhabitant on family and children – the higher GDP/capita, the higher expenditures on family and children.

Also the expenditures on sickness and health are varying over time and between countries. There is a distinct correlation between GDP/capita and the expenditures per inhabitant on sickness and health – the richer country in terms on GDP per capita, the higher expenditures per inhabitant on social exclusion not elsewhere counted for.

Figure 15 The correlation between GDP/capita and expenditures in EUR per inhabitant on sickness and health 2002 for EU25 plus Norway and Switzerland in 1995 constant prices



Note: No data for Cyprus, Bulgaria and Rumania
 Source: Eurostat

All in all the correlation between GDP/capita and the three social expenditures per inhabitant seem to be, in general, strong. The higher GDP/capita, the higher social expenditures per inhabitant and vice versa.

It is often assumed that social policy and social expenditures *per se* is something good. Few studies have actually analysed the outcome of social policy. One of the few studies doing so analyses the major social policy developments in Sweden, Federal Republic of Germany, the United States and Great Britain. Five areas are systematically addressed in each state's welfare provision: policy ideology and welfare expenditure, income maintenance policies and outcomes, race and racial inequalities, women and family policies, and the health care system. The finding indicates that in all four states, social policy has contributed towards widening class, race and gender divisions (Ginsburg 1992).

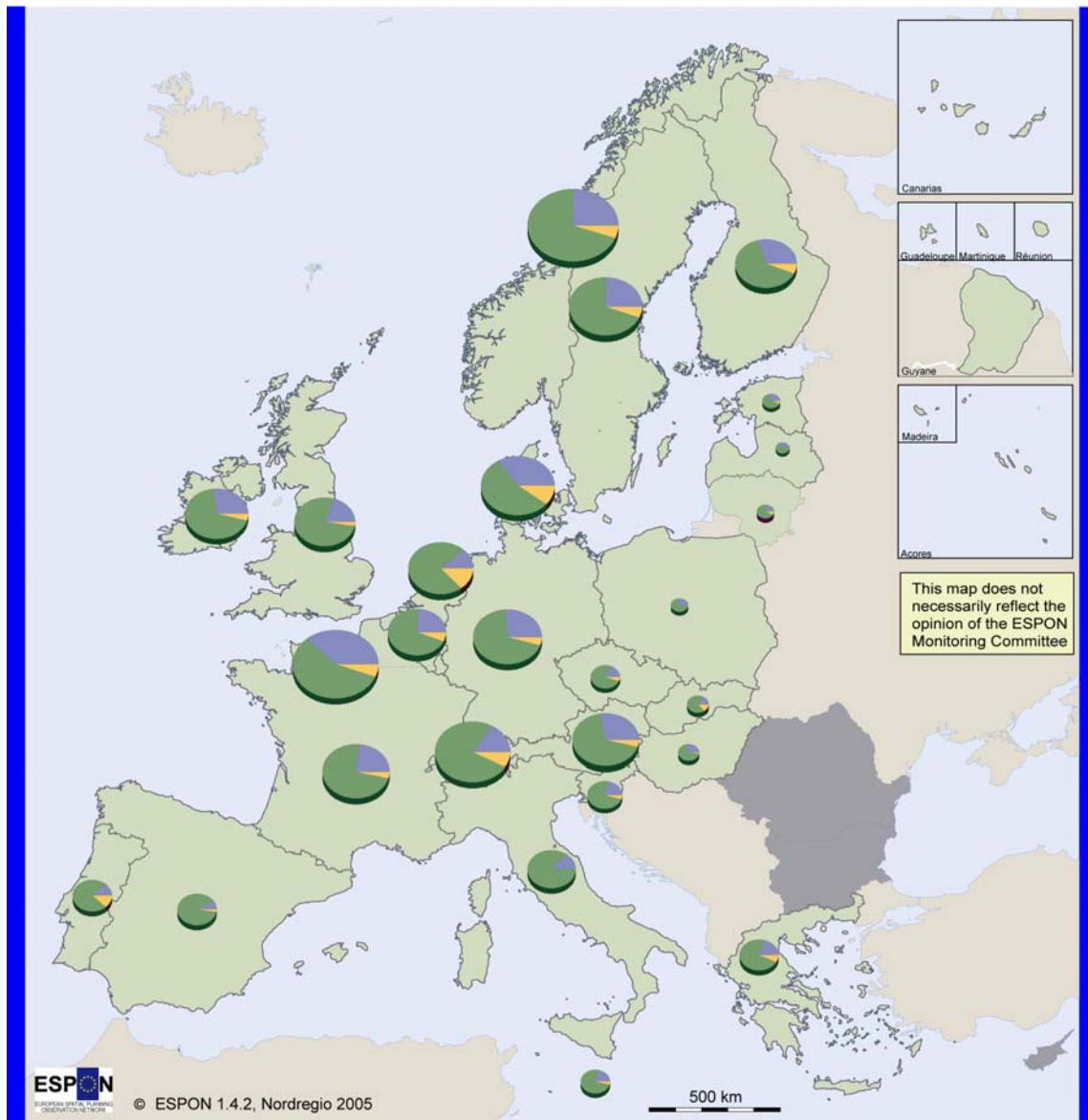
Two leading welfare researchers concluded a study on OECD countries with the following words: "the more we target benefits at the poor and the more concerned we are with creating equality via public transfers to all, the less likely we are to reduce poverty and inequality" (Korpi & Palme 1998: 681f.). Research has since long shown that the middle class has a tendency of voting on welfare schemes transferring income to them selves, making poorer people getting less and this is not the idea of social policy (e.g. Tullock 1984).

The social security system and the social services provided must have very clear aims and measurable indicators otherwise they may be counterproductive. Rent-seeking interest groups, however, have a tendency of favouring their members. They are not always interested in clear aims and measurable indicators.

2.3.3 Geography – social expenditures in EU29

The total expenditures on family and children as well as on sickness and health and on social exclusion not elsewhere counted for are shown in the following map.

Map 3 Expenditures on social services per capita, in 2002



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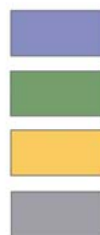
Source: Eurostat

Expenditures expressed in euros per capita at constant 1995 prices

Calibration of pies:



3 200 euros per capita



Family and children

Sickness and health care

Social exclusion

Data non available

Table 5 Expenditure in EUR per inhabitant on family and children for 1990-2002 in 1995 constant prices

	1990	1996	2002
Belgium	401,7	480	497,5
Czech Republic	n.a.	81,9	87,7
Denmark	758,3	1020,2	1139,2
Germany	403,4	615,5	731,4
Estonia	n.a.	n.a.	58,5 ^a
Greece	202,2	165,3	179,1
Spain	44,5	58,8	71,1
France	504,7	585,4	610,4
Ireland	241	345,3	630,5
Italy	211,4	136,6	179,2
Latvia	n.a.	n.a.	38,5 ^a
Lithuania	n.a.	n.a.	33,9 ^a
Luxembourg	595,4	1023,9	1663,6
Hungary	n.a.	n.a.	78,2
Malta	n.a.	n.a.	98,7
Netherlands	293,8	258,3	276,8
Austria	515,3	697,1	734,7
Poland	n.a.	n.a.	48,5 ^a
Portugal	76,7	85,3	110
Slovenia	n.a.	146,4	143,9
Slovakia	n.a.	68,2	46,5
Finland	824,2	739	680,4
Sweden	n.a.	855,8	786,3
United Kingdom	329	370,2	424,5
Norway	675,8	983,9	1226,1
Switzerland	358,1	443,7	505,9

^a Value for 2001

Note: No data for Cyprus, Bulgaria and Rumania

Source: Eurostat

Table 6 Expenditure in EUR per inhabitant on sickness and health for 1990-2002 in 1995 constant prices

	1990	1996	2002
Belgium	1137,4	1365,7	1411,1
Czech Republic	n.a.	279,5	387,9
Denmark	1279,3	1456,6	1783,4
Germany	1695,8	1931,8	1940,6
Estonia	n.a.	n.a.	124,3 ^a
Greece	664	478,5	669,9
Spain	753,8	729,2	831,2
France	1398,5	1672,4	1954,4
Ireland	721	928	1649,7
Italy	1335,1	901,2	1188,6
Latvia	n.a.	n.a.	73,2 ^a
Lithuania	n.a.	n.a.	122,7 ^a
Luxembourg	1406,2	2047,4	2487,7

	1990	1996	2002
Hungary	n.a.	n.a.	173,3
Malta	n.a.	n.a.	397,2
Netherlands	1476,7	1608,4	1906,4
Austria	1416	1600,2	1772,8
Poland	n.a.	n.a.	119,5 ^a
Portugal	424,5	508,2	705,4
Slovenia	n.a.	532	529,7
Slovakia	n.a.	206,8	197,5
Finland	1739,2	1265	1443,2
Sweden	n.a.	1761,8	2228,5
United Kingdom	890,3	993,9	1741,1
Norway	1887,8	2153,5	3425,5
Switzerland	1625,3	1992	2612,2

^a Value for 2001

Note: No data for Cyprus, Bulgaria and Rumania

Source: Eurostat

2.4 Health care

2.4.1 Policies on health care

The connection between socio-economic status and health status is widely accepted:

"... [P]oor health is both a cause and a consequence of wider socio-economic difficulties. Accordingly, the overall health status of the population tends to be weaker in lower income groups." (European Commission 2004b: 31)

"The health status of Europeans reflects their economic and social environment and is also linked to working conditions." (European Commission 2004d: 19)

"People with a high level of education report better health than those with a low level of education." (European Commission 2004d: 83)

The Joint Report on Social Inclusion (European Commission 2004b) is written on the basis of an analysis of NAPs Inclusion (National Actions Plans for social inclusion), which are the Member States' policies for combating poverty. The report and the NAPs stress the importance of fighting back poverty within a wide range of policies, e.g. health. (European Commission 2004b)

Social protection by social transfer can provide a relief to poverty, but does not automatically help individuals and families in the long-term to elude poverty. According to the Joint Report on Social Inclusion, the recent policy trend is that social transfer in cash must be accompanied by adequate health care, education, social services and integration into the labour market. (European Commission 2004b: 24-) As well The Council of Europe (CE)⁹ claims that action in the social policy field should not be a matter of "charity"; instead they prefer actions such as

⁹ CE has 45 Member States all over geographical Europe. The aim of the Organisation is to achieve greater unity between its members for the purpose of safeguarding their ideals and principles and facilitating their economic and social progress. (CE 2004 § 9)

guaranteeing rights that should be the same for all (European Committee for Social Cohesion 2004 § 12) The key challenge is providing access to these basic social rights, one of these rights is health care. (European Committee for Social Cohesion 2004 § 44) The importance of providing equal access, does also The Joint Report... declare:

“Guaranteeing equal access to quality services (health, transport, social, care, cultural, recreational and legal). Ensuring the provision of quality services which are adequate, accessible and affordable for all citizens are still a major challenge --- in particular access to health...” (European Commission 2004b: 37)

Private health care policy

Governmental policies regarding private health insurance and care vary to a great extent within the Union. Different policies shape the private health care markets' structures and dimensions. OECD recommends governmental regulations of private health care and insurance, otherwise there is a risk of creating a two level health care system according to ability to pay. Policy makers can for example regulate the minimum benefits that insurers must cover, require insurance products to be standardised, and limit the extent to which insurers can refuse cover and rate premiums on the basis of individual risk. (OECD 2004)

Combined approach

A common trend that obviously could be distinguished in the referred reports in this section is what could be called “combined approach”. Although the referred reports are dealing with quite different aspects of health policy, and comes up with sometimes rather specific policy recommendations, they ends up by arguing for an approach where different policies are integrated.

- The report on the social situation in the European Union 2004 stresses there is a common need for policies that seek to build on the synergies between economic, employment and social policies. (European Commission 2004d: 26-)
- The Joint report on social inclusion claims that the policy challenge today is to ensure that there is a strong integration of economic, employment, lifelong learning, cultural and social policies. (European Commission 2004b: 35)
- The High Level Group hope to find a comprehensive approach to coordinate policies for social inclusion, social protection and health care as well as an approach to combine institutional instruments for improved governance. The group also stress that an integrated approach, such as the Lisbon strategy where economic, employment and social policies is brought together, would be fruitful. (European Commission 2004c: 23, 39, 55-)

European Health policy

The report on the social situation in the European Union 2004 (European Commission 2004d) has got a short overview of European health care policy: (European Commission 2004d 84)

- "Community action, which shall complement national policies, shall be directed towards improving health, preventing human illness and diseases, and obviating sources of danger to human health. Such action shall cover the fight against the major health scourges, by promoting research into their causes, their transmission and their prevention, as well as health information and education" (The EC Treaty, Title XIII Public Health, Article 152)
- "The objective of the programme shall be to contribute to the establishment of a Community health monitoring system which makes it possible to a) measure health status, trends and determinants throughout the Community..." (Article 1 of the Community Action on health monitoring. Decision No 1400/97/EC of the European Parliament and of the Council of 30 June 1997)
- The Laeken European Council called for the development of an approach in the field of health care and care for the elderly similar to the one being developed for the pensions.
- In the Communication of the Commission (COM 2001 723) the long-term objectives are accessibility, quality and financial viability of health and care systems. Particular attention will have to be taken to the impact of European integration on Member States' healthcare systems.
- The Programme of Community action in the field of public health (2003-2008) stresses the importance of development and dissemination of health information and knowledge, including statistics, reports, reviews, analysis etc to competent authorities, to health and other professionals and to other stakeholders and the general public.

2.4.2 Scientific discussion – territorial aspects of health

Life and health expectancies

In the report on the social situation in the European Union 2004 (European Commission 2004d), there is a statistical portrait of Life and health expectancies. This is measured by using the following key indicators: Life expectancy at birth and Disability-free life expectancy at birth. (European Commission 2004d: 31) Life expectancy is a complex indicator reflecting several dimensions; apart from the health status of individuals and nations, it reflects access to and utilization of health services, as well as wider socio-economic factors. (European Commission 2004b: 31)

Life expectancy has risen steadily since 1960 and is expected to increase further on as well. Women live longer than men throughout the whole Union. In 2001 life expectancy in EU-15 was 81.6 for women and 75.5 for men. (European Commission 2004d: 83) The life expectancy trends in the new Member States, Malta and Cyprus, has followed the trend in EU-15, but in the CEE new Member States the situation has been different. In 1960 these countries had a similar level of life

expectancy to the one in EU-15. But political and economic instability has led to a decreasing life expectancy in these countries. (European Commission 2004d: 102)

Health expectancy is an indicator, where you combine mortality and disability. In EU-15 1996 women could expect to live 66 years without any disability and men 63. Infant mortality rate has fallen dramatically. In 1970 there were 23.4 deaths of children under one year per 1000 live birth, the same figure for 2002 was 4.5. But this figure varies to a great extent within the union, from 2.8 in Sweden to 9.8 in Latvia. (European Commission 2004d: 83) The most important causes of disability in the elderly are dementia. 12.3 per 1000 inhabitants suffer from different types of dementia. These figures differ within the Union. Sweden (14.9) shows the highest estimated prevalence and Ireland (8.4) the lowest. With an ageing population, the number of dementia patients will rise, which will lead to an increasing pressure on the long-term systems of healthcare. (European Commission 2004d: 83) Cancer is the major cause of death among those aged 40-69. For those aged 70 and over circulatory diseases is the most common reason of death (European Commission 2004d: 83).

People with a high level of education report better health than those with a low level of education. (European Commission 2004d: 83)

Health expenditure

On average health expenditure accounts for 8% of EU-15 GDP. The corresponding figure in US is 13%. (European Commission 2004d: 84) Including expenditures on pensions the figure would be one fifth of GDP. This EU average hides large differences between the Member States. The trend however shows that this difference diminishes. Countries – such as Denmark, Finland, Sweden and the Netherlands – which have had a large expenditure, have reduced their costs. At the same time countries, which started at a lower level, have increased health care expenditure. All in all health costs are expected to raise in the long run due to population ageing and medical progress. (European Commission 2004c: 38-). During the last ten years the expenditure has risen in a majority of countries. (European Commission 2004d: 84)

Access to health care

The number of hospital beds decreased 19% between 1990 and 2001 within EU-15. The reason for this is probably the reduction of length of hospital stay. Sweden, Spain and Portugal have the lowest number of beds per 100 000 inhabitants. The Czech Republic has the highest with 1096 beds per 100 000 inhabitants, which is about three times more than Sweden. (European Commission 2004d: 84)

Gap between old and new Member States.

Health status and health expenditure are at very different levels in the EU-15 countries and the CEE new Member States. In EU-15 countries people tend to live longer and suffer less frequently from serious diseases compared to the situation in the new Member States. This is also reflected in the health care expenditure at national level. The spending levels in the new 10 Member States are well below the EU-15 average. (European Commission 2004d: 22- & 132) But the level of health

care expenditure does not alone explain the low performance of health status. The health care systems in CEE new Member States are faced with problems of centralism, insufficient supply of inputs, underinvestment etc. (European Commission 2004d: 22ff) The period of political and economic transition during the 1990's did also have negative impact on living conditions, on health care and other social protection systems. (European Commission 2004d:b 102) Policy makers in these countries have during recent years worked with three categories of reforms, which have greatly improved their ability to address the health challenges. The three categories of reforms are decentralisation, social health insurance and restructuring health care services. (European Commission 2004: 22ff)

Private health care

To get the whole picture when looking at health care sector and access to health care, it is necessary to cover both the public and the private sector. Within the OECD countries one quarter of the spending on health is privately financed. But this share varies to a great extent within the countries and so does the private health insurance' effects on the health care system. In some countries where the private health sector plays a prominent role, it injects resources into the system and makes it more responsive. But other countries are dealing with equity and cost control challenges due to the private involvement in the sector. (OECD 2004)

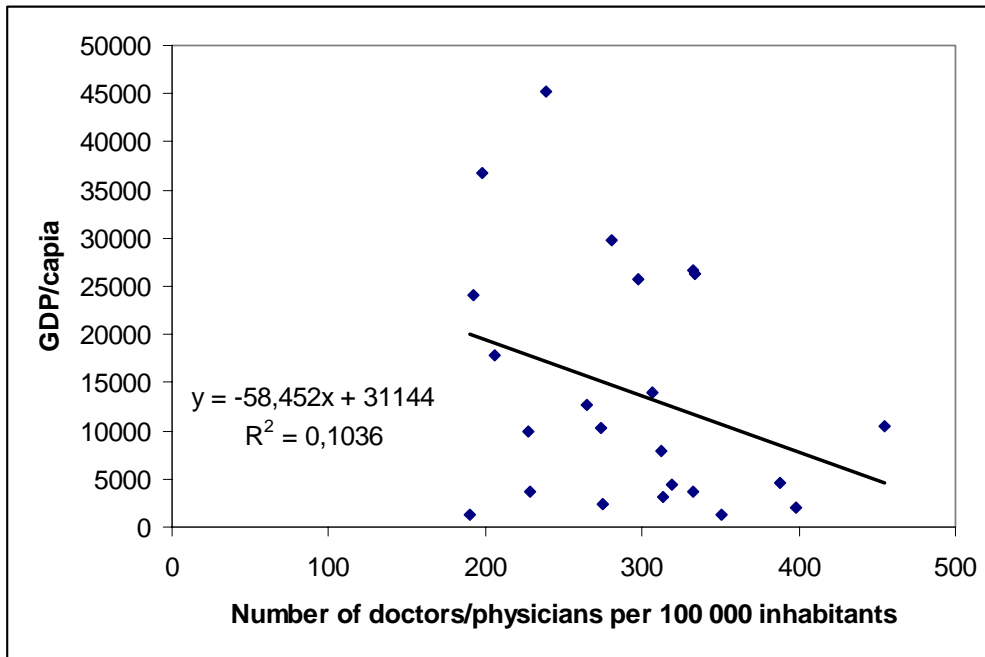
In the Netherlands the private health sector plays a large role. One third of the population has such high income, which makes them excluded from the publicly funded insurance. Those in this upper-income group buy private alternatives even for primary health care. In other countries, such as Ireland and the United Kingdom, the private alternative operates in parallel to the public one. Almost half of the Irish population got a private health insurance besides the public one. In France 90% of the population has private health insurance, which aims to complement the financing of public health care. In most countries private health care supplements the public systems by offering services that are not offered by the public system, for example cosmetic surgery. The question whether or not private health sector contributes by adding extra sources of funding for the total health system is difficult to answer. It is however clear that private health insurance has added to total health expenditure. Countries with significant private health insurance market size tend to be those with the highest total health spending levels per capita. (OECD 2004)

The contribution of private health care to improved accessibility varies. When public cover is not comprehensive, private health insurance has enhanced access to care and has provided a level of care, choice and speed of access above what is offered by public systems. But such access is often inequitable because private health insurance is typically purchased by high-income groups. Higher-risk individuals often face difficulty in finding private health care or private health insurance at an affordable price.

Discussion on indicators

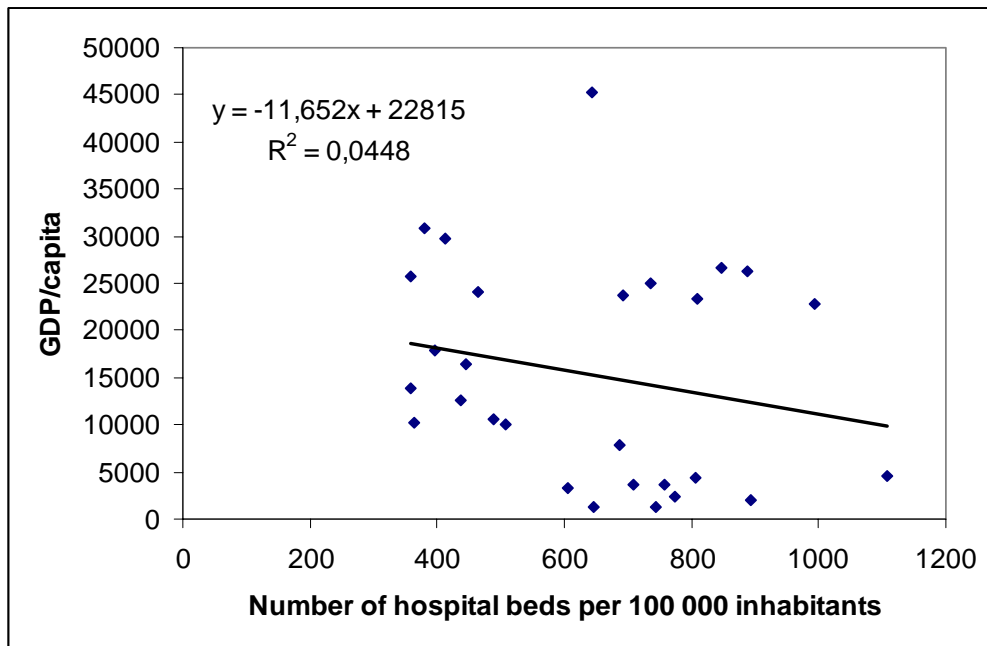
Has the number of licensed physicians/doctors per 100 000 inhabitants in a country anything to do with the relative wealth of a country? In the following figure a bi-variate analysis shows that the correlation between GDP/capita in 1995 constant prices and number of physicians/doctors per 100 000 inhabitants in 2003 for EU25 plus Norway and Switzerland is very small, close to insignificant. If the correlation had been significant the correlation shows a negative correlation, i.e. the richer country, the fewer number of physicians/doctors per 100 000 inhabitants.

Figure 16 The correlation between GDP/capita in 1995 constant prices and number of physicians/doctors per 100 000 inhabitants in 2003 for EU25 plus Norway and Switzerland



The following figure shows the correlation between GDP/capita in 1995 constant prices and number of hospital beds per 100 000 inhabitants in 2002 for EU25 plus Norway and Switzerland that a relatively low GDP/capita resulted in a high number of hospital beds per 100 000 inhabitants, as did a relatively high GDP/per capita. A medium GDP/capita resulted in a relatively low number of hospital beds per 100 000 inhabitants.

Figure 17 The correlation between GDP/capita in 1995 constant prices and number of hospital beds per 100 000 inhabitants in 2002 for EU25 plus Norway and Switzerland

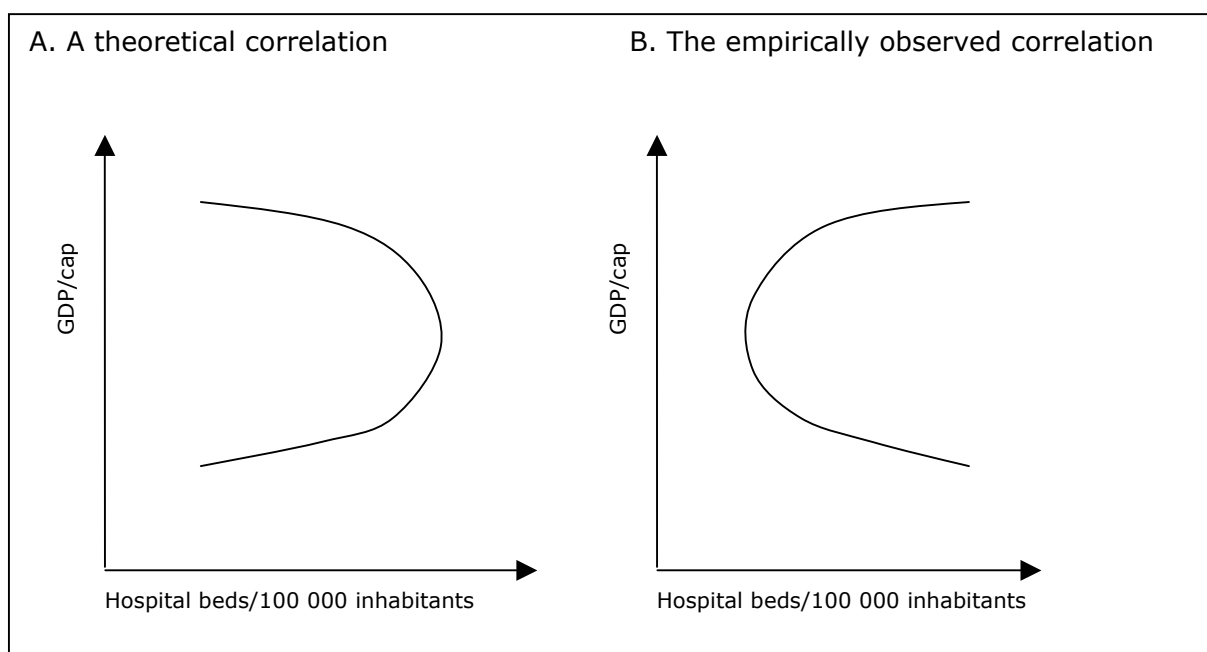


Note: Switzerland has been removed from the analysis. With almost 1800 hospital beds per 100 000 inhabitants Switzerland is an outlier creating bias in the analysis.

Source: Eurostat

Theoretically, a medium GDP/capita should have resulted in a high number of hospital beds per 100 000 inhabitants, while a relatively low and high GDP/capita should result in a low number of hospital beds per 100 000 inhabitants. This is illustrated in the following figure.

Figure 18 The correlation between GDP/capita and the number of hospital beds per 100 000 inhabitants in 2002



A country with a relatively low GDP/capita has no resources of treating e.g. a disease or injury; the number of hospital beds will then be relatively low. A country with a medium GDP/capita will have the resources to treat the disease or injury, leading to a high number of hospital beds per 100 000 inhabitants. Finally, a rich country with a high GDP/capita will have the resources to treat the injury in a more cost efficient and more medically advanced way, i.e. the patients can return to their own homes after only a very short stay in hospital.

One reason for the “strange” result in figure 2.6 may be that all EU29 countries have, in an international comparison, a very high GDP/capita. What we actually see in Figure 17 is the upper part of the theoretical curve in Figure 18 (A).

Health is not only about the number of hospital beds per 100 000 inhabitants or the number of physicians and doctors per 100 000 inhabitants. These two indicators say little on e.g. accessibility of this social service. Furthermore, these indicators say little on the health status of the population within a defined geographical area. Indicators reflecting **health care** rather than **medical care** are needed. Eurostat contains data on **the self-perceived health status** of the population, which is a very interesting indicator. Indicators such as **life expectancy at birth** or **life expectancy at the age of 65** can also be used as general indicators for health status in a population of a defined geographical area.

It is difficult to compare the social security systems in the countries of the EU29. Each country has a different technical-administrational construction of the social security systems, the entitlement and the level of benefits, own contributions, the share of population covered etc. To compare the social security systems for 29 countries contains several **methodological difficulties**. The problems, however, do not stop here; in some countries the social security systems are national, in others they are regional and for a third group of countries they are local. These problems must be considered when discussing the social security systems. A future project on the social dimension in EU29 must deal with this methodological problem. If this problem is not solved a comparison of the social security systems in EU will be like comparing apples, bananas, oranges etc., i.e. it will be extremely difficult to draw any conclusions based upon a scientific analysis.

2.4.3 Geography – health care in EU29

The following maps illustrate the distribution of health care in EU29. Central Europe appears to have the highest density of hospital beds/100 000 inhabitants. In the Nordic countries the northern parts of the countries appear to have a higher density of hospital beds per 100 000 inhabitants, something which can be explained by larger distances between villages and towns.

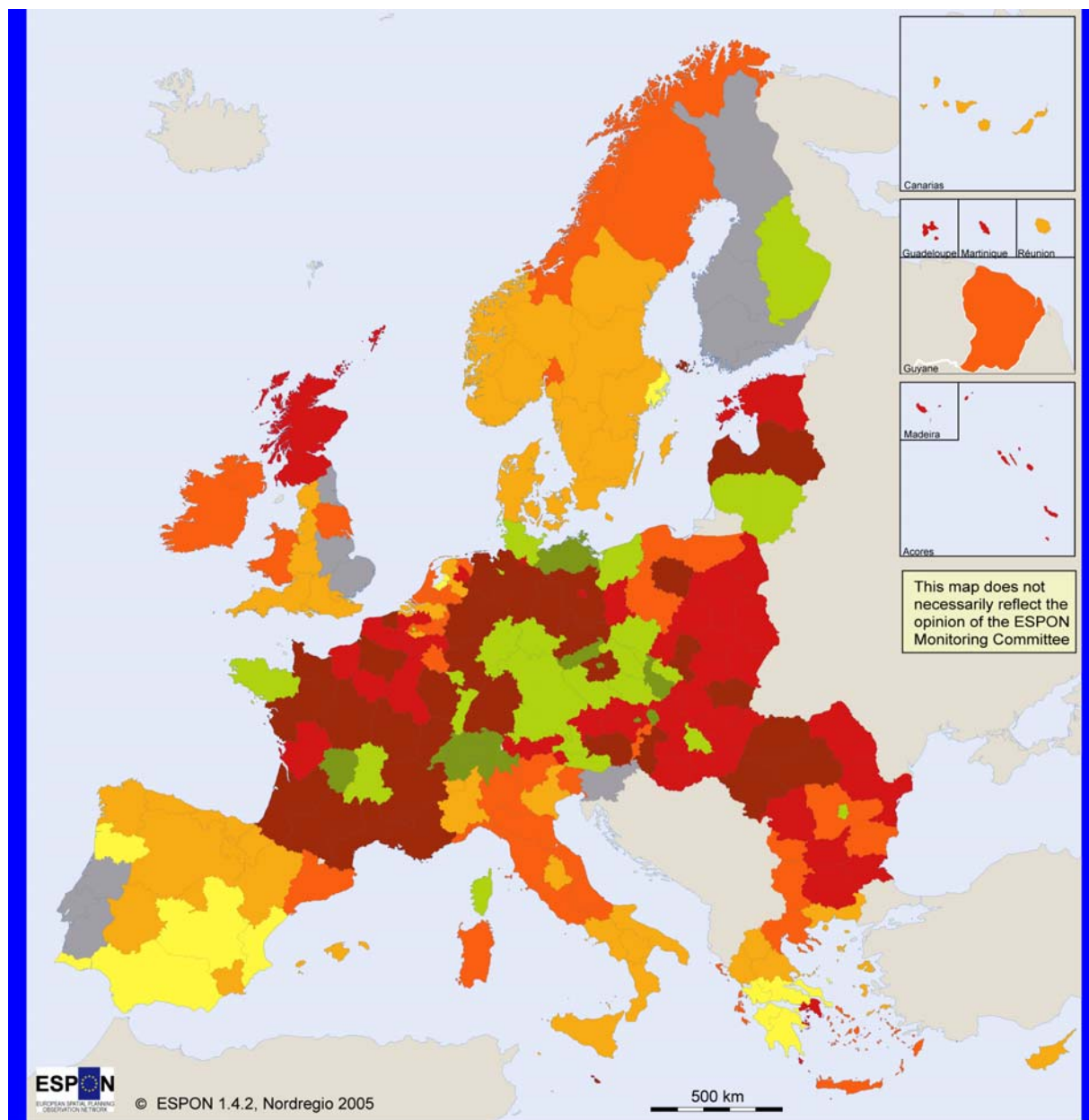
Many of the New Member States appears to have more **hospital beds per 100 000 inhabitants** than in southern and northern Europe.

The number of **licensed physicians/doctors per 100 000 inhabitants** seem to be more evenly spread than the number of hospital beds/100 000 inhabitants. It is worth noting that the highest number of licensed physicians/doctors per 100 000

inhabitants is found mainly in Italy, which probably can be explained by the fact that every drugstore has to have a doctor in the staff.

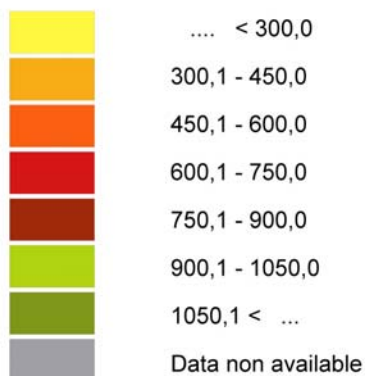
It can also be noted that the northern parts of Sweden and Norway have a relatively high number of licensed physicians/doctors per 100 000 inhabitants compared to the rest of their countries. Again, this can be explained by the large distances between villages and towns in these areas.

Map 4 Total number of hospital beds per 100,000 inhabitants, in 2002



© EuroGeographics Association for the administrative boundaries

Source: Eurostat



NUTS 0: Cyprus, Malta, Lithuania, Latvia, Estonia, Denmark, Ireland

NUTS 1: United Kingdom, Germany

NUTS 2: Other countries with data available

Year of data availability:

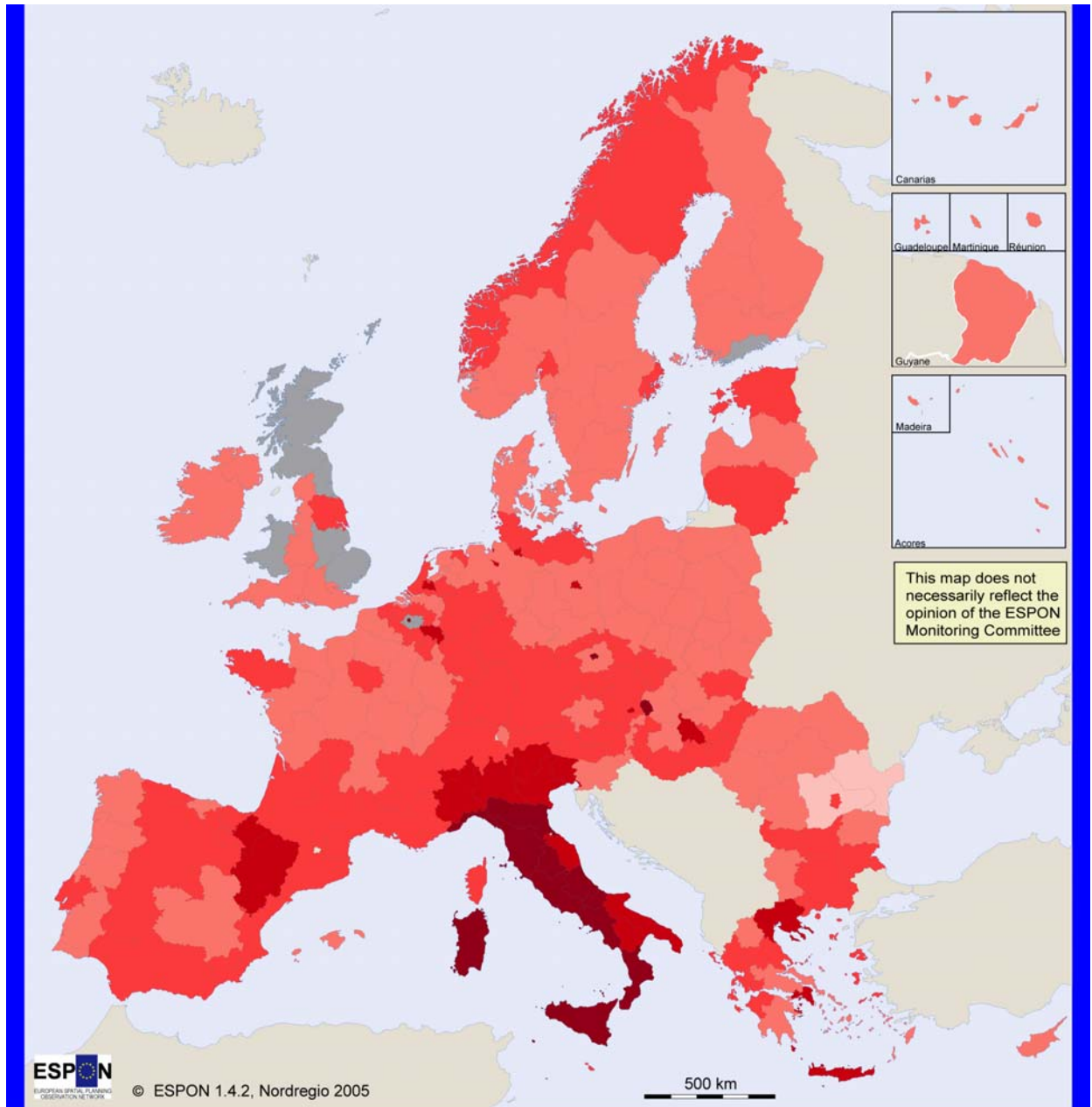
2001: Cyprus, Lithuania, Hungary, Açores and Madeira (Portugal), Romania

2000: Estonia, Sweden, United Kingdom

1999: Ireland, Luxembourg, United Kingdom (North-West Region)

1995: Bulgaria

Map 5 Number of licensed physicians/doctors per 100,000 inhabitants, in 2003



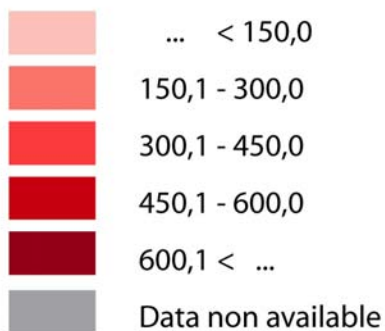
ESPON
EUROPEAN SPATIAL PROGRAMME
OPERATIONAL NETWORK

© ESPON 1.4.2, Nordregio 2005

500 km

© EuroGeographics Association for the administrative boundaries

Source: Eurostat



NUTS 0: Cyprus, Malta, Lithuania, Latvia, Estonia, Ireland, Slovenia, Denmark, Switzerland

NUTS 1: United Kingdom, Germany

NUTS 2: Other countries with data available

Year of data availability:

2002: Belgium (except Brussels 2000), Estonia, Cyprus, Lithuania, Netherlands, Poland, Islands of Åland (Finland), Switzerland

2001: Greece, Malta

2000: Sweden

1998: Slovenia

3 EMPLOYMENT AND INCOME DISTRIBUTION

Employment (resp. unemployment) is a core issue on the political agenda in Europe since by the early 1990s unemployment throughout Europe has risen to unprecedented levels and concern over the economic well-being of less-skilled workers and tackling long term unemployment have become prominent policy contents. Still there is hardly any other socio economic phenomenon which is so strongly debated and so weakly embedded in sound economic theory¹⁰ than unemployment and employment policies. This weak back-up of policy by scientific evidence plus the fact that labour market policies are still among the most nationally heterogeneous policy fields in a unified Europe causes the problem of a lack of normatively driven analysis of spatial patterns of employment. In other words research results within the ESPON programme have been attempts to positively describe and assess employment situations in Europe rather than supporting the social policy agenda by providing spatial typologies which would link the employment situations with the underlying causes and drivers of unemployment (especially for the low-skilled, young and/ or female work force).

Therefore in order to fulfil objective 1 of this WP – i.e. “*to provide a framework for the analysis of spatial patterns and their impact on employment opportunities on EU level*” – it will be necessary to combine modern labour market theory with spatial clustering and regional/ national regulatory peculiarities (in respect of labour market policies [e.g. unemployment insurance benefits] as well as standard economic performance [e.g. real interest rates]). Furthermore in respect of access to jobs we will have to rely on results from WPs 2 (Access to Social Services and Mechanisms of Public Transfers) and 5 (Education and Training), which will provide input on major drivers of employment and employment opportunities. As this WP is relying on results from the two WPs mentioned above the following analysis and contribution has to be seen as a first draft which will have to be further elaborated in the final report – combining findings from all the areas touching labour market policies significantly – i.e. access to social services and education and training

The second part of the thematic survey – i.e. the issue of income distribution – is to be understood as an assessment of the relation between income distribution and territorial specialisation (“*geography of income and income flows*” – ToR). First of all it has to be pointed out that the term “*income distribution*” in economic theory describes the disparities of different income levels within the population rather than the distribution of different types of income (e.g. pensions, private/ public workers,...). The standard income distribution term will be needed and assessed in order to foster modern labour market theory hypothesis¹¹. The intention to prepare the grounds for a future typology of territories on the basis of “residential” or “productive” character seems to be legitimate in the light of the ESPD and the

¹⁰ For critical overviews of the existing labour market theory see e.g. Rothschild K. (1990): *Arbeitslose: Gibt 's die?* – Metropolis Verlag; Marburg or

Howell D.R. (2003): *The Micro-Foundations of High Unemployment in Developed Countries: Are Labour Market Rigidities the Problem?* in Harris J.M., Goodwin N.R. (eds.): *New Thinking in Macroeconomics – Social, Institutional and Environmental Perspectives*; Edward Elgar; Cheltenham

¹¹ This hypothesis states that the high level income groups are equally affected by unemployment than the low income groups – though with some time gaps (“out-pricing of less skilled workforce”).

intention of the specialisation of territories. Still from a social policy perspective such a specialisation – thought to its extreme – could also lead to socio-economic counterproductive effects (see e.g. the specialisation on pensioners of the Tampa Bay region in Florida undermining the social cohesion of the regional and national population). Therefore we will try to combine the results of this survey with the results of WP 2 and some social base line indicators picturing social conditions of families and family structures.

3.1 Background

The issue of employment is on the political agenda mainly as an absence of it – i.e. as unemployment. Political acting to deal with this fact has therefore moved to centre stage on the national as well on the EU level. The treaty of Amsterdam moved social policy to the centre of EU policy. The strategic objectives for 2000-05 (Shaping the New Europe – COM(2000) 154) include promotion of: new forms of European governance (meaning co-decision making and the promotion of open methods of policy coordination); a new economic and social agenda and a better quality of life. In conjunction with such a strategy the social policy agenda also seeks to assist policies aimed at building a competitive and inclusive knowledge-based economy promoting social cohesion and full employment. Subsequently the European Employment Strategy has emerged as the new social policy agenda setter.

In other words employment is a political key issue in the EU – still there are hardly any powerful common policy measures on the macro-level. Unlike the Common Agricultural Policy, the European Social Model consists rather in a multitude of national approaches, which are predominantly determined by national interests. This dilemma has been demonstrated in the case of the latest EU Parliament vote on the Services Directive, where national concerns with respect to opening markets to a free access of services dominated the voting of the European Parliament. This situation is to be explained by the EU legal and decision making context for social policy and employment. The strict dominance of the subsidiary principle has brought along the relative dominance of national interests and the role of the EU Commission as provider of directives and recommendations rather than maker of the rules.

General situation of the EU labour market and major trends:

Back in the mid-1970 the employment rate (the proportion of those of working age in employment) in the EU 15 was 64% – a percentage point above that found in the US and Japan. However by 2002 the US employment rate has risen to 72% and Japan's to 68% whilst in EU 15 it remained at 64% and in the new Member States it was just 56%. In part the lower rate in the EU 15 reflected a higher unemployment rate but it also reflected a slower growth of female employment in the EU and a faster rise in early retirement, especially amongst males. These figures show that the EU clearly misses a further 15 million net new jobs in order to meet its self-imposed goal of reaching an employment rate of 70% by 2010 as stipulated in the Lisbon Strategy. Creation of new jobs and economic growth is therefore the prime issue on the agenda of the EU council under the Austrian presidency in 2006.

However these figures also reflect some **trends**, which are of special relevance in the European context:

- The first one is the continuing increase in **female participation rates**: in the three years up to 2002 female participation rates rose by 2.7 percentage points to 60% – ten times the increase for males! This increase was reflected in a higher female employment rate that reached nearly 56% in 2002 (though in the new Member States this figure was just over 50% on average). The female employment rate is still 17 percentage points lower than the for men and in Greece, Italy and Spain it is even 30 points lower. In part the increased female employment rate reflected the marketisation of previous home production such as meal preparation and child care.
- Another long term trend has been the **de-industrialisation**, as the relative decline of employment in the manufacturing sector is termed. By 2002 the service sector accounted for 68% of total employment in the EU 15, with the industrial sector employing just 28% and agriculture the remaining 4%, though in Greece the latter sector still accounts for 15% of employment. In the new Member States the service sector is smaller and several still have sizable agricultural sectors. Across the EU job creation is concentrated in the service sector with nearly 90% of recent employment growth being in this sector, with “real estate, renting and business activities” and “health and social work” being the fastest growing sub-sectors. Employment in both high technology and knowledge intensive services has also rapidly growing in recent years.
- These developments are of course strongly linked to the education and training – in short the qualification of the workforce: there has been a **decline in low-skilled employment** and a demand shift favouring more educated workers. By 2001, low skilled workers accounted for just 39%, medium skilled for 43% and high skilled 19% of European employment.
- Another major trend in employment worldwide is the increased use of **new contractual arrangements** such as part-time and fixed-term contracts.
 - Overall 18% of workers were **part-time** in 2002 in the EU15, though in the Netherlands the percentage was much higher at 44% of total employment, reflecting the strong growth in female participation. Around 40% of all jobs created in Europe have been part-time. The majority of the population regards this offer of part-time openings as a positive development – allowing mothers to enter the labour market and young people to combine work with education and training.
 - About 30% of the total employment growth in recent years has taken the form of new **fixed-term contracts**, now covering about 13% of EU15 employees, though in Spain this percentage reaches 31%. Half of these employees would have preferred to have a permanent job but had been unable to find one. Only a minority really was looking for this type of employment. The transition periods from those fixed term contracts into permanent ones differ considerably between Member States. In Austria, the Netherlands and Ireland within one year half of the fixed-term employments are turned into permanent ones. On the other hand in Italy, Greece, Spain, France, Finland and Portugal less than third succeed in being permanently employed within one year. Moreover the fixed term contracts are generally

rewarded lower than permanent ones, by up to 15% in the Netherlands, and they also receive less training. In principle the increase of these new fixed-term contracts lead to significant social policy implications – whilst employers tend to see them as an increase in flexibility and in the following in efficiency, for most workers on such contracts they represent greater insecurity and worse prospects for progression.

- The last form of new contractual arrangements is to be found in flexible working hours arrangements, such as shift working and annualized hour contracts. Again there is wide variation in the incidence of these arrangements, with a quarter of employees in Finland and Sweden working shifts compared to 5% in Denmark. Whereas a fifth of UK employed regularly work in the evenings, less than 5% of Belgians do so. Overall about 60% of EU-15 employees have fixed starting and ending work days, though this proportion is only around 40% in the UK where working time banking is much more common.

In terms of unemployment in the EU-15 8.1% of the European workforce have been out of work in 2003, though in the exceeding countries the average rate is much higher at 15%. There has been a wide divergence of experience in the EU over time. This shall be illustrated with two examples:

- Over the last 24 years unemployment in Spain has gone from 3.5% to 24% of the labour force and then back to 12%.
- During the 1990s Ireland moved from having the highest unemployment amongst Member States to having the lowest.

Unemployment rates in the EU-15 are typically higher for females, the young, the unskilled and the less educated. Long-term unemployment, those unemployed for over a year, has declined in recent years and affected just 3% of the EU labour force in 2002, though this group still accounts for 40% of the unemployed compared to just 7% in the US.

From these first findings a first working hypothesis with regard to the observation focus could be stated: Apparently national conditions (i.e. the focus on the meso-level according to ESPON definitions) seem to be sufficient to cover both

- labour market observations and
- policy impact deduction.

But first findings within ESPON imply a more differentiated picture, if zooming in on the regional level.

- Regional economic policy offers some leeway for regional self management. This has led to a rather bizarre situation in the context of regional competition within the EU. Following the Porter-hypothesis of first mover advantages within a competitive situation EU regions seem to have started a rather homogenous policy strategy all over Europe. The strategic domination of R&D, innovation (predominantly in the high-tech sector) has led to almost identical regional policy strategies all over Europe (see ÖIR (2005): "International Benchmarking Styria – Comparison of regional economic policy of four selected European regions"). Though a simple logical analysis of this strategy

will lead to the conclusion that regional disparities and “winner-looser-gaps” in Europe will prevail and territorial cohesion will be rather endangered than improved.

- National differentiation has to be taken into consideration. A national approach when monitoring labour markets and income disparities, as commonly used as basis for political decision making, will lead to biased results. Possible results might be the following:
 - different topographic, socio-geographic frameworks within a single country (even within small Member States)
 - labour market phenomena like commuter movements within a country cannot be captured

The following chapters will therefore try to pursue the attempt to pinpoint what would be a useful regional approach in picturing labour markets and income distribution regardless of what is already available at the national scale.

3.2 Relevant policies (policy review)

EU employment policy presents itself as a trade-off between efficiency and equity. On the one hand the domination of the EU political principle of the free movement of production factors (with labour being one of them) plays along with the neo-classic economic theory of complete competition and an efficient allocation of scarce resources. The role of policy making in this context is therefore reduced to a simple provision of market framework conditions which ensure a general market equilibrium. On the other hand this increasing competition bears the danger of resulting in a raise to the bottom (social dumping) – as countries each try to gain a competitive advantage by reducing their domestic levels of social protection and employment regulation. National governments may be tempted to pursue such beggar-thy-neighbour policies in order to export unemployment to other Member States. In general national policy spillovers need coordinating in the EU and only centralized policy making provides a credible mechanism for that coordination. In brief this general dilemma of employment policy could be described as intervention versus laissez-faire. Therefore all EU policies in this field reflect to some extent this dilemma and it is therefore necessary to analyse employment policies in a rather holistic way – i.e. by combining overall EU strategy goals, directives and national specific labour market arrangements.

Starting with the 1994 Essen Council the EU initiated a process to the promotion of employment objectives. This followed on from the contradictory proposals of the Commission’s Green (Com(93)551) and White (Com(94)333) papers on the future of European social policy which set out conflicting arguments for and against the development of the European social model. Five emerging themes were identified which became later on now as the five pillars of the European employment strategy:

- promoting employment,
- reorganising work,
- competing social exclusion,

- mainstreaming gender equality and
- consolidation, compliance and enforcement of social legislation.

Member States were requested to draw up national employment action plans by June 1998. This means that starting from 1998 a combined framework of guidelines for the employment policies of the Member States and the EU has been established.

The treaty of Amsterdam (1998) introduced a new decision making procedure to implement the Employment Title. According to article 125 of the Amsterdam treaty the key provision of the new Title was that *“Member States and the community shall, in accordance with the Title, work towards developing a coordinated strategy for employment and particularly for promoting a skilled, trained and adapted workforce and labour markets”*. Article 126 makes clear that the principle actors are the Member States. In an important recognition of the diversity of social policy, the states must have regard when policy making to *“national practices related to the responsibilities of management and labour”*. The Amsterdam treaty also created the so-called Employment Committee with an advisory status to promote coordination between Member States on employment and labour market policies. Its tasks are to monitor employment policies both within the Member States and the Commission and to formulate opinions at the request of the Commission or the Council or on its own initiative. The Employment Committee must also consult with the social partners. Although this new Title seemed to be juridically well embedded the above mentioned real policy dilemma created constant conflicts between the goals of EU employment policies and national interests. Therefore the European Court of Justice has been playing a pivotal role in EU employment policy making. The court has become a “pre-Federal device” in so far as it means that the European Court of Justice by interpreting the law effectively designs social Europe, albeit in a piecemeal fashion.

In 2000 the Council of Ministers adopted the Lisbon strategy which tried to give a response to the failure of the EU to match US performance in job creation, but also to offer remedies to the so-called “demographic time bomb”. By 2030 there will be 110 million people over the age of 65 in the EU-25, an increase from just 70 million in 2000. This will cause the old-age dependency ratio, the percentage of those aged 65 and over compared to those of working age 15-64, to rise from 23% in 2000 to 39% by 2030. This has a direct impact on the ability of the EU to sustain its economic growth and hence maintain rising living standards, since any overall decline in the employment has to be accompanied by much faster productivity growth to match the 2-2.5% annual growth of recent decades. In 2005 at the Stockholm council the goals set within the Lisbon strategy had to be revised especially with respect to employment. Consequently strong emphasis on employment of older workers (ages 55-64) has been declared bringing along even more pressure on national labour markets.

With the existence of the so-called guidelines of the employment policies of the Member States the European employment strategy has become a target-based tool of coordination which shall give direction to the employment policy priorities of the Member States. The guidelines are now available in their third period with the latest council decision taken in July 2005.

The following goals and strategies are mentioned therein:

A) Key policy goals

Which policy goals are defined? Which territorial reference?

The territorial reference is EU level and national.

The Member States shall conduct their policies with a view to implementing following objectives:

- Full employment
- Improving quality and productivity at work
- Strengthening social and territorial cohesion

In addressing these objectives, action should concentrate on the following priorities:

- (1) Attract and retain more people in employment, increase labour supply and modernise social protection systems
- (2) Improve adaptability of workers and enterprises
- (3) Increase investment in human capital through better education and skills

B) Strategies/measures

Which strategies (measures) are referred to? Which territorial reference? Normative or descriptive? Who should implement them?

The strategies are of normative character: "The guidelines shall be taken into account in the employment policies of the Member States, which shall be reported upon in the national reform programmes."

The paper contains 8 Employment Guidelines for time period from 2005 to 2008 which are part of the Integrated Guidelines (Nos 17 to 24):

General:

17: Implement employment policies aiming at achieving full employment, improving quality and productivity at work, strengthening social and territorial cohesion

- (1) Attract and retain more people in employment, increase labour supply and modernise social protection systems
 - 18: Promote a lifecycle approach to work
 - 19: Ensure inclusive labour markets, enhance work attractiveness, make work pay for job-seekers, including disadvantaged people, and the inactive
 - 20: Improve matching of labour market needs
- (2) Improve adaptability of workers and enterprises
 - 21: Promote flexibility combined with employment security, reduce labour market segmentation, having due regard to the role of the social partners
 - 22: Ensure employment-friendly labour cost developments and wage-setting mechanisms

- (3) Increase investment in human capital through better education and skills
 - 23: Expand and improve investment in human capital
 - 24: Adapt education and training systems in response to new competence requirements

The guidelines and recommendations are the basis for the National Actions Planes (to 2004), National Reform Programmes (since 2005) and Joint Assessment of Employment Policies (Candidate States).

On the EU level the guidelines provide the legally most binding documentation of the employment policy framework. Apart from that the Commission provides merely guidelines (e.g. Integrated Guidelines for Growth and Jobs (2005-2008) including a Commission Recommendation on the broad guidelines for the economic policies of the Member States and the Community or Council Recommendation of 14 October 2004 on the implementation of Member States' employment policies).

Trends in national European employment policies

As mentioned above employment policies are strongly determined by national interest and therefore a closer look on differences and common issues in their policy making seems to be worthwhile. The final report will come up with a more concise picture of those differences and similarities by putting this information into an analysis grid. In the following we therefore highlight some good examples of national employment policies touching the issues mentioned on the EU level.

The first aspects we are going to look at will be the patterns of wages in Europe being perhaps the most direct measures of the overall quality of jobs.

The wage fixing process differs across Member States though most have a mixed, multi-level wage bargaining structure, with centralized bargaining at the national or regional level in the first stage and subsequent company or plant-level bargaining. In general wage determination has become more decentralized with only Belgium, Finland and Ireland having highly centralized wage formation, but only in the UK is the company the dominant level of bargaining. In contrast to most accession countries, Slovenia apart, the formal coverage of collective bargaining remains relatively high in the EU-15. The collective bargaining ratio for employees varies from over 90% in Belgium to fewer than 40% in the UK. Since all EU-15 states, apart from Sweden and the UK, have provisions for extending collective agreements to other firms, sectors or regions, coverage rates are higher than the collective bargaining rate. In general, union density is falling in Europe, especially in the accession countries, with density ranging from around 80% in the three Nordic countries to under 20% in Estonia, France, Hungary, Lithuania, Poland and Spain.

Nine of the EU-15 and almost all of the accession countries have minimum wage laws to target low wages, whereas in the remaining countries collective bargaining is utilized for this objective. Minimum monthly wages in late 2003 were set in a range of EUR 1,000 or more in then Benelux-Countries, France, Ireland and the UK to below EUR 200 in Bulgaria, Latvia and Romania. Therefore as a percentage of the median full time wage the minimum wage varies from around 60% in France to just 32% in Spain. One trend apparent in many OECD countries has been growing

wage inequality between the highest and lowest paid workers. In contrast most European countries, apart from Britain, have so far managed to avoid significant increases in wage inequality. Relatively compressed wage distributions are found in Austria, Belgium, Denmark, Finland and Italy.

Member States of the European Union are autonomous in designing and operating their social protection systems, subject to the requirement that nationals of all Member States receive equal treatment of cores. Levels of social protection generally peaked towards the 20th century, with average national social expenditure accounting for around 27.5% of GDP in the EU in 2000. Although there are large national differences, benefits linked to old age and bereavement account for over 46% of total social benefits in the EU, sickness and health 27% and disability and family- or children-related benefits both account for 8% with unemployment benefits contributing just over 6%. These benefits are largely financed by social contributions (approx. 2/3 of which comes from employers' contributions), with general government contributions funded through taxation accounting for most of the remainder.

Generally the schemes of unemployment insurance have to be a focus of analysis as literature (see e.g. Nickell, S. (2003): A picture of European unemployment: Success and failure; Centre for Economic Performance, Discussion Paper No. 577) suggests that they offer the reasons for the uneven performance in reducing unemployment in the EU. Denmark for example managed to reduce its unemployment rate from 13% in 1993 to just 6% by the end of that decade. The activation of passive policies, introduction of employment increasing measures and the reform of the Danish unemployment insurance system have made important contributions to achieve in this success. Generally speaking average unemployment in Europe is relatively high compared with other OECD countries, still the majority of EU states has lower unemployment than any other OECD country outside Europe including the US. The explanation for this apparent contradiction is that the big four continental Western European countries (France, Germany, Italy and Spain) have very high unemployment rates. The explanation of this poor performance of the Big Four can be found in their failure to reduce the generosity and duration of unemployment benefits and police the intensity of job search amongst those receiving benefits. In addition greater use of active labour market policies, such as targeted training and employment subsidy programmes, and improved coordination of wage bargaining have also been associated with successful unemployment reductions.

3.3 Scientific discussion (literature review)

The issue of employment and especially the analysis of spatial patterns of employment opportunities and access to jobs is pictured by a rather complex body of literature. Basically two streams could be distinguished:

(1) Status oriented (scientifically positive) literature:

Standard socio-geographical literature tries to describe employment and its link to labour market conditions by picturing them in the specific spatial context they are found in. The ESPON projects 1.1.4. (THE SPATIAL EFFECTS OF DEMOGRAPHIC TRENDS AND MIGRATION), 2.4.2. (INTEGRATED ANALYSIS OF TRANSNATIONAL AND NATIONAL TERRITORIES BASED ON ESPON RESULTS), 3.3. (TERRITORIAL DIMENSION OF THE LISBON/GOTHENBURG PROCESS) among others will provide results in this respect. Still these assessments will not allow for a identification of the unemployment problems in general and those of the specific groups (youth, long term and women) in particular. Therefore a second stream of literature will have to be considered.

(2) Labour market theory oriented (scientifically normative) literature:

In order to get a grip on the causes and drivers of unemployment and the underlying correlations between (spatial, socio-economic, policy) framework conditions and the labour market it will be necessary to go through more theoretical economic literature. There are basically two schools of thought to be identified in modern labour market theory:

- (a) Traditional labour market theory which is oriented upon a general market equilibrium model and follows the "Trans-Atlantic Consensus" resp. the "Unified Theory"¹² basically assumes that unemployment derives from labour market rigidities and thus correlating labour market assessment with institutional and/ or structural barriers to labour markets.
- (b) "New" labour market theory which is oriented upon the search of more convincing drivers¹³ of unemployment and the more "systemic" approach of explaining labour market conditions also with external (environmental) drivers (e.g. policy shocks)¹⁴.

¹² For more details see e.g. Krugman P. (1994): Past and Prospective Causes of High Unemployment; in The Federal Reserve Bank of Kansas (ed.): Reducing Unemployment: Current Issues and Policy Options; Kansas City

Atkinson A. (1998): The Distribution of Income in Industrialized Countries; paper presented at the symposium "Income Inequality: Issues and Policy Options; the Federal Reserve Bank of Kansas City, Jackson Hole, Wyoming

Phelps E.S. (1972): Inflation Policy and Unemployment Theory; London

¹³ E.g. real interest rates, investment level changes over time, sector differentiation of labour markets

¹⁴ For more details see e.g. Howell D.R. (2003): The Micro-Foundations of High Unemployment in Developed Countries: Are Labour Market Rigidities the Problem? in Harris J.M., Goodwin N.R. (eds.): New Thinking in Macroeconomics – Social, Institutional and Environmental Perspectives; Edward Elgar; Cheltenham

Blanchard O., Wolfers J. (2000): The Role of Shocks and Institutions in the Rise of European Unemployment: The Aggregate Evidence; Economic Journal 110, March: C1-C33

A more thorough elaboration of these two schools of thoughts shall be delivered within the final report as only the relevant aspects will be selected along their relevance in the policy context.

Apart from these economic theory oriented inputs the cross cutting issues with WP 3 and 6 (access to infrastructure, education and training) will have to be checked for they correlation with employment and employment opportunities as well.

All these approaches deduced from literature will have to be combined in the geographical context in order to arrive at operational typologies of employment and access to the labour market.

3.4 Geography

Following our introductory statements on the relevance of the regional focus of observation this final section will provide an overview of regional observatory data in the context of employment and labour markets. By including the findings of the previous two chapters (policy and literature review) some recommendations on the following aspects shall be given as well:

- additional indicators for capturing the systemic approach of employment policies
- suggestions for thematic maps which will deliver a more comprehensive picture of employment and income disparities on the regional level within the ESPON space

In a first step we tried to mirror existing indicators sets which were created to picture the employment policy situation in Europe with results from ESPON projects where employment aspects were covered.

“The European Commission's 2006 Annual Progress Report on Growth and Jobs” includes a detailed assessment of each national programme. For each EU Member State, 14 structural indicators are presented:

GDP per capita in PPS	Gross Domestic Product (GDP) in Purchasing Power Standards (PPS) (EU-25 = 100)
Labour productivity per person employed	GDP in Purchasing Power Standards (PPS) per person employed relative to EU-25 (EU-25 = 100)
Employment rate	Employed persons aged 15-64 as a share of the total population of the same age group
Employment rate of older workers	Employed persons aged 55-64 as a share of the total population of the same age group
Gross domestic expenditure on R&D (GERD)	Gross domestic expenditure on R&D as a percentage of GDP
Youth education attainment level	Percentage of the population aged 20 to 24 having completed at least upper secondary education

Comparative price levels	Comparative price levels of final consumption by private households including indirect taxes (EU-25 = 100)
Business investment	Gross fixed capital formation by the private sector as a percentage of GDP
At-risk-of-poverty rate after social transfers	Share of persons with a disposable income below the risk-of-poverty threshold, which is set at 60 % of the national median disposable income
Dispersion of regional employment rates	Coefficient of variation of employment rates across regions (NUTS 2 level) within countries
Long-term unemployment rate	Long-term unemployed (12 months and more) as a percentage of the total active population
Total greenhouse gas emissions	Index of greenhouse gas emissions and targets according to Kyoto Protocol / EU Council Decision for 2008-2012 (Actual base year = 100).
Energy intensity of the economy	Gross inland consumption of energy divided by GDP (at constant prices, 1995=100), measured in kgoe (kilogram of oil equivalent) per 1000 Euro
Volume of freight transport relative to GDP	Index of inland freight transport volume relative to GDP, measured in tonne-km / GDP (at constant prices, 1995=100)

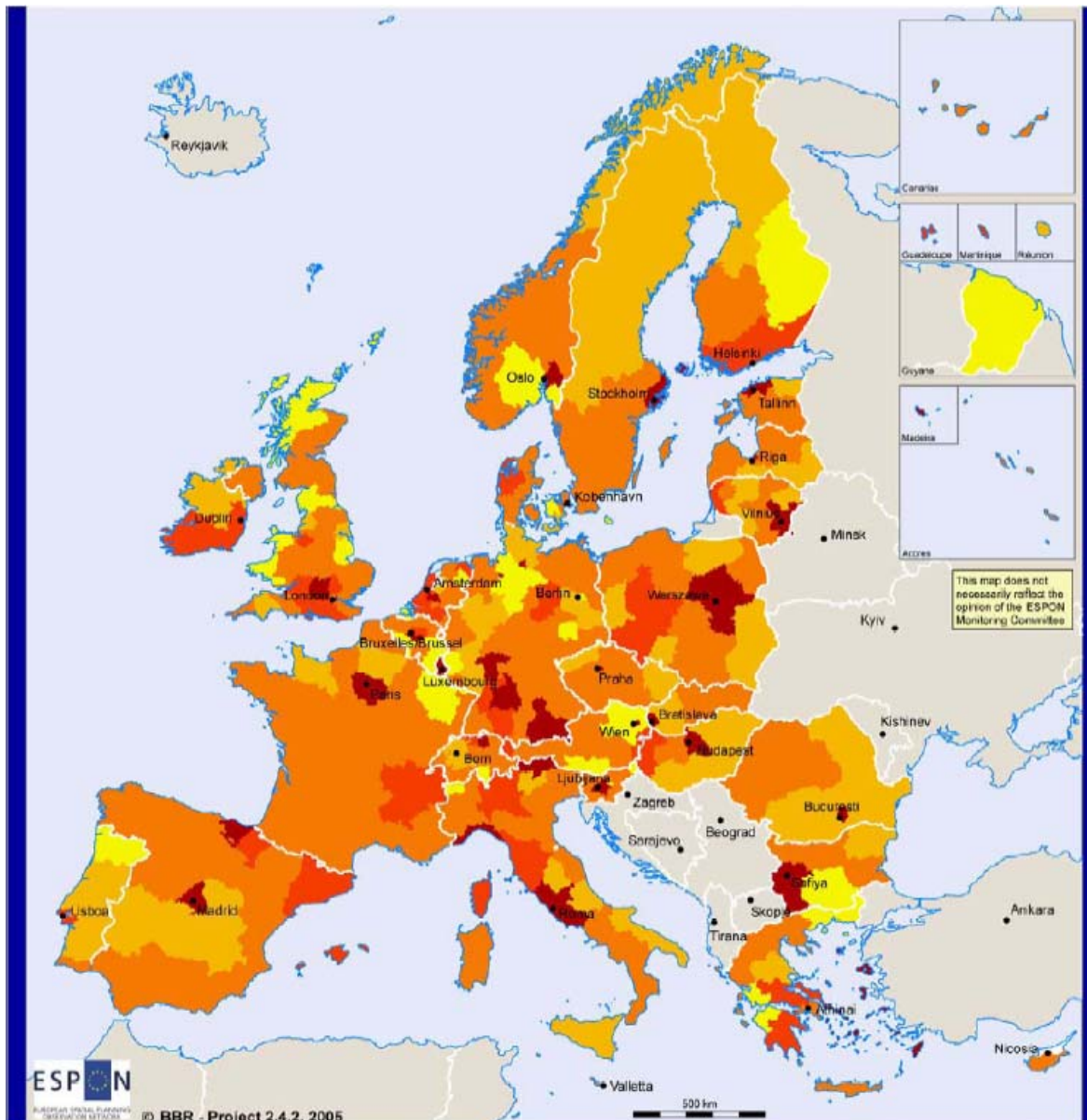
The Employment Committee lists the following indicators to be used in the JER to monitor the employment guidelines:

1. Unemployment rate
2. Employment rate
3. Transitions by pay level
4. Growth in labour productivity
5. Transitions by employment status
6. Long-term unemployment rate
7. Preventative services
8. New start (a)
9. New start (b)
10. Activation of long-term unemployed
11. Follow-up of participants in active measures
12. Enterprise births
13. Employment growth
14. Survival rate of newly born enterprises
15. Diversity of contractual and working arrangements
16. Transitions by type of contract
17. Trends in accidents at work
18. Trends in occupational diseases
19. Transparency of job vacancies
20. Educational attainment of 22 year olds
21. Participation in education and training
22. Investment in human resources
23. Participation in CVT

24. Activity rate
25. Employment gender gap
27. Unemployment gender gap
28. Gender pay gap
29. Employment impact of parenthood
30. Childcare
31. Early school leavers
32. Unemployment rate gaps for people at a disadvantage
33. Unemployment rate gap between non EU and EU nationals.
34. Working poor
35. Poverty trap
36. Unemployment trap
37. Taxation on low-wage earners
38. Undeclared work
39. Regional disparities – coefficients of variation
40. Regional disparities – Underperforming regions

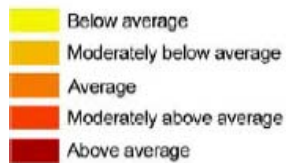
Only a few of these above mentioned indicators (highlighted by colours – red: economy, green: Lisbon performance, blue: Labour market) are displayed in the maps which show the Thematic Results of Final Regional Classification of Europe (which has been conducted within ESPON 2.4.2):

Map 6 Economy (2 indicators)



Degree of economic success as an aggregate of 2 indicators:

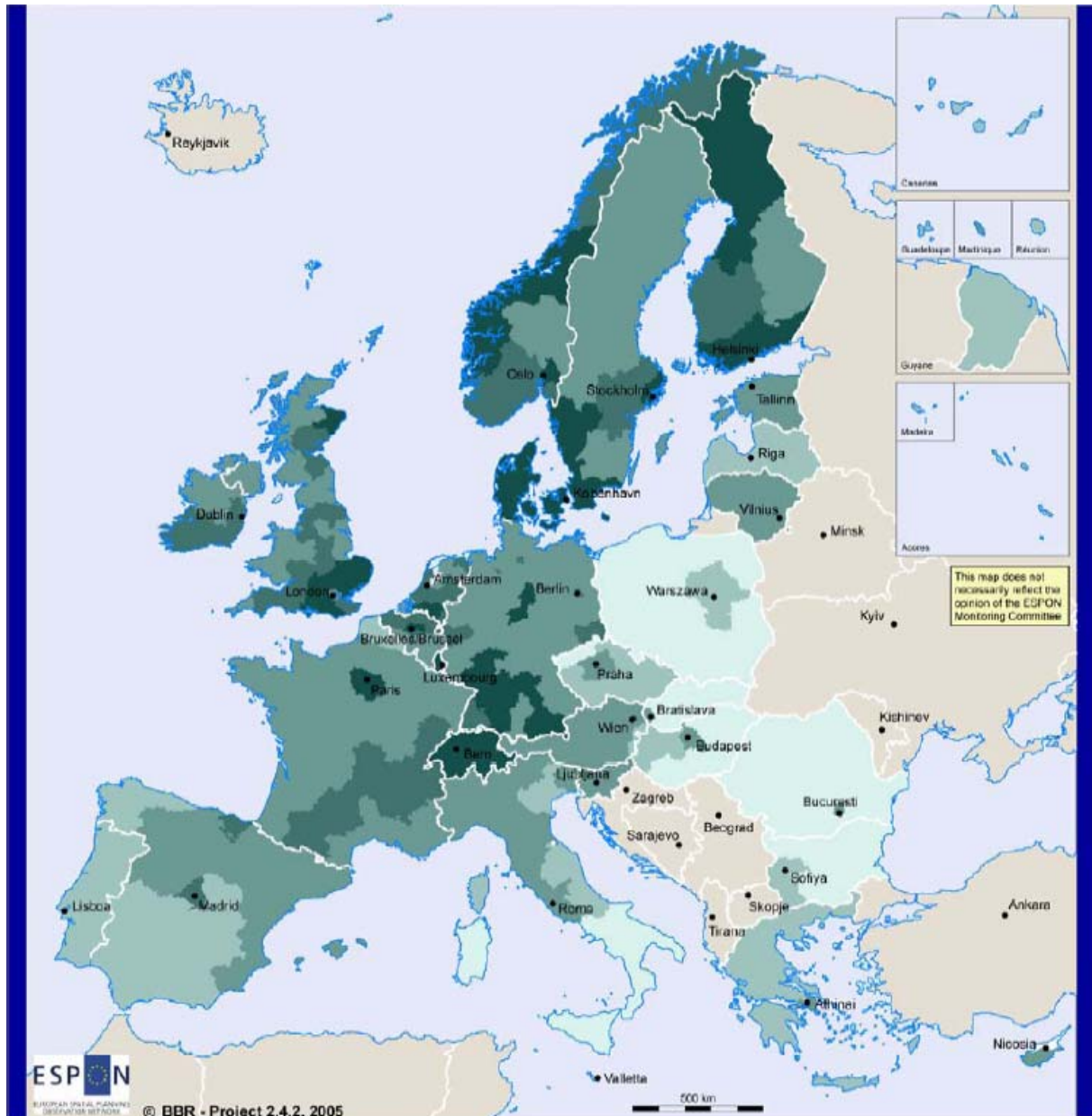
- GDP (GDP per capita in PPS 2002) +
- GDP growth (Growth in GDP per capita in PPS 1995-2002, in %) +



© EuroGeographics Association for administrative boundaries
 Regional level: NUTS 2 (DK, EE, LT, LV, MT, SI); NUTS 3
 Origin of data: ESPON 2.4.2 BBR, own calculations
 Cyprus: data for government controlled areas only
 Source: ESPON database

**Standardised based on the national mean values;
 CY, LU and MT based on the European mean value**

Map 7 Lisbon Performance (5 indicators)



Degree of Lisbon performance as an aggregate of 5 indicators:

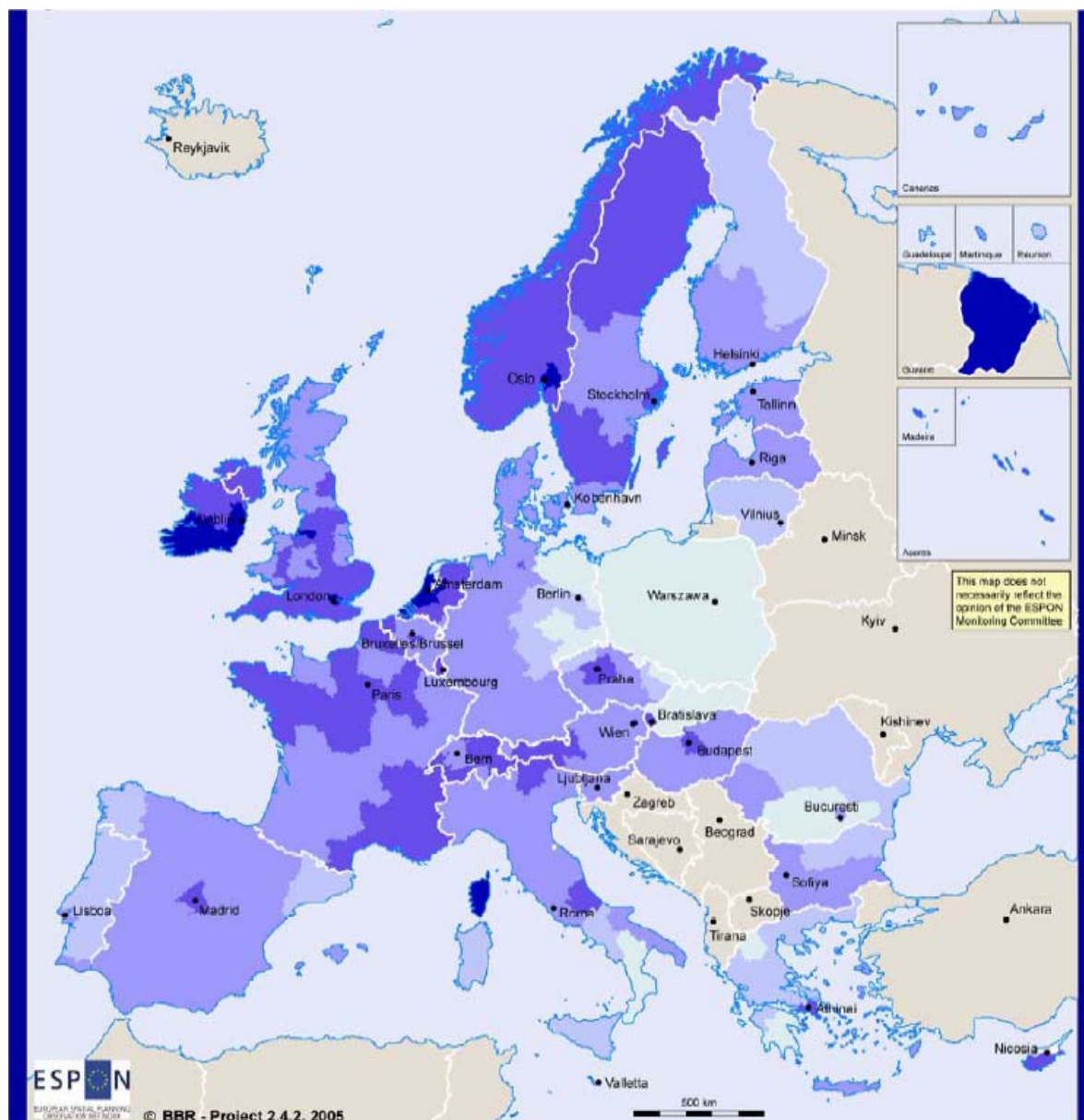
- Productivity (GDP per person employed 2002) +
- Employment rate (Employed population / population aged 15-64 2003) +
- Expenditure on R&D (Expenditure on R&D / Total GDP 2001) +
- R&D Business Enterprise Sector (Personnel / 1.000 active person 2001) +
- High educated population (Highly educated population / total educated population 2002) +

© EuroGeographics Association for administrative boundaries
 Regional level: NUTS 2
 Origin of data: ESPON 2.4.2 BBR, own calculations
 Cyprus: data for government controlled areas only
Source: ESPON database

Standardised based on the European mean value

- Below average
- Moderately below average
- Average
- Moderately above average
- Above average

Map 8 Labour Market (6 indicators)



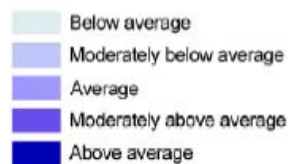
Degree of labour market efficiency as an aggregate of 6 indicators:

- Unemployment (Unemployment rate 2003) -
- Development of unemployment (Change of unemployment rate 1999-2003 in pp) -
- Youth unemployment (Unemployed <25 years per 1.000 inh. 15-<25 years 2003) -
- Labour force replacement ratio (Population ages 10-19 / pop. ages 55-64) +
- Employment density (Number of persons employed per km² 2003) +
- Employment in tertiary sector (Share of total employment 2003) +

© EuroGeographics Association for administrative boundaries
 Regional level: NUTS 2
 Origin of data: ESPON 1.1.4 (TPS),
 ESPON 2.4.2 BBR, own calculations
 Cyprus: data for government controlled areas only

Source: ESPON database

Standardised based on the European mean value



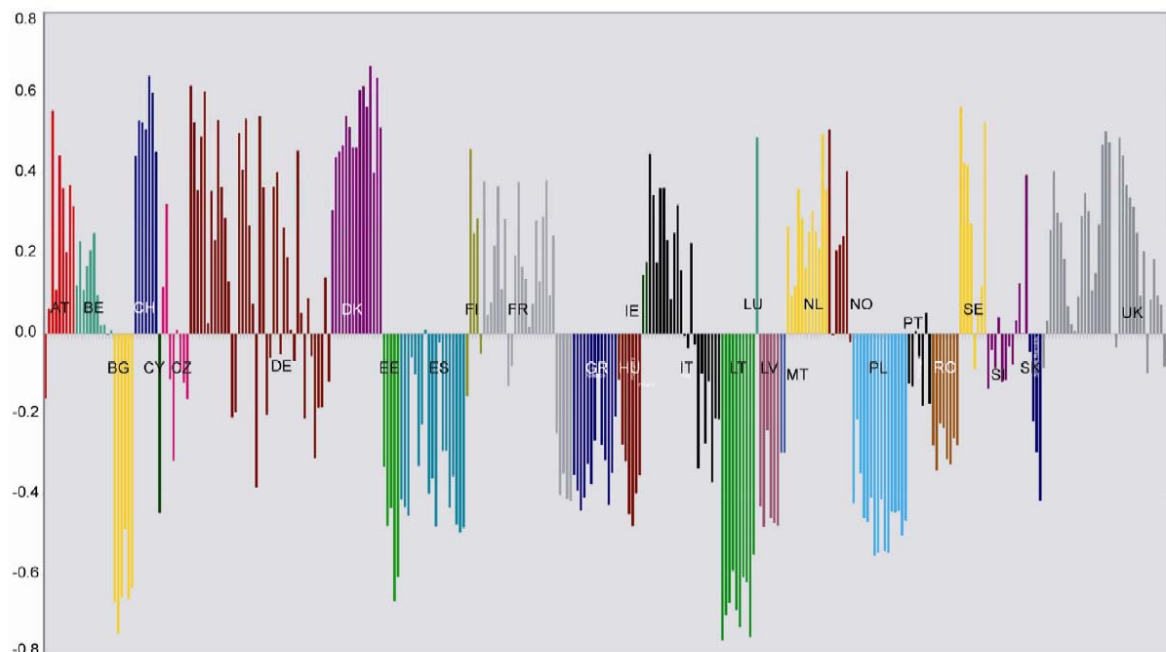
These maps have been created with the general aim of providing an overall performance picture of European regions. Thus the grid of analysis has of course to be rather widely meshed as in total 30 indicators have been used. Therefore it is rather clear that a single focus on e.g. the aspect of labour markets and employment will never be able to provide a thorough systemic picture:

- The analyses focuses rather static within the framework of RCE – evolvement of employment/unemployment developments over time in the economic framework cannot be reflected.
- Policy contexts of employment have not been the aim of the RCE at all thus the above mentioned policy interventions (on the EU, the national and the regional scales) cannot be reflected
- External factors stemming from the socio-economic environment which are directly or indirectly influencing employment conditions (average sizes of enterprises, capital market conditions) have not been included.

Apart from that the translation of quantitative regional data into maps always poses the general problem of losing information on the way, simply by the need for an aggregation of data within the geographical context. Therefore ESPON 2.4.2 suggested an alternative approach by conducting a ranking of all European regions (NUTS II/III level) over the specific thematic indicator sets.

This means the indicators could also be displayed as dominance relations between all NUTS-II- or NUTS-III regions as a result of a Multi-Criteria Analysis. Consequently these results show more details for analysis.

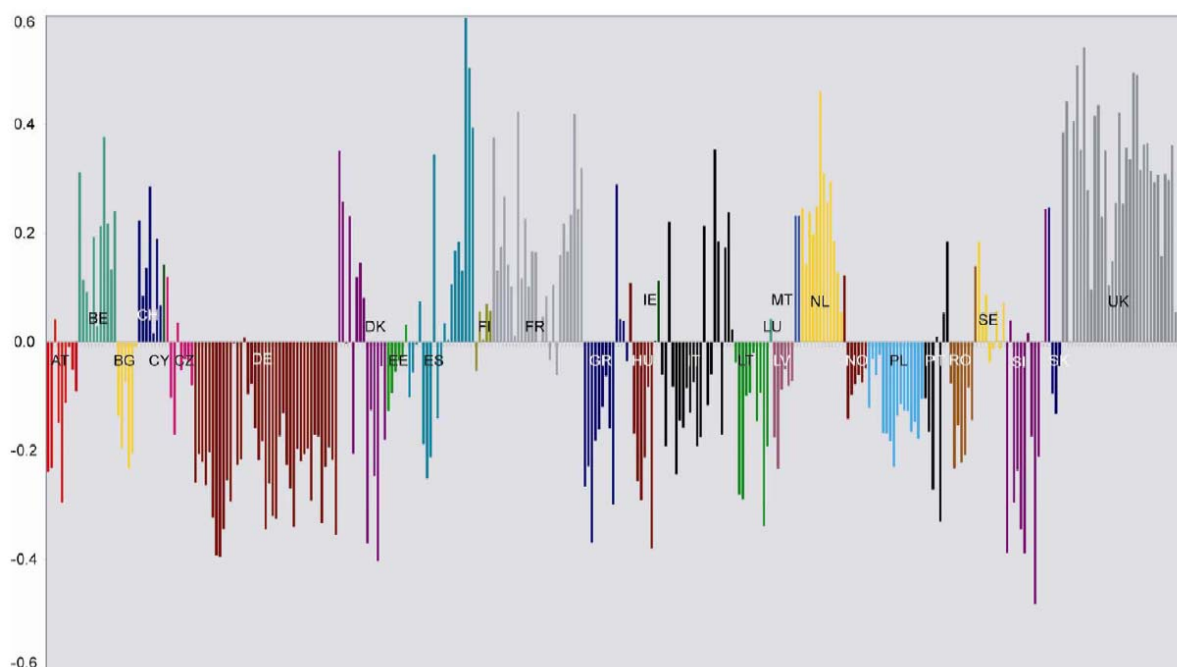
Figure 19 Lisbon Performance (5 indicators):



The MCA shows, for the most part, similar results for the different regions of a nation state. Countries showing heterogeneous performance among their regions are – as in the case of the overall analysis – Germany, France and Italy, the New

Member states Czech Republic, Slovenia, Slovakia and the Scandinavian states. For the latter ones, there is mainly a North South divide. Such a distinction exists also in Italy and Germany, although Germany additionally shows a West East divide. The three aforementioned New Member States show very strong regions around the capital and very weak regions at the periphery. In general, these states are strong, in contrast to other New Member States like the Baltic countries, Poland and Hungary, the Candidate States and even Greece. In the MCA, the Baltic states show low values, especially the regions of Latvia. This is not identical with the visualisation of the RCE. On the other hand, the visualisation substantiates the fact of the capital periphery divide, especially in the New Member States. Switzerland, Denmark, the Netherlands, Luxembourg and parts of the Scandinavian states, France and Germany are strongly performing territories which proves the idea of the main Lisbon zones.

Figure 20 Labour Market (6 indicators):



The analysis of these criteria give a more heterogeneous appearance within the states. The United Kingdom shows top results and is inside well balanced. The visualisation of the RCE does not substantiate this fact, neither can the top values for Ireland be comprehended. There are also Spanish regions which show top results (islands), but the regions within Spain differ substantially. Belgium, Switzerland, France, Ireland and the Netherlands show a good and balanced performance while Denmark and Italy show several good regions. Germany has in general a very low performance, there are also several weak Austrian, Danish, Greek, Hungarian, Lithuanian, Romanian and Slovenian regions. The map of the RCE shows only Greek and Romanian regions below average.

Although these first monitoring pictures of the employment situation in Europe provide some good first impressions, an in depth analysis following the impact

observation of employment policies on the one hand and the more systemic literature driven spatial analysis on the other hand, will require additional layers of information on the regional level.

The monitoring indicators suggested within the EU employment policy framework mentioned above provide a good framework for such additional information, still it only covers the policy impact measurement. Therefore regional economic policy studies (see ÖIR (2005): "International Benchmarking Styria – Comparison of regional economic policy of four selected European regions") suggest a wider set of indicators in order to capture the systemic embedding of labour markets in the regional context. The suggested indicator set not only concentrates on employment specific data, but tries to capture the "background noise" of regional socio-economic conditions directly or indirectly determining regional employment situations.

All the suggested indicators are to be found in the EUROSTAT database.

Name of Indicator	Short description
Innovation on the company scale	Turnover (expressed in % of total turnover of the sector) of the company by selling product innovations
Development of patents in high-tech sectors	Change of amount of patents in high-tech sectors according to the definition of the EPA (European Patent Agency)
Development of patents in all sectors	Change of amount of patents in all sectors according to the definition of the EPA (European Patent Agency)
R&D ratio on company level	Proportion of R&D expenditures of private companies in the GRP
R&D ratio public sector	Proportion of R&D expenditures of the public sector in the GRP
Patents (in total)	Average registration of patents per year, regionally attributed according to the „inventor's place of residence" principle
Patents (in high-tech sectors)	Average registration of patents per year in the high-tech sector, regionally attributed according to the „inventor's place of residence" principle
Ratio of tertiary graduates	Percentage of tertiary graduates to the population at the typical age of graduation
Ratio of qualification on secondary and tertiary level	Change of the ratio of qualification (i.e. graduates from the secondary/tertiary level by total population)
Ratio of enterprise founding	Ratio of enterprises found within a year and total active enterprises in the region
Ratio of entrepreneurs	Proportion of entrepreneurs in the total amount of the work force, for 1 year + over time
Unemployment rate per year	Unemployment rate for specific years + development overtime
Employment rate/Activity rate	Employment rate/Activity rate for specific years + development over time
GRP ratio	ratio of the GRP and the number of regional inhabitants; for 1 year + over time
ratio of female workers	Proportion of employed women in the total amount of regional employees; for 1 year + over time
ratio of service industries	Total knowledge-intensive services: NACE Rev. 1.1 codes 61, 62, 64 to 67, 70 to 74, 80, 85 and 92 in the total amount of employees of the tertiary sector; for 1 year + over time
ratio of service industries in the high-tech sector	Total knowledge-intensive high-technology services: NACE Rev. 1.1 codes 64, 72, 73 in the total amount of employees of the tertiary sector; for 1 year + over time

4 HOUSING AND TERRITORIAL DEVELOPMENT

4.1 Background

The pressure on housing systems and land markets has been emerging due to demographic changes, changes in household structure, economic changes, and changes of welfare systems. The housing policies and housing markets in the EU Member States have gone through radical changes in the last decades partly to react to these processes. On one hand, a gradual integration process can be detected in housing policies and housing markets in EU countries, like the integration of the financial markets, increasing dominance of the homeownership and a general shift from the supply side subsidies towards the demand side subsidies. On the other hand, the regional and territorial processes result in increasing disparities in housing (both housing quality and affordability) at inter-regional and intra-regional levels. The risks of increasing regional and intra-regional disparities in terms of access to housing and level of housing services could be a challenging issue for the EU cohesion policy.

These disparities are of special importance concerning the territorial cohesion of the EU, which gains more importance as reflected in the new Community Strategic Guidelines.

The interconnectedness of housing and territorial development raises several questions. The processes going on during the past decades suggest that there are forces that drive housing investment and housing markets what partial can be explained with territorial and regional processes, moreover, housing sectors seem to provide for information about the effects of the development in certain regions.

The aim of Work Package 4 "Housing and territorial development" is to show those aspects of housing that are closely related to territorial development. Relevant policies and some recent literature is analysed in order to highlight those paradigms that are influential in the vast recent materials about housing. Several attempts for an outlook into the sphere urban processes are delivered as especially in Europe, because of urban regions and their development seem to attract outstanding attention in the recent past and because urban policies have been first to promote the area based policy approach.

Interactions between housing and other sectors of the economy also depend on the level of the given economy's development level. As economic development manifests differently in space, putting housing in the context of territorial development is justified. In addition, as pointed out in some policy papers of the EU housing is seen as contributing factor to sustainable development (for further details, see section on policy review). Nevertheless, it is widely known, that despite several attempts to raise housing policy onto EU level, according to the principle of subsidiarity, it is still delegated to the competence of the Member States. Besides the recent formation of a Housing and Urban Intergroup of the European Parliament, several influential actions of the EU can be traced that do concern housing. As Doling (2005) refers, there have been – if only constrained budget – housing programs initiated by the EU, and reduced VAT for construction and

reconstruction of social housing can be applied upon discretion of the member states. In addition, European financial institutions offer a variety of loans for financing housing investment.

A new impetus to deal with housing issues and their impact on the European level was given very recently with the so-called Kok Report of 2004 that investigates the options of releasing the potentials for growth and employment as put up by the Lisbon Agenda. Based on the comparison with the US economy's processes, housing finance is included as a major tool for growth as mortgage markets have had contributed to the recovery of the economy in the last years. As Hardt puts it (referred in Doling 2005) "EU policy makers have come to realise that dynamic housing and mortgage markets can play a substantial role in boosting consumption and improving labour mobility." This serves a strong supporting argument for further integrating financial markets.

Doling stresses that the processes that would emerge from a boosting mortgage market would be manifold: besides the advantages, there is no evidence that the increase in mortgages would lead to a decrease in housing prices and costs and a growth in home-ownership. The reason he indicates is that the short-term effect would be an increase in housing prices since the supply is constrained but the demand would rise. Thus, existing owners (of housing and land) would directly benefit from raising house prices. He highlights that the long-term effect would be depending on the elasticity of housing supply, which again depends from numerous factors. The author refers to another issue that emerges besides the rising housing costs: the increase of the groups that might be exposed to risks, as the growing mortgage markets would widen the access of households to high loan-to-equity products that normally are long-term loans. These products might increase the possibility of larger losses that derive from the disadvantageous processes of the financial and housing market.

The dynamics of housing markets and economic systems in the European area, and the related EU-level and national policies constitute a net of interrelated features, which do sensitively react upon changes in the associated sectors. Moreover, the territorial factor plays a crucial role which derives both from the special nature of housing as commodity and the recent economic developments in the European area.

4.2 Relevant policies

On national, regional and local level housing policies have been struggling for defining appropriate tools for the changing demand and dynamic processes on the housing markets and for the problems related to social stratification and disintegration. The European Union recognized the significance of decreasing the differences in access to housing and in quality of housing between the different regions. Because of the imperfect transmission of the economic development to the regional housing markets, the house price disparity and differences in affordability tend to be higher than the differences of the economic potential, which makes the process of European unification (free movement of people and capital) more difficult. Despite the fact that housing policy is an important element in addressing regional differences and promoting social and economic cohesion, EU has tended not to be directly involved in housing policy. However, indirectly, EU sector policies had substantial effects on integration of housing policies.

The Member States have to respond to the challenges related the territorial processes caused by the uneven regional development both on national and European level. The wide disparities in demographic trends (fast increase in developing region and decreasing population in declining regions) are accompanied by the growing house price differences and affordability problems on one hand and worsening housing quality on the other hand. Intra-regional segregation as a consequence of the economic, demographic and social factors has become an important social issue. The housing policy of the Members States have tried to develop different strategies managing the problems of the social segregation which need to be evaluated.

Housing in the new Member States and candidate countries is more critical, as the housing often has been a neglected area of social policy in the political and economic transition.

Housing policies development has a long tradition in Europe. While the cities have realized the need of including housing into their development strategies, the nationwide policies focused rather on different schemes of promoting housing investment and access to housing. The trend of considering housing policy as a tool to foster sustainable development, has gained an increasing importance during the past few years.

The review of housing policies focuses on the diversity of the levels where such policies are formulated and stresses the links between housing policy and the wider policy context where it is placed. Thus, policies of European importance, national level, regional level and local level are used as to reflect the variety of aspects housing policies take into account, and those elements are highlighted that especially refer to the territorial processes related to housing.

4.2.1 EU level

The European Union does not have a common level housing policy, but it applies several policies that have direct or indirect influence on the housing sectors of the Member States.

The most recent development that has been launched is based on the ***Presidency proposal (Great Britain) Financial Perspective 2007-2013***. As for housing, it aims at broadening the resources of the new Member States and the two applicant countries for financing housing projects from ERDF resources. This aspiration can be considered as a changing attitude towards the role of housing in enhancing regional and social cohesion, which will manifest in developing relevant national initiatives. The details of the proposed regulation connected to this potential funding are not available at the time of the preparation of the study; nevertheless, the arrangements suggest that the broadened financial resource should focus investments in social housing and/or housing estates.

With the strengthening role of housing among the aspects that might contribute to social cohesion and growth, also some institutional elements emerged on the European level. The newly established ***URBAN-Housing Intergroup of the European Parliament*** has a prominent position in this respect, as it has launched the preparation of the European Charter of Housing. This policy paper raises the possibility of EU-wide housing policy goals and formulates them based on numerous EU documents i.e. the Lisbon Agenda, the Revised Social Charter of the European Council, the Agenda for Social Policy 2006-2010, the General provisions of the Regional Development Fund, Social Fund and the Cohesion Fund, and the European Parliament Resolution on the Green Paper on services of general interest. This fact also stresses that housing policy has already been embedded in numerous European level policies, and its interaction with the goals set therein prove its relevancy also on EU level. Once accepted, this policy paper will provide a basis for further fostering the role of housing both on European and on Member Country level. The housing approach applied in the policy paper is multidisciplinary, and related fields of sustainable urban development, social and territorial cohesion, employment, welfare issues, competitiveness, financial sector development, and energy efficiency are mentioned as interacting areas.

The ***Presidency Conclusions of the Lisbon European Council*** contain some of the most referred and discussed goals on the European level since 2000. The aim of increasing growth and employment in order to enhance the competitiveness of the European area has been investigated and numerous fields of interventions are being discussed. As pointed out above, further documents refer to the findings of the Lisbon Agenda, among them some that explicitly concern housing. This comes from the fact that the Agenda promotes raising cohesion and inclusion, and sees housing as one of the tools in achieving this goal. Simultaneously it places housing on the member states' level and suggests to add aspects into national policies that enhance inclusion.

The root of the European level discussion of housing is strongly nourished by the ***Revised European Social Charter***. This treaty is one of the core elements of today's housing policy discussions as this is the European level document that states that everyone has the right to housing (Art. 31.). It encourages states to

design their housing policies in order to promote access to housing of an adequate standard, prevent and reduce homelessness with a view to its gradual elimination, and make the price of housing accessible to those without adequate resources. Concerning housing, this policy paper focuses on the group of people who need special attention in terms of their access to affordable and sustaining of housing. Hence, it highlights a different core element housing policies should be concerned which was included 4 years later in the Lisbon Agenda.

A constrained content in comparison with the Revised European Social Charter can be found in the ***Charter of Fundamental Rights (2000)***. As this policy paper is binding for all Member States, the statements herein seem to have less powerful messages as it has to take into account that both social and housing policy matters are competences of the national levels. This Charter of Fundamental Rights states that the EU acknowledges the right to social and housing *assistance* in order to combat social exclusion and poverty. This element of the Charter is often debated and numerous institutions promote changing and firming up the content so as to ensure more security in Housing (especially FEANTSA's role is outstanding in this issue).

Some more general policy papers exist that are connected to housing policy, and especially to its role of contribution to social cohesion and the reduction of poverty. Furthermore, the basis of financing and regulating housing in the member states is defined in these documents.

The ***Social Agenda (2006-2010)*** "calls on the Commission and the Employment and Social Affairs Council to ensure the attainment of original Lisbon objectives, particularly the reduction of poverty in the EU" and promotes all interventions that serve social inclusion. A further often referred policy that has gained more attention in the past years is the EU's treatment and definition of services of general (economic) interest. A largely debated issue, which has its relevance also in the sphere of housing, especially social housing. As these interventions have territorial relevance.

The recently adopted ***European Parliament resolution on the Green Paper on services of general interest*** has utmost importance for the Member States' housing policies, as the national public housing stocks are regulated and financed differently in the countries of the EU, and decisions made based on the common rules of the competition directives have shed light on the difficulties of such regulations (e.g. housing associations/cooperatives in the Netherlands and Sweden had to face EU critics about their funding level). It was received as development and great progress when the referred document of 2005 stated that public and social housing do not fall within the scope of EU competition law and should only be subject to supervision by the Commission as to any apparent abuse of discretionary power in defining such services.

The year 2005 brought about a further change, which served as a starting point for further developing the idea of the European Charter of Housing and defining the Financial Guidelines of the EU for the next budgeting period. The ***European Parliament resolution on the proposal for a Council regulation laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund (COM(2004)0492 –***

2004/0163(AVC)) considers that expenses which relate to renovation of social housing with a view to saving energy and protecting the environment should be included within eligible expenditure in the Structural Funds.

All in all the EU level policies that are related to housing are numerous, and reflect the complex role of housing in social cohesion, welfare provisions, employment, sustainable development and competitiveness – all issues with territorial reference.

4.2.2 National level

Already in 1996, the EU has prepared the often referred summary on housing policies in the European Union.¹⁵ This paper referred that the observed 13 countries of the then-member 15 have applied a wide range of policies and instruments. As housing is (still) financed from national budgets, funds are made available from below national level, and there are differences in the economic, social and institutional circumstances of the countries, there are only a few elements that are common to all or at least most of the countries (further details are discussed in the literature review section).

So as to highlight the state's role and room in housing policy, this chapter discusses the national housing policy paper of a New Member State, of the Czech Republic. The questions that arise are diverse: what role does the state define for itself, what scale of resources is available, what forces are behind the development and the implementation of the housing strategy, and how does it link to further policies or strategy papers of the state.

The recently adopted (2005) ***national housing policy of the Czech Republic*** focuses on the problems addressed of high ratio of vacancies, immense disparity between the relatively broad range of supply and the spending resources of many households, lack of adequate and affordable units, high housing expenditure, especially in the rental sector, quality deficits of the housing stock, rising ratio of households with serious risks, growing segregation, discord between housing supply and demand deriving also from the distorted labour market. The Czech Republic, as a transition country has been facing all these problems as a result of the transformation of the housing system and hence had to develop tools to answer these challenges which lack application experiences in the given country. The approach applied divides mid-term and short-term goals, whereas the first are very broadly defined. The reference to other national policies is not obvious, but EU guidelines on state aid (referring to services of general interest) are seen as a major rule in designing interventions. The necessary matching of supply and demand is the territorial reference that is referred to in the document. The state sees its role as a legislative and executive body that ensures law enforcement and that provides for sufficient financing (e.g. through mortgage subsidies) and promotes the vulnerable groups' participation in the housing market.

The short-term goals are defined in line with the abovementioned, with a very strong European focus, which is apparent while expressing the need for assessing

¹⁵ Housing Policy in the EU Member States, DG Research, Working Documents, Social Affaires Series, W14

the compliance of the Czech housing subsidy system with the European norms, defining low-cost-housing in harmony with the reduced VAT rate norms, and the aim to speak up for an EU financing of housing. The territorial elements of the policy are relevant in terms of both the institutional system (revision of role of municipalities in housing) and a specially targeted Spatial and Social Segregation that aims at combating territorial segregation.

The policy contains the framework of the necessary interventions, and relies strongly on the state, whilst it designates the regions and local municipalities to carry out their operation in the defined directions. The influencing power of the local authorities on the local housing markets is especially stressed, and the regions' role as mediating, monitoring and information disseminating actor is defined.

The policy identifies some challenges that could emerge while implementing the policy: the unclear role of municipalities in the field of housing, the undefined balance between due professional care and the socially focused management of the municipal housing stock, the lack of tools for the state to push through the fulfilment of such tasks by the municipalities, and the lack of the regulatory framework can all hinder a successful performance.

The national level, thus, has a special role in formulating housing policies: it has to take into account the European goals and frameworks, and at the same time, it has to count with the possibly antipodean environment of the lower level governments in the decentralized countries. Thus, a key element of the national housing policies (as to refer to a New Member State here) seem to be a sufficient power of the state to involve other actors in carrying out the policy goals, and at the same time, to implement tools that serve the end of increased social cohesion and follow the strategic goals defined in other sectors of the economy and the EU.

4.2.3 Regional level

The regional level has a special role as regards its territorial relevance. Numerous settlements and urban areas have realized the fact that they should develop their strategies based on a wider context, not only in terms of sectors but also in a spatial sense. The connections to the adjacent territories of urban space especially promote this approach as thus administrative boundaries loosen and regional aspects get more weight. Numerous cooperation-schemes based on such recognitions function throughout the member countries, with the aim of capitalize the on the advantages of cooperation and distribution of resources.

The policy paper of our choice, the ***Regional Housing Strategy for the East of England, 2005-2010*** delivers a very comprehensive insight into the setup of a broadly accepted and accomplishable policy that functions as an intermediary document between the concerned authorities, the sectoral policies, and the national policies. The Regional Housing Strategy aims at raising territorial and social cohesion by coordinating sub-regional and local housing strategies with national framework policies and by strengthening the incentives for cooperation among the stakeholders. It puts housing in the framework of economic development, sustainable environment, and explicitly tells that housing is seen as a tool for

promoting social inclusion within sustainable communities, improving the Region's health, and well-being and reducing inequalities (for a comprehensive discussion of the measures see the annex). The territorial context of the policy document is one of its cornerstones: the features of the affected sub-regions and their qualities are assessed and scenarios are elaborated in order to promote the region's strengthening in Great Britain.

4.2.4 Local level

As pointed out above, the processes of housing first of all manifest on the local level. Therefore it is vital that the effects of the local policies take into account numerous elements when measures are drafted. Nevertheless, local policies are only viable if they refer to higher level policies, such as regional and sectoral strategies, notwithstanding the environment defined by national and EU-wide concepts.

As regard housing policies on local level, it is vital to explore this kind of interconnectedness with wider policies, and our analysis of local policies has found that there are different approaches: generally, there are two major groups of policies available on local level. Policies belonging to the first group formulate measures so as to enhance the strengthening of housing market position for the local population, those belonging to the second group promote approaches that set housing as a tool for wider economic (and urban) development which counts with the regional and territorial processes of the surrounding areas. The first approach is more widely applied, and delivers rather short term results and counts less with possible imbalances caused by the interventions, whereas the second type of approaches reflects more comprehensively on the interconnectedness of housing with other sectors.

The policy selected for demonstrating a complex approach is the *Operative Programme, Town Development, Housing and Infrastructure. Project of City, 2004-2007 of the city of Madrid*. The policy formulates the vision of making Madrid a better place to live, a more integrated, sustainable and participative city, as well as one of the leading European cities. This goal setting stresses the embedded character of Madrid both into the Spanish and into the European net of cities, and deals with a variety of measures that are both urban development measures and strongly relate to the housing infrastructure of the city. This comprehensive policy also stresses the institutional elements that have to be strengthened while drafting and implementing the formulated visions and goals, which to a large extent relies on institutionalized partnerships where the city has a leading role. Based on a firmly founded institutional structure, the potential bottleneck stated that might have an effect on the success of the strategy is the lack of financial resources necessary to implement the programme. From the policy paper it becomes obvious, that unless the incentives for the actors are set, no long-term cooperation and contribution to the goals can be assured.

The complex approach of Madrid states that the key goals reflect the city's aim to enhance cohesion. The tools defined for housing especially reveal this nature, whereas, the values of the ancient city's environment are also taken into account (urban heritage). The policy paper is based on decent elaborations of the

problematic spheres related to housing (e.g. distortions of the housing market, affordability issues, inequalities of housing quality, and sustainable city development).

4.2.5 Summary

The policy review aimed at summarizing those aspects that shed light on possible approaches for housing on the European, national, regional and local level. These levels are interconnected, which derives not only from the setup of financial resources to fund measures of housing policy, but also from the legal and institutional structures in the states.

The EU policies that relate to housing especially put housing into the context of social and regional cohesion, and highlight its role as a tool to enhance growth. National policies reflect the European perspectives, but on the other hand, based on the setup of the decentralized governmental structures in most European countries, they focus on legal and financial frameworks, while the implementation of housing policies is rather delegated to regional and local levels.

Our outstandingly comprehensive example for a regional level housing policy sufficiently proves that the regional level has to have a mediating and coordinating role which thus serves the end of making use of the task sharing options and synergies in a given region and enhance its competitiveness and stability.

Local level housing policies are the key to understand the territorial impact of housing policies. We found that there are diverging approaches that might even conflict with higher level policies and consider the given settlement as isolated entity. More progressive policy papers refer to housing as a tool for promoting (urban or economic) development, and thus the goals defined for housing are contributions to the wider strategic aims.

4.3 Scientific discussion

The literature review of WP 4 focuses on the topics raised by the scientific discussions in the area of housing research. There is vast literature both on housing policy and research, therefore we will highlight those topics that are especially relevant in today's discussions and have relevance also for territorial processes. We deliver a short description to each topic, its significance for the ESPON project, and summarise some findings provided in the literature. We will not go into details of (econometric and mathematical) methods applied e.g. in exploring housing price differences and territorial inequalities, and we will not be able to consider all contributors' views in the debates, but we try to comprehensively highlight the main questions raised in the scientific discussions.

The below list is by far non-comprehensive, but it illustrates the complexity of the interrelatedness of housing with territorial processes. We will focus on the following topics in this part of the work package:

- Relevance and emerging of area based policies and the interrelatedness of urban planning and housing policy

- The move from supply side subsidies to demand side subsidies in the housing policies of Western Europe
- The meaning of tenures and the assumed role of tenures in mobility and employment
- The connections of housing tenures and urban renewal
- Housing demand and demographic change especially in the urban areas
- Housing in the framework of economic development
- Housing price changes and their territorial, economic and social consequences
- Effects of the monetary policies on the housing market (transmission)
- Urban sprawl and its effects on housing and housing policy
- Neighbourhood change and its relation to housing
- The dynamics of the position of cities
- Special problems of housing estates
- The particularities of the East-European housing systems focusing on the territorial implications of housing policies

As mentioned above, this short list merely serves highlighting some of those multiple interrelations that are being discussed in today's scientific literature and that analyse housing with a view to related territorial processes.

4.3.1 Relevance and emerging of area based policies and the interrelatedness of urban planning and housing policy

The relation of urban planning and housing is a widely known and accepted paradigm in housing discussions. The awareness of their historical connectedness is especially relevant for understanding the current housing policies' focuses. As Matznetter (2005) states, as long as housing policy itself did not gain a special weight, housing issues were discussed in the framework of urban planning. He refers the historical model of the emergence of housing policy of Gerd Albers (1969) who points out that the planning methods applied in the 19th century (risk averting – 'Gefahrenabwehr') still has a strong influence on today's settlements' housing profile as the territorial setup of the cities is largely defined by the processes that underwent in the past. With the rising awareness of urban functions, new models of planning emerged, and already from the beginning of the 20th century, containment planning (Auffangplanung) gained space. As Albers describes, this period is characterized by the introduction of rough zoning methods, where housing functions are already treated as a special area of urban space. This approach has then been refined in the past decades with the refinement of the zoning methods.

Matznetter identifies some parallel aspects of Albers theory to that of Boelhouwer's European housing history theory (1991) who shows that after the severe housing shortage could be combated that resulted from the war damages, the housing development focused more on quality than quantity improvements. He considers the new impetus in the sixties for knowledge and research based planning

('Stadtentwicklungsplanung') as a similar progress. This planning method is based on improved methodology, but it still lacks the coordination of housing developments and investments. Nevertheless, it provided a good basis for further improvements, which are incorporated in the newest trend (as put by Klaus Selle, 1999, cited by the author) in urban planning. This already involves a variety of stakeholders, hence additional skills are applied to mediate and coordinate the broad circle of institutions and players. This 'Urban management' paradigm is significant in progressing urban areas, and its potential is widely relied on e.g. in Great Britain (see also the referred housing policy of South-East England).

Urban planning concerns settlements within or across administrative borders of urban areas and their adjacent environment. Interventions concerning neighbourhoods mean a set of special measures, which has been very much strengthened by the paradigm of area based approach. This broadly debated paradigm means the set of actions that are defined based on the complexity of problems recognized in that given area. This approach has had a major influence on urban renewal interventions (see later), because it seems that the interdisciplinary knowledge that stems from economy, sociology, and planning can find more adequate answers to a region's or area's problematic features.

We must remark that area based policies have been as well criticized as they by nature have constraints. As Slob et al (2005) put forth, they focus on one area, and other problems that may derive e.g. from the wider economic or regional context remain unsolved. They draw attention to the fact that often the causes of problems cannot be found within the boundaries of the intervention area and therefore the solutions are designated to be insufficient. An additional phenomenon they value as a major shortcoming of this approach is the "spatial knock-on effect". These are effects that emerge as a result of the area based policies on other territories, hence the problems are reallocated (related paradigms are spill-over effect or displacement effect). We can observe such effects as a result in urban renewal programs when given areas are gentrified through interventions in the housing stock, and thus the lower-income or deprived households move out from the gentrified area. The theory put forth by Slob et al adds a new element to the abovementioned paradigms: as for the effect of housing investment it would much stronger emphasise the results of a policy carried out in a different area than the intervention's territory, hence it would observe the results on both areas (in a given case: both the gentrifying and the declining one).

4.3.2 The move from supply side subsidies to demand side subsidies in the housing policies of Western Europe

The move from supply side subsidies to demand side subsidies in the housing policies of Western Europe is one of the key findings of the scientific literature that deals with the forming of housing policies and analyses their impact on the housing systems of the countries of Europe.

The discussions point out that the European housing policies went through different stages after WW II. While in the 40s the emphasis was on the reconstruction of war damages; the main legal and financial instruments were not changed. Elements of the housing policies, such as rent control, the main institutional and organizational

settings remained untouched. In the following two decades the emphasis shifted to investment into new social housing, bringing about a variety of institutional solutions: in the U.K. municipalities played the most important role, in the Netherlands housing associations, in Sweden municipal companies, in France special public-private organizations (HLM companies), etc. A great shift occurred in the seventies and the eighties: deregulation, privatization and the increase of the private sector took place, and the housing policies moved towards the support of the owner occupied sector in disfavour of the social sector. An additional factor in market economies that supports the shift towards demand-side subsidies is that these schemes have been used to increase the transparency and effectiveness of subsidies. (Katsura and Romanik, 2002)

Several researchers point out that besides some main tendencies (such as a shift from the supply side subsidies towards demand side subsidies and from the direct public provision towards a kind of public-private partnership, and from the special housing finance institutions towards the universal bank system), there are very few common elements in the housing policies in the European countries. (Balchin, 1996; Harloe, 1995, Lowe, 2004, Maclennan et al, 1998) The reason that lies behind the diverging solutions are to be found in the historical differences in the emergence of the institutional structure of the housing policies.

Maclennan et al (1998) argues that despite the recent convergence pressures, the differences in housing and financial market institutions across the EU member states are still enormous. Further discussion papers deliver evidence of Maclennan's arguments: according to a recent European Central Bank report (ECB, 2003) there has been no general trend in the last decade in the development of housing policies in EU Member States. (ECB 2003)

The move from supply side subsidies to demand side subsidies has its effects also on the households' side: as the key characteristic of any supply-side housing program is the lack of choice, meaning that a household must take or leave what the producer offers. In contrast, demand-side housing programs channel subsidies directly to the household through cash-like allowances or grants. Typically, the household pays the market price and is allowed to select its home from a variety of suppliers. As Dübel (2000) points out, one element of this process was that government-controlled agencies have withdrawn from direct subsidising and lending in favour of provision for private lending practice.

The analyses of several national policies point out this tendency: the privatisation of the municipal housing in the UK, and the support to the housing associations represent this trend in the 80s. (Lowe, 2004) The other sign of the states' withdrawal as direct providers is that public funds for mortgages were replaced in several countries, e.g. in Finland, Sweden, etc. (Asselin et al, 2002; Boelhouwer and Elsinga, 2002) Another example is the change of the role of the housing associations in Holland (Priemus, 2003) and in Denmark (Enberg, 2000).

To summarize, two interrelated trends can be traced in the housing policies of the developed countries in the last three decades: (i) a shift from the supply side subsidies toward the demand subsidies, and (ii) the change of the role of the state from a direct service provider to the "enabling role".

Nevertheless, the changes in the national housing policies took place gradually, and several elements of the institutional and financial structure of housing policy remain alive representing direct supply side subsidies, e.g. in France and Austria. For example, many countries use both housing allowance and aid to bricks and mortar in variable proportions. In France, for instance, the balance is 3/4 housing allowance, 1/4 aid to bricks and mortar. (Taffin, 2003)

4.3.3 The meaning of tenures and the assumed role of tenures in mobility and employment

Vast literature deals with the meaning of tenures in the different housing systems. The particularities of different tenure types are mostly discussed in the framework of the (bundle of) rights that are prevalent in the different sectors, and through the diverging roles of the tenures in different housing systems. Special attention is paid to the differences between the former socialist countries' tenure setup and that of Western European countries (this statement is further discussed later). In addition, the debates about housing choice have given a strong impetus to analyze the consequences deriving from the tenures' diverging characteristics. (A by far non-comprehensive list of some relevant recent discussions is Marcuse, 1996, Mandic-Clapham, 1996, Hegedüs-Tosics, 1996, Lowe et al, 1998, Kemeny, 1981, Ronald, 2002, etc.).

In the discourse of the relation of housing and mobility, one of the most recent discussions for the European growth of employment and competitiveness concerns the role of tenures for increasing mobility, which is strongly believed to be one of the engines for increasing employment. Here again, the evaluation of different countries' processes deliver partially diverging results. As Doling (2005) points out, there have been empirical evidences delivered by Oswald (1999), that in economically advanced countries there is a significant relation between home-ownership and unemployment. This relation is thought to derive from the relative immobility of homeowners. Doling reflects on Oswald's two arguments supporting his assumption: the one is related to the amount of transaction costs (average time for complying with the legal transaction and the involved costs e.g. of the real estate agents, the taxes, the possible loss of a bad decision, etc.), whereas the second seems to be more relevant for our discussion of territorial processes and their relation with housing. This latter argument states that immobility is connected with the regional variations in house prices, as discussed by Maclennan et al (1998) and depressed areas tend to have lower housing values, which hinders unemployed households living in these depressed areas to move away to higher value areas.

As Doling points out, Oswald's findings have to be put in the context of competing discussions. He refers to works of Van Leuvensteijn and Koning (2000) who delivered evidence that workers' mobility might not have to do with home-ownership as such. They pointed out, that employed home-owners move house less often than tenants did, but, it turned out that in the case of unemployed renters and owners, the relation is reverse. Thus, mobility does not necessarily have to do with the differences in tenures, rather with job stability. We must acknowledge, that in a framework of residualized public rented sectors, with the growing distance between the wealth status of the population's groups in the housing sectors,

investigations about the tenure's role in mobility may deliver findings that might need more explorations.

A further paradigm that is related to housing tenure's role in mobility is connected to the institutional setup of the public rented sector. Actually, this approach delivers evidence that besides exploring the difference between the ownership and the rented sector as a whole, there are relevant elements in the rented sector's segments as well. Doling refers that the bureaucratic procedures and rent control are constraining elements; hence mobility in the public rental sector by nature might be constrained.

An other widely accepted finding in the scientific discussions that often provides for input for the housing policies e.g. of the East European countries where the vast majority of the public stock was privatized, is put up by the ECB (2003). As Doling refers is, the economic growth approach stresses that more renting and less ownership would be the preferred option in order to enhance labour mobility.

4.3.4 The connections of housing tenures and urban renewal

There have been numerous investigations to understand the possible impacts of the differences between tenures for urban processes and housing mobility. Such evaluations take into account the complex interdependency between the features of the housing market sector with the dynamics of the wider economy, the social stratification of the population, and the role of a variety of policies. Findings mostly concern a given area or country, whereas there have been numerous attempts to conclude some common processes on a comparative basis.

As for the tenures' meaning for urban renewal processes, some policy evaluations also highlight that throughout the European countries, interventions that are based on taking into account the features connected to the tenure types do gain importance. Especially in this framework, it seems that the gaps between the population's groups are somewhat to be captured with the help of tenure types. Tenure mix as a tool to achieve social mix is mostly based on the mix of social with owner occupied tenure (see Kleinhans, 2004). The move of some European housing policies towards promoting home-ownership is believed to have a stabilizing impact on neighbourhoods. Nevertheless, the negative results, as Kleinhans refers to Malpass and Murie (1999) are also widely known: the residualisation of public housing raises the question of to what extent the widening of owner-occupation contributes to sustainable housing sectors and welfare policies.

Recent discussions among Europe's New Member States' researchers about the future model of urban renewal programs (Tosics, 2004) are related to the possible tools that enhance the options of interventions. One of the most important findings is that the low ratio of public rented dwellings in the housing stock form a major limitation to actions as the home-owners' will and ability to participate in such programs seems to be low compared to western models. Discussions point out that the role of states has to be enlarged e.g. through implementing a repurchase of privatized dwellings. This model would enable housing policies to better plan and carry out 'drastic' interventions in urban renewal programs.

4.3.5 Housing demand and demographic change especially in the urban areas

The demographic changes in Europe are often referred as major impacting element on housing supply and demand especially in urban areas. The changing household structures result in smaller households, an increase in the number of single-person households, which has a direct effect on housing demand. In addition, the changing household demand drives changes also on the supply side, which manifests in a variety of patterns that have influence on the urban space.

Buzar et al (2005) emphasizes, that household demography has a conceptual importance in investigating the ways of urban transformation in the developed world. The demographic processes the authors especially refer to are "new patterns of marriage, cohabitation and divorce; improved life expectancy; falling fertility rates; a wider spectrum of ties of kin and friendship; and increasingly complex transitions of the individual through different household arrangements" (p. 414). They put their discussion into the framework of the so-called "second demographic transition", a paradigm that refers to the growing gap between the populations' size and the households' number, declining household size, falling fertility rates and a widening range of household setup.

The discussions about the interrelatedness of demographic processes and the housing sector have gained new impetus in the nineties, among others based on Sassen's discussions (1991) about the interrelatedness of the urban gentrification processes and population changes, and the changing consumption patterns. Buzar et al refers to the sociospatial consequences of the demographic changes while pointing to the findings of Marcuse and van Kempen (2002) and states that the "concentration of a homogenous set of household structures in a restricted territorial setting is crucial to the emergence of territorial differences in the consumption of services and goods, and the production of urban space in different parts of the city. One of the most visible consequences of such discrepancies is the 'partitioned city'". (p. 426) This paradigm refers to increasing segregation processes in the city and its implications for the urban space and social structure of the cities.

A further element that contributes to our discussion about the impact of the demographic changes (and the interrelated patterns of migration processes) on the changing demand of housing, leads us to Watters's (2004) investigations (referred in Buzar et al, 2005), who discusses 'urban tribes', i.e. groups that emerge based on the clustering of household structures and consumption patterns in the case of young households, as having special role in shaping urban space. The revitalization of some before declining inner-city areas seems to be largely based on this population's gentrifying settling down. Processes throughout Europe strengthen the relevance of this concept.

4.3.6 Housing in the framework of economic development

The changes in housing output and housing market are largely connected to the economic development of the countries and regions. Discussions point out that an efficient housing sector can effectively contribute to economic growth. The economic effects of the housing sector mark employment, output, investment, financial systems and household consumption.

The interrelatedness of housing and the economic growth has broadly been discussed in the framework of the changing housing investment throughout Europe, and more detailed explorations in this field shed light on the complex processes that have an influence of the nature of this relation.

The investigation of Doling (2005) points to the possible connection of housing and economic growth that has been underpinned by several policy analyses in Europe. The Lisbon Agenda has a prominent role in promoting discussions in this field, and its influence can be seen from the numerous policy developments on the European level (see some points in the policy review part of this paper).

The discussions that analyse the impacts of economic changes on housing markets in Europe point to the fact, that in countries with large housing investments, the main drivers were low interest rates and improved economic growth. (Ball, 2005) These findings are related to the discussions about housing cycles, which are thoroughly described in numerous scientific discussions. It is often pointed out that a contribution of housing investment to growth in the early part of economic upswings has usually been important (see also OECD, 1995).

The numerous investigations about the dynamics of GDP and housing investments in several countries find that there is no clear evidence throughout the world economies about the directions of the causalities. It seems that the existing literature does not provide conclusive empirical evidence on the issue of long run relationship between housing and non-housing investment and economic growth. (Liu et al, 2002). On the other hand the phenomenon of rising housing investments in developing regions is undoubted. This brings us to the most recent findings pointed out in Helbling (2005) that tell that there are numerous channels how the processes in the housing markets and the economic development are interrelated (see following section).

4.3.7 Housing price changes and their territorial, economic and social consequences

European housing markets have experienced large ups and downs throughout the last decades. Investigations have focused both on the reasons behind these price fluctuations and the results of housing price changes, among them the inequalities that might emerge as a result of such processes.

Vast literature has been devoted to the context of housing price movements. The neo-classical economic theory stresses the demand and the supply side of housing markets, which, in the context of market forces would be heading towards equilibrium prices. As De Vries and Boelhouwer (2005) refers, the variation "in the

house price is the result of the disequilibrium between supply and demand, in which the demand for housing services is a function of demographic factors, income, interest rates and the housing stock, and the supply is a function of the price of land, building costs and credit conditions." (p.81) They stress, that the theories in the framework of this paradigm do not sufficiently investigate the housing supply element, that is of special importance on the national housing markets, as new housing supply changes the position of the existing stock. They highlight the time factor involved in new housing supply, based on which distortions of the equilibrium of supply and demand can easily occur.

The authors argue that such concepts are insufficient to capture the local housing markets' features. They stress that on national level, house price developments are influenced by macroeconomic factors, among them anticipated prices, income and interest rates, whereas on the local level, qualitative housing characteristics are determinant (also on home, street and neighbourhood level). They refer to numerous empirical studies from the nineties that observed that house price developments of the recent past have an influence on the short-term expectations of price increase, referring to the phenomenon of price bubbles.

De Vries and Boelhouwer also discuss other relevant discourses of macro-economic models of price increases, and highlight the interrelation of income, inflation and interest rate changes that affect house price changes. Getting back to price movements on the local level, they conclude the importance of neighbourhood and house characteristics. They refer to Simons et al (1998) who analysed the importance of new investments in a given area that promotes price increase based on the perception that new investments are associated with attractiveness of a neighbourhood. This finding shows the relevance of a territorial approach in observing price developments on spatial level.

One of the most recent analyses, Helbling's discussion (2005) points to the channels through which price movements are driven: "(i) household wealth, which influences consumption; (ii) the market value of the capital stock relative to its replacement value, which influences fixed investment; (iii) balance sheets of financial intermediaries, other firms, and households; (iv) capital flows which affect demand through the real exchange rate." (p. 34). This overview reflects the influence of both macro and micro developments.

Territorial processes are analysed in the framework of broader economic tendencies, which largely has to do with the changing position of spatial units in urban areas, which depends e.g. from labour market tendencies, the city's role in the world market development, etc. A prominent recent example for such analyses is Tutin's investigation (w/o year) about housing price development processes in Paris, where push and pull factors (e.g. upper segment moves, office market and public policies) seem to define the residential market's development. This analysis draws our attention to the paradigm of market segmentation and social division of space.

To conclude, on a national scale, house price developments are strongly influenced by macro-economic factors such as anticipated prices, income and interest rates, replacement values, etc. House prices at district or smaller scale level are as well defined by qualitative characteristics of individual homes and neighbourhoods.

4.3.8 Effects of the monetary policies on the housing market (transmission)

The relevance of the monetary transmission effect for housing is discussed in the framework of state monetary interventions that have an influence on lowering inflation.

In this discussion, housing has a role as a sector which is driven by households' and investors' decisions to regroup their resources from the financial markets to asset markets once the expected gains from financial products lessen as compared to the real estate market in case of lowering interest rates. The related discussion has shown transmission's relevance for the national level housing markets, which as well means that the effects of transmission have a territorial reference.

We provide a brief summary on the theory of monetary transmission so as to shed light on its relation with housing markets. Monetary policies can have a multiple influence on households' behaviour. As Kiss and Vadas (2005) refer, these channels are the interest rate channel, the asset price and wealth effect, and the credit channel. The interest rate channel means that lowering interest rates raise the security of mortgage lending, and thus they might contribute to higher loan to value products and to long maturity. This increases the possible extent of debt. An additional element related to the interest rate channel is the setting of the ratio of monthly instalment to disposable income that increases the security of repayment. The second channel, referred as asset price and wealth effect, comprises the effect that with housing price increase, the housing wealth of households increases as well, and this leads to a regrouping of consumption. The relevance of the third channel is the influence the possibility of a default – if housing prices increase, the risk premium decreases, and the monthly instalments are reduced (in case of loans when the mortgage repayment is tied to the collateral). The authors refer to a comprehensive ECB study (2002) on monetary transmission mechanisms that concluded that among the three channels, it was the interest rate channel that was applied to the largest extent.

Thus, monetary policies have a multiple effect on the housing market: the growing mortgage markets that emerge based on lower key interest rates and deregulation of the mortgage market, can lead to an increase in housing prices and thus contribute to broadening consumption (wealth effect). We must add, that this process is not self-evident: Kiss and Vadas also refer cases when this development did not occur. Nevertheless, monetary policies comprise national level interventions, and hence can contribute to the increasing or decreasing territorial differences of housing markets.

4.3.9 Urban sprawl and its effects on housing and housing policy

The scientific discussions dedicated particular interest to the phenomenon of urban sprawl especially from the eighties. It is often referred that urban sprawl has negative consequences including a low control on development, decreasing sufficiency of services for affected areas and those with limited mobility, increasing pollution due to environmental pollution, loss of green space, and last but not least, declining housing prices that are results of segregated spatial segments of urban areas, etc.

The scientific literature from the early sixties captures the processes of the expanding urban space with the help of several paradigms, such as suburban growth, the loosening of the compact city, spatial mix of functions. Processes of mononuclear cities, or multi-centred cities are evaluated in this framework. The definitions offered vary to a large extent, and are based on land use, on impacts of urban sprawl, density characteristics, etc. Further discussions highlight the negative social impacts or this endemic urban – also if uncontrolled – growth phenomenon.

Urban sprawl not only includes the growing of urbanized areas, but it has relevance for housing as a sector of urban functions. Moving for declining areas in a city to outskirts with higher life quality has been already discussed in the theses of the Chicago school, whereas it gains more and more relevance in today's understanding of housing developments of the urban areas. The attractiveness of urban zones for labour force has driven large urbanization processes, whilst the stratification of the housing sectors and the growing wealth has reinvented the lower density places for housing environment for the better-off, leaving areas behind with declining housing prices. Exploring these interrelated processes constitute the core of the discussions.

Additional relevancy of urban sprawl is given by its prevalent role for urban and housing policies. As Tosics (2004) points out, "proper housing construction and land use policies may play a prime role in combating sprawl and dispersal in urban areas. The keywords for such policies might include public land-banking, affordable new construction, social mixture etc. A kind of regional cooperation is unavoidable if these policies are to cover not only the city but also the agglomeration areas." (p. 73). Such policies seem to be crucial for developing sustainable cities.

As it is obvious, urban sprawl has common mechanisms to that of neighbourhood change, so to say, this latter can be seen as the other side of the coin. Therefore, some theoretical models that are relevant for our discussions are investigated more into detail in the next section.

4.3.10 Neighbourhood change and its relation to housing

A common root of the discussions of urban sprawl and neighbourhood change originates in the findings of the Chicago School. As Beckhoven et al (2005) points out, there are numerous approaches that have been added to the discussions for the last app. 75 years. We will highlight some of the developed models as discussed by Beckhoven et al, because they will help us to understand the territorial processes undergoing in today's Europe.

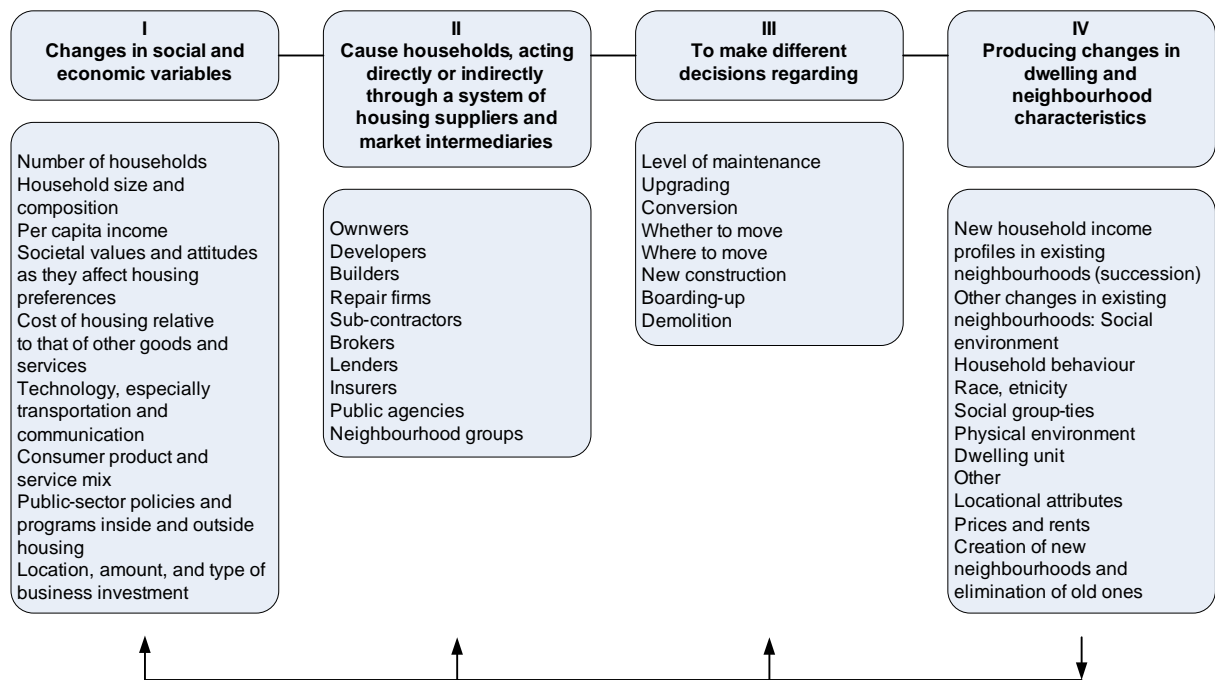
The most influential paradigm on base of which numerous concurring and additional approaches have emerged is undoubtedly the human ecology approach. The main point of this paradigm is that there is economic competition for urban locations among social groups, and some additional push and pull factors drive the households' decisions to opt for particular living spaces. While discussing this paradigm more in-depth, Beckhoven *et al* lists the well-known models of Burgess of invasion and succession, the bid-rent theory of Alonso about the balance of the cost of commuting and renting, Hoyt's filtering theory, and some border or tipping models meaning that out-migration is a panic move because low-income people move into a certain area.

A further paradigm referred by Beckhoven *et al* is the subcultural approach that emerged as a reaction to the human ecological theory. The added findings of this theory are that besides the economic factors, there are social, psychological and demographic aspects that define one neighbourhood's processes, and contrary to the findings of the human ecological school, neighbourhoods are not doomed to deteriorate. The residents can also improve their neighbourhood, and can induce processes that hinder the decrease in homogeneity in a given neighbourhood that largely contributes to a break down of social relations and hence to the motivation of people to move away. This approach has broadly been criticized based on the overemphasizing of the processes in one neighbourhood and neglecting external factors' influence.

A further paradigm cited by Beckhoven *et al* is the political economy approach. This approach basically incorporates elements of the institutional theory, while it relies on the division of a local and a state level. In this framework, the state (through its welfare regime) has a crucial role: if subsidies for housing and withdrawn, this can lead to deterioration of neighbourhoods, since the resources have to be redistributed and that the poorer may not have access to them. Either better-off move out, or lower-income households have to move to more affordable places. The local level processes are also crucial in this theory, and they show some similarities with the subcultural approach: while investigating the inequalities among neighbourhoods, the emergence of some growth machines suggested that urban elite has a particular role in neighbourhood change. It can accumulate economic power, promote real estate and population growth.

The three above-listed paradigms have recently often been combined so as to deliver a more comprehensive picture on processes of neighbourhood change. Beckhoven *et al* lists several discussions, some of which are investigated below.

Figure 21 Grigsby's model of neighbourhood change

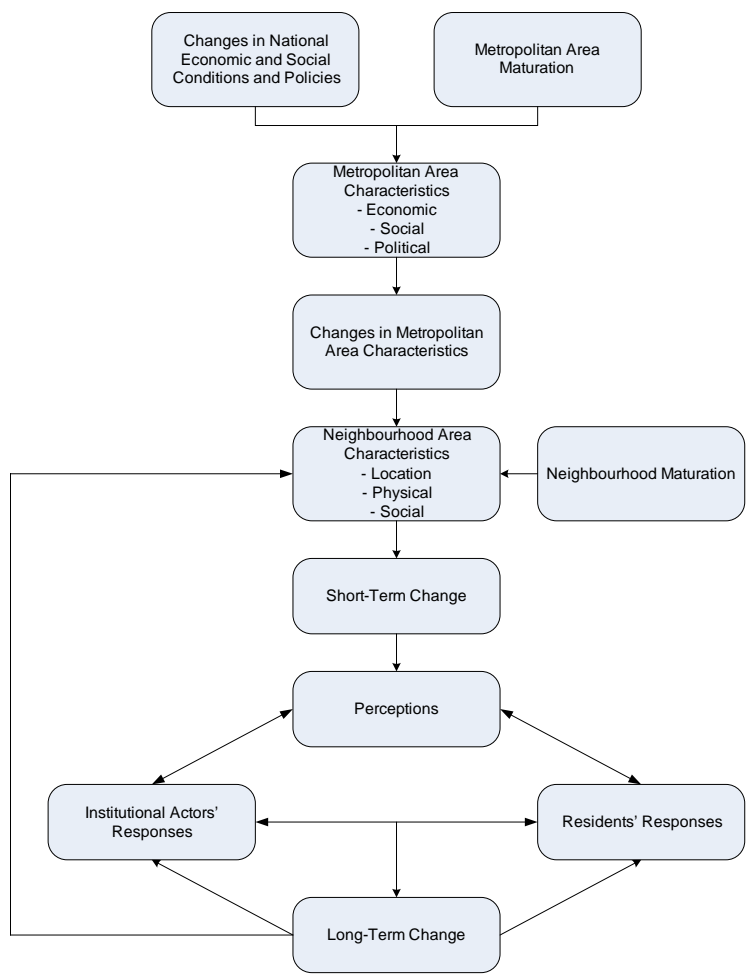


Beckhoven et al cites Grigsby's model of neighbourhood change. Source: Grigsby, W., Baratz, M., Galster, G. and D. Maclennan (1987): The dynamics of neighbourhood change and decline. *Progress in Planning*, 28, pp. 1-76.

Grigsby's comprehensive model is outstanding in combining internal and external factors, nevertheless, it seem not to count with the residents' possible actions. As Beckhoven et al refers to its critics, some basic assumptions of the model are rejected (e.g. lifespan of areas cannot be postponed infinitely, the concentration of poverty does not necessarily have to lead to deterioration. (p. 11)

According to the authors, a representative of further developed models is that of Temkin and Rohe (1996), which has some additional elements for the understanding of change. It emphasizes the importance of the social fabric, and within its multidisciplinary approach, it identifies two relevant forces for neighbourhood change: changes in national economic, social and political conditions, and the maturation of an area (residents age, marry, die). It admits the crucial role locational, physical and social characteristics, and considers neighbourhood change as a kind of dialogue between residents and larger social forces. Nevertheless, not enough weight is given to the physical characteristics of the neighbourhood.

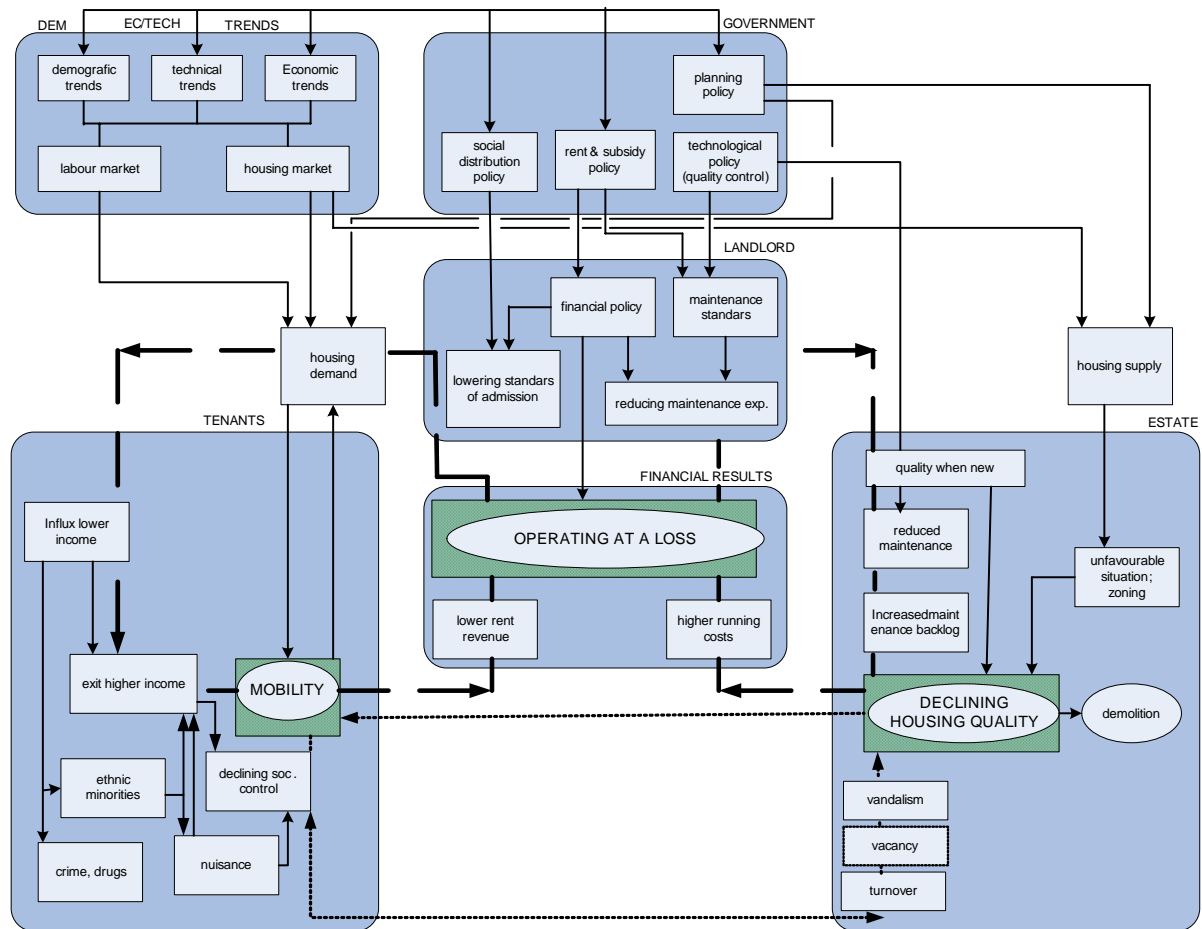
Figure 22 Temkin and Rohe's model of neighbourhood change



Beckhoven et al cites Temkin and Rohe's model of neighbourhood change. Source: Temkin, K. and Rohe, W. (1996): Neighbourhood change and urban policy. In: Journal of Planning Education and Research 15 (3), pp. 159-170.

One of the most comprehensive models according to Beckhoven et al is the model of Prak and Priemus (1986). The so-called spirals of decline draft a systematic approach to multiplying and interrelated elements of neighbourhood changes. The referred authors state that decline is a result of fortifying results: social decline, economic decline and technical decline. The social decline is based on the change of the composition of tenant population, which results in numerous moves from the area. They admit that a faster turnover may contribute to vacancies, and hence results in technical decline, because of the lack of sufficient resources to cover the operational costs). This may lead to further growing mobility, and even higher running costs emerge. The end result can be economic decline of the area

Figure 23 Prak and Priemus's model of the spirals of decline



Beckhoven et al cites OTB 1989: *Exploitatieproblemen in de Naoorlogse Woningvoorraad; Diagnose en Therapie (Operational management problems in the post-war housing stock: diagnosis and treatment)*. Den Haag: Ministerie van VROM, DGVH-DOC.

Beckhoven et al identifies some similarities of Skifter Andersen's model (2003) to Prak and Priemus's scheme in the sense that he sees neighbourhood decline as a 'self-perpetuating process' which is based on three elements. These elements comprise given circumstances (i.e. local housing market conditions, rent level, physical appearance and amenities), observed problems (i.e. passivity and low engagement among residents, social and behavioral problems, problems connected with immigrants and bad reputation), and residential changes (i.e. difference between the initial composition and that of new residents). He distinguishes two processes of deprivation: interior (all processes in the neighbourhood) and exterior (negative influence on the inflow and outflow of people and capital). The added value of this model is the influential role of immigrants in neighbourhood change, but critics highlight its insufficiency to reflect on macro-factors.

The relevance of housing in neighbourhood change is undoubted, and most probably this is the most obvious field where the territorial relevance of housing comes to light. One special issue of neighbourhood processes will be discussed later

when referring to the recently developing discussions of post war housing estates, as a special spatial unit in urban space which has very specific housing qualities.

4.3.11 The dynamics of the position of cities

As pointed out above, the changing urban areas have impact on their housing stock, and vice versa. A broader context than changes in the urban area (urban sprawl or neighbourhood change) is the discussion of processes that emerge in the competing environment of cities among each other.

A paradigm that has become the topic of vivid discussions is referred by Weese and Dieleman (1993), who point out that urban economies are tied into a single global market, and there are as well local effects, with hindsight that local policies try to contribute to the city's goal to achieve a leading position. In the context of this paradigm, cities are considered as parts of networks, and vast literature deals with the dynamization of the relation of cities, especially in the European context. As Weese and Dieleman (1993) point out, "new nodes are being added, which will affect the relative positions of cities throughout the continent." (p. 879) This process brings about the decline of some cities, which is defined by economic and demographic factors, and political developments. On the other hand, the convergence of cities can as well be observed, which derives from an increasing accessibility of areas via infrastructure development (roads and networks). To put it in Rietveld's wording (1993), the position of cities is defined by the 'gravity index' based on their accessibility.

The history of the discussions about the relative position and 'urban wing' concept started already in the beginning of nineties. Meijer (1993) refers about Brunet's concept of the Banana of Datar, and its further development which takes into account the 'second banana' in the Mediterranean area. Further competing models are Noble's concept of the 'Lotharingian core' and Palomaki's concept of the capital triangle. As Meijer summarizes, newer discussions get away from the morphological approach, and deliver a classification of the cities' functional division which should express the cities' role in the context of an international market competition.

For our discussion, it is vital to note that leading cities' housing markets contribute to the regional inequalities between them and the stagnating or declining areas. The macro-economic factors that contribute to the forming of leading cities have also impact on their local housing markets and social stratification processes. Therefore, with this paradigm one more argument can be added to the variety of interrelating aspects of territorial processes on housing.

4.3.12 Special problems of housing estates

The discussion of housing estates represents a further complex housing issue of territorial relevance. 'Housing estates' are the products of the era of industrialization and urbanization processes that underwent by the beginning of the 20th century. The II World War's damages gave new impetus to housing stock increase with comparably cheaper and quicker industrialized technology. The demand for new dwellings was raised by the baby boom shortly after WW II. The housing estates that were developed from the 40ies are comparably larger than

their ancestors. The constructed dwellings were largely supposed to be public tenures. Throughout Europe, around 45 million dwellings were constructed in housing estates, and while the construction housing estates in Western Europe already diminished by the seventies, the Central and Eastern European countries applied this construction method even up to the early nineties.

There are some definitions to housing estates in the scientific literature, but in order to discuss this issue in a coherent context, we refer here to Murie et al's (2003) analysis about housing estates. They point out that housing estates are built in the second half of the twentieth century, they comprise at least 2000 dwellings, they are perceived as distinct geographical areas in the urban space, and they were planned with state support.

At the time of their construction, housing estates answered the severe shortage of housing. As Beckhoven et al (2005) state, housing estates included flats that were spacious and well equipped apartments. Nevertheless, already shortly, problems arise, that are manifold. The authors refer to Turkington, who delivers a comprehensive list of possible problems in the case of housing estates, which are largely supported by Dekker et al (2006):

- structural problems (poor insulation),
- internal design problems (small number of rooms small service area),
- competition problems (low market position),
- urban design or spatial problems (poor location, noise pollution),
- internal social problems (crime, anti-social behaviour of neighbours),
- financial problems (rents, arrears, vacancies),
- management and organizational problems (inadequate maintenance and insufficient resources),
- legislative problems (ownership of flats, the common areas, and area around the buildings), and
- wider socio-economic problems

Since large housing estates represent a considerable share of housing stock in urban areas, and more elements from above lengthy listing of identified problems appear on one housing estate, numerous interventions have been applied in some housing estates throughout Europe. The policy developments are largely based on the findings of the scientific discussions, whereas we must add that the processes we observe in Western Europe's largely declining status housing estates are luckily still not of full relevance in Eastern Europe's similar sector.

The future of housing estates depends on a variety of factors, among them the housing market position of estates. The housing output increase in the past few years in at least some European countries, draws our attention to the fact that the German model of raising housing quality of housing estates at all price can lead to a huge loss of financial resources. Thus, it seems that policies designated to answer the interrelated problems of housing estates also have to be put into the framework of the discussions about neighbourhood change, urban areas' positions, housing demand and supply, etc.

4.3.13 The particularities of the East-European housing systems focusing on the territorial implications of housing policies

The scientific discussions about particularities about the particularities of East European housing systems have served as basis for a range of comparative analyses throughout the past few decades.

The largest differences highlighted by Musil (1993) that derive from "the socialist economy, its redistributive nature, the non-existence of a land market, and the specific features of socialist housing policies (the decommodification of housing in the first decades of socialism) had discernible socio-spatial effects" (p.901) in the former socialist countries.

Under this model, several "sub-models" (versions) emerged as responses of the individual countries to challenges in the process of the development of the socialist economy. (Turner et al, 1992). The structural conflicts ("cracks") were managed by different methods, introducing strict control mechanism (Bulgaria, Russia, East-Germany), or allowing quasi market processes (Yugoslavia, Hungary). Differences of the models could be characterized by the tenure structure (state-owned rental, cooperative housing sector and owner occupation), the role of different financial and economic organizations, and by the significance of "self-help housing". (Hegedüs, 1992) Differences were explained partly by exogenous factors, such as the organizational development of the party and the state, the economic and social policy, and partly by the endogenous development of the housing institutions.

The outcomes of different policy options – even among countries with the same level of the GDP – were quite different in terms of the quality and quantity of housing. Despite all these, it is important to emphasize the common typically "East-European" elements of the different versions, e.g. the housing estates, the under-maintained public sector, and rationed "elite" houses for the nomenclature, which justify the use of the term "East-European Housing Model". (Hegedüs and Teller, 2005)

The authors refer to Struyk (1996) exploring the possibilities of the East European Housing Model in the transition period: theoretically there were two basic options: 1. to use the housing sector as an "engine" of the change; or 2. to use as it as "shock absorption". The first option was practically unfeasible, because in the time of the economic decline the under-maintained and under-financed housing sector could not be totally "marketed" without huge and unmanageable social conflicts.

Today's developments show that the East European countries' housing systems are characterized broadly by the lack of "social housing", not merely in the sense of the public ownership, but in the operational sense, too, that is, housing for people who are facing huge affordability problems. The institutional solutions are under "construction", and we can talk about different attempts (e.g. the Polish TBS, or the municipal housing in other countries) which point into that direction. As Hegedüs and Teller (2005) further point out, a further common element in the region related to the risk and security of homeownership is the consequence of the hardship paying the increased housing related costs in a "constrained" macroeconomic environment. That is, a relatively wide share of the households is facing the problems of arrears, a huge social and political issue that has to be managed by the

transitional countries. Recent developments in housing finance show a converging trend with common European processes, as at the beginning of the 2000s, the housing output has gradually started to increase, and new, market oriented housing finance institutions have emerged, and housing finance has started to grow slowly.

4.3.14 Summary of the scientific discussions

The abovementioned thirteen different topics that are being broadly discussed in the current scientific literature suggest that there are highly interrelated processes undergoing in the housing sectors of the European area. In addition, these housing processes can be interpreted in their territorial reference, so as to reflect phenomena that define processes in neighbourhoods, the housing market of cities and regions, or even national housing markets. Policy development often refers to the scientific discussions and draws on the results offered by the discussions.

We found that the territorial embedding of housing can be captured by inequalities on the spatial level. The inequalities derive from a number of aspects, including macro-, micro, and cultural differences, institutional setups, physical characteristics, etc. Thus, a European level discussion of the territorial development's impact on housing (and vice versa) should focus on related disparities.

4.4 Geography

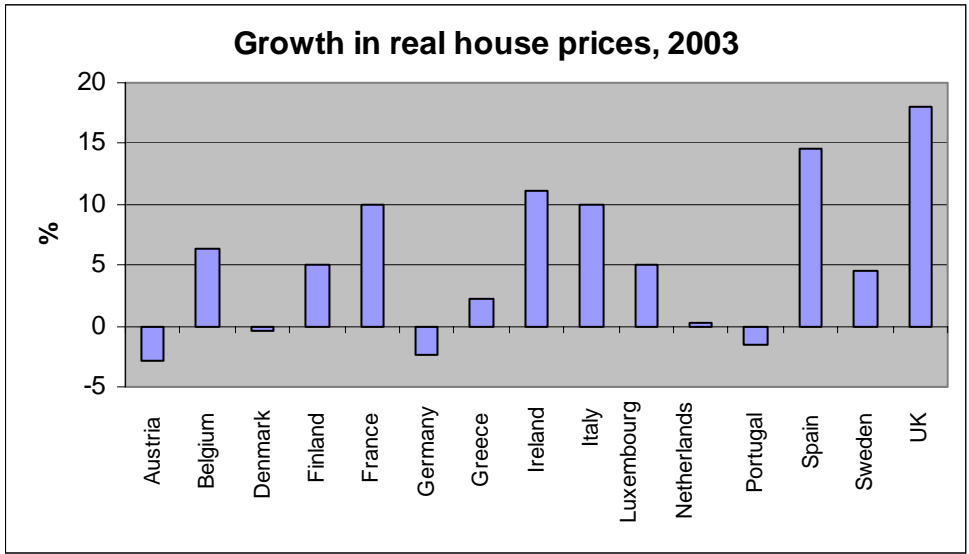
As pointed out in the previous section, there are numerous aspects that enable us to see the territorial differences in housing. The reasons behind such differences are wide-ranging, hence only some major points can be discussed in the framework of this research.

Earlier we stressed that the disparities among housing sector characteristics can be observed on various levels: sub-urban, urban, regional, and national level analyses may deliver useful results for a discussion about the interrelatedness of housing and territorial development.

While reviewing the data resources for EU25+2 we had to find that there is great scarcity in terms of available and suitable data for comparisons based on empirical resources for the whole European region. This means that either we have to constrain ourselves to drawing up results of a few cross sectional analyses, or we have to tighten the area of our observations.

In order to illustrate the regional differences in housing market developments (see possible reasons and impacts in section 4.3), we summarized the data available for the EU 15 (source: ECB, 2003).

Figure 24 Growth in real house prices, 2003 in the EU15

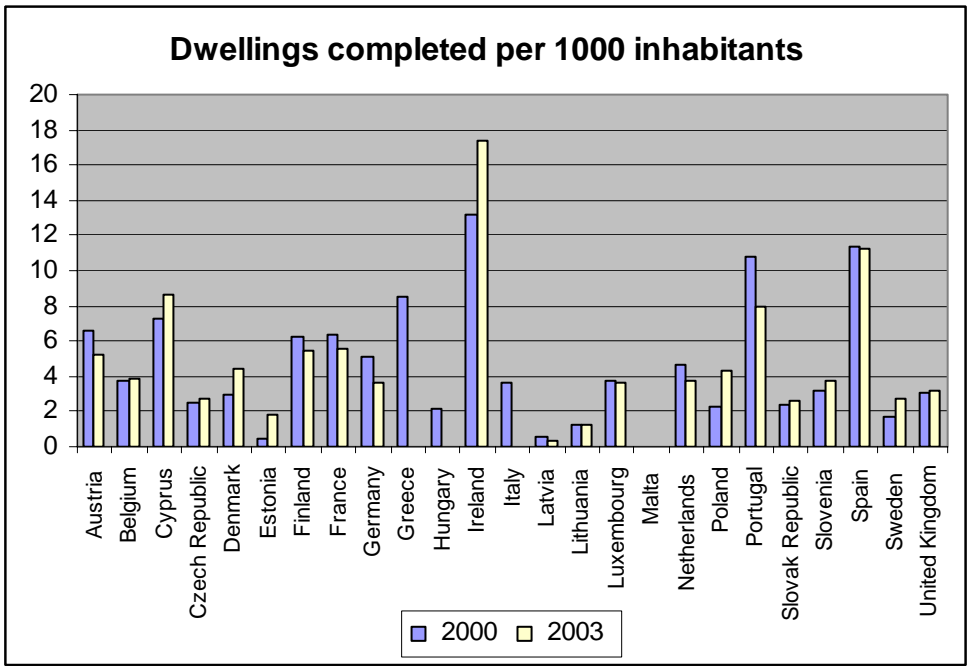


Unfortunately, there are no such data available on the regional level, and the comparison was only compilable for this year as this series of data was published only for 2003).

We had to face similar difficulties when trying to define a comprehensive indicator for the dynamics of housing investment (which also has to do with price increase).

We had to draw on two cross sectional data sets delivered by the Housing statistics in Europe, 2004 (see details and further possible indicators in the appendix for WP 4).

Figure 25 Dwellings completed per 1000 inhabitants, 2000 and 2003, EU 25



The fact that even on national level so many data are missing, allows us only to formulate restricted findings. The dynamic e.g. Irish output draws our attention to the effects of a boosting economy on housing output, and other data show that the New Member States still lag behind with mostly very low housing construction indices. The available data permits no further conclusions.

One of the crucial inequalities in Europe's housing markets is the affordability of housing. There have been several attempts to compile data on this issue, but more than national data are not accessible for the time being (if one wants to have data for more than EU12/15, the more recent housing statistics of the European Union are useful resources, with the constraint that they deliver no time-series). We tried to refine the available results based on the Urban Audit database, but unfortunately without success. This step would have been immensely necessary, as for the regional level, the level on which ESPON focuses, there is only a minimum of available data. Despite this, we must admit that the Urban Audit data collection gave new impetus for data availability on lower than national level, but the bunch of missing data rather limits the usability of the available data. In addition, these data do not cover all regions on aggregate level, rather urban zones and sub-urban level units.

5 EDUCATION AND TRAINING

5.1 Background

In a context characterised by the efforts to bring new life to the European Social Model, in accordance with the constitutional principle of the access to education as a fundamental right, there is a renewed sense of urgency with regard to reforming the practices, programmes and policies in the field of education and training, so as to reposition them in such a way as to meet the new challenges in this domain.

Education has been given the mission of ensuring the acquisition of skills and competences that are closely linked with the access to job opportunities. This dynamic process comprehends several interrelated dimensions.

On the one hand, it is associated with the human capital dimension at an individual level, by determining a person's socioeconomic situation and consequently his/her standard of living, which generally impacts upon the social sphere.

On the other hand, it translates into an economic dimension, since these skills and competences strongly influence the levels of productivity, innovation and economic growth.

These two dimensions are also linked to a third one, which has to do with the states' capacity, or lack thereof, to provide social protection to its citizens, namely by guaranteeing the access to the various levels of education, free of cost and with a broad regional coverage, thereby promoting social cohesion.

Ensuring a high degree of inclusion in the schooling system has been suggested as a means to integrate minorities subject to exclusion due to their educational disadvantage, and to overcome the significant barriers to their social inclusion in general. This is why educational inclusion policies are often implemented in relation with employment policy guidelines.

Bearing these issues in mind, the main objectives of this WP are to:

- Identify the relevance of education and training for the pursuit of social cohesion in the EU;
- Identify regional differences in educational performance and their relation with differences in terms of territorial competitiveness;
- Identify regional differences in terms of education and training and their relation with the goals of the Lisbon Agenda.

5.2 Relevant policies

5.2.1 The evolution of the educational policy guidelines

The Lisbon Strategy thus defined called for profound changes in terms of economic policy-making, alongside indispensable adaptations in the welfare regime. In fact, Europe has to rise up to the challenge of the “tremendous change brought about by globalisation and the new knowledge-based economy”, namely:

- the need of new qualifications and competences in order to answer to the new challenges in competitiveness and labour market;
- the new informational order due to information society;
- the globalisation of knowledge linked to technologies diffusion;
- the increasing mobility of people and economic flows;
- the new forms of social inclusion due to info-exclusion and reorganization of economic activities;
- and the process of demographic ageing

In this context, a central role was given to the reformulation of the education and training spheres, in recognition of their potential to induce adjustments in the other layers of the social and economic fabric.

Hence, the central role that lifelong training and education has come to play is very much a consequence of the Lisbon Strategy, since it is at the “*core of the creation and dissemination of knowledge, essentially determining the innovation potential of a given society. It is therefore a central part of these new dynamics in close relationship with other areas of action of the EC, including employment, research and innovation, business policy, the information society and the domestic markets*”.

The Joint Report on Social Inclusion – Part I: The European Union, including its synthesis (2001)¹⁶, identifies eight core challenges that must be overcome¹⁷. Included in these eight challenges, we find one that has to do with the need to tackle educational disadvantage in order to fight poverty and social exclusion. In stating this goal, several policy guidelines are indicated that include:

- A long term vision with regard to investment in education aimed at preventing poverty and social exclusion;
- Tackling school drop-out and promoting the reintegration in the schooling system of those who left it prematurely;
- Improving the acquisition of basic skills as a way to fight functional illiteracy.

¹⁶ http://www.europa.eu.int/comm/employment_social/publications/2001/ke4202521_en.pdf

¹⁷ Eight core challenges: 1) Developing an inclusive labour market and promoting employment as a right and opportunity for all; 2) Guaranteeing an adequate income and resources to live in human dignity; 3) Tackling educational disadvantage; 4) Preserving family solidarity and protecting the rights of children; 5) Ensuring good accommodation for all; 6) Guaranteeing equal access to quality services (health, transport, social, care, cultural, recreational, legal); 7) Improving delivery of services; 8) Regenerating areas of multiple deprivation.

The crucial impact of education and training upon performance in the economic, social and citizenship spheres has conferred it a central place in terms of policy concerns. One of the earliest consequences of this discussion was the decision by the member-states to centre their policy actions on bringing down the rate of illiteracy. In doing this, however, some member-states focused solely on educational policies, and did not give their necessary complementarities with regard to training policies enough consideration.

At a later stage, a new discourse emerged, structured around concepts having to do with the knowledge-based economy and with a special emphasis on the acquisition of skills and competences. There was thus a policy shift, from an emphasis on fighting illiteracy to a more integrated perspective, centred on e-Learning and on the acquisition of competences in fields such as the new information and communication technologies.

This amounts to saying that the priorities that guide policy intervention in the field of education should concern all the domains in which direct impacts are to be expected, and which are not limited to education alone. In particular, such impacts are to be expected in the following domains:

- economic outcomes, especially increasing employment levels, adaptability, productivity, and international competitiveness;
- social outcomes, including improving health, reducing criminal behaviour and other anti-social activities;
- other outcomes, including cultural outcomes, increasing equality of opportunity and citizenship.

In a period of significant change in this field, several papers and proposals were put forth that lay the grounds for the design policies and programmes of action in various fields. All these initiatives are classified in a recent document from EU, "Education and Training 2010 – Main Policy Initiatives and Outputs in Education and Training since the year 2000" (December 2005¹⁸) in the 10 followings domains (in each domain, main policy initiatives and outputs in education and training field are listed (Appendix 1):

- An integrated Policy Framework 'Education & Training 2010'
- Developing lifelong learning strategies
- Higher Education Reform
- Developing school education policies
- Enhanced cooperation in vocational education and training and adult education
- Removing obstacles to mobility
- Promoting multilingualism
- ICT for innovation and lifelong learning (Information and Communication Technology)

¹⁸ http://europa.eu.int/comm/education/policies/2010/doc/compendium05_en.pdf

- Measuring progress in education and training (Statistics, indicators and benchmarks)
- Expert networks in economic and social sciences

The first milestone documents return to 2001/2002, when an integrated policy framework on education and training as been designed as well many parallel and integrated initiatives in different domains have been adopted. In this WP, we particularly highlighted 6 domains of education and training orientations due to its essential role to improve competitiveness and social cohesion:

- i) **An integrated Policy Framework – “Education and Training 2010”**
 - As regards policy interventions in the field of education, the guideline matrix put forth in the Commission report entitled “Future objectives of education and training systems” (Education Council report, February 2001), is especially worthy of mention. It was the support for the “Detailed work programme on the follow-up of the objectives of Education and training systems in Europe”, adopted by the Council Commission on 2002, that specifies and defines the areas of action and is, therefore, a specific framework of action until 2010.
- ii) **Lifelong training as a key field in the education and training targets of Lisbon Strategy**
 - In the domain of lifelong learning strategies, we detail the document “Making a European Area of Lifelong Learning a Reality”, 2001, due to its importance to labour force qualification and competitiveness improvements.
- iii) **eLearning as a support to new challenges in education and training**
 - In the domain of ICT for innovation and lifelong learning we detail “The eLearning Action Plan – Designing tomorrow’s education”, 2001, due to its importance to improve communication technologies and competences in different domains of education and training.
- iv) **Vocational education and training as a field of education and training 2010 – The “Copenhagen Declaration” milestone**
 - In the domain of “Enhanced cooperation in vocational education and training and adult education” we detail “The “Copenhagen Declaration”, adopted in 29th and 30th November of 2002 that has reinforced cooperation at the European level in the field of vocational training and education, by putting forth initiatives aimed at promoting transparency and by establishing a single credit transfer system for vocational training and education based on quality criteria. This declaration also laid the foundations for the creation of a “group of reference indicators in the areas of lifelong guidance and counselling, non-formal education and the training of teachers and trainers in vocational training and education”. A commitment was made to reinforce cooperation in the field of vocational training and education in such a way as to include all the social partners in the process.

v) The need to remove obstacles to mobility – The Single Community framework for the transparency of qualifications and competences – “Europass”

- In the domain of “Reducing obstacles to mobility”, the chosen document was “Europass”. It results from a Decision No. 2241/2004/EC of the European Parliament and of the Council, of December 15th, 2004, which introduced a single European framework for the transparency of qualifications and competences. With this document, a further step was taken towards “establishing a single Community framework for achieving the transparency of qualifications and competences..., which European citizens can use on a voluntary basis in order to communicate and display their qualifications and competencies more efficiently all over Europe”.

vi) Finally, some considerations about the central role of the university institution in the pursuit of the Lisbon targets will be done.

Policy Fields	Initiative
An integrated Policy Framework 'Education & Training 2010'	Future objectives of education and training systems Education Council report (February 2001)
ICT for innovation and lifelong learning)	The eLearning Action Plan – Designing tomorrow’s education Communication from the Commission to the Council and the European Parliament (March 2001)
Developing lifelong learning strategies	Making a European Area of Lifelong Learning a Reality Commission Communication (November 2001)
An integrated Policy Framework 'Education & Training 2010'	Detailed work programme on the follow-up of the objectives of Education and training systems in Europe Work programme of the Education Council in cooperation with the Commission (February 2002)
Enhanced cooperation in vocational education and training and adult education	“Copenhagen Declaration” – Enhanced European cooperation in vocational education and training Declaration of the European Ministers of Vocational Education and Training, the European Social Partners and the European Commission (November 2002)
Removing obstacles to mobility	Europass Single Community framework for the transparency of qualifications and competences, Decision No 2241/2004/EC of the European Parliament and of the Council, December 2004)

5.2.2 Education and training policies and programmes in various fields

An integrated Policy Framework – From the “Future objectives of education and training systems” to the “Education and Training 2010” Working Programme

As regards policy interventions in the field of education, the guideline matrix put forth in the Commission report entitled “Future objectives of education and training systems”, an *Education Council report* (February 2001), is especially worthy of mention.

As pointed in the Report, it is fundamental that education systems can answer the changes and challenges that affected EU, namely:

- changes in working life, specially changes in labour market and skills required from employees and managers, namely in the service sector. In this context, more than a reform of education systems, lifelong learning appears as a prerequisite to stay attractive to the labour market.
- ageing of demographic structures and migration reinforcement that contributes to social and societal changes. Young and skilled people are becoming a scarce resource, particularly in countries with tight labour markets. At same time, replacement migration occurred in all European countries, especially in low-cost labour force of non-skilled sectors of the economy. The challenge of these demographic trends on education and training systems implies: the need to people continue learning to become more employable and entrepreneurial; and the need to provide for information and guidance and continuing education and training for people during a longer and more active life-span. Another fact is that migration flows are now more varied. This confronts the education and training systems with the reality of a diversified and multilingual public to serve in order to promote social cohesion.
- equal opportunities and social exclusion, by the updating of skills in the promotion of equal opportunities in the widest sense, in order to contribute to the inclusion of vulnerable groups such as people with special educational needs
- and the enlargement process of EU.

Building on this diagnosis of the main challenges, this document proceeds to identify the main areas of intervention, which we synthesise here thus:

- i) to improve the level of education and training in Europe, by improving the quality of the training of teachers and trainers and by putting special efforts into the reading, writing and counting skills;
- ii) to facilitate and generalise the access to lifelong learning, by improving the access to lifelong education and training and by ensuring its attractiveness through the enhancement of mobility within the educational system (e.g., from vocational training to higher education);
- iii) to upgrade the basic skills bearing in mind the characteristics of the knowledge-based society, integrating ICT skills, paying greater attention to

personal skills and tackling insufficiencies with regard to certain competencies;

- iv) to open education and training to the local context, Europe and the rest of the world, fostering the learning of foreign languages and mobility and reinforcing the relationship between the business world and the educational system;
- v) to use the available resources more effectively, guaranteeing the quality of the education and training institutions, matching resources to the needs and enabling the schooling institutions to develop new partnerships with the aim of enhancing their role as an integrating platform.

One year later, an operational programme comes to concretize the guidelines pointed in the previous document. In 2002, the Commission adopted the "Detailed work programme on the follow-up of the objectives of Education and training systems in Europe", a Work programme of the Education Council in cooperation with the Commission.

The scope of the initiatives implemented under the "Education and Training 2010" Work Programme are not limited to the more immediate and short-sighted goals; rather, they take into account the guidelines of the European Employment Strategy, as well as those of the overarching matrix created with the aim of giving rise to the creation of a European Research Space and all the other aspects having to do with the knowledge-based society. To these components, one should also add the strategies in the fields of economic policy, domestic labour markets and industrial policies. Such an all-encompassing range of concerns is an essential condition for a tight fabric of cause and effect to be knit, leading up to the achievement of the goals in the field of lifelong training and education formulated in the Lisbon Strategy.

The close relationship between the economic and social components that is present in the goals of the "Education and Training 2010" Work Programme underline the twin role of the education and training systems. The innovation capacity, in close association with the potential for excellence, is a paramount determinant of the competitiveness of each country or region, which in turn originates upstream, at the level of the lifelong training and education systems. This should take place alongside the advancement of Europe's social dimension, which have to do with upholding the values of equal opportunities, social participation, improvements in the area of health, fighting crime, environmental awareness, democratisation and quality of life.

The "Education and Training 2010" Work Programme is focused on three strategic objectives, which are broken down into 13 associated objectives:

- (1) improving the quality of education and training systems:
 - Improving education and training for teachers and trainers
 - Developing skills for the knowledge society
 - Ensuring access to ICTs for everyone
 - Increasing the recruitment to scientific and technical studies
 - Making the best use of resources

- (2) facilitating access for all to education and training
 - Open learning environment
 - Making learning more attractive
 - Supporting active citizenship, equal opportunities and social cohesion
- (3) opening education and training to the world
 - Strengthening the links with working life and research, and society at large
 - Developing the spirit of enterprise
 - Improving foreign language learning
 - Increasing mobility and exchanges
 - Strengthening European co-operation

The implementation of the detailed work programme is also supported by European cooperation in other forms: community programmes, action plans, visits of decision makers, comparative and prospective studies, statistical and other surveys, pilot projects, etc.

General target results are expected according to the main objectives:

- (1) "improving the quality of education and training systems":
 - halve the number of 18- to 24-year-olds with only lower-secondary level education by 2010;
 - ensure that all education and training institutions have access to the internet and to multimedia resources by the end of 2010;
 - take steps to ensure that all the teachers involved are qualified in the use of these technologies by the end of 2002; bring about a substantial increase in per capita investment in human resources every year.
- (2) "facilitating access for all to education and training":
 - halve number of 18 to 24 year olds with only lower-secondary level education who are not in further education or training by 2010.
- (3) "opening education and training to the world":
 - promote training for entrepreneurs + self-employed workers;
 - encourage people to study two EU languages in addition to their mother tongue(s) for a minimum of two consecutive years;
 - promote mobility of students, teachers, trainers and researchers.

In 2003 the Commission Staff Working Document presents the "supporting document for the draft joint interim report on the implementation of the detailed work programme on the follow-up of the objectives of education and training systems in Europe". In general it made a positive evaluation of the action plan implementation: "The work of the past two years nevertheless illustrates the vitality of the education and training systems in gradually adapting to the knowledge-driven society and economy. At the same time they highlight the huge gap to be narrowed if the objectives set for 2010 by the Heads of State and Government are to be attained, particularly that of making the European education and training systems "a world quality reference by 2010" (pp.5 6). Nevertheless, many indicators have a modest evolution (like the low decrease of early school leavers) that shows the importance of:

- "investing more and more efficiently, focusing reforms on key areas;

- define truly coherent and comprehensive lifelong learning strategies (conclusion of the interim report on the implementation of the detailed work programme of 2003);
- create a Europe of education and training
- and the need to each Member States submit each year as from 2004 a consolidated report on all the action they take on education and training which can contribute to the Lisbon strategy. These national reports should evaluate the contribution of education and training to the Lisbon strategy and should be articulated in a coordinated way, together with those on the European employment and social inclusion policies.

In general, the action plan is fundamental to the development of an education and training European policy, and becomes a referential to achieve social cohesion goals.

Lifelong training as a key field in the education and training targets of Lisbon Strategy

In parallel to the previous integrated policy framework on education and training, other policies have been developed, of which special role should be done to lifelong training filed and eLearning strategies. In the document that came out of the Lisbon Council of March 2000, particularly its guidelines on *"education and training for life and work in the knowledge society"*, we find a clear indication that lifelong training has become a priority. In order to meet this challenge, *"the European education and training systems will have to be adapted to suit not only the demands of the knowledge society but also the need for more and better jobs. They will have to provide learning and training opportunities that cater for target-groups in different stages of their lives: young people, unemployed adults and working people at risk of seeing their competences lose their relevance in the presence of rapid change"*. This formula comprises three main components: *"the development of local learning centres, the promotion of new basic skills, particularly in the field of information technologies, and greater transparency with regard to qualifications"*.

The European Council held at Feira in June 2000 urged the Commission and the member-states to design coherent strategies and practical measures in order to encourage all the citizens to pursue lifelong training and education. The pursuit of this aim led the Commission to publish a report on *"Making a European Area of Lifelong Learning a Reality"* (November 2001), which set the standards for the development and implementation of comprehensive and coherent strategies in this field, as well as a series of priorities at the European, national, regional and local levels.

In order for lifelong education (in the aforementioned sense) to be assimilated by the European population, it is essential to:

- develop a partnership approach that include all relevant actors;
- gain insight into the needs of the learner, or the potential learner, along with the learning needs of organisations, communities, wider society and the labour market;

- ensure adequate and transparent allocation of resources;
- match learning opportunities to learners' needs and interests;
- facilitate access by developing the supply side to enable learning by anyone, anywhere, at any time;
- value non-formal and informal learning;
- and create a culture of learning, by increasing learning opportunities, raising participation levels and stimulating demand for learning.

Their priorities for action are:

- Valuing learning
- Information, guidance and counselling
- Investing time and money in learning
- Bringing together learners and learning opportunities
- Basic skills
- Innovative pedagogy

Progress is measured and monitored through the use of indicators. In 2001 the Communication on Structural Indicators proposes three indicators related to lifelong learning. These concern investment, participation and early school leavers. Together with these, another five existing indicators provide measures to monitor progress within three of the above 'priorities for action' areas concerning investment in learning, basic skills and innovative pedagogy. One year later, in 2002, the Commission Report based on the work of the Working Group on Quality Indicators, entitled "Quality Indicators of Lifelong Learning – Fifteen Quality Indicators"¹⁹ (June 2002), defined a series of guiding principles and indicators for the actions in the field of lifelong training, setting parameters aimed at making it possible:

- to build an inclusive society which offers equal opportunities for access to quality learning throughout life to all people, and in which education and training provision is based first and foremost on the needs and demands of individuals;
- to adjust the ways in which education and training is provided and at the same time to ensure that people's knowledge and skills match the changing demands of jobs and occupations, workplace organisation and working methods; and
- to encourage people to participate in all spheres of modern public life, especially in social and political life at all levels of the community, including at European level.

Those indicators could be aggregated into 4 groups: Skills, Competencies and Attitudes; Access and Participation; Resources for Lifelong Learning; and Strategies and System Development.

¹⁹ http://europa.eu.int/comm/education/policies/lll/life/report/quality/report_en.pdf

While it must be acknowledged that the various member-states have performed quite disparately at taking the EU guidelines into account in their own policy formulation, a broad consensus has indeed been emerging regarding the need to carry out a joint ongoing effort in order to bring the European population into the process.

Among the aspects that now seem to be fairly unanimous and which have been given greater emphasis in the reports, the following are most worthy of mention:

- lifelong training as a major concern, as a source of basic knowledge and skills and as a privileged vehicle for the training of the economically active population;
- the realisation that lifelong training can provide a second opportunity for a significant share of the population to gain access to basic competences;
- broad sharing of responsibility for the implementation and funding of training initiatives among the various stakeholders, including local and regional entities, social partners, the civil society, businesses, associations, etc.;
- the removal of the obstacles to the democratisation of the access to training, including the accreditation of formally and informally acquired competences;
- the expansion, diversification and dissemination of the training formulae and instruments as a constant aim for the trainers themselves.

Nevertheless, the Commission Progress report on the follow-up to the Council resolution of 2002 (December 2003) for EU and EFTA/EEA countries and for acceding and candidate countries, entitled "Implementing National Lifelong Learning Strategies in Europe", lists a series of issues that have not been adequately addressed thus far. Of these neglected issues, we would like to highlight the following:

- pre-school learning, including the family learning environment;
- the training and adaptation of teachers at the level of basic education so as to ensure that they are in a position to set their students' ongoing training process in the right course from an early stage;
- the workplace as the fundamental place in which most training initiatives should be implemented, since it is where the needs and demands are most pressingly felt and because the work environment makes it possible to immediately put into practice the newly acquired knowledge and competences;
- the learning of foreign languages as a broad space, enabling the experience of an ample European citizenship.

Increasing participation in lifelong learning has also become a central concern of a range of programmes, from those that target the unemployed to those aimed at the expansion of family support programmes, promoting equality of opportunities, increasing employment rates (from 61% to 70% by 2010), increasing women's employment rate (from 51% to 60% by 2010) and cutting in half by 2010 the percentage of young people who do not pursue education or training.

One of the overarching principles of the guidelines for lifelong training concerns the promotion of active ageing, by encouraging the older workers to remain active and

modernising the lifelong learning systems, as well as the health care and prevention systems.

Integrated Communication Technologies as a support to new challenges in education and training – The key role of “The eLearning Action Plan. Designing tomorrow’s education”

The arrival of multimedia and Internet, particularly the Web, at the beginning 1990s, started a new era that demands a strong response from the EU. These changes had major implications in the competitiveness of world regions and in the labour force market restructuring.

The eLearning initiative was one of the EU answers to all this challenges (“eLearning: Designing tomorrow’s education”, adopted by the European Commission on 24th of May 2000). This document became true in “The eLearning Action Plan – Designing tomorrow’s education” (communication from the Commission to the Council and the European parliament in 2001). The purpose of this Action Plan is:

- to accelerate the deployment in the European Union of a high-quality infrastructure at a reasonable cost.
- to step up the training drive at all levels, especially by promoting universal digital literacy and the general availability of appropriate training for teachers and trainers, including technology training as well as courses on the educational use of technology and management of change
- to strengthen cooperation and dialogue and improve links between measures and initiatives at all levels — local, regional, national and European — and between all the players in the field: universities, schools, training centres, decision-makers and administrators responsible for selecting equipment, software, content or services (including the social partners)

It is organised in four main lines of action, each one with key measures:

- (1) infrastructure and equipment – with the following measures:
 - Development of a tool to assist decision-making;
 - A European research area for new learning environments;
 - Encouraging the development of infrastructure
- (2) training – with the following measures:
 - new skills and eLearning;
 - training of teachers and trainers,
- (3) services – with the following measures:
 - a conducive environment;
 - priority areas for innovation and development
- (4) strengthen cooperation and dialogue -with the following measures:
 - the eLearning site;
 - reinforcing the European education and training networks

The eLearning Programme aims to address each of these four areas in a coherent and consistent way, fighting the digital divide, reinforcing the role of universities

and higher education institutions, developing school twinning via the Internet and developing transversal actions for the promotion of e-learning in Europe, building on the monitoring of the eLearning Action Plan. Those are adopted by all member states in their national policies and respective Action Plans, in an integrated way.

The main actors are the: European Commission, Member States, European Investment Bank, Eurostat, Eurydice e CEDEFOP

The analysis of "eLearning Action Plan" as well in the new eLearning programme for 2004-2006, shows that one the critical dimensions is the promotion of digital literacy. That point has a key role in the competences improvements, with natural effects in labour market qualification as well in social inclusion, contributing to territorial cohesion. The evaluative reports shows that the plans from the national member states are on going and many results have been achieved, namely in infrastructure support.

Another critical dimension is related with infrastructure support and the possible effects of territorial "segregation". In fact, each country defines their "territorial" network. It is important to develop studies and indicators that can measure these effects, namely for territorial cohesion observed in a more detailed scale as NUT III.

Vocational education and training as a field of education and training 2010 – The "Copenhagen Declaration" milestone

The development of the European education and training programmes, started by the Bologna declaration on higher education in June 1999, have been a key factor for improving cooperation at European level. On 30 November 2002 the education Ministers of 31 European countries and the European Commission adopted the "Copenhagen declaration", a document that is essential to promote employability, active citizenship, social inclusion and personal development as well to fit strategies for lifelong learning and mobility. The Declaration follows a Resolution of the Education Council of 12 November that integrates the candidate countries, EEA-EFTA countries and Social Partners.

In the declaration, 4 main priorities were defined:

- European dimension
- Transparency, information and guidance
- Recognition of competences and qualifications
- Quality assurance

The following principles will underpin enhanced cooperation in vocational education and training:

- "i) Cooperation should be based on the target of 2010, set by the European Council in accordance with the detailed work programme and the follow-up of the Objectives report in order to ensure coherence with the objectives set by the Council of the European Union (Education, Youth and Culture).
- ii) Measures should be voluntary and principally developed through bottom-up cooperation;

- iii) Initiatives must be focused on the needs of citizens and user organisations;
- iv) Cooperation should be inclusive and involve Member States, the Commission, candidate countries, EFTA-EEA countries and the social partners"

The Member States, EEA countries the social partners and the Commission have begun cooperation at a practical level, focused on a number of concrete outputs work on the issues:

- transparency of competences and qualifications (with the publication of "Common European format for Curricula Vitae – CVs- , Communication of March 2002, and "Europass", Decision of the European Parliament and of the Council, of December 2004);
- system of credit transfer for VET. taking forward the communication "Realising the European Higher Education Area", made in Berlin, in 2003;
- common criteria and principles for quality in VET, taking forward the work of the European Forum on Quality;
- common principles for the validation of non-formal and informal learning, that aim is to develop a set of common principles to ensure greater compatibility between approaches in different countries and at different levels ("Validation of non-formal and informal learning", Conclusions of the Council of May 2004");
- lifelong guidance, that aim is to strengthen the European dimension of information guidance and counselling services, enabling citizens to have improved access to lifelong learning (it takes in account the Making a European Area of Lifelong Learning a Reality, a Commission Communication

In essence the 4 main priorities contributes to enhance cooperation in vocational education and training and remove obstacles to mobility, in strict relation with Lisbon challenges, namely in labour market requirements. In social terms the most visible consequence is the "openness" of the educational system and, in the future, the labour market mobility that, in theoretical terms, should contribute to social and territorial cohesion of territories.

The need to remove obstacles to mobility – The Single Community framework for the transparency of qualifications and competences – "Europass"

In sequence of the recommendations of Copenhagen Declaration emerges the need to have a single document that integrates all actions to increase transparency in vocational education and training, through the implementation and rationalisation of information tools and networks. Europass allows this integration, namely in European and national level.

The main objectives are:

- "Improve transparency of qualifications and competences will facilitate mobility between countries as well as across sectors. ";

- "...increase transparency in vocational education and training, through the implementation and rationalisation of information tools and networks, including the integration of existing instruments into one single framework";
- "...establishes a single Community framework for achieving the transparency of qualifications and competences by means of the creation of a personal, coordinated portfolio of documents."

Participation shall be open to acceding States and to non-Community countries of the European Economic Area in accordance with the conditions laid down in the EEA Agreement.

Each Member State shall be responsible for the implementation of this Decision at national level. For this purpose, each Member State shall designate a National Europass Centre (NEC), which shall be responsible for the coordination at national level of all activities referred to in this Decision and which shall replace or develop, where appropriate, existing bodies currently carrying out similar activities.

Europass consists of five documents, available in all official EU languages:

- Europass CV – the CV is the backbone of the Europass portfolio;
- Europass Mobility – of which purpose is to record in a common format experiences of transnational mobility for learning purposes;
- Europass Diploma Supplement – personal document developed jointly with the Council of Europe and UNESCO which records the holder's educational record;
- Europass Certificate Supplement – a supplement to a vocational education and training certificate, clarifying the professional qualifications of all individuals holding such qualifications;
- Europass Language Portfolio – a document in which citizens can record their linguistic skills and cultural expertise.

Europass, more than a policy of transparency of competences and qualifications, is a way to improve new opportunities for learning and employment in Europe. In fact, it is a way to people making their qualifications and competences valid in EU Member States. EFTA/EEA countries and candidate countries, in fact, answer to the mobility and labour market adjustment required by Lisbon goals.

Despite the importance of Europass as well as all other documents that guarantee the transparency, equal recognition of competences and qualifications and quality assurance, necessary conditions to improve mobility and the qualification at European level, the picture of European regions is very heterogeneous in many domains (namely, different levels of ageing of the demographic structures, unequal educational levels, different productive, economic and social systems). That will induce some possible effects:

- the increase of mobility will occur specially linked to specific segments of labour sectors (especially more qualified and higher educational levels). This fact, should be taken into special account in the process of social and territorial cohesion, namely in less developed territories, as rural or low density areas);

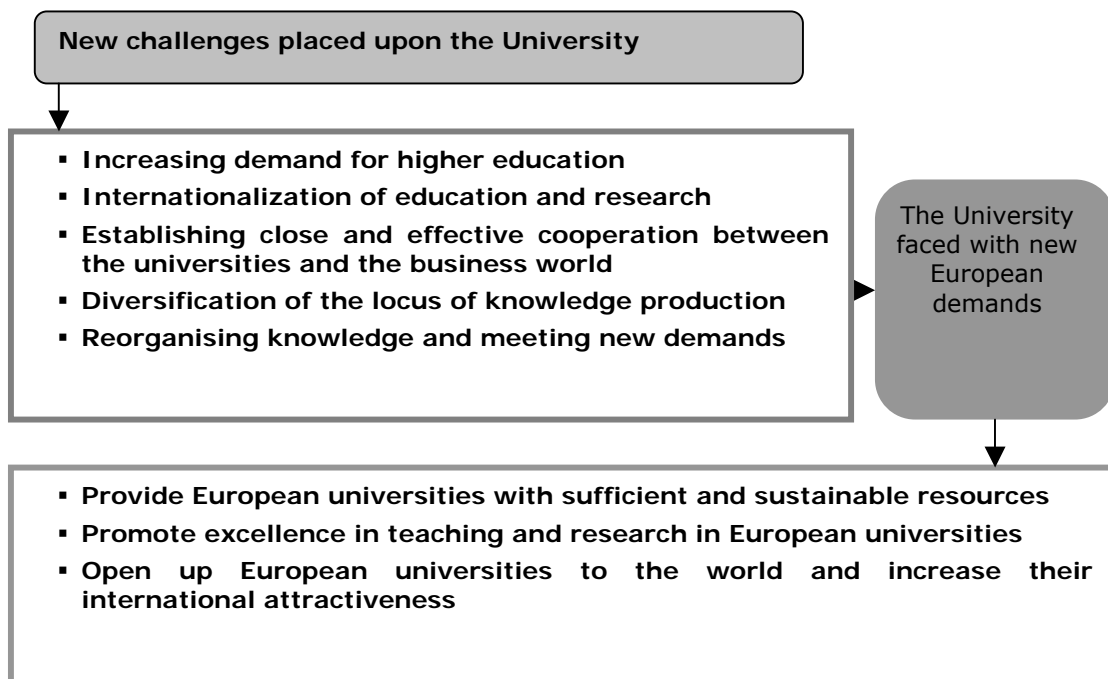
- Europass strategies should be strongly articulated with the development of school education policies and the promotion of multilingualism strategies. This picture of competences certification and increasing mobility, are naturally more evident between countries that speak the same or similar languages or for those sectors/enterprises where a common language (as English) is current spoken, that could be a threatened to territorial and social cohesion.

The central role of the university institution in the pursuit of the Lisbon targets

Higher education is a more specific dimension of policy intervention in the field of education. André Sapir, in his work *"An Agenda for a growing Europe"* (2003), stresses the idea that *"(h)igher education is more than the capstone of the traditional education pyramid; it is a critical pillar of human development worldwide. In today's lifelong learning framework, higher education provides not only the high-level skills necessary for every labour market but also the training essential for teachers, doctors, nurses, civil servants, engineers, humanists, entrepreneurs, scientists, social scientists, and myriad personnel. It is these trained individuals who develop the capacity and analytical skills that drive local economies, support civil society, teach children, lead effective governments, and make important decisions which affect entire societies."*

It is therefore only natural that the Commission should come up with programmes specifically targeted at higher education, which acknowledge the central role played by the university institution in the pursuit of the Lisbon targets.

The task of setting up a truly European-wide university system remains an extremely challenging one, due to the typically national (or occasionally regional) logic under which most universities operate. **In concrete terms, this has translated into poor student mobility within the European space. By 2000, a mere 2.3% of the students pursued their studies outside their country of origin. This took place despite the numerous efforts by the EU aimed at enhancing research, education and training so as to provide these activities with a truly European dimension and thereby enable the higher education system to lead in a context of fierce global competition.**



Hence, it is important to reflect on how universities should position themselves in order to overcome the current challenges and consolidate the European dimension of the university system, so as to play a decisive role in helping the EU meet the goals of the Lisbon Strategy.

Bearing in mind the new challenges and demands placed upon higher education in the EU context, the Commission has urged the development of a constellation of university programmes that meet a variety of different education and training needs while sharing a common concern: to consolidate the continental character of the system through cooperation/interconnectivity between the member-states.

There are various such programmes, which articulate a series of guidelines: the *Comenius* programme (*Decision No 253/2000/EC of the European Parliament and of the Council, January 2000*); the *Erasmus* programme, also part of the second phase of the Community action programme in the field of education 'Socrates' (*Decision No 253/2000/EC of the European Parliament and of the Council, January 2000*); *Erasmus-Mundus*, which is aimed at enhancing quality in higher education and promoting intercultural understanding through cooperation with third countries (2004 to 2008) (*Decision No 2317/2003/EC of the European Parliament and of the Council, December 2003*).

As for the *Leonardo da Vinci* programme', *Council Decision of April 1999*, it is a programme that seeks to facilitate adaptation to an evolving labour market and meet the demand for skills and competences.

In turn, the *Grundtvig* programme, the second phase of the Community action programme in the field of education 'Socrates' (*Decision No 253/2000/EC of the European Parliament and of the Council of January 2000*), comprises measures

aimed at meeting the challenges posed in the field of education by the ageing of the European population and helping to provide the adult population with alternative education and training opportunities so as to enhance their knowledge, skills and competences.

Finally, the goals of the *Jean Monnet* programme are to foster teaching, research and intellectual production in the area of European integration studies and to facilitate the establishment of an adequate set of institutions and organisations dedicated to issues having to do with European integration, as well as education and training in a European perspective.

The financial outlook for 2007-2013 set some specific financial objectives for the four central programmes. This financial allocation was decided based on the expectation that one out of every 20 students will participate in the *Comenius* programme during this period of financial programming. Likewise, 3 million *Erasmus* students, 150,000 *Leonardo da Vinci* trainees and 25,000 participants in the *Grundtvig* mobility programme are expected during this period.

In sum, education, particularly university education, plays a crucial role in ensuring the transformation of Europe's social and economic structure in such a way as to adapt the pool of knowledge, skills and competences in order to overcome the obstacles in the transition to the knowledge society.

This fundamental idea underlies the *Commission Communication* (January 2003), "Investing efficiently in education and training: an imperative for Europe", which states: "... education plays a key role in fostering the advancement and dissemination of science and technology in the transition to the knowledge society. The knowledge sector is dependent on the ability of education, in particular universities, to offer high quality curricula in knowledge-intensive areas and to attract a sufficient number of qualified persons to science and technology. Furthermore, while innovation requires research and development activities, it is also dependent on the ability of social partners to ensure that a generally well-educated and creative labour force stimulates it, uses it and underpins it".

5.3 Scientific discussion

The European Union has been conducting efforts to support education as well lifelong learning. These two components have a crucial role in European Commission.

The multiple regional differences of the education systems and the different solutions adopted result in different capacities to address such issues. This reality brings about a set of questions which we have tried to answer within the education systems and the lifelong learning programs on a European level. The analysed bibliography has allowed us to identify community level questions related to education and lifelong learning. Those questions are as follows:

- (1) the great education contrasts within the European Community and the uneven participation in the several levels of schooling (from pre-school to high school

education) that causes different performances of human capital adaptability to new realities;

- (2) early school leavers and social issues related to low qualifications result primarily in lack of professional opportunities;
- (3) the need to labour force qualification and to prepare human resources with adequate skills to the new demands of labour market and civic participation;
- (4) the models of investment in education and their respective outcomes increase the education inequalities, which in turn create differentiated regional patterns;
- (5) the different regional patterns of education oppose the need to harmonize EU level education, training and skill certification systems, thus compromising mobility and increasing regional disparities.

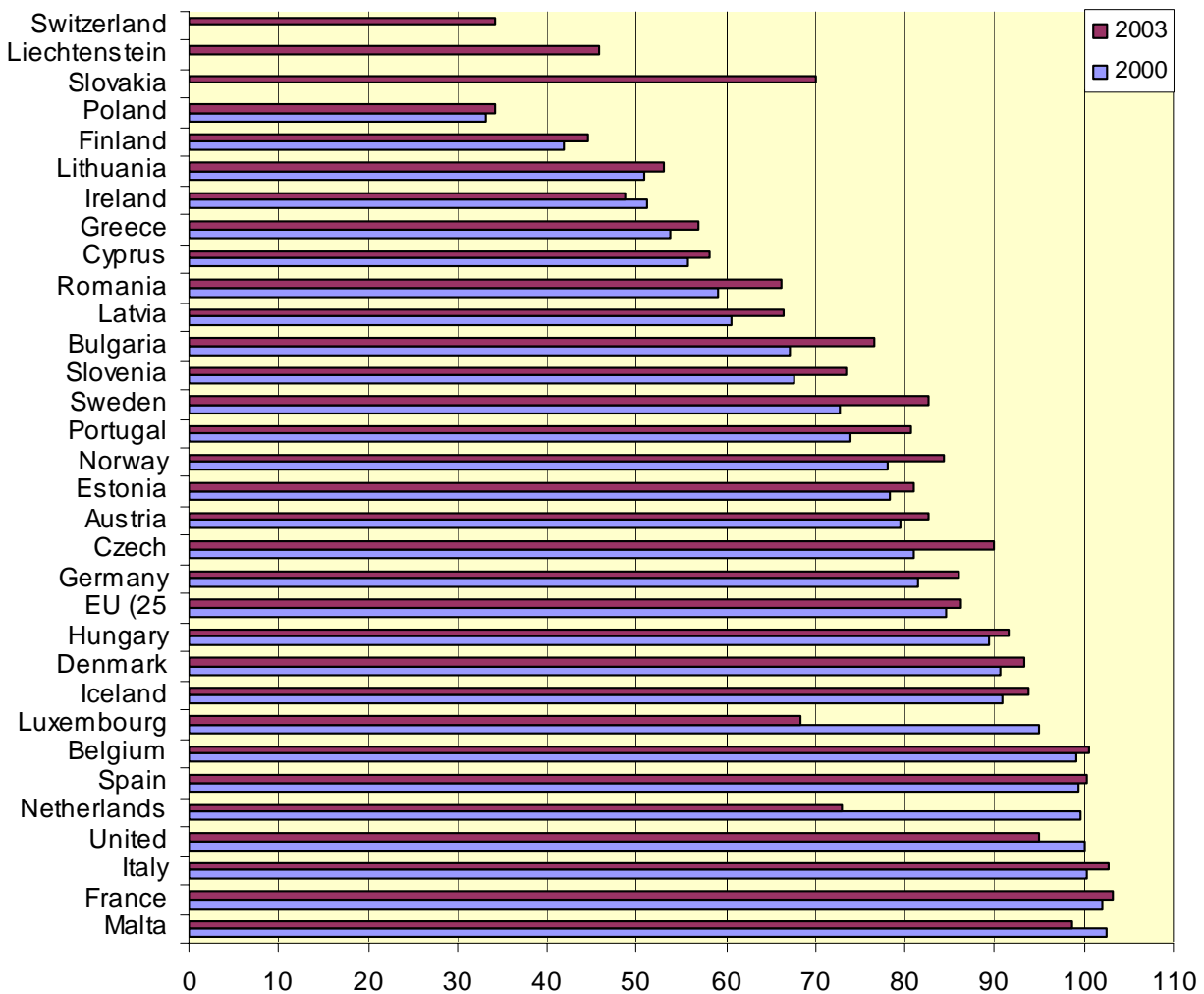
These issues will be addressed separately, in an attempt to understand trends and theoretical questions, as well as the adequate approaches to each of them. The outcome will be an analysis of pattern situations that individualizes the different education models of the EU and their problems and potentials.

5.3.1 The great education disparities within the EU: uneven participation in the several levels of schooling and human capital adaptability to new realities.

It is been increasingly recognised that increase in average educational level translate into economic growth. In empirical terms, *"a one year increase in the average level of education of the population translates into a 5% increase in the growth rate in the short term, and an additional 2.5% in the long term. Besides, the positive impact of education upon employment, health, social integration and active citizenship has been amply demonstrated"*. Moreover, it is commonly pointed out that *"an additional year of schooling increases aggregate productivity by 6.2%"* ("Education and Training 2010" Work Programme).

Nevertheless, differences between countries and regions are quite important and define different level of human capital capacity.

Figure 26 Percentage of the 4 years olds who are enrolled in education-oriented pre-primary institutions (2000-2003)



The education contrasts start in pre-school enrolment. Countries such as Malta, France, Italy, United Kingdom, Netherlands, Spain, Belgium present values between 99 and 100%. The tendency in some of the countries in this group is to decrease their level of support. For instance, the United Kingdom and the Netherlands have decreased from 100 to 94,9% and from 99,5 to 73% respectively. The inversion of this process is tied to the option of accompanying the first years of the children (European Report on the Quality of School Education – Sixteen Quality Indicators, 2001).

A group of significantly different countries presents lower rates of pre-school enrolment, with rates between 34 e 49%. This group includes countries like Ireland, Finland, Poland, Liechtenstein and Switzerland. Apart from these groups with extreme rates, there is a large group of countries around the EU average (25 countries), i.e., around 86,3%. (European Report on the Quality of School Education – Sixteen Quality Indicators, 2001)

Inequal pattern emerges also when we consider the youth education attainment level (Percentage of the population aged 20 to 24 having completed at least upper secondary education). The first group includes 10 countries that have between 85 and 95% of the population aged 20 to 24 with secondary education. This group is composed by Eastern and Northern European countries (Norway, Slovakia, Czech Republic, Poland, Finland, Slovenia, Sweden, Austria, Croatia). This situation has different causes and consequences that explain the productivity and competitiveness in their regions. On the one hand, the Northern European countries have a quite consolidated education system and those levels of education have a reflection on their living standard patterns. On the other hand, the Eastern European countries, despite having fairly high levels of education, do not always provide education that is adequate to the present needs and demands (A new partnership for cohesion, convergence, competitiveness and cooperation – Third report on social and economical cohesion, 2004).

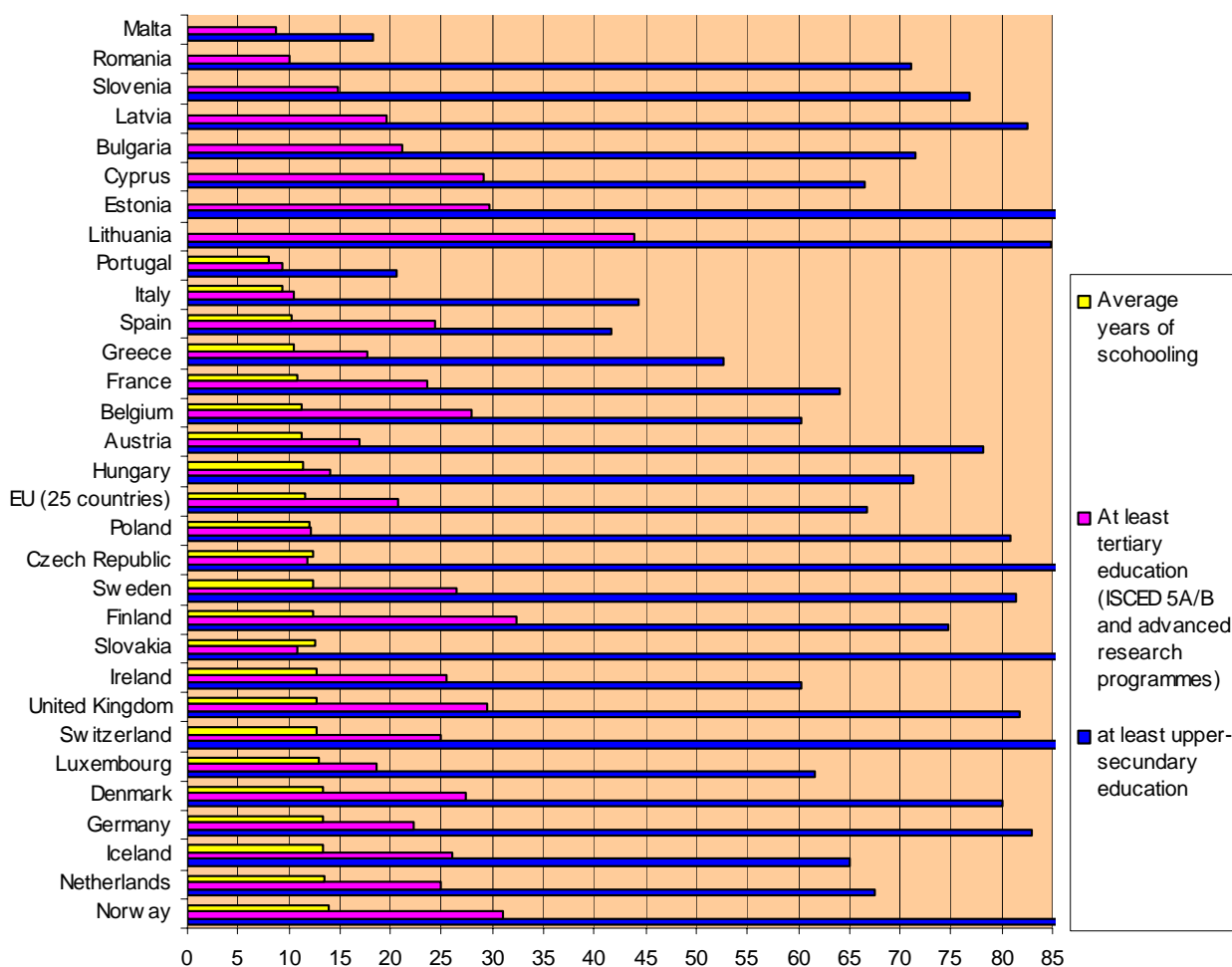
Another group, with rates below the EU average (25 countries), i.e., 76,7%, includes countries like the United Kingdom, Romania, Bulgaria, Germany, Netherlands, Denmark, Italy, Spain. The worst cases, with rates under 50%, are Portugal and Malta.

These differences are particularly important if we analyse the education attainment levels and average years of education percentage of population aged 25-64 who have at least upper-secondary/tertiary education and average years of education (Career Guidance, A Handbook for Policy Makers, 2004). A three group division of the population having completed at least secondary school is as follows:

- between 80 and 88% – Czech Republic; Estonia; Switzerland; Slovakia; Norway; Lithuania; Germany; Latvia; United Kingdom; Sweden; Poland; Denmark. In this indicator, the majority is also Eastern and Northern countries;
- between 60 and 78%, – Austria; Slovenia; Finland; Bulgaria; Hungary; Romania; Netherlands; Cyprus; Iceland; France; Luxembourg; Belgium; Ireland. This group includes a mixture of Northern, Central and Eastern European countries around the EU average (66,7%). Different realities are comprised here, from countries with growth potential to countries that have stabilized for some time now their education systems.
- Under 53% – Greece; Italy; Spain; Portugal; Malta. This group comprises Southern countries, along with Malta. The countries with lower percentages are Portugal and Malta, with 20,6 and 18,3% respectively. The dynamics and productivity of the labour energy of these countries is conditioned by these levels.

In this context, the balance between prosperous countries with a strong human potential and the not so prosperous countries also having human potential causes two distinct flows with different impacts: on the one hand, migratory movements and, on the other, productive activities leaving.

Figure 27 Education attainment levels and average years of education percentage of population aged 25-64 who have at least upper-secondary/tertiary education and average years of education (2002)



The differential of education emerges also in higher levels. Assuming the EU average (25 countries), i.e., 21%, we verify that the values above 21% correspond mainly to Central and Northern European countries, as well as to Lithuania, Estonia and Bulgaria. In the leading positions are Lithuania (34%), Finland (32,4%), Norway (31%), Estonia (29,6) and the United Kingdom (29,4%). Opposite, that is, below the EU average, is a group of countries mainly composed by Eastern European countries, along with Austria, Luxembourg and Greece. The critical cases, with less than 10, are Romania, Portugal and Malta.

Table 7 Average years of schooling (2002)

8	9	10	11	12	13	14
					Iceland Germany Denmark	
				Finland Sweden	Luxembourg Switzerland	
			Austria Belgium	Czech Republic	United Kingdom	
			France Greece	Poland Hungary	Ireland Slovakia	Norway
Portugal	Italy	Spain				Netherlands

The average years of schooling also verifies this reality.

Main trends: increase of pre-school accompaniment, with some exceptions, as some countries have decreased their performance during recent years. For example, the Czech Republic, Finland and Estonia, all belong to the group with the higher values. There is also an increase of labour force education but the discrepancies between Eastern, Central and Southern European countries are tangible throughout all levels of education.

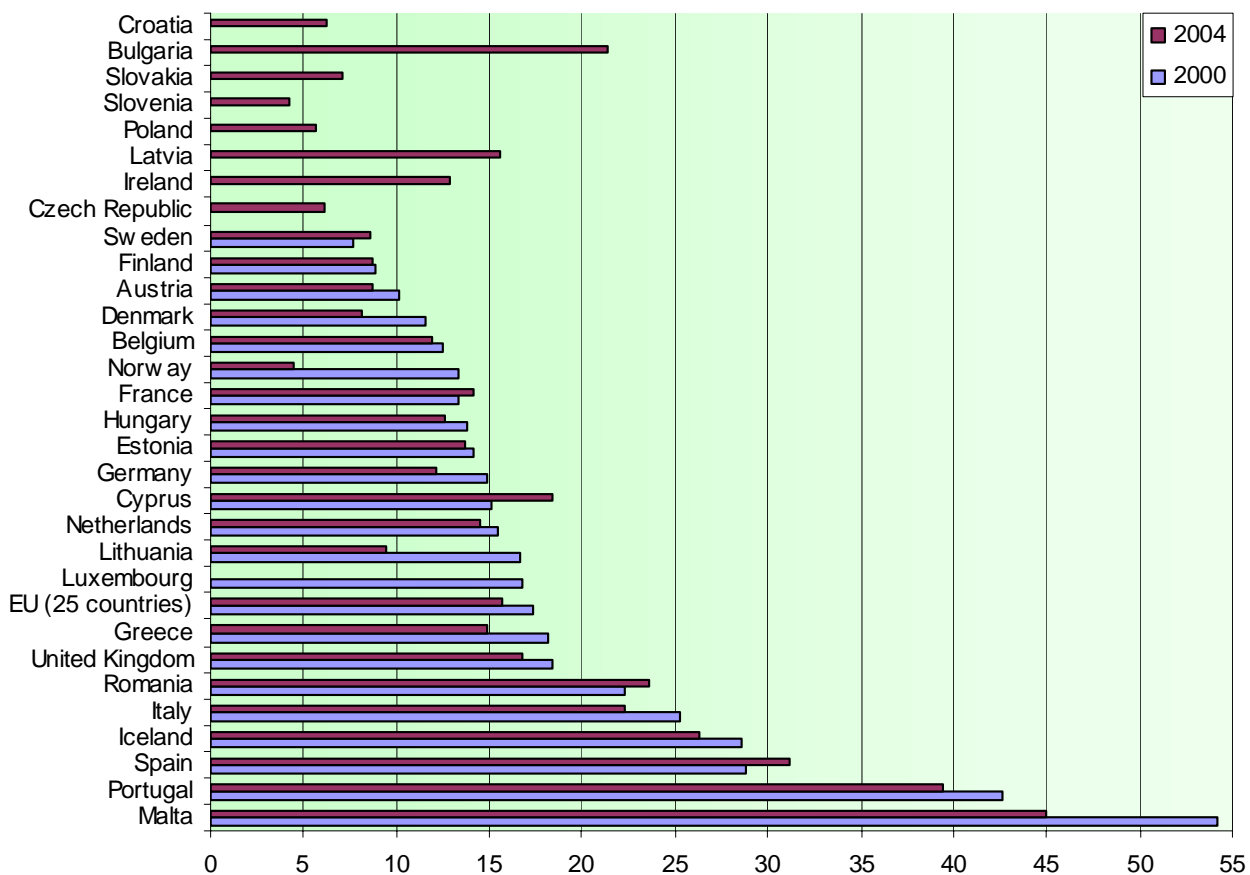
5.3.2 Early school leavers and social issues related to low qualifications

The issue of early school leavers (school drop-outs by population aged 18 to 24) has its main impact on countries such as Malta, Portugal and Spain, with 45; 39,4 e 31,1% during 2004, quite distant from the 25 countries EU average (15,7%).

Displaying the lowest rates of school drop-outs is, according to Table 3, a group of Eastern European countries, between 7% (Slovakia) and 4,2% (Slovenia). Included in this group is also Norway, with 4,5%. Belgium, Germany, Finland, Sweden and Denmark have values in the vicinity of 10%.

This reality is compounded by the problem of the increasing rates of school drop-out, and is especially worrisome due to the fact that even those students that dropped out of the school system before finishing their secondary education seldom seek to pursue additional training. This effect is apparent in the fact that almost one out of every five individuals that have dropped out of school has a low level of skills. The percentage of low-skilled youths that are outside the education and training system is 24% in Italy, 29% in Spain, and registers its highest figure in Portugal (46%).

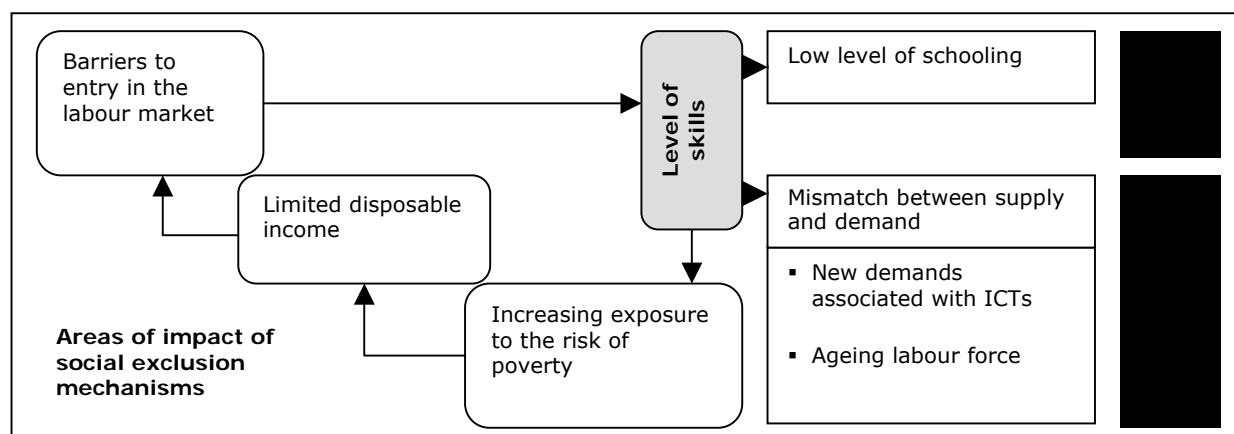
Figure 28 Early school leavers (Percentage of the population aged 18-24 with at most lower secondary education and not in further education or training) 2004



Source: Eurostat

The origin of the skills and competences lies in the schooling system, on the one hand, and in ongoing training initiatives, on the other, and one consequence of the awareness of the distinctive impacts and specificities of each of these two components is their relatively separate treatment in the literature. The differences, in terms of their impacts upon the full access to citizenship, as well as the goals to which they are associated, are presented in the following scheme:

Figure 29 Distinctive impacts and specificities of skills and competences



It is possible to establish a direct relation between level of education and access to labour market, as analysed in the WP3. A group composed mainly by the new EU countries shows high unemployment rates. Slovakia is the country with the highest rate of unemployment in the group of individuals with less than secondary education (42,5%), having a rate of 14,3% for individuals with secondary education and 3,1 for those with tertiary level education. The differentiation of labour market access for individuals with less than secondary school and individuals with tertiary education is quite considerable. This group includes many of the Eastern European countries, with unemployment rates between 20 and 30% for low qualification, whereas the unemployment rates for high qualification is below 10%.

Romania, Switzerland, Portugal, Luxembourg, Cyprus, Iceland, Netherlands and Norway are the countries with the lowest unemployment rates in all groups. This reality covers distinct situations: on the one hand, productive sectors based on intensive labour, which results in low unemployment rates. On the other hand, it indicates good economical structure performance in other regions that absorb almost entirely their human potential. This group of countries has unemployment rates between 3 and 4% for individuals who have not completed secondary school, with slight variations in the remaining levels (individuals with secondary and tertiary education).

The crucial stabilising role played by education and training in terms of the level of social welfare is well illustrated by the analysis of its relationship with the indicator that measures the poverty risk, and which has been defined as follows by the Joint Report on Social Inclusion (2004): *"the poverty line is defined as 60% of the median national income and the percentage of individuals that belong to households with an income below that level"*.

The poverty risk decreases as the level of disposable income increases, and that the level of disposable income increases as a function of the level of education is well illustrated by the fact that only 7% of the population with a tertiary education is at risk of poverty, a figure that rises to 11% among those with a secondary education and to 20% among those with less than a secondary education.

Alongside a host of other factors, the aforementioned figures are strongly influenced by the characteristics of the labour markets and by the range of job opportunities available to the young inexperienced workers – or lack thereof.

This same report also points out that a higher level of education significantly reduces the risk of unemployment. This is clearly visible in the fact that the unemployment rate for the individuals in the 25-64 age group with a tertiary education in 2004 was a mere 4.2%, as compared to 7.9% for those with a secondary education and 10.2% for those with less than a secondary education. It is worth noting that this latter figure is more than twice as high as that for the individuals with a university education.

Such positive correlations are also visible insofar as the level of income is concerned. The analysis for the EU-15 shows that the income level of the individuals with a tertiary education is 120% of the average income. The greatest differential can be found in Portugal, whereas the smallest occurs in the Netherlands.

Main tendencies: There is a reduction of early school leavers, but the geographical distribution indicates great disparities that compromise the near future of human capital potential. This indicator, like others, shows that the peripheral regions are straying from the Northern and Central European standard.

5.3.3 The need to requalify labour force and to prepare human resources with adequate skills given the new demands

The High Level Group on the Lisbon Strategy left it clear in November 2004 that the efforts to provide the European population with the means to adapt to an evolving labour market have so far been insufficient. This insufficiency is all the more evident as we analyse the opportunities faced by the low-skilled population, estimated by this work group to make up a third of the European labour force (80 million people).

The CEDEFOP report, also published in 2004, predicts that, by the year 2010, workers with just a basic education will not be able to fill more than 15% of the new job vacancies. Conversely, 50% of the new job vacancies will require highly-skilled workers with a tertiary education.

The value chain starting with lifelong training and education is as follows in the picture.

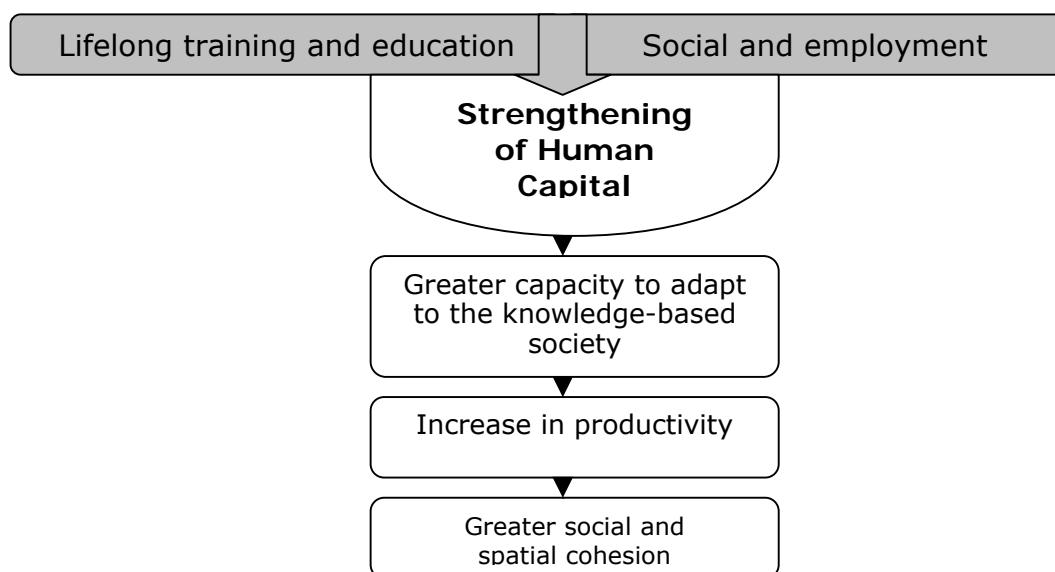
Several reports refer to the mechanism that links together the various parts in the previous scheme; in this regard, the following statement is particularly worthy of mention: *"...ongoing education and training produces a well-educated, well-equipped and adaptable labour force that, in turn, helps achieve stable and sustainable economic growth"*.

This report also underlines the fact that *"education and training promotes an inclusive society with active citizenship"* (Evaluating Socio Economic Development,

SOURCEBOOK 1: Themes and Policy Areas: Initial education and training and lifelong learning, 2004).

The importance of widening the range of training possibilities is recognised, particularly as regards its channels and characteristics, in order to facilitate the access to its contents by the citizens. The potential of the e-Learning, multimedia and interactive television solutions to contribute to this goal is especially worthy of consideration, as are the new forms of organisation of the workplace that enhance the impact of this multiplicity of forms of education and training.

Figure 30 Value chain starting with lifelong training and education



These guidelines aimed at diversifying supply are presented on a par with measures aimed at fostering demand, which include:

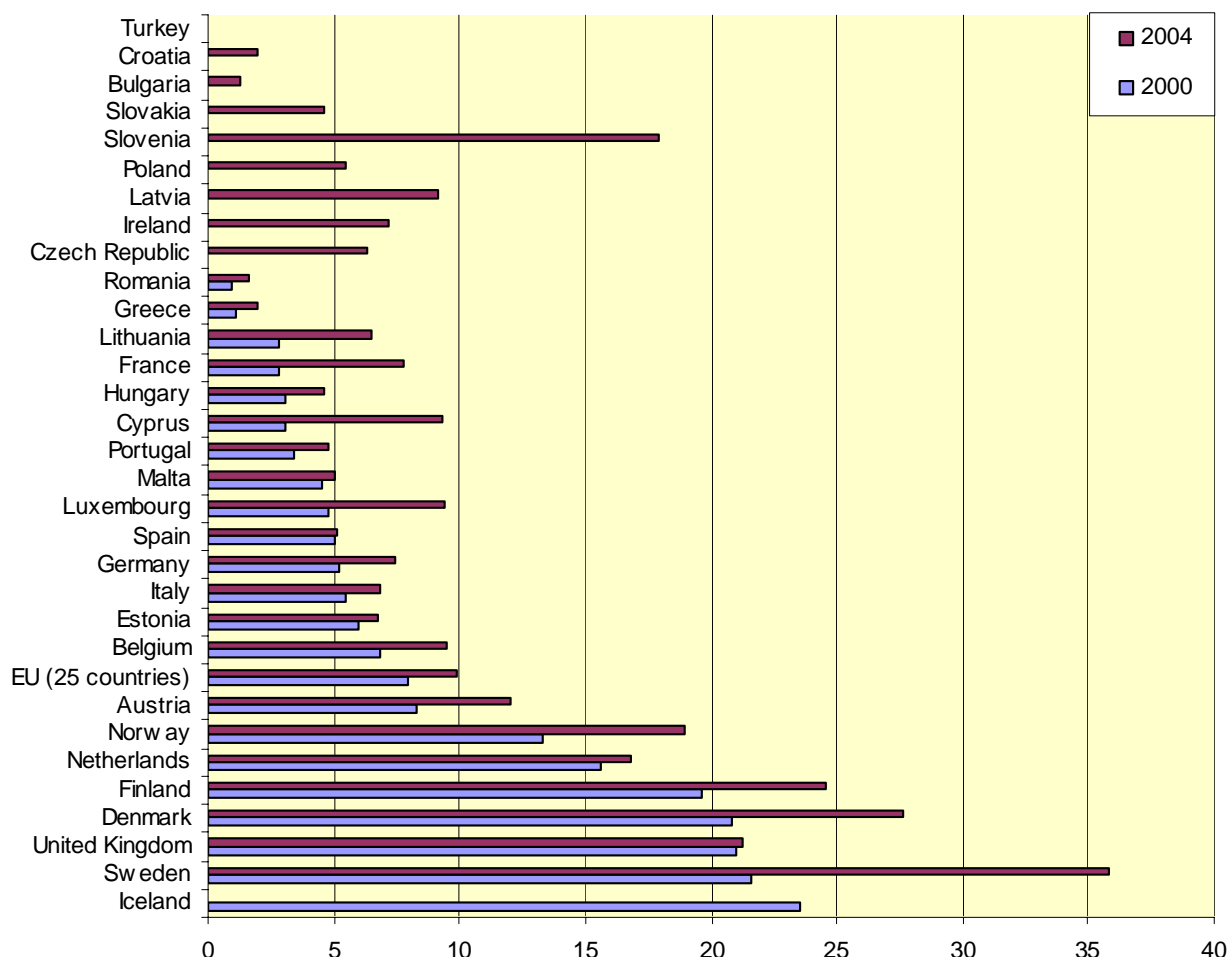
- i) the call for each individual to design his/her own personal training plan, tailored to his/her specific needs;
- ii) the need for firms to develop their chain of competences;
- iii) the reform of labour regulations so as to include legal provisions that force both parties in a labour relationship to take measures to the benefit of all, by way of training programmes that enhance the competitiveness of the firm and the employability of the worker; and
- iv) improve assistance to families, in order to ensure that they have enough free time to invest in training.

There are several sides to the problem of the insufficient response to the rising demands. The first negative sign consists of the fact that the adult rate of participation in ongoing training initiatives remains quite low (12.5%). The highest percentages of individuals in the 18-24 age group that are inside their countries' education and training systems occur in the Netherlands, Denmark and Slovenia, with 62%, 63% and 64%, respectively. In contrast, the lowest rates of participation in the education and training system by the individuals in the 18-24 age group can

be found in Hungary and the Czech Republic (46% each), followed by Ireland (41%).

The values for the population aged 25 to 64 are quite low, with tangible changes in the patterns of distribution.

Figure 31 Percentage of the adult population aged 25 to 64 participating in education and training



Source: Eurostat

Considering the population in this age group that received lifelong training in 2004, it is possible to isolate a large European region, which includes Sweden, Denmark, Finland and the United Kingdom, with 35,8%; 27,6%; 24,6% and 21,2% each, where this is a rather common practice. The amplitude of this way of refreshing skills is quite considerable.

Main trends: All countries have increased their rates of participation but this tendency indicates that the countries with a higher level of education are more likely to participate in lifelong training. The commitment to assess the achievements in this field was rendered manifest by the 2003 "Education" Council, which set reference targets to be reached by 2010. These targets were set with a

view to improve a situation in which *"the rate of participation by the Europeans in lifelong training and education remains too low, while the levels of school failure and social exclusion, with considerable individual, social and economic costs, remain too high. Moreover, there are no signs of a substantial increase in the total (public and private) investments in human resources"*.

5.3.4 The models of investment in education and their respective outcomes: education inequalities and differentiated regional patterns

The investment disparities are shown in figure 5. The importance of education system investments is unequal within the EU. The Northern countries are the ones that invest the most in their human capital, spending an average 7 to 8% of their GDP to finance their education systems.

There is also a second rather heterogeneous group of countries, composed by Central and Southern European countries, along with some of the new EU members. This group is around the EU average, which was 5,22% in 2002.

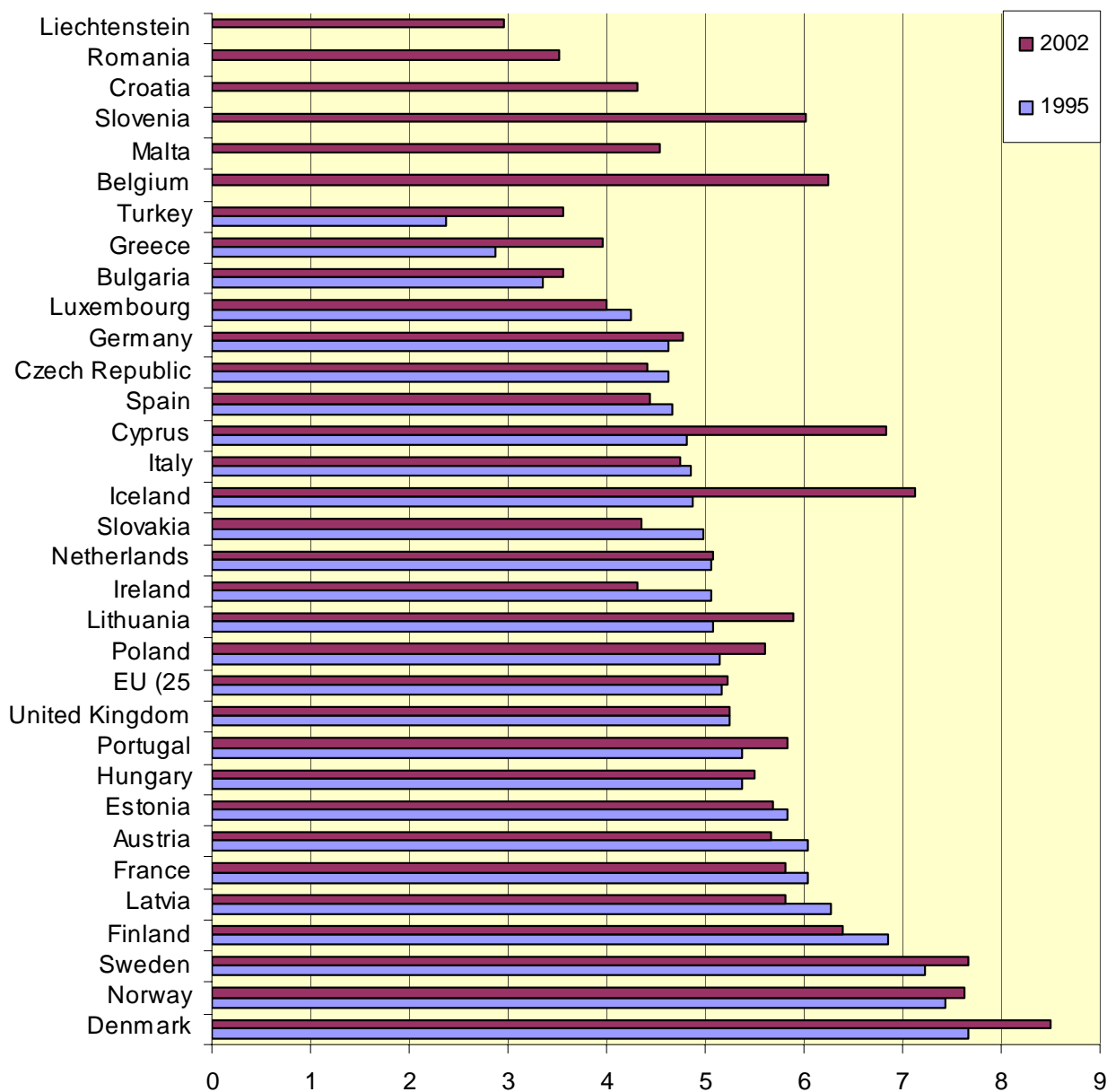
The EU members that invest the least in training their human potential (around 4% or even less than that of their GDP) are mainly Eastern countries.

Investment efficiency, particularly as far as the group around the EU average is concerned, is quite unequal, even if the levels of investment are similar. So say the indicators of education and competitiveness of their productive structure. The conclusion is that an increase of investment does not necessarily mean an increase in operational outcomes

Main trends: The majority of state members have made budget efforts in order to increase education investment. This effort is more obvious in countries such as Turkey, Cyprus and Iceland. The investment is equally high and is gradually increasing in the Northern European countries, the ones with the highest standards in Europe.

The State members have established national objectives so as to increase the global levels of investment in human resources, in accordance with the conclusions of the European Council in Lisbon and the Guidelines on Employment. Considered the role to be played by governments, employers and other intervenient, the level of investment in some of the countries is quite far from perfect. Besides, the State Members should establish objectives to increase participation in tertiary education, indicating the percentual increase that they wish to attain according to gender, age group, level of education and target group (Conclusions of the European Council of Lisbon, nr. 26, Guidelines for Employment Policies, an horizontal objective on lifelong learning, 2001).

Figure 32 Spending on Human Resources (Total public expenditure on education as a percentage of GDP)



Source: EU: Eurostat. Others: OECD (Education at a Glance 2002, 2004); World Economic Forum, 2003-2004 (GCI)

Main trends: The majority of state members have made budget efforts in order to increase education investment. This effort is more obvious in countries such as Turkey, Cyprus and Iceland. The investment is equally high and is gradually increasing in the Northern European countries, the ones with the highest standards in Europe.

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Lisbon, nr. 26, Guidelines for Employment Policies, a horizontal objective on lifelong learning, 2001).

5.3.5 The need to harmonize EU level education, training and skill certification systems

Not enough progress has been made in the areas of inter-state cooperation and policy coherence. However, some progresses have been made, as exemplified by the creation of a single framework allowing for the transparent harmonisation of qualifications and competences (called "Europass"). A reference framework for the criteria and key indicators presiding over the assessment of the quality of vocational training has also been created. Finally, a European credit transfer system has been implemented with the aim of fostering mobility in the areas of education and vocational training.

In this process, the University is regarded as playing a much more crucial role within the ambit of the Lisbon strategy than it does under the light of the Bologna process. Thus, the University should play a central role in *"such crucial and diversified domains as the training of teachers and future researchers, their mobility within the EU space, the role of culture, science and the European values in the world, openness to the business sector, regions and society in general, or the incorporation of the civic and social dimensions in the curricula"*.

On the other hand, the variety and attractiveness of the solutions found in the areas of education and training remain somewhat unsatisfactory, leading to internal imbalances as regards vocational training and certain technical areas of tertiary education. Last but not least, student mobility between the various member-states is still regarded as insufficient. In the EU-25, that mobility currently amounts to *"120,000 ERASMUS students (corresponding to 0.8% of the total number of students) and 45,000 young trainees (under the Leonardo da Vinci programme). These figures reflect a steady increase, but remain significantly below the level deemed necessary by the Commission: by 2010, there will have to be a considerable increase in the number of participants in the ERASMUS programme, as well as an expansion of mobility in education and vocational training"*.

The European guidelines stress the need to improve inter-state cooperation in the field of lifelong education and training, in order to contribute to the sustainability of the European Social Model. With that in mind, adaptations have been made in the educational systems in order to accommodate changes in the school curricula that serve to broaden the range of horizontal skills taught at the level of basic education.

Tertiary education reforms, including those brought on by the Bologna process, are regarded as a way to move forward in order to achieve the targets set in the Lisbon strategy, by fostering competition between universities in their capacity to attract

students. That competition is still rather incipient, but it is steadily increasing and is regarded as a possible way to reinforce the link between competitiveness, job creation and university training.

In order to meet this challenge, it will be necessary to reinforce the funding made available by the governments of the member-states to the programmes promoting mobility in the European Union, in order to ensure their operational effectiveness.

Main tendencies: There have been more initiatives to harmonize education and training parameters within the EU. Student mobility continues to increase. This mobility, along with the efforts to normalize skills, could be a factor of exclusion for less dynamic territories, as they turn out to be less attractive.

5.3.6 Scales of approach to the issue

Mario Pezzini, OECD, Head of Territorial Reviews and Governance Division, 2003, places greater emphasis on the spatial dimension of exclusion associated with regional development differentials, highlighting cross-country differences, but stresses that the intra-country regional disparities are even more pronounced – and increasingly so.

These inequalities are due to differences in each region' ability to foster its human capital and put it to productive use, taking its endogenous endowment and the exogenous influences as decisive elements.

Using a taxonomy of regions that divides them into rural, intermediately urban and urban regions, the authors argue, with regard to the former, that the problems associated with employment unleash a downward spiral of consequences that has a snowball effect in constraining opportunities. The symbiosis between cause and consequence that brings together the mismatch in terms of demographic structure with the constraints to the various types of opportunities acts to create a serious situation, whereby the rural areas steadily lose their critical and creative capacity to engender solutions to their own problems. The constraints created by the lack of demographic dynamics significantly – or even fatally – jeopardise these regions' development prospects. The aforementioned report formulates the problem in the following manner: *“out-migration of young people caused by both lack of employment opportunities and inadequate access to educational and leisure facilities, along with in-migration of retirees in some places, has led to the significant ageing of the population. The resulting demographic structure is often not sufficient to support provision of adequate public services including economic services of a general interest”*. The very factors behind the decline are the same that aggravate the vicious cycle of preventing development.

The same report enumerates those factors that facilitate development. Most of them have to do with human/social capital, entrepreneurship, cultural identity, a culture of participation and association, human resource endowment and leadership capacity at the local level. However, the lack of skills and qualifications is the widespread reality, creating additional barriers to the access to training – a factor that is considered as one of the main obstacles to the development of these

regions, which are thus unable to access the networks whose spatial dynamics ensure their adaptation to the competitive demands of the knowledge society.

The dynamics in the intermediately urban regions is slightly different, which has to do with the fact that even though their economic performance is also feeble at best, these latter regions, unlike the former, are able to attract population inflows. The incapacity to generate and sustain an expansion of their economic base in order to boost productivity is largely due to these regions' inability to draw in skilled professionals, which prevents the expansion of the most innovative and productive employment sectors.

In stark contrast with the two types of situations presented so far, the concentration of population and the generation of wealth are two central features of the urban areas, particularly in the case of large cities that function as economic poles in their respective countries. The region that includes Budapest, Hungary, provides an elucidating example, accounting for 42.2% of GDP and drawing in 65% of investment.

The transfer of knowledge between universities and the agglomeration of business activities allows these regions to outperform the others as regards the most innovative and productive industries associated with the new information and communication technologies. Agglomeration allows for greater efficiency in the transfer of knowledge, thus bringing about an expansion in the level of skills and competences of the labour force.

5.3.7 Synthesis of pattern situations: "ad-hoc-typology"

Based on the analyzed documentation about this theme, and focussing on the above-mentioned main questions, we can identify four distinct models of education in the EU:

(1) Southern Countries "multiple unbalances"

In this group early school leavers have a special expression. The average schooling years are low and lifelong training option doesn't have an deep expression. The human capital investment is below the EU average that has a direct effect on employment opportunities to the less qualified workers. These countries have a structural unbalanced educational and qualification process.

(2) Central Group –"average standards"

In these groups we can find central European countries that have values around the EU average. They have a controlled early school leaving, they have guaranteed a secondary level formation for the major part of population, and the investment on human resources represents around 5% of GDP. Adult education and training is well developed, minimizing integration problems to the less qualified workers.

(3) Northern Europe "leading command"

The Northern European countries assume a leading role in education and training models. In this group we can observe the highest investments in education and training, solid instructions levels, high life learning participation

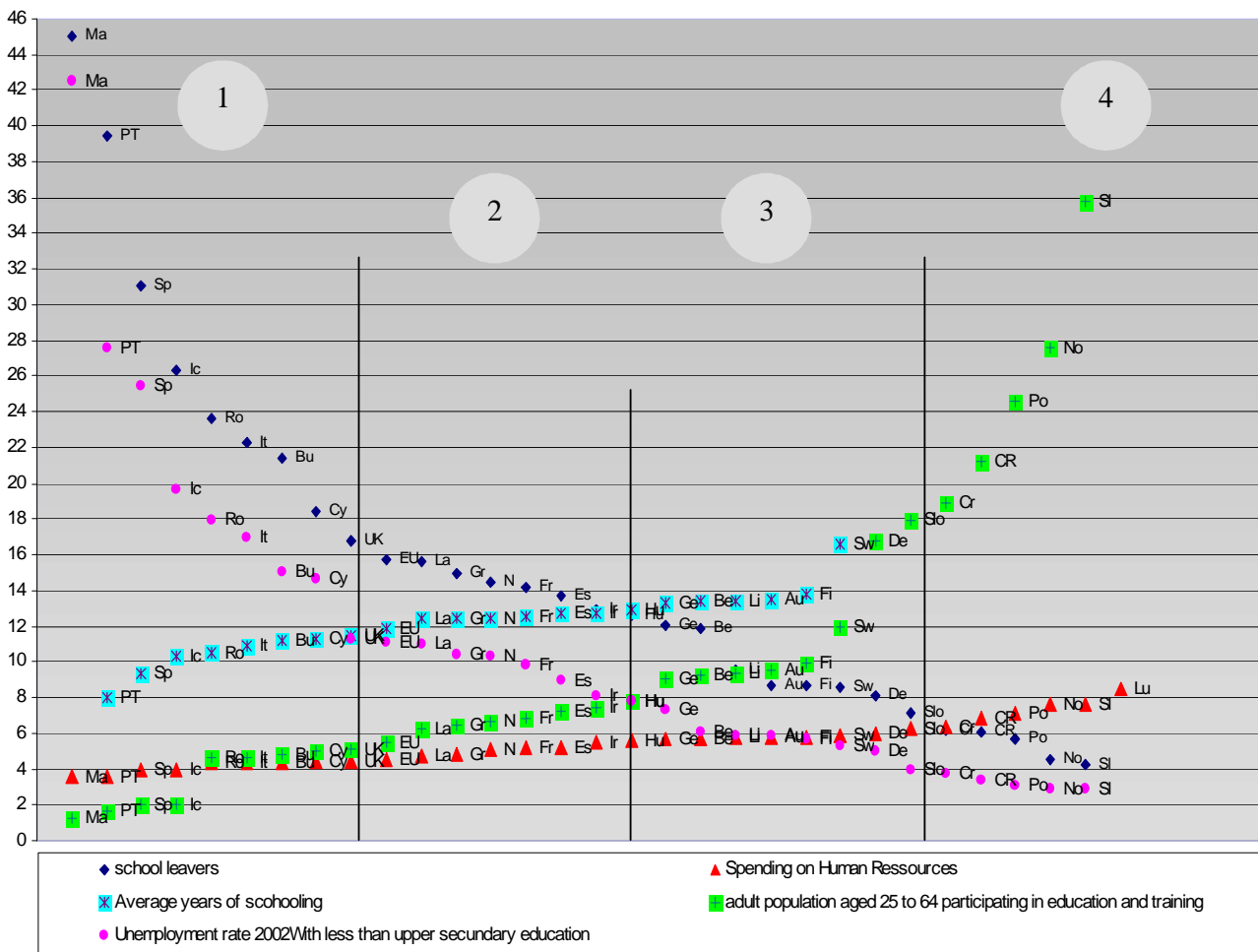
and a reduced early school leaver's level. This educational level had conducted to a solid human capital and a competitive and innovative economy.

(4) Eastern Countries "between two worlds"

In this group the performance on education levels is average, or even good. Nevertheless, we can denote a mismatch between the educational level and the present economic needs. This is more problematic because the strategies of training and life long learning are at a incipient level.

These groups could be identified in the picture.

Figure 33 Typology of education and training in EU, supported in 5 key indicators



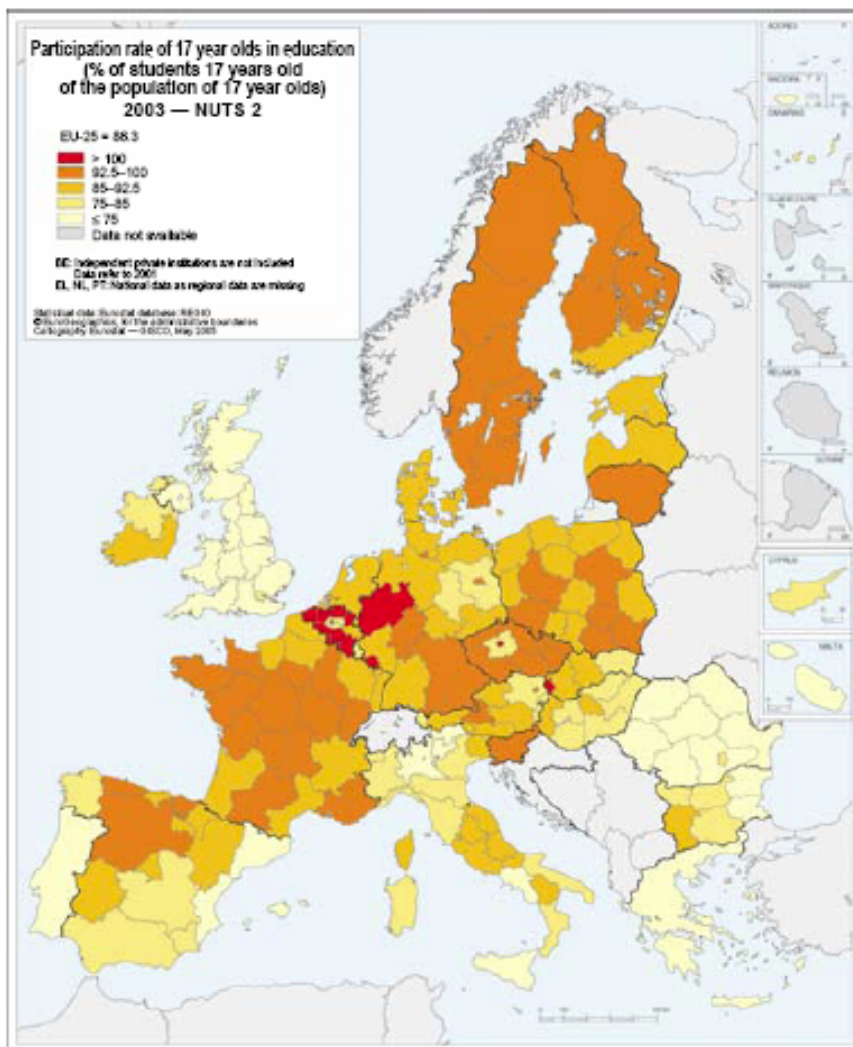
5.4 Geography

To get a brief picture of European regions in field of education and training, 3 indicators were chosen.

i) Participation in education (% of students in ISCED level 3):

- 86% of EU27 population with 17 years old is in education, mostly in the upper secondary level;
- highest participation rate in Nordic and central European regions; lowest rates in southern regions as well Romania.
- heterogeneous pattern of European regions depends on the structure of education systems that varies widely between countries.

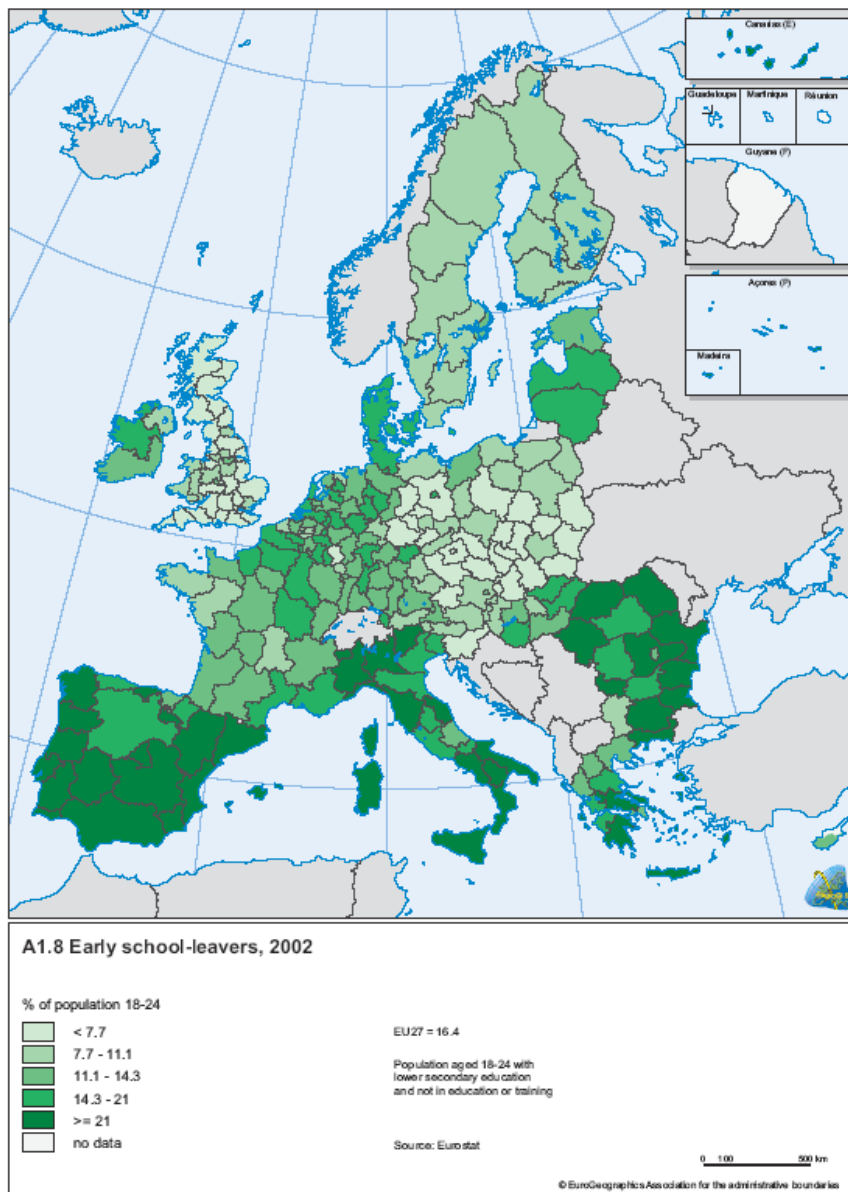
Figure 34 Participation in education



Source: EU (2005) – Regions: Statistical yearbook 2005. Data 1999-2003, EU.

- the highest percentages of students in general and pre-vocational programmes are most found in the regions of the capital;
 - compulsory education ends before upper secondary completion: in some countries, like Germany is 18 and Netherlands is 17; in countries like Czech Republic Spain, Hungary, with 17, people could have secondary level 3 completed;
 - vocational programmes (until ISCED level 3) are particularly strong in the Czech Republic, Slovakia, Austria and in some regions of Belgian, Netherlands and UK;
 - benchmarks to 2010, points that at least 85% of 22 years old in EU should have completed upper secondary education. Some regions have to make a very strong effort to get it. Social and territorial cohesion of less developed regions are in risk to fail that goal.
- ii) **Early-school leavers** (% of population with lower secondary education and not in education or training)
- 16,4% of EU27 population leaves school early; benchmarks for 2010 points to 10%;
 - disparities between countries are higher than disparities among country regions;
 - highest levels in southern countries, including Italy; lowest rates, in Nordic and central countries;
 - nevertheless in some countries, the intra-regional differences between urban and rural areas are more important;
 - reduce the value to 10% on 2010. We can preview that some countries and, specially some regions, will have problems to get it. Many Portuguese, Spanish, Greek and Italian regions presents values upper 20%; many of these regions are rural and not densely populated, that provide lowest service attainment levels;
 - Reinforce strategies to improve levels of participation is urgent. Nevertheless they should be quite well integrated with an infrastructure and service policy, supported in territorial cohesion principles. Otherwise, regional disparities will increase more;

Figure 35 Early School Leavers, 2002



Source: EU, 2004, A new partnership for cohesion – convergence competitiveness cooperation. Third report on economic and social cohesion, EU.

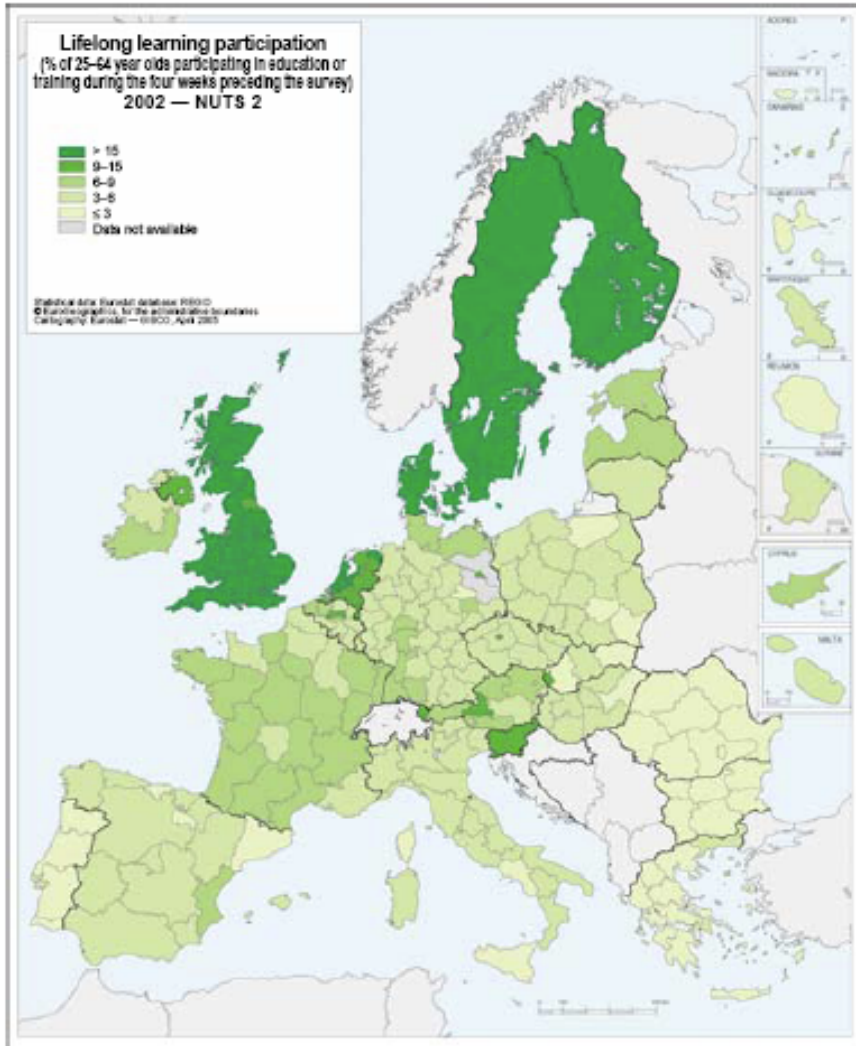
iii) Lifelong learning participation (% of 25-64 years old participation in education or training)

- in 2001, the rate of involvement in education and training among the adult population was 8.4% for the EU (compared with 5.8% in 1997). Benchmarks for 2010 points to 12,5%.
- participation in lifelong learning is high in all regions of Finland, Sweden, UK and Netherlands; lowest rates are in regions of Bulgaria, Romania and Greece (in Voreio Aigaio is bellow 1%);
- the rates vary according to age and level of education. Population with 25–34 are five times more likely to be involved in education and training than those aged 55–64. Those with poorer qualifications are six times less likely

to be involved in education and training than those with higher qualifications. Women are more involved in lifelong training than men (EU (2005) – Regions: Statistical yearbook 2005. Data 1999-2003, EU).

- urban agglomerations have highest participation rates in lifelong learning;

Figure 36 Lifelong learning participation



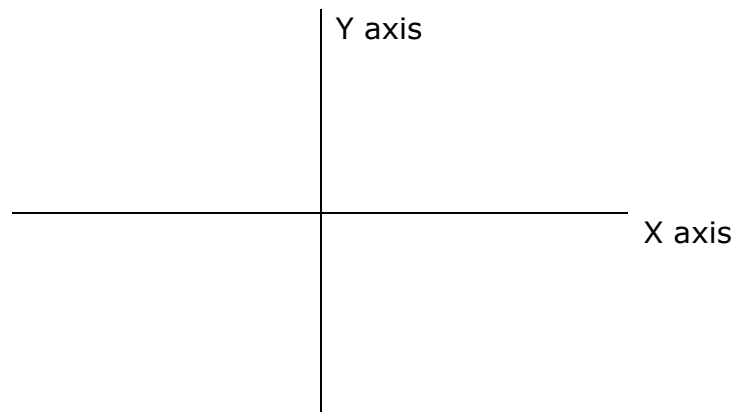
Source: EU (2005) – Regions: Statistical yearbook 2005. Data 1999-2003, EU.

The picture of European regions in the analyzed indicators is very heterogeneous. This reinforces the key role of education and training policies to improve competitiveness as well social cohesion in European territory. These policies should be quite well integrated with an infrastructure and service policy, supported in territorial cohesion principles. Otherwise, regional disparities will increase more.

In order to reinforce the previous picture of EU regional trends in education and training, another indicators should be presented:

- i) single indicators:
 - students in % of 15-30 year population (available at NUTS II for all EU-MS)

- share of high educated population in % (available at NUTS II for all EU-MS)
 - students enrolled by age (available by country)
- ii) composite indicators, where relation between education and employment strategies are highlight. For this purpose we suggest crossing two indicators in a bi-dimensional representation, where classes are supported in average and standard deviation ranges:
- X axis – “% of early school leavers”; Y axis – “activity rate”
 - X axis – “Lifelong learning participation”; Y axis – “Unemployment rate”.



These indicators, as they highlight the heterogeneity of European regional picture as well they represent some of the most important European challenges, will be analysed in the next report, in relation with policy recommendations.

6 OUTLOOK ON THE FINAL REPORT

The interim report at hand presents the status quo of the research of the ESPON 1.4.2 „Preparatory Study on Social Aspects of EU Territorial Development“. According to the work plan the next step will cover the following tasks:

The next important step is to explore inter-linkages between the four central themes of the research: access to social services, services of general economic interest (SGEI), and mechanisms of public transfers; employment and income distribution; housing and territorial development, education and training. It should lead to harmonised results according to the core goal of the study, a proposal for future applied research, for the further implementation of a territorial analysis of social situation and disparities of EU territories and the deriving potentials. This step will concentrate on the following issues:

- a common list of potential core indicators on the social dimension of territorial development,
- European maps displaying at regional level major territorial trends using some of the indicators pointed out, based on harmonised data already existing at EU level,
- a common identification of data gaps
- final results of the policy review at EU and National level, addressing key social challenges and related policy actions to further achieve social and territorial cohesion aims
- final results of the scientific literature review (including bibliography), presenting identified territorial trends and showing interrelationships between the themes analysed;

These parts of the research will led to a proposal elaborated for future applied research relating to the issues analysed with regard the policy objectives set in main National policies, and EU Strategic documents (Social Strategy, ESDP, Third Cohesion Report, Revised Lisbon Agenda) and upcoming Community Strategic Guidelines on Cohesion.

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7.3 Chapter 3 – Employment and Income Distribution

7.4 Chapter 4 – Housing and territorial development

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APPENDIX

Main Initiatives of EU in Education and Training

Policy Fields	Initiative
ICT for innovation and lifelong learning	The eLearning initiative – Designing tomorrow’s education Communication from the Commission (May 2000)
Developing lifelong learning strategies	A Memorandum on Lifelong Learning Commission Staff Working Paper (October 2000)
An integrated Policy Framework ‘Education & Training 2010’	Future objectives of education and training systems Education Council report (February 2001)
Developing school education policies	European cooperation in quality evaluation in school education Recommendation of the European Parliament and of the Council (February 2001)
ICT for innovation and lifelong learning)	The eLearning Action Plan – Designing tomorrow’s education Communication from the Commission to the Council and the European Parliament (March 2001)
ICT for innovation and lifelong learning	E-Learning Council resolution (July 2001)
Developing lifelong learning strategies	Making a European Area of Lifelong Learning a Reality Commission Communication (November 2001)
An integrated Policy Framework ‘Education & Training 2010’	Detailed work programme on the follow-up of the objectives of Education and training systems in Europe Work programme of the Education Council in cooperation with the Commission (2002)
ICT for innovation and lifelong learning	E-Learning – Designing tomorrow's education Commission Staff Working Paper – An Interim Report as requested by the Council Resolution of 13 July 2001 (February 2002)
Removing obstacles to mobility	Common European format for Curricula Vitae (CVs) Communication concerning the Commission Recommendation on a common European format for curricula vitae (CVs) (March 2002)
Developing lifelong learning strategies	Quality Indicators of Lifelong Learning – Fifteen Quality Indicators Commission Report based on the work of the Working Group on Quality Indicators (June 2002)
ICT for innovation and lifelong learning	Using the Internet to develop twinning between European secondary schools Report from the Commission to the Council (June 2002)
Developing lifelong learning strategies	Lifelong Learning Council Resolution (June 2002)
Enhanced cooperation in vocational education and training and adult education	“Copenhagen Declaration” – Enhanced European cooperation in vocational education and training Declaration of the European Ministers of Vocational Education and Training, the European Social Partners and the European Commission (November 2002)
Measuring progress in education and training (Statistics, indicators and benchmarks)	European benchmarks in education and training: follow-up to the Lisbon European Council Communication from the Commission (November 2002)
An integrated Policy Framework ‘Education & Training 2010’	Investing efficiently in education and training: an imperative for Europe Commission Communication (January 2003)
Measuring progress in education and training (Statistics,	Reference Levels of European Average Performance in Education and Training (Benchmarks)

Policy Fields	Initiative
indicators and benchmarks)	Council Conclusions (May 2003)
ICT for innovation and lifelong learning	E-Learning: Designing Tomorrow's Education – A Mid-Term Report Commission Staff Working Paper (July 2003)
An integrated Policy Framework 'Education & Training 2010'	Implementation of the "Education & Training 2010" programme Commission Staff Working Document Supporting document for the draft joint interim report on the implementation of the detailed work programme on the follow-up of the objectives of education and training systems in Europe (November 2003)
ICT for innovation and lifelong learning	E-Learning Multiannual programme (2004 to 2006) for the effective integration of information and communication technologies (ICT) in education and training systems in Europe (eLearning Programme), Decision No 2318/2003/EC of the European Parliament and of the Council (December 2003)
Removing obstacles to mobility	Mobility within the Community of students, persons undergoing training, volunteers and teachers and trainers Report from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on the follow-up to the Recommendation of the European Parliament and the Council of 10 July 2001 (January 2004)
An integrated Policy Framework 'Education & Training 2010'	"Education & Training 2010" – The success of the Lisbon Strategy hinges on urgent reforms Joint Interim Report of the Council and the Commission on the implementation of the detailed work programme on the follow-up of the objectives of education and training systems in Europe, (February 2004)
An integrated Policy Framework 'Education & Training 2010'	Action programme to promote bodies active at European level in the field of education and training Decision No 791/2004/EC of the European Parliament and of the Council (April 2004)
Developing lifelong learning strategies	Guidance throughout life in Europe Resolution of the Council and of the representatives of the Member States meeting within the Council on Strengthening Policies, Systems and Practices in the field of Guidance throughout life in Europe (May 2004)
Developing lifelong learning strategies	Validation of non-formal and informal learning Conclusions of the Council and of the representatives of the Governments of the Member States meeting within the Council on Common European Principles for the identification and validation of non-formal and informal learning (May 2004)
Enhanced cooperation in vocational education and training and adult education	Quality Assurance in Vocational Education and Training Education Council Conclusions (May 2004)
An integrated Policy Framework 'Education & Training 2010'	Integrated action programme in the field of lifelong learning Proposal for a Decision of the European Parliament and of the Council (July 2004)
Higher Education Reform	Further European cooperation in quality assurance in higher education Commission proposal for a Recommendation of the Council and of the European Parliament (October 2004)
Developing lifelong learning strategies	Career Guidance – A handbook for policy-makers Commission staff working paper and joint publication with the OECD (November, 2004)

Policy Fields	Initiative
Developing school education policies	Key Data on Teaching Languages at School in Europe Publication by the Eurydice European Unit with the financial support of the European Commission (November 2004)
Enhanced cooperation in vocational education and training and adult education	Achieving the Lisbon goal: the contribution of VET Final report to the European Commission (November 2004) Study prepared for the European Commission in preparation for the conference "Strengthening European cooperation in VET: The way forward", Maastricht, 2004
ICT for innovation and lifelong learning	Key Data on Information and Communication Technology in Schools in Europe Publication by the Eurydice European Unit with the financial support of the European Commission (November 2004)
Enhanced cooperation in vocational education and training and adult education	Maastricht Communiqué on the Future Priorities of Enhanced European Cooperation in Vocational Education and Training (VET) European Ministers of Vocational Education and Training, European Social Partners and European, Commission review of the Copenhagen Declaration of 30 November 2002 (December 2004)
Removing obstacles to mobility	Europass Single Community framework for the transparency of qualifications and competences, Decision No 2241/2004/EC of the European Parliament and of the Council, December 2004)
Measuring progress in education and training (Statistics, indicators and benchmarks)	Progress towards the Lisbon Objectives in Education and Training - 2005 Report (Annual Report), Commission Staff Working Paper (March 2005)
Developing lifelong learning strategies	Towards a European Qualifications Framework for Lifelong Learning Commission Staff Working Document (July 2005)
Measuring progress in education and training (Statistics, indicators and benchmarks)	Key data on education in Europe 2005 Joint publication Eurydice/Eurostat (July 2005)
Removing obstacles to mobility	Transnational mobility within the Community for education and training purposes: European Quality Charter for Mobility Commission Proposal for a Recommendation of the European Parliament and of the Council, (September 2005)
An integrated Policy Framework 'Education & Training 2010'	Modernising education and training: a vital contribution to prosperity and social cohesion in Europe Draft 2006 joint progress report of the Council and the Commission on the implementation of the "Education & Training 2010 work programme" (November 2005)
An integrated Policy Framework 'Education & Training 2010'	Annex to the Draft 2006 joint progress report of the Council and the Commission on the implementation of the "Education & Training 2010 work programme Commission Staff Working Paper (November 2005)
Developing lifelong learning strategies	Key competences for lifelong learning Commission Proposal for a Recommendation of the European Parliament and of the Council (November 2005)

Source: Adapted from EU (2005) – Education and Training 2010 – Main Policy Initiatives and Outputs in Education and Training since the year 2000., December 2005, EU.
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ESPON 1.4.2

„Preparatory Study on
Social Aspects of
EU Territorial Development“

Interim Report
Part B – Material

1 RESULTS POLICY REVIEW

The policy review on the relationship of social aspects in the territorial development shall provide a picture of the **main policy orientations** at **EU level** and at **national level** for selected countries where **data is available**, covering the EU 25, plus Romania and Bulgaria, plus Norway and Switzerland. Additionally it may be useful to compare national and possibly regional situations with regards to public intervention and policy goals within the identified key fields.

Nevertheless, due to the limitation of resources the policy review has to be **based on existing overviews and comparisons** possibly available in English and the most important level remains the EU level and current EU policies and strategies.

Tool 2 – the analysis grid for the policy review – is divided in two parts:

- (3) **An overall view of sector-policies** dealing with social aspects in form of a table, which contains the most important information in a concise form (see figure 1).
- (4) A **short description of main contents and structure of each single policy** to identify policy goals and mechanisms and to pose key challenges and questions to be dealt with in the future in order to contribute to further achievement of territorial and social cohesion objectives. (For a maximum of 5 relevant policies within each key field.)

The review of each single policy is envisaged to have a length of a maximum of 2-3 pages. The proposal on the main contents (questions) and structure of these summaries is given in chapter 2.2.

The policy review provides a picture of the main policy orientations at EU level and at national level for selected countries where data is available. It is based on existing overviews and comparisons possibly available in English and the most important level remains the EU level and current EU policies and strategies.

highlighting some relevant important information in a concise form:

- Name of policy (year of publishing)
- Source
- Key fields (WP)
- Territorial level of policy
- Key policy goals
- Implementation
- Monitoring foreseen

Additionally for a selected share of relevant policies a short description of main contents and structure of each single policy is provided (2-3 pages).

The **conclusion** over these assessments should lead to a picture of the EU situation, comparing national and possible regional situations, with regards to public intervention and policy goals within the social key fields.

**Institution:
Title**

2004

Private Health Insurance in OECD Countries, Policy Brief

A) Key policy goals

Which policy goals are defined? Which territorial reference?

B) Strategies/measures

*Which strategies (measures) are referred to? Which territorial reference?
Normative or descriptive? Who should implement them?*

C) Key mechanisms and challenges, questions

Is the document containing or referring to such topics (short summary)? Are there questions formulated to be dealt with in the future, in order to contribute to the further achievement of territorial and social cohesion objectives?

D) Monitoring

Is a monitoring foreseen? How is it implemented? Which data/indicators should be monitored? Who is defined/proposed to realize the monitoring? Which intervals are proposed for the monitoring?

E) Conclusions

Which conclusions can be taken from this policy regarding the aim of ESPON 1.4.2?

1.1 List of Policies

Figure 1: Overall view of policies dealing with social aspects

Name of policy	Source	Territorial level	Key policy goals	Implementation	Monitoring	Key fields (WP)	Contact
Report of the High-Level Group on the future of social policy in an enlarged EU 2004	European Commission, Directorate-General for Employment and Social Affairs	EU, national	<ul style="list-style-type: none"> - Extend working life - Lifelong learning - Modernizing social protection - Combining instruments for improved governance. 	Descriptive	no	2, 3	Nord-regio
Private Health Insurance in OECD Countries 2004	OECD: Private Health Insurance in OECD Countries, 2004	EU, national	<ul style="list-style-type: none"> - Overview of the role of private health insurance and of different policies in different countries. - Governmental regulations is needed. 	Descriptive	no	2	Nord-regio
The social situation in the EU 2004	European Commission	EU, national	<ul style="list-style-type: none"> - Tackle the problems with an aging population by public investment on human capital. - Tackle the differences between the EU-15 and the CEE new MS regarding the level of health status. 	Descriptive	no	2, 3, 5	Nord-regio
Joint report on social inclusion, 2004	European Commission, Directorate-General for Employment and Social Affairs	EU, national	<ul style="list-style-type: none"> - Fight back poverty within a wide range of policies, e.g. health. - Integrate economic and social policies with each other. - Guarantee equal access to health 	Descriptive	no	2, 3, 4, 5	Nord-regio
Revised Strategy for Social Cohesion, 2004	Council of Europe & European Committee for Social Cohesion	EU, national	<ul style="list-style-type: none"> - Reach and maintain social cohesion. - Provide access to basic social rights, one is health care. 	Descriptive	no	2, 3	Nord-regio
Financial Perspective 2007-2013, 2005	Presidency proposal (Great Britain) (http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/misc/87643.pdf) and SN 205/05	EU, national	<ul style="list-style-type: none"> - Housing projects are eligible for financing from ERDF resources in the EU10, ROM and BUL 	Normative, no measures available yet	yes	2, 3, 4, 5	MRI
Proposal of a European Charter for Housing, 2005	URBAN-Housing Intergroup of the European Parliament. (www.iut.nu/EU/Charte%20Logement%20ENG%20v17-11-2005.doc)	EU, national	<p>Access to decent and adapted accommodation is a key condition for maintaining social, territorial cohesion, and privileged tool for sustainable urban development</p> <ul style="list-style-type: none"> - Housing should be eligible for the Structural Funds - Housing is a service of general interest - Housing should fall under reduced VAT 	Normative, no measures available yet	yes	4	MRI

Name of policy	Source	Territorial level	Key policy goals	Implementation	Monitoring	Key fields (WP)	Contact
Presidency Conclusions, Lisbon European Council 2000	Presidency conclusions (POR) 23-24 March http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/ec/00100-r1.en0.htm	EU, national	- mainstream the promotion of inclusion in MS' housing policies	Descriptive (?)	yes	2, 3, 4, 5	MRI
European Social Charter 1996	Council of Europe: European Social Charter (revised) 3 May, 1996 (http://conventions.coe.int/Treaty/EN/Treaties/Html/163.htm)	National	- Everyone has the right to housing (Art. 31.) - Promotion access to housing of an adequate standard - prevent and reduce homelessness with a view to its gradual elimination - make the price of housing accessible to those without adequate resources	Normative, national policies should act like this	yes	2, 3, 4, 5	MRI
Charter of Fundamental Rights 2000	European Commission http://europa.eu.int/comm/justice_home/unit/charte/index_en.html	EU	The EU acknowledges the right to social and housing assistance in order to combat social exclusion and poverty	Normative		2, 3, 4, 5	MRI
Social Agenda (2006-2010)	European Parliament resolution on the Social Agenda for the period 2006-2010 (2004/2191(INI) P6_TA (2005) 0210, 2005 (http://www.europarl.eu.int/omk/sipade3?PUBREF=-//EP//NONSGML+TA+P6-TA-2005-0210+0+DOC+PDF+V0//EN&L=EN&LEVEL=4&NAV=S&LSTDOC=Y)	EU, national	calls on the Commission and the Employment and Social Affairs Council - to ensure the attainment of original Lisbon objectives, particularly the reduction of poverty in the EU and - to safeguard the implementation of all the elements laid down in the framework of the open coordination for measures against poverty and social exclusion	Normative	yes	2, 3, 4, 5	MRI
Services of general interest (Green Paper) 2005	European Parliament resolution on the Green Paper on services of general interest (COM(2003) 270-2003/2152(INI)) P6_TA(2005)0210 (http://www.europarl.eu.int/omk/sipade3?PUBREF=-//EP//NONSGML+TA+P5-TA-2004-0018+0+DOC+PDF+V0//EN&L=EN&LEVEL=4&NAV=S&LSTDOC=Y)	EU, national, regional, local	public and social housing do not fall within the scope of EU competition law and should only be subject to supervision by the Commission as to any apparent abuse of discretionary power in defining such services	Normative	yes	2, 3, 4, 5	MRI

Name of policy	Source	Territorial level	Key policy goals	Implementation	Monitoring	Key fields (WP)	Con-tact
general provisions on ERDF, ESF and Cohesion Fund 2005	European Parliament resolution on the proposal for a Council regulation laying down general provisions on the ERDF, ESF and the Cohesion Fund (COM(2004)0492 – 2004/0163(AVC)), 2005 (Provisional Edition) http://europa.eu.int/scadplus/leg/en/lvb/g24231.htm	EU, national	considers that expenses which relate to renovation of social housing with a view to saving energy and protecting the environment should be included within eligible expenditure in the Structural Funds	Normative	yes	2, 3, 4, 5	MRI
Housing Policy Concept CZE 2005	Ministry for Regional Development of the CZE, Approved by the Government under Resolution No 292 of 16 March, 2005 http://www.mmr.cz/upload/1122566030housing-policy-concept-2005.pdf	national, local	round off the full range of market-compliant instruments compatible with EU rules, - enabling all citizens, based on their capacity of higher or lower participation, to draw on instruments for the acquisition of housing, - and to ensure decent, adequate low cost housing for those citizens who are not capable of such participation	Descriptive	-	4	MRI
Regional Housing Strategy for the East of England, 2005-2010	East of England Regional Assembly: Regional Housing Strategy for the East of England, 2005-2010, July, 2005 http://www.goeast.gov.uk/goee/docs/192869/192874/233339/RHS	regional, sub-regional	To ensure everyone can live in a home which meets their needs, at a price they can afford and in locations that are sustainable. Contributing aims: - to use housing investment to support economic development - to provide a sustainable environment and attractive places to live - to promote social inclusion within sustainable communities - to ensure that housing serves to improve the region's health and well-being and reduce inequalities.	Normative, measures and stakeholders are identified	yes	4	MRI

Name of policy	Source	Territorial level	Key policy goals	Implementation	Monitoring	Key fields	Con-tact (WP)
Operative Programme, Town Development, Housing and Infrastructure. Project of City Madrid 2004-2007	Madrid, Area de Gobierno, de Urbanismo, Vivienda e Infraestructuras: Operative Programme, Town Development, Housing and Infrastructure. Project of City Madrid 2004-2007 http://www.urbanismo.munimadrid.es/gmu/area_presentacion/programa_operativo/Operative_Programme.pdf	local	<ul style="list-style-type: none"> - Renovation of houses on the city centre with view to converting it for residential use and empathizing its historical memory - Creation of new state-subsidised housing providing an easy access to housing to young adults and to other sectors which. - Unoccupied properties shall be put on to the market and aimed at the younger house-hunters. - undertaking serious and specific actions to eradicate sub-standard housing and slums. - To integrate marginalised sectors and immigrant population lacking the necessary resources to access a safe and comfortable mainstream property. - Preparation of actions aimed at restoring and renovating the emblematic buildings of the City Centre to recover their historic and tourist value. 	Normative, Measures and stakeholders are listed	yes	4	MRI
Guidelines for the employment policies of the MS 2005	EU Guidelines for the employment policies of the MS (2005/600/EC) http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2005/l_205/l_20520050806en00210027.pdf	EU	<p>3 priorities:</p> <ul style="list-style-type: none"> - Attract and retain more people in employment, increase labour supply and modernise social protection systems - Improve adaptability of workers and enterprises - Increase investment in human capital through better education and skills <p>8 guidelines:</p> <ul style="list-style-type: none"> - 17: achieving full employment, improving quality and productivity at work - 18: promote a lifecycle approach to work - 19: ensure inclusive labour markets, enhance work attractiveness, make work pay for job-seekers - 20: improve matching of labour market needs - 21: promote flexibility combined with employment security, reduce labour market segmentation, - 22: ensure employment-friendly labour cost developments and wage-setting mechanisms - 23: improve investment in human capital - 24: adapt education and training systems in response to new competence requirements 	normative	yes	3	OIR

Name of policy	Source	Territorial level	Key policy goals	Implementation	Monitoring	Key fields (WP)	Con-tact
Integrated Guidelines for Growth and Jobs (2005-2008)	Commission Recommendation on the broad guidelines for economic policies, COM(2005) http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2005/com2005_0141en01.pdf	EU	23 guidelines, according to Guidelines for the employment policies of the MS	normative	yes	3	OIR
Implementation of MS' employment policies	Implementation of MS' employment policies 2004/741/EC Official Journal of the European Union L326/47-63	EU, national	Country specific recommendations and priorities <ul style="list-style-type: none"> - Increasing adaptability of workers and enterprises - Attracting more people to enter and remain on the labour market: making work a real option for all - Investing more and more effectively in human capital and lifelong learning - Ensuring effective implementation of reforms through better governance 	normative	yes	3	OIR
Strengthening of the Implementation of the European Employment Strategy (EES)	Proposal for a Council Decision on guidelines for the employment policies of the MS Recommendation on the Implementation of MS' employment policies COM (2004) 239 final http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2004/com2004_0239en01.pdf	EU 15 + 10, national	EES: 3 overarching objectives: <ul style="list-style-type: none"> - Full employment - Quality and productivity at work - Strengthening social cohesion and inclusion → include guidance on improving governance of employment policies (= recommendation to all MS): <ul style="list-style-type: none"> - Increasing adaptability of workers and enterprises - Attracting more people to enter and remain on the labour market: making work a real option for all - Investing more and more effectively in lifelong learning - Ensuring effective implementation of reforms through better governance 	normative	yes	3	OIR

Name of policy	Source	Territorial level	Key policy goals	Implementation	Monitoring	Key fields (WP)	Contact
Guidelines for the employment policies of the MS	Guidelines for the employment policies of the MS (2003/578/EC) http://europa.eu.int/eur-lex/pri/en/oj/dat/2003/l_197/l_19720030805en00130021.pdf	EU	<ol style="list-style-type: none"> 1. Active and preventative measures for the unemployed and inactive 2. Job Creation and Entrepreneurship 3. Address change and promote adaptability and mobility in labour market 4. Promote development of human capital and lifelong learning 5. Increase labour supply and promote active ageing 6. Gender equality; 7. Promote the integration of and combat the discrimination against at a disadvantage in the labour market; 8. Make work pay through incentives enhance work attractiveness 9. Transform undeclared work into regular employment 10. Address regional employment disparities 	normative	yes	3	OIR
Commission Recommendation on the Broad Guidelines of Economic Policies of the MS and the Community	COM (2003) 170 http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2003/com2003_0170en02.pdf	General (Part I) national EU-15 (Part II)	<ul style="list-style-type: none"> - Growth- and stability-orientated macroeconomic policies - Economic reforms to raise Europe's growth potential - Strengthening sustainability 	normative	yes	3	OIR
Working together for growth and jobs – A new start for the Lisbon Strategy	COM (2005) 24 http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2005/com2005_0024en01.pdf	EU	<p>Identifies new Actions at European and National level which will help to see the Lisbon vision achieved</p> <ul style="list-style-type: none"> - Launch a new Partnership for Growth and Jobs - Endorse the Community Action Programme and call MS to establish their own NAPs - Approve the new arrangements for governance of the Lisbon strategy (streamline the existing guidelines, simplified reporting) 	normative	yes	3	OIR
National Action Plans (NAPs) 2004	http://europa.eu.int/comm/employment_social/employment_strategy/national_en.htm	national	<p>Reaction of the National Employment policy to the employment guidelines and the specific Council recommendation</p> <ul style="list-style-type: none"> - Different country-specific goals 	normative	yes	3	OIR
National Reform Programmes 2005	(until 2005 National Action Plans) http://europa.eu.int/growthandjobs/pdf/nrp_2005_en.pdf	national, (no plan: HUN, POL)	<p>Reaction of the National Employment policy to the employment guidelines and the specific Council recommendation</p> <ul style="list-style-type: none"> - Various country-specific goals 	normative	yes	3	OIR

Name of policy	Source	Territorial level	Key policy goals	Implementation	Monitoring	Key fields (WP)	Con-tact
Report of the Employment Taskforce chaired by Wim Kok	"Jobs, Jobs, Jobs Creating more employment in Europe" http://www.eu.int/comm/employment_social/employment_strategy/pdf/etf_en.pdf	EU	<ul style="list-style-type: none"> - Increasing adaptability of workers and enterprises - Attracting more people to the labour market - More investment in human capital and lifelong learning - Implementation of reforms through better governance 	Basis for normative implementations	yes	3	OIR
The eLearning Action Plan – Designing tomorrow's education, 2001	Communication from the Commission to the Council and the European Parliament, Brussels, 2001 Adopted by the European Commission on 24 May 2000. COM(2001)172 final http://europa.eu.int/scadplus/leg/en/cha/c11050.htm	EU	<p>Part of the comprehensive <i>eEurope Action Plan</i> purpose: to present ways and means of implementing the eLearning initiative :</p> <ul style="list-style-type: none"> - to accelerate the deployment in the EU of a high-quality infrastructure at reasonable costs - to step up the training drive (promoting universal digital literacy, appropriate training for teachers and trainers) - to strengthen cooperation between measures and initiatives at all levels and between all players (universities, schools, training centres, decision-makers and administrators responsible for selecting equipment, software, content or services 	Key measures foreseen	yes	5	CEG

Name of policy	Source	Territorial level	Key policy goals	Implementation	Monitoring	Key fields (WP)	Contact
Report from the Education Council to the European Council 2001 "The concrete future objectives of education and training systems"	Report from the Commission the concrete future objectives of education systems COM(2001) 59 final, Brussels, 31.01.2001 http://europa.eu.int/comm/education/policies/2010/doc/concrete-future-objectives_en.pdf	EU	<p>targeted results according to the goal "improving the quality of education and training systems":</p> <ul style="list-style-type: none"> - halve the number of 18- to 24-year-olds with only lower-secondary level education by 2010; - ensure that all education and training institutions have access to the internet and to multimedia resources by the end of 2010; - take steps to ensure that all the teachers involved are qualified in the use of these technologies by the end of 2002; bring about a substantial increase in per capita investment in human resources every year. <p>targeted results according to the goal "facilitating access for all to education and training":</p> <ul style="list-style-type: none"> - halve number of 18 to 24 year olds with only lower-secondary level education who are not in further education or training by 2010,. <p>targeted results according to the goal "opening education and training to the world":</p> <ul style="list-style-type: none"> - promote training for entrepreneurs + self-employed workers; - encourage people to study two EU languages in addition to their mother tongue(s) for a minimum of two consecutive years; - promote mobility of students, teachers, trainers and researchers. 		yes	5	CEG
Detailed work programme on the follow-up of the objectives of Education and training systems in Europe, 2002	Official Journal of the European Communities, of 14.6.2002, Adopted by the Council Commission on 14 February 2002. (2002/C 142/01) http://europa.eu.int/comm/education/policies/pol/policy_en.html	EU	<p>programme supporting the implementation of the Lisbon strategy in the fields of education and training, focusing on three strategic objectives, which are broken down into 13 associated objectives:</p> <ul style="list-style-type: none"> - improving the quality and effectiveness of education and training systems in the EU, - facilitating the access of all to education and training systems, - opening-up education and training systems to the wider world. 	See explanatory notes	yes	5	CEG

Name of policy	Source	Terri- torial level	Key policy goals	Implemen- tation	Moni- toring	Key fields (WP)	Con- tact
Enhanced European cooperation in vocational education and training "The Copenhagen Declaration" 2002	Declaration of the European Ministers of Vocational Education and Training, and the European Commission, convened in Copenhagen on 29 and 30 2002 http://europa.eu.int/comm/education/copenhagen/copenhagen_declaration_en.pdf http://europa.eu.int/comm/education/policies/pol/policy_en.html	EU	principles to underpin enhanced cooperation in vocational education and training: - Measures should be voluntary and principally developed through bottom-up cooperation; - Initiatives must be focused on the needs of citizens and user organisations; - Cooperation should be inclusive and involve MS, the Commission, candidate countries, EFTA-EEA countries and the social partners			5	CEG
Europass: Community framework for the transparency of qualifications and competences 2004	Community framework for the transparency of qualifications and competences (Europass) in: Official Journal of the European Union- 31.12.2004 http://europa.eu.int/comm/education/programmes/europass/index_en.html	EU	Europass is a new document showing the qualifications owner. Its main objectives are: - an improved transparency of qualifications and competences to facilitate mobility throughout Europe for lifelong learning purposes between countries as well as across sectors. - an improved transparency in vocational education and training, through the implementation and rationalisation of information tools and networks - the creation of a personal, coordinated portfolio of documents (Europass), which citizens can use on a voluntary basis to better communicate and present their qualifications and competences throughout Europe			5	CEG

Name of policy	Source	Territorial level	Key policy goals	Implementation	Monitoring	Key fields (WP)	Con-tact
Proposal for a recommendation of the European Parliament and of the Council on key competences for lifelong learning 2005	Commission of the European Communities COM(2005)548 final 2005/0221(COD), Brussels 2005 http://europa.eu.int/comm/education/policies/2010/doc/keyrec_en.pdf	EU	<ul style="list-style-type: none"> - Identify and define the key competences necessary for personal fulfilment, social cohesion and employability in a knowledge society. - Support MS' work on ensuring that by the end of initial education and training young people have developed the key competences to a level that equips them for adult life, and that adults are able to develop and update them throughout their lives. - Provide a European level reference tool, traduced in key competences for lifelong learning – a European reference framework for policy makers, education providers, employers, and learners themselves to facilitate national and European level. - Provide a framework for further action at Community level both within the Education and Training 2010 work programme and within the community education and training programmes. 	recommendations for MS implementation	yes	5	CEG
The EU Education, Training and youth Programmes after 2006	European Commission, Directorate General for Education and Culture, Brussels 2002. http://europa.eu.int/comm/education/newprogconsult/consult_en.pdf	EU	<p>three programs: Socrates, Leonardo da Vinci and Youth for Europe wit the goals:</p> <ul style="list-style-type: none"> - to strengthen co-operation in the fields of education, - to create advantages in the job market. - to make mobility more feasible and rewarding. 		yes	5	CEG
Adopted Employment Guidelines 2005-2008	COUNCIL DECISION of 12 July 2005 on Guidelines for the employment policies of the MS (2005/600/EC); adopted on 12/07/2005 http://europa.eu.int/comm/employment_social/employment_strategy/index_en.htm	EU	<p>3 main objectives:</p> <ul style="list-style-type: none"> - full employment; - quality and productivity at work - and strengthened social cohesion and inclusion <p>4 priorities for action of general relevance for MS:</p> <ul style="list-style-type: none"> - increasing adaptability of workers and enterprises; - attracting more people to the labour market and making work a real option for all; - investing more and more effectively in human capital; - ensuring effective implementation of reforms through better governance. 	objectives include 10 specific guidelines and guidance on improving governance of employment policies.	yes	5	CEG

Name of policy	Source	Terri- torial level	Key policy goals	Implemen- tation	Moni- toring	Key fields (WP)	Con- tact
Lisbon Strategy + Report from the High Level Group chaired by Wim Kok	<p>Presidency Conclusions, Lisbon European Council, 23 and 24 March, 2000. http://europa.eu.int/european_council/conclusions/index_en.htm</p> <p>Report from the Commission to the Spring European Council, "Delivering Lisbon: Reforms for the Enlarged Union." Brussels: Commission of the European Communities. 20 February 2004. http://europa.eu.int/growthandjobs/pdf/kok_report_en.pdf</p> <p>Communication from President Barroso, in agreement with Vice-President Verheugen ,A new start for the Lisbon strategy http://www.europa.eu.int/growthandjobs/index_en.htm</p>	EU	<p>Commitment of the EU leaders at the Lisbon Spring Council that the EU should raise the rate of growth and employment to underpin social cohesion and environmental sustainability. Main objectives:</p> <ul style="list-style-type: none"> - growth and employment - social cohesion - environmental sustainability - knowledge economy - communication technologies - market opening initiatives - growth of productivity - open method of coordination <p>The need to reinforce a dynamic economy to fuel European objectives focused on growth and jobs. It must be ensured that:</p> <ul style="list-style-type: none"> - Europe is a more attractive place to invest and work, - knowledge and innovation are the beating heart of European growth, - policies allowing the European businesses to create more and better jobs are needed 		yes	5	CEG

1.2 Description of main contents of each single policy

1.2.1 Access to Social Services, SGEIs and mechanisms of public transfers

**European Commission:
Report of the High-Level Group on the future of social policy in an enlarged European Union**

2004

A) Key policy goals

Which policy goals are defined? Which territorial reference?

The report from the High-Level Group²⁰ contains *recommendations* for future policy goals. The territorial reference is EU level and national.

Their recommendation to *extend working life* both for elderly, young people, and women could be relevant for health and health care oriented questions. This since employment, social inclusion and good health are connected. And since the health care costs must be covered.

Another recommendation from the High Level Group deals with the demographic problem with an *elderly population*. The Group recommend actions to improve integrated immigration and policies to facilitate for young couples to have children. These recommendations are of relevance for health care in view of the fact that an unbalanced demography tends to undermine the health care system.

When it comes to the increasing expenditure for health care, the group stress that the solution would be greater efficiency and quality of the health care system with a better coordination of actors.

EU social policy (including health policy) should not try to harmonise the social systems, instead the High Level Group recommends defining common objectives and exchanging of good experience.

Further on they hope to find a comprehensive approach to coordinate policies for social inclusion, social protection and health care as well as an approach to combine institutional instruments for improved governance. The group also stress that an integrated approach, such as the Lisbon strategy where economic, employment and social policies brings together, would be fruitful.

²⁰ The High Level Group was established by the Commission to identify the main challenges, opportunities and pathways for action for the European Union over the period 2006-10 in the field of employment and social policy. (EC 2004a 5)

B) Strategies/measures

Which strategies (measures) are referred to? Which territorial reference? Normative or descriptive? Who should implement them?

No concrete strategies or measures are referred to.

They recommend no harmonized social system on EU level. They recommend defining common general objectives on EU level. The other recommendations are mostly addressed to national level.

The recommendations are descriptive.

C) Key mechanisms and challenges, questions

Is the document containing or referring to such topics (short summary)? Are there questions formulated to be dealt with in the future, in order to contribute to the further achievement of territorial and social cohesion objectives?

The whole document contains challenges and questions to be dealt with in the future regarding territorial and social cohesion, such as:

- Unemployment
- Demographic problem with an *elderly population*.
- Immigration
- Increasing expenditure for health care

D) Monitoring

Is a monitoring foreseen? How is it implemented? Which data/indicators should be monitored? Who is defined/proposed to realize the monitoring? Which intervals are proposed for the monitoring?

No monitoring is foreseen.

E) Conclusions

Which conclusions can be taken from this policy regarding the aim of ESPON 1.4.2?

The conclusion would be that the High-Level Group points out some of the challenges for the future concerning employment, social protection and health care, which could be of interest for further studies.

2004

A) Key policy goals

Which policy goals are defined? Which territorial reference?

The territorial reference is EU level and national.

The main purpose with this document is to make an overview of different policies and experiences concerning private health care and private health insurance. Governmental policies towards private health insurance markets shape their structure and dimension.

One of the concluding policy recommendations deals with the need of governmental regulations. Without governmental regulations there is a risk of creating a two level health care system according to ability to pay. Policy makers can for example regulate the minimum benefits that insurers must cover, require insurance products to be standardised, and limit the extent to which insurers can refuse cover and rate premiums on the basis of individual risk.

B) Strategies/measures

*Which strategies (measures) are referred to? Which territorial reference?
Normative or descriptive? Who should implement them?*

Descriptive.

Governmental regulations at national level are recommended.

C) Key mechanisms and challenges, questions

Is the document containing or referring to such topics (short summary)? Are there questions formulated to be dealt with in the future, in order to contribute to the further achievement of territorial and social cohesion objectives?

The document points out some of the risks with an unregulated private health care system. See above.

D) Monitoring

*Is a monitoring foreseen? How is it implemented? Which data/indicators should be monitored? Who is defined/proposed to realize the monitoring?
Which intervals are proposed for the monitoring?*

National governmental regulations is mentioned as a monitoring system.

E) Conclusions

Which conclusions can be taken from this policy regarding the aim of ESPON 1.4.2?

The conclusion would be that if you want to get the whole picture when looking at health care sector and access to health care, it is necessary to cover both the public and the private sector. Within the OECD countries one quarter of the spending on health is privately financed.

Another conclusion would be that the experience of, the attitudes towards and the policies concerning private health care differ to a great extent within EU.

European Commission: The social situation in the European Union 2004

2004

A) Key policy goals

Which policy goals are defined? Which territorial reference?

The territorial reference is EU level and national.

The report recommends the following policies related to health care:

“Enlargement --- has introduced a new typology of population related issues in relation to health, gender and ethnic minorities. Paying due attention to these issues will be necessary for responding to the renewed challenges of economic cohesion within the enlarged Union.”

To tackle the problems connected with an aging population and a small working age population and to provide the tax base for financing pensions and health care systems, the report recommend public investment on human capital:

“...human capital investment consists of parental costs --- and public expenditure on childcare, education, training, updating and other forms of lifelong development of competencies as well as of policies aimed at integrating women, the immigrants and other less favoured groups of population in the economic and social life.”

The report also makes a short overview of other European health care policy:

“Community action, which shall complement national policies, shall be directed towards improving health, preventing human illness and diseases, and obviating sources of danger to human health. Such action shall cover the fight against the major health scourges, by promoting research into their causes, their transmission and their prevention, as well as health information and education”

(The EC Treaty, Title XIII Public Health, Article 152)

“The objective of the programme shall be to contribute to the establishment of a Community health monitoring system which makes it possible to a) measure health status, trends and determinants throughout the Community...”

(Article 1 of the Community Action on health monitoring. Decision No 1400/97/EC of the European Parliament and of the Council of 30 June 1997)

The Laeken European Council called for the development of an approach in the field of health care and care for the elderly similar to the one being developed for the pensions.

In the Communication of the Commission (COM 2001 723) the long-term objectives are accessibility, quality and financial viability of health and care systems. Particular attention will have to be taken to the impact of European integration on Member States' healthcare systems.

The Programme of Community action in the field of public health (2003-2008) stresses the importance of development and dissemination of health information and knowledge, including statistics, reports, reviews, analysis etc to competent authorities, to health and other professionals and to other stakeholders and the general public.

B) Strategies/measures

Which strategies (measures) are referred to? Which territorial reference? Normative or descriptive? Who should implement them?

No concrete strategies/measures are referred to.

C) Key mechanisms and challenges, questions

Is the document containing or referring to such topics (short summary)? Are there questions formulated to be dealt with in the future, in order to contribute to the further achievement of territorial and social cohesion objectives?

The future challenges, according the report, deals with the differences between the EU-15 and the CEE new Member States regarding the level of health status and the quality of health care systems. This challenge must be dealt with in order to contribute to further territorial and social cohesion.

Another important future challenge, according to the report, is the aging population and a small working age population, which will lead to an increasing pressure on the systems of healthcare.

D) Monitoring

Is a monitoring foreseen? How is it implemented? Which data/indicators should be monitored? Who is defined/proposed to realize the monitoring? Which intervals are proposed for the monitoring?

No monitoring is foreseen.

E) Conclusions

Which conclusions can be taken from this policy regarding the aim of ESPON 1.4.2?

The conclusion would be that the differences between the EU-15 and the CEE new Member States regarding the level of health status and the quality of health care systems represent a major challenge to further territorial and social cohesion.

**European Commission:
Joint report on social inclusion**

2004

A) Key policy goals

Which policy goals are defined? Which territorial reference?

The territorial reference is EU, national, regional and local levels, meaning the report recommend action or better policies on these different levels.

The report stresses the importance of fighting back poverty within a wide range of policies, e.g. health.

The report stresses the need of a strong integration of economic, employment, lifelong learning, cultural and social policies and that a concern with preventing and eradicating poverty and social exclusion is mainstreamed across all these policy areas.

Concerning health the report stresses the following policy

“Guaranteeing equal access to quality services (health, transport, social, care, cultural, recreational and legal). Ensuring the provision of quality services which are adequate, accessible and affordable for all citizens are still a major challenge --- in particular access to health...” (EC 2004c 37 & 64-)

B) Strategies/measures

*Which strategies (measures) are referred to? Which territorial reference?
Normative or descriptive? Who should implement them?*

No concrete strategies or measures are referred to. The recommendations are mostly addressed to national level and deals mostly with “put plans to action”.

The recommendations are descriptive.

C) Key mechanisms and challenges, questions

Is the document containing or referring to such topics (short summary)? Are there questions formulated to be dealt with in the future, in order to contribute to the further achievement of territorial and social cohesion objectives?

The challenges for the future is to ensure a strong integration of economic, employment, lifelong learning, cultural and social policies.

D) Monitoring

Is a monitoring foreseen? How is it implemented? Which data/indicators should be monitored? Who is defined/proposed to realize the monitoring? Which intervals are proposed for the monitoring?

No specific monitoring is foreseen. But the report calls for better statistical capacities and improved evaluation procedures by further developing indicators and other monitoring mechanisms at the national and EU levels.

E) Conclusions

Which conclusions can be taken from this policy regarding the aim of ESPON 1.4.2?

A conclusion would be that there is a need for integrated policies and action to reach social cohesion.

Another conclusion would be that ESPON 1.4.2 has a role to fill by proposing sufficient indicators for better evaluation procedures.

**Council of Europe & European Committee for Social Cohesion (CDCS):
Revised Strategy for Social Cohesion, approved by the Committee of
Ministers at the 878th meeting of the Deputies on 31 March 2004**

2004

A) Key policy goals

Which policy goals are defined? Which territorial reference?

The territorial reference is European and national level.

CE stresses the need of reaching and maintaining social cohesion. CE claims that today there are a number of potential threats to social cohesion, e.g. changing employment patterns and uncertainties about the sustainability of social security systems. Social cohesion is currently at risk and is therefore "...one of the foremost needs of the wider Europe..."

CE stresses the importance of access to basic social rights, one is health care.

B) Strategies/measures

*Which strategies (measures) are referred to? Which territorial reference?
Normative or descriptive? Who should implement them?*

No concrete strategies/measures are referred to.

C) Key mechanisms and challenges, questions

Is the document containing or referring to such topics (short summary)? Are there questions formulated to be dealt with in the future, in order to contribute to the further achievement of territorial and social cohesion objectives?

Potential threats to social cohesion are, according to CE, changing employment patterns and uncertainties about the sustainability of social security systems.

D) Monitoring

*Is a monitoring foreseen? How is it implemented? Which data/indicators should be monitored? Who is defined/proposed to realize the monitoring?
Which intervals are proposed for the monitoring?*

No monitoring is foreseen.

E) Conclusions

Which conclusions can be taken from this policy regarding the aim of ESPON 1.4.2?

Since the report stresses that social cohesion and access to basic social needs are regarded as some of the foremost requirements in Europe, it confirms the relevance of the ESPON 1.4.2 study.

1.2.2 Employment and Income Distribution

Council Decision of 12 July 2005 on Guidelines for the employment policies of the Member States

2005

A) Key policy goals

Which policy goals are defined? Which territorial reference?

The territorial reference is EU level and national.

The Member States shall conduct their policies with a view to implementing following objectives:

- Full employment
- Improving quality and productivity at work
- Strengthening social and territorial cohesion

In addressing these objectives, action should concentrate on the following priorities:

- (1) Attract and retain more people in employment, increase labour supply and modernise social protection systems
- (2) Improve adaptability of workers and enterprises
- (3) Increase investment in human capital through better education and skills

B) Strategies/measures

Which strategies (measures) are referred to? Which territorial reference? Normative or descriptive? Who should implement them?

The strategies are of normative character: "The guidelines shall be taken into account in the employment policies of the Member States, which shall be reported upon in the national reform programmes."

The paper contains 8 Employment Guidelines for time period from 2005 to 2008 which are part of the Integrated Guidelines (Nos 17 to 24):

General:

- 17: Implement employment policies aiming at achieving full employment, improving quality and productivity at work, strengthening social and territorial cohesion
- (4) Attract and retain more people in employment, increase labour supply and modernise social protection systems
- 18: Promote a lifecycle approach to work
- 19: Ensure inclusive labour markets, enhance work attractiveness, make work pay for job-seekers, including disadvantaged people, and the inactive
- 20: Improve matching of labour market needs

- (5) Improve adaptability of workers and enterprises
 21: Promote flexibility combined with employment security, reduce labour market segmentation, having due regard to the role of the social partners
 22: Ensure employment-friendly labour cost developments and wage-setting mechanisms
- (6) Increase investment in human capital through better education and skills
 23: Expand and improve investment in human capital
 24: Adapt education and training systems in response to new competence requirements

C) Key mechanisms and challenges, questions

Is the document containing or referring to such topics (short summary)? Are there questions formulated to be dealt with in the future, in order to contribute to the further achievement of territorial and social cohesion objectives?

The main challenge is refocusing the Lisbon Strategy on growth and employment which five years after its launching is far from being achieved. The strengthening of social cohesion is a key element for the success of the Lisbon Strategy.

D) Monitoring

Is a monitoring foreseen? How is it implemented? Which data/indicators should be monitored? Who is defined/proposed to realize the monitoring? Which intervals are proposed for the monitoring?

All Member States have drawn up a National Reform Programme on the basis of the integrated policy guidelines. "The European Commission's 2006 Annual Progress Report on Growth and Jobs" includes an detailed assessment of each national programme, pointing out particular strengths as well as number of issues which can be further developed and strengthened. For each EU Member State, 14 structural indicators are presented:

- GDP per capita in PPS
- Labour productivity per person employed
- Employment rate
- Employment rate of older workers
- Gross domestic expenditure on R&D (GERD)
- Youth education attainment level
- Comparative price levels
- Business investment
- At-risk-of-poverty rate after social transfers
- Dispersion of regional employment rates
- Long-term unemployment rate
- Total greenhouse gas emissions
- Energy intensity of the economy
- Volume of freight transport relative to GDP

E) Conclusions

Which conclusions can be taken from this policy regarding the aim of ESPON 1.4.2?

Council Decision of 22 July 2003 on Guidelines for the employment policies of the Member States

2003

A) Key policy goals

Which policy goals are defined? Which territorial reference?

The territorial reference is EU level and national: "The Member States have responsibility for the effective implementation of the employment guidelines, including ensuring a balanced delivery at regional and local level."

The Member States shall conduct their policies with a view to implementing the following three overarching objectives:

- Full employment
- Improving quality and productivity at work
- Strengthening social cohesion and inclusion

A better governance is important for the effectiveness and success of the employment strategy: "The achievement of these objectives requires further structural reforms concentrating on 10 key interrelated priorities and special attention should be paid to the coherent governance of the process."

B) Strategies/measures

Which strategies (measures) are referred to? Which territorial reference? Normative or descriptive? Who should implement them?

In pursuing the three overarching objectives, the following ten key interrelated priorities (specific guidelines) are formulated:

- (1) Active and preventative measures for the unemployed and inactive
- (2) Job Creation and Entrepreneurship
- (3) Address change and promote adaptability and mobility in labour market
- (4) Promote development of human capital and lifelong learning
- (5) Increase labour supply and promote active ageing
- (6) Gender equality
- (7) Promote the integration of and combat the discrimination against at a disadvantage in the labour market;
- (8) Make work pay through incentives enhance work attractiveness
- (9) Transform undeclared work into regular employment
- (10) Address regional employment disparities

Furthermore, the potential of the Cohesion and Structural Funds and the European Investment Bank should be fully exploited.

The strategies for a better governance are:

- Partnerships on all levels
- Involvement of parliamentary bodies, social partners and other relevant actors
- Adequate allocation of financial resources

C) Key mechanisms and challenges, questions

Is the document containing or referring to such topics (short summary)? Are there questions formulated to be dealt with in the future, in order to contribute to the further achievement of territorial and social cohesion objectives?

The key challenge is the successful implementation of the Lisbon agenda.

One question to be dealt with in the future is, that employment and unemployment disparities between regions in the European Union remain large and will increase after enlargement. A broad approach involving actors at all levels should support economic and social cohesion, making use of the Community Structural Funds.

D) Monitoring

Is a monitoring foreseen? How is it implemented? Which data/indicators should be monitored? Who is defined/proposed to realize the monitoring? Which intervals are proposed for the monitoring?

The annual joint European Commission-Council report on employment ("Joint Employment Report – JER) is a monitoring of the implementation of the European Employment Guidelines and Council Recommendations. These reports are available for 2003/2004 and 2004/2005. The Employment Committee list following indicators to be used in the JER to monitor the employment guidelines:

- (1) Unemployment rate
- (2) Employment rate
- (3) Transitions by pay level
- (4) Growth in labour productivity
- (5) Transitions by employment status
- (6) Long-term unemployment rate
- (7) Preventative services
- (8) New start (a)
- (9) New start (b)
- (10) Activation of long-term unemployed
- (11) Follow-up of participants in active measures
- (12) Enterprise births
- (13) Employment growth
- (14) Survival rate of newly born enterprises
- (15) Diversity of contractual and working arrangements
- (16) Transitions by type of contract
- (17) Trends in accidents at work
- (18) Trends in occupational diseases
- (19) Transparency of job vacancies
- (20) Educational attainment of 22 year olds
- (21) Participation in education and training

- (22) Investment in human resources
- (23) Participation in CVT
- (24) Activity rate
- (25) Average exit age from the labour force
- (26) Employment gender gap
- (27) Unemployment gender gap
- (28) Gender pay gap
- (29) Employment impact of parenthood
- (30) Childcare
- (31) Early school leavers
- (32) Unemployment rate gaps for people at a disadvantage
- (33) Unemployment rate gap between non EU and EU nationals.
- (34) Working poor
- (35) Poverty trap
- (36) Unemployment trap
- (37) Taxation on low-wage earners
- (38) Undeclared work
- (39) Regional disparities – coefficients of variation
- (40) Regional disparities – Underperforming regions

E) Conclusions

Which conclusions can be taken from this policy regarding the aim of ESPON 1.4.2?

Council Recommendation of 14 October 2004 on the implementation of Member States' employment policies

2004

A) Key policy goals

Which policy goals are defined? Which territorial reference?

The policy goals are based on the assessment of the Employment Taskforce:

- (1) Increasing adaptability of workers and enterprises
- (2) Attracting more people to enter and remain on the labour market: making work a real option for all
- (3) Investing more and more effectively in human capital and lifelong learning
- (4) Ensuring effective implementation of reforms through better governance

In contrast to the Report of the Employment Taskforce which contains some country-specific messages concerning the respective strategy (mostly of comparative character), the Council Recommendation include a complete list with specific recommendations for every Member State for the policy goals 1) to 3).

B) Strategies/measures

*Which strategies (measures) are referred to? Which territorial reference?
Normative or descriptive? Who should implement them?*

The country-specific messages are listed for the EU-15 and the 10 new Member States. Concerning the new Member States, these recommendations are fully consistent with the examination of the Joint Assessments of Employment Policy in the Candidate States (JAP) and serve as a guidance for the implementation of the Employment Guidelines. Most new Member States need to further develop their efforts to modernise their employment policies with following strategies: a new balance between flexibility and security, increased participation in employment and investment in human capital and lifelong learning, improvement of the health of the workforce, social partnerships and significant improvements in the administrative capacity of public authorities to achieve full implementation and efficient use of European Social Fund support.

General strategies are:

policy goal 1):

- promote flexibility combined with security in the labour market
- modernise and broadening the concept of job security
- maximise job creation and raising productivity

policy goal 2):

- build comprehensive active ageing strategies;
- develop policies to increase labour market participation
- strengthen active labour market policies, with personalised services to all those seeking employment

- pursue 'make work pay' policies through both financial and non-financial incentives

policy goal 3):

- share costs and responsibilities between public authorities, companies and individuals
- broaden the supply of training, in particular for those most in need such as the low-skilled and older workers

policy goal 4):

- build reform partnerships to mobilise the support and participation of the social partners and various stakeholders
- define targets to reflect those set at a European level, and ensure effective use of public funds
- promote the role of National Action Plans and increase their visibility
- strengthen the role of the country-specific recommendations
- develop more effective mutual learning

C) Key mechanisms and challenges, questions

Is the document containing or referring to such topics (short summary)? Are there questions formulated to be dealt with in the future, in order to contribute to the further achievement of territorial and social cohesion objectives?

The main challenge is to force the employment policies of the Member States to foster the three complementary and mutually supportive objectives of full employment, quality and productivity at work, and social cohesion and inclusion.

D) Monitoring

Is a monitoring foreseen? How is it implemented? Which data/indicators should be monitored? Who is defined/proposed to realize the monitoring? Which intervals are proposed for the monitoring?

See Monitoring of the 2003 Guidelines for the employment policies of the Member States.

E) Conclusions

Which conclusions can be taken from this policy regarding the aim of ESPON 1.4.2?

Integrated Guidelines for Growth and Jobs (2005-2008) including a Commission Recommendation on the broad guidelines for the economic policies of the Member States and the Community

2005

A) Key policy goals

Which policy goals are defined? Which territorial reference?

The territorial reference is EU level and national.

The main goal is to achieve higher growth potential and more jobs which will provide an essential contribution to a sustainable development and social cohesion.

B) Strategies/measures

Which strategies (measures) are referred to? Which territorial reference? Normative or descriptive? Who should implement them?

The strategies are of normative character. But together with the increased focus on growth and jobs, the integrated guidelines provide flexibility for Member States to choose the local responses that best address their reform challenges.

Employment policies should go hand-in-hand with reforms in the services, product and financial markets and interact positively with growth and employment-oriented macroeconomic policies. Therefore the integrated guidelines contain macroeconomic, microeconomic and employment guidelines. These 23 guidelines are here presented in a list, but cross-references are made in the paper:

Macroeconomic guidelines

- (1) To secure economic stability.
- (2) To safeguard economic sustainability.
- (3) To promote an efficient allocation of resources.
- (4) To promote greater coherence between macroeconomic and structural policies.
- (5) To ensure that wage developments contribute to macroeconomic stability and growth.
- (6) To contribute to a dynamic and well-functioning EMU.

Microeconomic guidelines

- (7) To extend and deepen the internal market.
- (8) To ensure open and competitive markets.
- (9) To create a more attractive business environment.
- (10) To promote a more entrepreneurial culture and create a supportive environment for SMEs.
- (11) To expand and improve European infrastructure and complete agreed priority crossborder projects.
- (12) To increase and improve investment in R&D.
- (13) To facilitate innovation and the take up of ICT.
- (14) To encourage the sustainable use of resources and strengthen the synergies between environmental protection and growth.

(15) To contribute to a strong industrial base.

Employment guidelines (see 2005 guidelines for the employment policies of the Member States)

(16) To implement employment policies aimed at achieving full employment, improving

(17) quality and productivity at work, and strengthening social and territorial cohesion.

(18) To promote a lifecycle approach to work.

(19) To ensure inclusive labour markets for job-seekers and disadvantaged people.

(20) To improve matching of labour market needs.

(21) To promote flexibility combined with employment security and reduce labour market segmentation.

(22) To ensure employment-friendly wage and other labour cost developments.

(23) To expand and improve investment in human capital.

(24) To adapt education and training systems in response to new competence

(25) requirements.

In the Commission Recommendation on the Broad Guidelines of the Economic Policies for the 2003-2005 period (the previous paper/COM(2003)170), there is a chapter relating to economic and social cohesion which includes following strategies (page 12):

- Support the broad Lisbon objectives, notably on employment, in order to achieve an inclusive labour market and a more cohesive society
- Improve the functioning of markets so that they are conducive to private investment in regions lagging behind
- Ensure that public support, including from EU sources, in regions lagging behind is strongly focused on investment in human and knowledge capital, as well as adequate infrastructure.

In the Integrated Guidelines, the aspect of social cohesion is not worked on in the part of the Broad Economic Policy Guidelines, but is shifted to the Employment Guidelines.

C) Key mechanisms and challenges, questions

Is the document containing or referring to such topics (short summary)? Are there questions formulated to be dealt with in the future, in order to contribute to the further achievement of territorial and social cohesion objectives?

The new start of the Lisbon Strategy aims to set out appropriate responses to following developments:

- The economic recovery has gradually taken hold since the second half of 2003
- The estimate overall employment rate is significantly below the agreed target level
- Low level of productivity growth

D) Monitoring

Is a monitoring foreseen? How is it implemented? Which data/indicators should be monitored? Who is defined/proposed to realize the monitoring? Which intervals are proposed for the monitoring?

See Monitoring of the 2005 Guidelines for the employment policies of the Member State

E) Conclusions

Which conclusions can be taken from this policy regarding the aim of ESPON 1.4.2?

**Report of the Employment Taskforce chaired by Wim Kok:
Jobs, Jobs, Jobs – Creating more employment in Europe**

2003

A) Key policy goals

Which policy goals are defined? Which territorial reference?

The territorial reference is European level. The report contains also country-specific messages.

The aim is "to identify practical reform measures for Member States to implement the revised European Employment Strategy". The report stresses on four key conditions for success:

- (1) Increasing adaptability of workers and enterprises
 - (a) Foster new business and maximise job creation
 - (b) Develop and disseminate innovation and research
 - (c) Promote flexibility combines with security on the labour market
- (2) Attracting more people to the labour market
 - (a) Make work pay
 - (b) Strengthen active labour market policies
 - (c) Increase participation of women
 - (d) Implement comprehensive strategies in response to ageing
 - (e) Integrate minorities and immigrants
- (3) More investment in human capital and lifelong learning
 - (a) Raising levels of human capital
 - (b) Sharing costs and responsibilities for increased investment in human resources
 - (c) Facilitate access to lifelong learning
- (4) Implementation of reforms through better governance
 - (a) Mobilising our societies to support reform
 - (b) Delivering reforms
 - (c) Using the EU instruments more effectively as a lever

B) Strategies/measures

*Which strategies (measures) are referred to? Which territorial reference?
Normative or descriptive? Who should implement them?*

According to the sub goals of the key conditions for success, following strategies are formulated. The Member States are urged to implement:

1a. Foster new business and maximise job creation:

- reduce administrative and regulatory obstacles to the setting up and subsequent management of new businesses,

- develop advisory services (such as one-stop shops) for business start-ups and providing help for SMEs in managing human resources and financial risks,
- improve access to finance for start-ups and SMEs,
- promote an entrepreneurial culture, particularly by increasing managerial training in tertiary and vocational education,
- review insolvency law with the aim of reducing excessive risks to entrepreneurs and removing the stigma of failure,
- reduce the level of non-wage labour costs for the low-skilled and those on low wages,
- ensure employment-friendly wage developments that reflect the labour market situation and overall levels of productivity, and allow for sufficient wage differentiation across sectors and regions.

1b. Develop and disseminate innovation and research:

- encourage networks and partnerships for the promotion and the dissemination of innovation at regional or sectoral level, involving universities and research centres, enterprises and public authorities,
- spread the use of ICT by making it more accessible and increasing training at all levels,
- ensure proper incentives both fiscally and through intellectual property rights to encourage increased levels of private investment in research and innovation,
- exploit the potential of the European Single Market through common standards, cross- country co-operation and mobility of researchers.

1c. Promote flexibility combines with security on the labour market.

- examine and, where necessary, adjust the level of flexibility provided under standard contracts, to ensure their attractiveness for employers and workers,
- review the role of other forms of contracts with a view to providing more options for employers and employees depending on their needs,
- ensure there is adequate security for workers under all forms of contracts and prevent the emergence of two-tier labour markets,
- remove obstacles to the setting up and development of temporary work agencies as effective and attractive intermediaries in the labour market, offering improved job opportunities and high employment standards,
- promote the use of ICT and working time flexibility as tools to modernise work organisation,
- remove obstacles to, and raise the attractiveness of, part-time work for employers and workers,
- adapt social protection systems to support mobility in the labour market and facilitate transitions between different statuses, such as work, training, career breaks or selfemployment (job-to-job insurance).

2a. Make work pay

- seek to end unemployment, inactivity and low-pay traps by adjusting the balance between tax and benefits,
- strengthen efforts to transform undeclared work into regular employment.

2b. Strengthen active labour market policies

- offer personalised services to all unemployed and job-seekers at an early stage, in the form of guidance, training or new job opportunities, in line with the European Employment Guidelines on prevention and activation,
- improve the efficiency of their activation programmes by identifying the real needs of job seekers and by giving preference to tailor-made measures over general large scale programmes,
- develop rapid response schemes in the event of plant closures or large scale company restructuring, including ad hoc services such as counselling, retraining and placement for the workers concerned, in order to avoid unemployment or early-retirement,
- equip employment services so they can deliver tailor-made services and strengthen local partnerships for employment,
- address the specific needs of the most vulnerable, including disadvantaged young people and people with disabilities.

2c. Increase participation of women

- remove financial disincentives to the participation of women, notably in relation to wages and taxation, including the gender pay gaps,
- increase the availability, affordability and quality of childcare and eldercare,
- improve working arrangements, with measures to boost the attractiveness of part-time work and facilitate career breaks and flexible working,
- tailor measures to the specific needs of disadvantaged women.

2d. Implement comprehensive strategies in response to ageing

- providing incentives for workers to retire later and for employers to hire and keep older workers. This includes adjusting specific tax-benefits mechanisms, employment and pensions rules to enhance incentives for older workers to stay longer in employment and to discourage early exits from the labour market. Efforts to discourage early retirement should be pursued in all Member States,
- promoting access to training for all regardless of age and developing lifelong learning strategies, in particular workplace training for older workers, who are under-represented in training,
- improving the quality of work to provide attractive, safe and adaptable work environments throughout the working life, including the provision of part-time and career breaks.

2e. Integrate minorities and immigrants

- facilitate access to education, training and support services,
- combat discrimination at the workplace,
- address the specific needs of immigrant women,
- promote business creation by migrants, and
- improve the recognition of competences and qualifications acquired abroad.

3a. Raising levels of human capital

- give everyone a right of access to secondary education and a minimum level of basic skills,

- cut the number of young people who drop out of school early,
 - promote access by a larger share of young people to university,
 - increase access to training throughout the life-cycle, with particular attention for the low skilled and other disadvantaged people,
 - better anticipate future skills' needs, including through a European network of forecasting agencies.
 - Member States must set themselves transparent and ambitious targets, to complement those set at European level, for establishing effective lifelong learning systems.
- 3b. Sharing costs and responsibilities for increased investment in human resources
- make transparent the rights and obligations in terms of education and training for each party,
 - define and control standards to ensure quality of education and training, whether provided by public authorities, companies or training specialists,
 - guarantee a sufficient level of investment by employers as well as a fair sharing of costs and benefits between them, through a combination of compulsory and voluntary schemes, such as sectoral or regional training funds, and through other measures such as tax credits and support services.
- 3c. Facilitate access to lifelong learning
- improve the identification of individual needs and access to training. This could be achieved by making training a central element of contractual relationships, improving advice and guidance in creating personal development plans and enhancing the recognition and validation of competences and qualifications,
 - broaden the supply of training by better exploiting new tools that are available such as e-learning,
 - facilitate the development of the education and training sector,
 - promote networking and partnerships between actors at all levels to foster co-operation and sharing of best practice.
- 4.a Mobilising our societies to support reform
- Governments need to improve their communication with the public to explain why reforms are desirable and necessary
 - Building on the links between different reforms, particular in the form of Employment Pacts
 - reform partnerships to find solutions of mutual advantage to different stakeholders
- 4.b Delivering reforms
- Formulating clear national policies with targets reflecting those agreed at EU level
 - Ensuring that reforms are implemented within the budget constraints advocated by the Stability and Growth Pact
 - Increasing the effectiveness of public delivery and control systems
 - Promoting active participation and shared responsibility of the social partners
 - Supporting partnerships and networks for innovation and employment

→ National Action Plans for Employment (NAPs) are an obvious tool to bring together these different elements in the programming of reforms.

4.c Using the EU instruments more effectively as a lever

- Strengthen the role of EU country-specific recommendations
- Use the EU budget as a lever
- Encourage strong commitment from the European social partners
- Reinforce dissemination and mutual learning through exchange of experiences

The strategies have a national reference, and they are a basis for normative strategies.

C) Key mechanisms and challenges, questions

Is the document containing or referring to such topics (short summary)? Are there questions formulated to be dealt with in the future, in order to contribute to the further achievement of territorial and social cohesion objectives?

Delivering more and better jobs is the main challenge.

D) Monitoring

Is a monitoring foreseen? How is it implemented? Which data/indicators should be monitored? Who is defined/proposed to realize the monitoring? Which intervals are proposed for the monitoring?

See Monitoring of the 2003 Guidelines for the employment policies of the Member States.

E) Conclusions

Which conclusions can be taken from this policy regarding the aim of ESPON 1.4.2?

1.2.3 Housing and Territorial Development

URBAN-Housing Intergroup of the European Parliament: Proposal of a European Charter for Housing

www.iut.nu/EU/Charte%20Logement%20ENG%20v17-11-2005.doc

2005

A) Key policy goals (the findings draw on the policy paper's wording)

Although housing is not a European Union level policy matter, yet the policies developed and supported by the European Union have an undeniable impact on this matter. It is proved that the lack of decent accommodations at a moderate price constitutes an obstacle to competitiveness, employment and social inclusion, which is opposed to the European values.

The proposed *European Charter for Housing* defines that housing is

- a necessary good, a fundamental social right, component of the European social pattern;
- a key factor to preserve social cohesion of the European Union;
- a lever for economic cohesion of the European Union;
- an inescapable component of the European Union territorial cohesion;
- a full-fledged component of the European Union sustainable urban development.

The territorial reference of the goals is European and national level.

B) Issues (quoted from the policy and partially shortened)

The issues raised in the policy are widespread. It takes into account the policies laid down in diverse European level documents (Lisbon Agenda, Revised Social Charter of the European Council, Agenda for Social Policy 2006-2010, General provisions of the Regional Development Fund, Social Fund and the Cohesion Fund, European Parliament resolution on the Green Paper on services of general interest), and names the issues why a European level Housing Charter has become relevant:

- housing is at the heart of the societal problems;
- all the Member States recognise the access to a healthy and decent accommodation as an essential condition for social integration, participation to social life and as an indispensable vector of social cohesion;
- housing is an essential element to achieve the Lisbon strategy;
- it is the European Union's interest that the Member States develop housing policies which fully meet the social, urban and territorial cohesion issues of the European Union;

- the access to a decent housing for everyone is a common objective by the European Council of Lisbon and, as such, relies from a coordination in the frame of the European inclusion strategy;
- employment pools, so much as building, renewal, settlement and community services, are linked with the field of housing;
- housing is an essential component of the European social pattern since it contributes improving the life conditions;
- housing is a structuring element of the sustainable urban development of the European Union, a key factor of social inclusion and of the struggle against exclusions and discriminations, a vector for creating employment as well as a factor of competitiveness and attractiveness of the territories;
- the right to aid for housing is recognised in the Charter of the Fundamental Rights of the European Union, and the right to housing was integrated as a fundamental social right in the revised social Charter of the European Council;
- the lack of accommodations at a moderate price holds back competitiveness and employment since it alters professional mobility within the European Union;
- well-balanced housing markets encourage professional mobility and contribute to the development of the financial services sector;
- European cities are in need of investments and long-term planning in view to improve the quality of life and to promote a sustainable urban development;
- the housing park needs to be renewed, particularly in the new Member States where the town centres have been damaged and where the existing housing park has often become unhealthy, bringing on that a great part of the mid-classes are leaving those city centres;
- at the same time, self construction of a disorderly type is growing in the peri-urban areas, in contrast with the requisites of sustainable urban development; reinforcing the risks of making worse the urban crisis and of spoiling social and territorial cohesion of the European Union;
- improving the energy efficiency of the residential sector to meet the Kyoto requirements leads to a better quality of life for all, as well as to massive employment creation and constitutes a priority of the European Union energy policy;
- housing is not a European Union skill, yet interactions between community policies and matters concerning housing are many and increasing, and show multiple dimensions;
- the role of housing in the European social pattern must be fully recognised by the Community Institutions and, in accordance with the constitutional tradition of the Member States, the right to accommodation should be set up as a fundamental right of the European Union and integrated as such in the Charter of the Fundamental Rights consistent with the social Charter of the European Council;

- the intervention conditions of the Member States' public authorities and of the housing actors are increasingly being supervised by the community regulations (VAT and States Aid regulations, general interest services, public markets);
- European standardization also aims at extending its intervention field to the services linked with housing and societal matters such as urban security and ill will prevention through construction and urbanism, without any democratic control.

C) Strategies/measures

The proposed Charter defines that the

- states will support the creation and the renewal of social housing or transit housing for low-income people
- the European Union and the Member States should undertake measures to facilitate renting and access to property by appropriate mortgage lending conditions for people who are in need.
- Any kind of discrimination related to housing is to be punished in accordance with Community regulations
- Parties should fork again speculative practices in the housing markets
- Housing needs should be taken into account when housing park is being constructed or adapted
- Parties should fight against spatial segregation for the sake of territorial cohesion
- The European Union and the Member States should enhance social balance and social diversity
- The parties should control peri-urban spreading over and urban sprawl, with regards to sustainable urban development.

In addition,

- Housing should be integrated into the economic, social and territorial cohesion policy, hence, renewal of social housing (saving energy), meeting the social cohesion objective and protecting environment in the sustainable urban development context, should be eligible to the Structural Funds
- the sustainable urban development strategy should fully integrate the housing aspect,
- Community policies in the fields of energy efficiency, renewable energies, noise, pollution, health should integrate sustainable housing and improvement of urban environment. The European Investment Bank should give access to funding for related investments.
- The role of housing must be recognised in the social inclusion strategy.
- Social housing policies that make housing accessible to all are part of the general interest services framework.
- Housing services should be further on eligible for reduced VAT rates.

- As far as European standards for housing and related societal matters are concerned, such as urban security and ill will prevention, the extension of the services standardization should be realised with a democratic control by formally consulting the European Parliament.

The territorial reference is EU-level and national.

The proposed Charter defines the role of the European Union and the European Parliament: the Union should formulate policies which move the states to propose housing policies that take into account the Community interest and the Lisbon Strategy and are based on the objectives of cohesion and sustainable urban development. The European Parliament should supervise the implementation of this principle and its Regional Development Committee should evaluate this process.

The strategies are of normative character.

D) Key mechanisms and challenges, questions to be dealt with

There are no challenges listed, nor future questions to be dealt with.

E) Monitoring

The proposed Charter suggests setting quantitative objectives for fighting exclusion with.

Housing situation indicators common to the Member States should be developed so that an overview can be gained, and the exchange of good practices in terms of effective implementation of the right to housing should be promoted.

No further details are mentioned.

F) Conclusions

The proposed European Charter for Housing, once it is accepted, would start a new chapter in housing policy in the European Union. It would position housing in the framework of European development and cohesion policies, would strengthen the role of housing in achieving the European goals, and would bring about adequate national level policies since it acknowledges housing being a key structural factor in all Member States. It is clearly motivated by recognizing the potential contribution of social cohesion to the European aims and the input housing can deliver to the latter.

European Commission Charter of Fundamental Rights

http://europa.eu.int/comm/justice_home/unit/charte/index_en.html

18 December, 2000

A) Key policy goals (the findings draw on the policy paper's wording)

The main goal of the **Charter of Fundamental Rights** is to recognize the rights, freedoms and principles that underlie to the values of human dignity, freedom, equality and solidarity, and is based on the principles of democracy and the rule of law. The Union contributes to the preservation and to the development of these common values while respecting the diversity of the cultures and traditions of the peoples of Europe as well as the national identities of the Member States and the organisation of their public authorities at national, regional and local levels; it seeks to promote balanced and sustainable development and ensures free movement of persons, goods, services and capital, and the freedom of establishment.

It formulates the rights and responsibilities of the states to ensure

- dignity (human dignity, right to life, integrity of the person, prohibition of torture, prohibition of slavery),
- various freedoms (right to liberty and security, respect of private and family life, protection of personal data, right to marry and right to found a family, freedom of thought, freedom of expression and information, freedom of the arts and sciences, right to education, freedom to choose an occupation and right to engage in work, freedom to conduct a business, right to property, right to asylum, protection in the event of expulsion),
- equality (before the law, non-discrimination, cultural and linguistic diversity, between genders, rights of children, rights of the elderly, integration of persons with disabilities),
- solidarity (especially concerning working environment and social assistance, access to services of general economic interest, environmental protection and consumer protection),
- citizens' rights (participation, information, moving, diplomatic and consular protection),
- justice (effective remedy and fair trial, presumption of innocence and right of defence, legality and proportionality of criminal offences and penalties).

Related to housing, article 34(3) defines that in order to combat social exclusion and poverty, the Union recognises and respects the right to social and housing assistance so as to ensure a decent existence for all those who lack sufficient resources, in accordance with the procedures laid down by Community law and national laws and practices.

The territorial reference is national and EU-level, as the provisions of the Charter are addressed to the institutions and bodies of the Union with due regard for the

principle of subsidiarity and to the Member States only when they are implementing Union law.

B) Issues

The issues addressed are values of human dignity, freedom, equality and solidarity, yet no specific problems and their manifestation is discussed.

C) Strategies/measures

There are no specific actions listed, but the provisions have to be dealt with by the institutions and bodies of the Union with due regard for the principle of subsidiarity and by the Member States only when they are implementing Union law. The member states should respect the rights, observe the principles and promote the application of the rights in accordance with their respective powers.

The strategy is of normative character. The implementation is positioned on EU and national level and concerns designated legislative actions..

D) Key mechanisms and challenges, questions to be dealt with

There are no specific questions listed besides the listed values, and no reference for future actions is mentioned.

E) Monitoring

There is no monitoring foreseen in the policy, and no indicators are designed.

F) Conclusions

The policy aims at fostering European values. In terms of social cohesion it acknowledges the right to services of general economic interest that serve for this, and with respect to housing it formulates that the right to social and housing assistance is respected in order to combat social exclusion and poverty. This policy is of great importance for any policies formulated on European level; therefore it is one of the key documents onto which policies of social cohesion are formulated.

Ministry for Regional Development of the Czech Republic: Housing Policy Concept

<http://www.mmr.cz/upload/1122566030housing-policy-concept-2005.pdf>
2005

Approved by the Government under Resolution No 292 of 16 March, 2005

A) Key policy goals (the findings draw on the policy paper's wording)

The aim of the *Housing Policy Concept* is to

- round off the full range of market-compliant instruments compatible with EU rules,
- enabling all citizens, based on their capacity of higher or lower participation, to draw on instruments for the acquisition of housing,
- and to ensure decent, adequate low cost housing for those citizens who are not capable of such participation.

However, in the short-term concept,

- the difficult issue of gradually eliminating the deformations in rented housing must be tackled so that it complies with standard European free-market relations while ensuring sufficient protection for tenants,
- providing direct support to the needy,
- and preventing senior citizens in particular from slipping into a situation of material need.

The territorial reference of the Housing Policy Concept is national.

B) Issues

The problems addressed are high ratio of vacancies, immense disparity between the relatively broad range of supply and the spending resources of many households, lack of adequate and affordable units, high housing expenditure, especially in the rental sector, there is a layer of the housing stock with quality deficits, rising ratio of households with serious risks, growing segregation, discord between housing supply and demand deriving also from the distorted labour market.

C) Strategies/measures

The measures for the mid-term period are only broadly defined:

- To make housing for the public more affordable,
- to increase the supply of housing, especially via the support of new construction,

- to increase the quality of housing, in particular by helping owners to manage, maintain, repair, and modernize the housing stock.
- to ensure the constant functioning of instruments available to most income groups, the ongoing monitoring of their effectiveness and efficiency, and any necessary corrections,
- to apply the rules of the EU common market, especially conditions regarding the compatibility of State aid.

The abovementioned should be achieved through the legal field by creating a quality, coherent legal framework, and by efforts to enhance the legal awareness of the population and improve the enforceability of the law. Ancillary economic instruments that bring supply and demand closer to each other known from other European countries and already applied in the Czech Republic will be applied. Different measures for each individual housing sector are mentioned (e.g. new construction and privatization, tax allowance schemes, soft loans and mortgage subsidies in the private sector, support of construction in the cooperative sector, contractual rent system and solutions for enhancing mobility in the private rental sector, clarifying the role of the municipal sector with broadening rent allowance schemes for the socially disadvantaged, and subsidised public construction, creation of a non-profit rented sector). The State Housing Development Fund has a crucial role in financing and carrying out these tasks. Special assistance will be designed for young people starting their housing career and older or disabled people with special housing needs.

The short-term goals of the Policy comprise

- legislative actions,
- mapping of current situation,
- assessing the compliance of the housing subsidy system with the European norms,
- planning the operation of the State Housing Development Fund,
- defining low-cost-housing in harmony with the reduced VAT rate norms,
- revising the role of municipalities in housing provision,
- implementing the Spatial and Social Segregation project that focuses on the causes and consequences of territorial segregation and its prevention,
- increase provision of grants for housing and related infrastructural investment.

Besides the abovementioned, the Czech Republic strongly supports the aim to receive European funding for housing, the designing of interventions to solve the problem of neglected maintenance, and further strengthening of the cooperation with NGO's.

The implementing actors should comprise state, regions and local municipalities. Nevertheless, besides stressing that the central government is responsible for the regulatory framework, and providing for financial tools, and the influencing power of the local authorities on the housing markets, and the regions' role as mediating, monitoring and information disseminating actor no specified actions are defined.

The measures are of descriptive character.

D) Key mechanisms and challenges, questions to be dealt with

The challenges identified are the unclear role of municipalities in the field of housing, the undefined balance between due professional care and the socially focused management of the municipal housing stock, the lack of tools for the state to push through the fulfillment of such tasks by the municipalities, lack of the regulatory framework.

There are no prospective challenges or questions listed.

E) Monitoring

There is no monitoring scheme mentioned. The only available data in the policy is the estimation of financial demands on the national budget in the period 2005-2010 for the 'Housing Development Support' program and the mortgage support.

F) Conclusions

The Housing Policy Concept drafts a wide range of issues that have to be dealt with in the near future, and which mostly derive from the transitory character of the housing system. Social and territorial cohesion is also mentioned among these goals; nevertheless, concrete measures rather are based on changes in the legal system, which is identified as necessary starting point.

**East of England Regional Assembly:
Regional Housing Strategy for the East of England, 2005-2010**

<http://www.goeast.gov.uk/goee/docs/192869/192874/233339/RHS>

July, 2005

A) Key policy goals (the findings draw on the policy paper's wording)

The vision of the *Regional Housing Strategy for the East of England, 2005-2010* is to ensure everyone can live in a decent home which meets their needs, at a price they can afford and in locations that are sustainable. Contributing aims are to use housing investment to support economic development, to provide a sustainable environment and attractive places to live, to promote social inclusion within sustainable communities, and to ensure that housing serves to improve the Region's health and well-being and reduce inequalities. The Strategy positions itself in the framework of numerous strategic papers: both aims and provisions of national sector and inclusion related documents are taken into account, and regional and local strategic papers make up an inherent element of the Strategy, contributing to the goals set therein. The Regional Housing Strategy adopts a bi-focal vision, incorporating both shorter-term strategic planning and actions within a longer time-framework.

Key policy goals are:

- (1) More, sustainable housing provision
- (2) High quality homes and environments
- (3) Creating inclusive communities

In addition, recommendations for public investments are formulated, and ways for implementation, managing and monitoring the Regional Housing Strategy are defined.

Based on these key policy goals, a wide range of measures is defined.

The policy goals are set on the regional level, strongly stressing that all regional stakeholders must carry them out in-line with their own strategies and in close cooperation and partnership.

B) Issues

The issues the Regional Housing Strategy deals with derive from numerous processes:

- demographic change,
- environmental conditions,
- results of the right-to-buy scheme,
- great growth in the housing prices over the past 5 years,
- rising affordability problems,

- lot of empty homes,
- not met needs of special groups.

C) Strategies/measures

The measures defined to the given key goals are the following:

- (1) More, sustainable housing provision: 1 – reducing the production costs of new affordable housing, without reducing quality, 2 – reducing the average need for subsidy to make decent housing affordable, 3 – creating more resources for subsidy to meet the need, 4 – raising the general quality of housing within a sustainable framework, through 1 – redesign of the land-use planning system, putting downward hope value for land, encouraging private land owners to provide suitable land for construction below market price, public bodies transferring land at nil price or existing use value, excluding affordable housing developments from the obligation of capital contribution to infrastructure development, increase cost-effectiveness in construction, planning in large-scale and over a longer period , partnering, including windfall-sites, developing skills in the industry, 2 – tenure mix and cross-subsidizing, partnering, 3 – more reliance on private subsidies deriving from planning gains, using the Single Regional Housing Pot for top-up funding, encourage Housing Associations to use all recycled grants from sale of properties to reinvest, 4 – develop legal regulation and join existing approaches and initiatives.
- (2) High quality homes and environments: 1 – adopting quality standards, 2 – public sector achieving the Decent Homes aims, 3 – bringing back empty homes to the housing market, 4 – maximising use of green space, 5 – designing high-quality homes, improving existing homes and environment, 6 – raising community safety, 7 – providing for affordable warmth, 8 – reviewing Disabled Facilities grants, 9 – combat overcrowding, 10 – developing prioritisation system for Choice Based Letting, 11 – improving access to health care for homeless people, and 12 – coordinating resources through a wide range of interventions from the area of regulation, information spread, cooperation etc.
- (3) Creating inclusive communities: 1 – assessing need, 2 – raising inclusion and community cohesion, 3 – providing mixed communities and widening choice, 4 – take into account the different nature of rural communities, 5 – tackle homelessness, 6 –supporting people with special needs, through 1 – addressing diverse needs of communities in the framework of delivery, and housing design, 2 – multi-use of community facilities within housing developments, 3 – mixed tenures, providing Key Worker housing, widen the intermediate housing market involving the private rental sector, improve new choice based lettings schemes, 4 – exploring need for housing in rural communities, raising affordable housing provision through planning and systematic approach in funding, sustainable development, 5 – reviewing homelessness strategies, identifying needs, information exchange on allocation, establishing synergy with other strategies, 6 – changing existing schemes for sheltered housing for older people, meet unmet needs e.g. of

Gypsies and travellers, provide or shared accommodation for people with learning disabilities.

Public investment should be balanced between investment in existing housing stock and new housing. The first concerns achieving Decent Homes standard, bringing back empty homes into the housing market, enhance private stock renewal, raise Disabled Facilities Grants. The latter involves introducing a variety of products, i.e. social renting, sub-market renting, shared ownership, and equity loans. Investment should focus on growth, answering local need and tackling homelessness, provide for regeneration, respond to rural needs, and Key Workers' needs, capital investment for supported housing, and act in response to the need of minority communities.

The strategies have regional reference, and they are of normative character.

The implementation of the measures is designated to the East England Regional Assembly as coordinating actor, local governments, housing associations, and private actors.

D) Key mechanisms and challenges, questions to be dealt with

The document highlights key challenges: there are tensions arising from the Region's crucial issues that are above the Regional Housing Strategy. The Strategy formulates the ways of tackling such conflicts: clearly identifying the strategic risks emerging from tensions and position them on higher level (regional), proposing policy frameworks that take tensions and risks into account, translating higher level 'strategic risks' into 'operational risks'. The identified large-scale challenges are the bad operation of the housing market, failures in land planning, uncertainty over public investment, most housing being privately owned, tensions until the regional housing governance is stabilised, lack of capacity of sub-regions to deliver. The strategic risks are listed thoroughly, operational risks are identified and actions to be undertaken are named for each operational risk.

The Strategy is highly comprehensive, and it takes into account the possible processes until 2010, hence, it formulates the desirable results and keeps on developing the process in the defined direction after the term of the strategy is over.

E) Monitoring

The Regional Strategy identifies monitoring as one of the key elements for effective implementation. Adequate indicators will have to be developed to monitor the key areas of balancing housing supply with need and demand, bringing the Region's stock up to decent standards, ensuring that communities are sustainable. (Some indicators, e.g. for desired housing stock growth, quality of the stock are included, but no comprehensive listing is available.) The Regional Housing Strategy may also be reviewed in case the framework strategies are changed, and unanticipated changes in the housing market occur. Monitoring should be carried out by the East England Regional Assembly's each year.

F) Conclusions

The Regional Housing Strategy aims at raising territorial and social cohesion by coordinating sub-regional and local housing strategies with national framework policies and by strengthening the incentives for cooperation among the stakeholders. It puts housing in the framework of economic development, sustainable environment, and explicitly tells that housing is seen as a tool for promoting social inclusion within sustainable communities, improving the Region's health, and well-being and reducing inequalities.

**Madrid, Area de Gobierno, de Urbanismo, Vivienda e Infraestructuras:
Operative Programme, Town Development, Housing and Infrastructure.
Project of City, 2004-2007**

http://www.urbanismo.munimadrid.es/gmu/area_presentacion/programa_operativo/Operative_Programme.pdf

2003

A) Key policy goals (the findings draw on the policy paper's wording)

In the framework of the *Operative Programme, Town Development, Housing and Infrastructure*, the vision of making Madrid a better place to live, a more integrated, sustainable and participative city, as well as one of the leading European cities has been formulated.

The general objectives defined based on this vision are (1) to consolidate the cosmopolitan and welcoming character of the city by implementing a town planning policy, which has both elements of enhancement of Madrid historical heritage with cutting-edge strategic proposals such as the layout of the Olympic project; (2) to achieve a better city in which to live, united and socially balanced, and with a comprehensive housing policy based upon quality, innovation and sustainability criteria; (3) to increase quality of life and competitiveness by implementing an ambitious policy in terms of infrastructure and recovery of the public areas; (4) to implement a new organizational and management model intended to modernize the public service based upon efficiency, proximity and participation values.

Based on these general objectives, the Housing Office as one of the acting offices defined five lines of action:

- (1) Renovation of the City Centre: Renovation of houses on the city's central node in order to achieve a double effect: on the one hand, the recovery of the city centre with view to converting it for residential use; and on the other hand, rescuing the emblematic environment for the urban framework while empathizing its historical memory.
- (2) Activities within the new areas and implementation of the First Home: Creation of new state-subsidised housing providing an easy access to housing, either owned or rented, to young adults as well as to other sectors which; due to their social and financial conditions, require particular attention in this issue. The total target envisaged amounts to 35,000 properties, of which 6,000 shall be set aside for public renting and 29,000 for sale. 50% of the latter shall be targeted at public initiatives while the remaining half will be intended for the private sector.
- (3) Rented accommodation programme: The securing of unoccupied properties shall be promoted. Said properties shall be put on to the market and aimed at the younger house-hunters, allowing them a financially viable access. Moreover, amongst many other advantages, we guarantee the homeowners that we shall take on board the collection of the rent, and also ensure that their properties remain in excellent condition. Similarly, the best use for council housing properties shall be addressed.

- (4) Programme for the elimination of sub-standard housing: To promote the creation of decent housing for all by means of undertaking serious and specific actions to eradicate sub-standard housing and slums. Moreover, to integrate marginalised sectors and immigrant population lacking the necessary resources to access a safe and comfortable mainstream property.
- (5) Municipal Monuments: Preparation of actions aimed at restoring and renovating the emblematic buildings of the City Centre to recover their historic and tourist value.

All policy goals are defined on the local level.

B) Issues

Each line of action is based on a set of issues addressed (the paper refers to this as 'justification'):

- (1) Renovation of the City Centre: the city centre has to be recovered and its nature as historical emblematic role is endangered in terms of urban framework
- (2) Activities within the new areas and implementation of the First Home: some disadvantaged layers of the society have less access to housing (e.g. young adults, and protected sectors)
- (3) Rented accommodation programme: distorted housing prices in Madrid (e.g. affecting those who struggle with affordability problems); high number of empty properties, but the owners who would put their flats on the rented market face difficulties; there is lack of regular inspection of council housing; there is lack of information of housing issues for the inhabitants
- (4) Programme for the elimination of sub-standard housing: there is large portion of sub-standard housing and slums, and only little integration of marginal sectors and immigrant population
- (5) Municipal Monuments: the role and importance of historical monuments is undervalued

C) Strategies/measures

According to the specific lines of actions set by the Housing Office, each is supported by explicit measures.

- (1) Renovation of the City Centre: to promote land for residential use in the centre of Madrid (40000 properties), through planning, acquisition and adaptation, renovation, redesign for elderly.
- (2) Activities within the new areas and implementation of the First Home: provision of 35,000 new state-subsidized properties of which 20,500 are allocated for council development, 6,000 for rent and 14,500 for sale through new construction, and also special construction of sustainable housing, parks, and neighbourhoods.
- (3) Rented accommodation programme: 1 – integration of housing into the rented accommodation market at affordable prices; 2 – creation of a Council Housing Rental Agency (for servicing low-income young households) ; 3 – Creation of a Council Housing Inspection Service; 4 – Creation of a Madrid-based Housing

Watchdog Programme through 1 – acquisition of housing and re-housing; 2 – creating a rental agency which would collect the rents and manage the keep-up of the properties; 3 – creating an agency which can prepare inspection reports on properties and commercial premises; 4 – create a consultancy-platform, commissioning initiative4s capable of helping to spread information related to housing

- (4) Programme for the elimination of sub-standard housing: re-housing of 2500 families and helping them to integrate into the new environment through training programmes and social support, elimination of slums and shanty towns and re-house their inhabitants through management and securing of land, eradication of the affected settlements.
- (5) Municipal Monuments: 1 – design, preservation and construction of municipal monuments and 2 – compile a plan for the expansion of related activities through 1 – enhancing operation that focuses on the preservation of the historical and cultural value of the monuments, carrying out renovation works, and launching new design competitions; 2 – enhancing access to information and enlarging popularity of the historical-artistic heritage of the city centre

The measures are defined on local level, even on sub-district levels.

The strategies are of normative character.

Each measure has a listing of the target group, the services/departments, private actors and NGO-s involved, and the coordinating party.

D) Key mechanisms and challenges, questions to be dealt with

Besides the potential bottlenecks affecting the financial resources necessary to implement the programme, are not listed. On the other hand, since all actors of the projects are accurately defined, the strategy is firmly founded. There are no further questions to be dealt with in the future indicated in the document.

E) Monitoring

The design of all measures already contains projects with describing their current state of art. Besides that monitoring of the defined projects is foreseen.

A follow-up of the implementation is foreseen on a quarterly basis and an assessment is carried out yearly by the Executive Department for Town Planning, Housing and Infrastructure, besides, each acting executive party (i.e. also the Housing Office) carries out monitoring. Accurate indicators should be developed.

F) Conclusions

The key goals reflect the city's aim to enhance cohesion. The tools defined for housing especially reveal this nature, whereas, the values of the ancient city's environment are also taken into account. The policy paper is based on decent elaborations of the problematic spheres related to housing (e.g. distortions of the housing market, affordability issues, inequalities of housing quality, sustainable city development).

1.2.4 Education and Training

European Communities

Detailed work programme on the follow-up of the objectives of Education and training

http://europa.eu.int/eur-lex/pri/en/oj/dat/2002/c_142/c_14220020614en00010022.pdf

14.6.2002

A) Key policy goals

The "Detailed work programme on the follow-up of the objectives of Education and training systems in Europe", adopted by the Council Commission on 2002, specifies and defines the areas of action and is, therefore, a specific framework of action until 2010.

This document appears in the sequence of many initiatives started at Lisbon meeting in March 2000, where the European Council invited the Education Council to reflect about the role of education and its priorities for the European development. After, in June 2000, the Education Council propose to the Commission to present a report where all critical questions and demands on education field will be pointed. In 14 February of 2001, a report entitled "The concrete future objectives of education systems" was presented, in which the main challenges facing the European schooling systems have been highlighted: access to education, the contents of the school curricula, opening up the educational and training institutions to the world and the effective use of the available resources. Building on this diagnosis of the main challenges, this document proceeds to identify the main areas of intervention, which we synthesise here thus:

- "to improve the level of education and training in Europe, by improving the quality of the training of teachers and trainers and by putting special efforts into the reading, writing and counting skills;
- to facilitate and generalise the access to lifelong learning, by improving the access to lifelong education and training and by ensuring its attractiveness through the enhancement of mobility within the educational system (e.g., from vocational training to higher education);
- to upgrade the basic skills bearing in mind the characteristics of the knowledge-based society, integrating ICT skills, paying greater attention to personal skills and tackling insufficiencies with regard to certain competencies;
- to open education and training to the local context, Europe and the rest of the world, fostering the learning of foreign languages and mobility and reinforcing the relationship between the business world and the educational system;
- to use the available resources more effectively, guaranteeing the quality of the education and training institutions, matching resources to the needs and enabling the schooling institutions to develop new partnerships with the aim of enhancing their role as an integrating platform."

This report gave emphasis to education and training policies and to their importance as a fundamental instrument to achieve Lisbon goals and held all policies in different fields until 2010. One year later, the Commission adopted the "Detailed work programme on the follow-up of the objectives of Education and training systems in Europe", a Work programme of the Education Council in cooperation with the Commission. These policy goals/orientations are adopted in EU level.

B) Issues

New economic structures and societies are increasingly driven by information and knowledge. As pointed in the Report of 2001, "The concrete future objectives of education systems", it is fundamental that education systems can answer the changes and challenges that affected EU, namely:

- changes in working life, specially changes in labour market and skills required from employees and managers, namely in the service sector. In this context, more than a reform of education systems, lifelong learning appears as a prerequisite to stay attractive to the labour market.
- ageing of demographic structures and migration reinforcement contributes to social and societal changes. Young and skilled people are becoming a scarce resource, particularly in countries with tight labour markets. At same time, replacement migration occurred in all European countries, especially in low-cost labour force of non-skilled sectors of the economy. The challenge of these demographic trends on education and training systems implies: the need to people continue learning to become more employable and entrepreneurial; and the need to provide for information and guidance and continuing education and training for people during a longer and more active life-span. Another fact is that migration flows are now more varied. This confronts the education and training systems with the reality of a diversified and multilingual public to serve in order to promote social cohesion.
- equal opportunities and social exclusion, by the updating of skills in the promotion of equal opportunities in the widest sense, in order to contribute to the inclusion of vulnerable groups such as people with special educational needs
- the enlargement of EU

C) Strategies/measures

It is focused on three strategic objectives, which are broken down into 13 associated objectives:

- (1) improving the quality of education and training systems:
 - Improving education and training for teachers and trainers
 - Developing skills for the knowledge society
 - Ensuring access to ICTs for everyone
 - Increasing the recruitment to scientific and technical studies
 - Making the best use of resources

- (2) facilitating access for all to education and training
 - Open learning environment
 - Making learning more attractive
 - Supporting active citizenship, equal opportunities and social cohesion
- (3) opening education and training to the world
 - Strengthening the links with working life and research, and society at large
 - Developing the spirit of enterprise
 - Improving foreign language learning
 - Increasing mobility and exchanges
 - Strengthening European co-operation

The implementation of the detailed work programme will also be supported by European cooperation in other forms: community programmes, action plans, visits of decision makers, comparative and prospective studies, statistical and other surveys, pilot projects, etc.

General targeted results are expected according to the main objectives:

- (1) "improving the quality of education and training systems":
 - halve the number of 18- to 24-year-olds with only lower-secondary level education by 2010;
 - ensure that all education and training institutions have access to the internet and to multimedia resources by the end of 2010;
 - take steps to ensure that all the teachers involved are qualified in the use of these technologies by the end of 2002; bring about a substantial increase in per capita investment in human resources every year.
- (2) "facilitating access for all to education and training":
 - halve number of 18 to 24 year olds with only lower-secondary level education who are not in further education or training by 2010.
- (3) "opening education and training to the world":
 - promote training for entrepreneurs + self-employed workers;
 - encourage people to study two EU languages in addition to their mother tongue(s) for a minimum of two consecutive years;
 - promote mobility of students, teachers, trainers and researchers.

D) Key mechanisms and challenges, questions to be dealt with

Education and training have a crucial role in the Lisbon process. More than instruments for employment, the adopted measures could induce economic growth and social cohesion. It is now acknowledged that investment in human resources is a determining factor of growth and productivity, in the same way as investment in capital and equipment. One year more of education represents a 5% increase in growth in the short term and a further 2.5% in the long term. This gives another priority to investments in education and training, despite in many countries they have low importance.

E) Monitoring

The evaluation/monitoring process was agreed in Barcelona European Council. Many Indicators (for all objectives) are proposed to support the implementation of the Education and Training Systems programme. In each, the Commission presents the so-called Synthesis reports, where analyse progress made towards achieving the Lisbon ambition. It is supported in structural indicators. There is a "indicative list" of 33 indicators and 42 indicators in 2003). In the first report, 29 indicators and 5 European benchmarks were analysed.

F) Conclusions

In 2003 the Commission Staff Working Document presents the "supporting document for the draft joint interim report on the implementation of the detailed work programme on the follow-up of the objectives of education and training systems in Europe". In general it made a positive evaluation of the action plan implementation: "The work of the past two years nevertheless illustrates the vitality of the education and training systems in gradually adapting to the knowledge-driven society and economy. At the same time they highlight the huge gap to be narrowed if the objectives set for 2010 by the Heads of State and Government are to be attained, particularly that of making the European education and training systems "a world quality reference by 2010" (pp.5 6).

Nevertheless, many indicators have a modest evolution (like the low decrease of early school leavers) that shows the importance of:

- "investing more and more efficiently, focusing reforms on key areas;
- define truly coherent and comprehensive lifelong learning strategies (conclusion of the interim report on the implementation of the detailed work programme of 2003);
- create a Europe of education and training
- and the need to each Member States submit each year as from 2004 a consolidated report on all the action they take on education and training which can contribute to the Lisbon strategy. These national reports should evaluate the contribution of education and training to the Lisbon strategy and should be articulated in a coordinated way, together with those on the European employment and social inclusion policies.

In general, the action plan is fundamental to the development of an education and training European policy, and becomes a referential to achieve social cohesion goals.

European Commission The eLearning Action Plan – Designing tomorrow’s education

COM(2001)172 final

2001

A) Key policy goals

The purpose of this Action Plan is:

- to accelerate the deployment in the European Union of a high-quality infrastructure at a reasonable cost.
- to step up the training drive at all levels, especially by promoting universal digital literacy and the general availability of appropriate training for teachers and trainers, including technology training as well as courses on the educational use of technology and management of change
- to strengthen cooperation and dialogue and improve links between measures and initiatives at all levels — local, regional, national and European — and between all the players in the field: universities, schools, training centres, decision-makers and administrators responsible for selecting equipment, software, content or services (including the social partners)

The policy goals are adopted in EU level.

B) Issues

The arrival of multimedia and Internet, particularly the Web, at the beginning 1990s, started a new era that demands a strong response from the EU. These changes had major implications in the competitiveness of world regions and in the labour force market restructuring.

The eLearning initiative was one of the EU answers to all this challenges. It is part of the “eEurope Action Plan” that aims to exploit Europe’s strengths and overcome the barriers holding back the uptake of digital technologies in order to reach the Lisbon goals. It also related with the new objectives of education systems.

C) Strategies/measures

After the Lisbon Strategy a document intituled “eLearning: Designing tomorrow’s education” emerged. It was adopted by the European Commission on 24th of May 2000. This document became true in “The eLearning Action Plan – Designing tomorrow’s education”, in a communication from the Commission to the Council and the European parliament in 2001 that also pointed four main lines of action, each one with key measures:

- (1) infrastructure and equipment – with the following measures:
 - Development of a tool to assist decision-making;
 - A European research area for new learning environments;
 - Encouraging the development of infrastructure

- (2) training – with the following measures:
 - new skills and eLearning;
 - training of teachers and trainers,
- (3) services – with the following measures:
 - a conducive environment;
 - priority areas for innovation and development
- (4) strengthen cooperation and dialogue -with the following measures:
 - the eLearning site;
 - reinforcing the European education and training networks

The eLearning Programme aims to address each of these four areas in a coherent and consistent way, fighting the digital divide, reinforcing the role of universities and higher education institutions, developing school twinning via the Internet and developing transversal actions for the promotion of e-learning in Europe, building on the monitoring of the eLearning Action Plan.

Those are adopted by all member states in their national policies and respective Action Plans, in an integrated way.

The main actors are the: European Commission, Member States, European Investment Bank, Eurostat, Eurydice e CEDEFOP

D) Key mechanisms and challenges, questions

The intention was to involve education and training players, as well as the relevant social, industrial and economic players, in order to make lifelong learning the driving force behind a cohesive and inclusive society, within a competitive economy. It will help promote the employability and adaptability objectives under the European Employment Strategy, rectify the shortage of skills associated with new technologies, and improve social inclusion

The document presents many challenges in diverse sectors of society:

- in the industrial sector, as the major user and producer of these technologies;
- in employment, related with new jobs created and the new skills required;
- in the cultural environment brought about by the Internet-based development of new services that influence cultural patterns; these are sometimes perceived as a threat, but also as an opportunity for cultural and linguistic diversity in Europe
- in education, particularly that of ensuring that technological innovation really serves education and financial challenges in order to adjust distribution between infrastructures, training, content and human resources

In 2003, "E-Learning – a multi-annual programme (2004 to 2006) for the effective integration of information and communication technologies (ICT) in education and training systems in Europe" replaces the previous one. It is structured in four different action lines: promoting digital literacy; promote European virtual

campuses; e-Twinning of schools in Europe and promotion promoting of teacher training; and transversal actions for the promotion e-learning in Europe.

E) Monitoring

As requested in the council resolution of 13 July 2001, an Interim Report was made and presented in February of 2002. One year later, a mid-term report was presented (" E-Learning: Designing Tomorrow's Education – A Mid-Term Report" by Commission Staff Working Paper, July 2003). These documents present some results of the Action Plan that can be seen in many fields:

- in education – The eEurope benchmarking for the Report to the Barcelona Summit shows that the initial eEurope target of connecting all schools to Internet is all but achieved, despite the need of better connections and wider educational use. Another report of the Education Council, entitled "The concrete future objectives of education and training systems" reinforced the importance of ICT in modern education and training systems, confirming that ICT is growing;
- co-operation was also initiated at the eLearning Summit on 10-11 May 2001;
- higher education – universities are using e-learning as a source of added value for their students through web-based resources. Some universities are entering into strategic partnerships and adopting new business models, in order to respond to the changing education market and the challenges posed by global competition;
- employment and social inclusion – the report 'Making a European Area of Lifelong Learning a Reality', as well as the discussion on inclusion in the knowledge society (eInclusion), identify e-learning as an important enabler for adult education, with increasing emphasis on the importance of informal and non-formal learning.

F) Conclusions

The analysis of "eLearning Action Plan" as well in the new eLearning programme for 2004-2006, shows that one the critical dimensions is the promotion of digital literacy. That point has a key role in the competences improvements, with natural effects in labour market qualification as well in social inclusion, contributing to territorial cohesion. The evaluative reports shows that the plans from the national member states are on going and many results have been achieved, namely in infrastructure support.

Another critical dimension is related with infrastructure support and the possible effects of territorial "segregation". In fact, each country defines their "territorial" network. It is important to develop studies and indicators that can measure these effects, namely for territorial cohesion observed in a more detailed scale as NUT III.

European Commission

Making a European Area of Lifelong Learning a Reality

http://europa.eu.int/comm/education/policies/III/life/communication/com_en.pdf

November 2001

A) Key policy goals

The European Parliament issued a Resolution on May 15th, 2001 and, in November 2001, a Communication entitled "Making a European Area of Lifelong Learning a Reality", in which it set the standards for the development and implementation of comprehensive and coherent strategies in this field, as well as a series of priorities at the European, national, regional and local levels. In order for lifelong education (in the aforementioned sense) to be assimilated by the European population, it is essential to:

- develop a partnership approach that include all relevant actors;
- gain insight into the needs of the learner, or the potential learner, along with the learning needs of organisations, communities, wider society and the labour market;
- ensure adequate and transparent allocation of resources;
- match learning opportunities to learners' needs and interests;
- facilitate access by developing the supply side to enable learning by anyone, anywhere, at any time;
- value non-formal and informal learning;
- and create a culture of learning, by increasing learning opportunities, raising participation levels and stimulating demand for learning.

B) Issues

The European Council held at Feira in June 2000 urged the Commission and the member-states to design coherent strategies and practical measures in order to encourage all the citizens to pursue lifelong training and education. The pursuit of this aim led the Commission to publish a report on "Making a European Area of Lifelong Learning a Reality" (November 2001), which set the standards for the development and implementation of comprehensive and coherent strategies in this field, as well as a series of priorities at the European, national, regional and local levels.

The Council on Education then issued a "Resolution on lifelong learning and education" in May 2002. This firmly established the concept as a guiding principle for the European education and training policies. Despite the increasing level of sophistication of the European policy guidelines in this sphere, the level of participation in lifelong education and training (by people between the ages of 25 and 64) as of 2000 remained highly heterogeneous, ranging from 1% in Greece to 21% in Denmark. As regards the acquisition of knowledge and skills in this way, the lower limit of the interval (19.2%) can be found in Portugal, in contrast with Denmark's 78%.

C) Strategies/measures

Priorities for action:

- Valuing learning
- Information, guidance and counselling
- Investing time and money in learning
- Bringing together learners and learning opportunities
- Basic skills
- Innovative pedagogy

D) Key mechanisms and challenges, questions

The Commission Progress report on the follow-up to the Council resolution of 2002 (December 2003) for EU and EFTA/EEA countries and for acceding and candidate countries, entitled "Implementing National Lifelong Learning Strategies in Europe", lists a series of issues that have not been adequately addressed thus far. Of these neglected issues, we would like to highlight the following:

- pre-school learning, including the family learning environment;
- the training and adaptation of teachers at the level of basic education so as to ensure that they are in a position to set their students' ongoing training process in the right course from an early stage;
- the workplace as the fundamental place in which most training initiatives should be implemented, since it is where the needs and demands are most pressingly felt and because the work environment makes it possible to immediately put into practice the newly acquired knowledge and competences;
- the learning of foreign languages as a broad space, enabling the experience of an ample European citizenship.

It is important to define strategies to better improve that conditions.

E) Monitoring

Progress will be measured and monitored through the use of a indicators. Implementation will also be overseen by networks and structures.

In 2001 the Communication on Structural Indicators proposes three indicators related to lifelong learning. These concern investment, participation and early school leavers. Together with these, another five existing indicators provide measures to monitor progress within three of the above 'priorities for action' areas concerning investment in learning, basic skills and innovative pedagogy.

In 2002, the Commission Report based on the work of the Working Group on Quality Indicators, entitled "Quality Indicators of Lifelong Learning – Fifteen Quality Indicators"²¹ (June 2002), defined a series of guiding principles and indicators for

²¹ http://europa.eu.int/comm/education/policies/lll/life/report/quality/report_en.pdf

the actions in the field of lifelong training, setting parameters aimed at making it possible:

- to build an inclusive society which offers equal opportunities for access to quality learning throughout life to all people, and in which education and training provision is based first and foremost on the needs and demands of individuals;
- to adjust the ways in which education and training is provided and at the same time to ensure that people's knowledge and skills match the changing demands of jobs and occupations, workplace organisation and working methods; and
- to encourage and equip people to participate in all spheres of modern public life, especially in social and political life at all levels of the community, including at European level.

Those indicators could be aggregated into 4 groups:

- Skills , Competencies and Attitudes: 1. Literacy; 2. Numeracy; 3. New Skills in the Learning Society; 4. Learning-to-Learn Skills; 5. Active Citizenship Cultural and Social Skills
- Access and Participation: 6. Access to Lifelong Learning; 7. Participation in Lifelong Learning
- Resources for Lifelong Learning: 8. Investment in Lifelong Learning; 9. Educators and Training; 10. ICT in Learning
- Strategies and System Development: 11. Strategies of Lifelong Learning; 12. Coherence of Supply; 13. Counselling and Guidance; 14. Accreditation and Certification; 15. Quality Assurance

F) Conclusions

Among the aspects that now seem to be fairly unanimous and which have been given greater emphasis in the reports, the following are most worthy of mention:

- lifelong training as a major concern, as a source of basic knowledge and skills and as a privileged vehicle for the training of the economically active population;
- the realisation that lifelong training can provide a second opportunity for a significant share of the population to gain access to basic competences;
- broad sharing of responsibility for the implementation and funding of training initiatives among the various stakeholders, including local and regional entities, social partners, the civil society, businesses, associations, etc.;
- the removal of the obstacles to the democratisation of the access to training, including the accreditation of formally and informally acquired competences;
- the expansion, diversification and dissemination of the training formulae and instruments as a constant aim for the trainers themselves.

Agreement of Education Ministers of 31 European countries and the EU The Copenhagen Declaration

*http://europa.eu.int/comm/education/copenhagen/copenahagen_declaration_en.pdf
November, 2002*

A) Key policy goals

On 30 November 2002 the education Ministers of 31 European countries and the European Commission adopted the "Copenhagen declaration", a document that is essential to promote employability, active citizenship, social inclusion and personal development as well to fit strategies for lifelong learning and mobility. The Declaration follows a Resolution of the Education Council of 12 November, that involved the candidate countries, EEA-EFTA countries and Social Partners.

In the declaration, 4 main priorities were defined:

- European dimension
- Transparency, information and guidance
- Recognition of competences and qualifications
- Quality assurance

B) Issues

The development of the European education and training programmes, started by the Bologna declaration on higher education in June 1999, have been a key factor for improving cooperation at European level. After Lisbon European Council in March 2000, education and training reinforced their role as instruments for strengthening Europe's competitive power worldwide, and as a guarantee for ensuring the cohesion of our societies and the full development of its citizens.

"The Copenhagen Declaration" aims are to increase voluntary cooperation in vocational education and training, to promote mutual trust, transparency and recognition of competences and qualifications, and for establishing a basis for increasing mobility and facilitating access to lifelong learning, that proof its multidimensional level.

C) Strategies/measures

The following principles will underpin enhanced cooperation in vocational education and training:

- i) Cooperation should be based on the target of 2010, set by the European Council in accordance with the detailed work programme and the follow-up of the Objectives report in order to ensure coherence with the objectives set by the Council of the European Union (Education, Youth and Culture).
- ii) Measures should be voluntary and principally developed through bottom-up cooperation;

- iii) Initiatives must be focused on the needs of citizens and user organisations;
- iv) Cooperation should be inclusive and involve Member States, the Commission, candidate countries, EFTA-EEA countries and the social partners"

D) Key mechanisms and challenges, questions to be dealt with

The Member States, EEA countries the social partners and the Commission have begun cooperation at a practical level, focused on a number of concrete outputs work on the issues:

- transparency of competences and qualifications (with the publication of "Common European format for Curricula Vitae – CVs- , Communication of March 2002, and "Europass", Decision of the European Parliament and of the Council, of December 2004);
- system of credit transfer for VET. taking forward the communication "Realising the European Higher Education Area", made in Berlin, in 2003;
- common criteria and principles for quality in VET, taking forward the work of the European Forum on Quality;
- common principles for the validation of non-formal and informal learning, that aim is to develop a set of common principles to ensure greater compatibility between approaches in different countries and at different levels ("Validation of non-formal and informal learning", Conclusions of the Council of May 2004");
- lifelong guidance, that aim is to strengthen the European dimension of information guidance and counselling services, enabling citizens to have improved access to lifelong learning (it takes in account the Making a European Area of Lifelong Learning a Reality, a Commission Communication of November 2001)

E) Monitoring

The evaluative process is linked to the related policies, namely in e-Learning domain and policies connected to action plan for education for 2010.

F) Conclusions

In essence the 4 main priorities contributes to enhance cooperation in vocational education and training and remove obstacles to mobility, in strict relation with Lisbon challenges, namely in labour market requirements. In social terms the most visible consequence is the "openness" of the educational system and, in the future, the labour market mobility, that in theoretical terms, should contribute to social and territorial cohesion of territories.

European Parliament and the Council Single Community framework for the transparency of qualifications and competences (Europass)

DECISION No 2241/2004/EC

http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2004/l_390/l_39020041231en00060020.pdf

December 2004

A) Key policy goals

Europass is designed to encourage mobility and lifelong learning in an enlarged Europe. The main objectives are:

- "Improve transparency of qualifications and competences will facilitate mobility between countries as well as across sectors. ";
- "...increase transparency in vocational education and training, through the implementation and rationalisation of information tools and networks, including the integration of existing instruments into one single framework";
- "...establishes a single Community framework for achieving the transparency of qualifications and competences by means of the creation of a personal, coordinated portfolio of documents."

Participation shall be open to acceding States and to non-Community countries of the European Economic Area in accordance with the conditions laid down in the EEA Agreement.

Each Member State shall be responsible for the implementation of this Decision at national level. For this purpose, each Member State shall designate a National Europass Centre (NEC), which shall be responsible for the coordination at national level of all activities referred to in this Decision and which shall replace or develop, where appropriate, existing bodies currently carrying out similar activities.

A European network of NECs is hereby established. Its activities shall be coordinated by the Commission.

B) Issues

In sequence of the recommendations of Copenhagen Declaration emerges the need to have a single document that integrates all actions to increase transparency in vocational education and training, through the implementation and rationalisation of information tools and networks. Europass allows this integration, namely in European and national level.

C) Strategies/measures

Europass consists of five documents, available in all official EU languages:

- Europass CV – the CV is the backbone of the Europass portfolio;
- Europass Mobility – of which purpose is to record in a common format experiences of transnational mobility for learning purposes;
- Europass Diploma Supplement – personal document developed jointly with the Council of Europe and UNESCO which records the holder's educational record;
- Europass Certificate Supplement – a supplement to a vocational education and training certificate, clarifying the professional qualifications of all individuals holding such qualifications;
- Europass Language Portfolio – a document in which citizens can record their linguistic skills and cultural expertise.

D) Key mechanisms and challenges, questions to be dealt with

Europass more than a policy of transparency of competences and qualifications, is a way to improve new opportunities for learning and employment in Europe. In fact, is a way to people make their qualifications and competences valid in EU Member States. EFTA/EEA countries and candidate countries, fact that answer to the mobility and labour market adjustment required by Lisbon goals.

E) Monitoring

By 1 January 2008 and then every four years, the Commission shall submit to the European Parliament and the Council an evaluation report on the implementation of this Decision, based on an evaluation carried out by an independent body.

F) Conclusions

Despite the importance of Europass as well as all other documents that guarantee the transparency, equal recognition of competences and qualifications and quality assurance, necessary conditions to improve mobility and the qualification at European level, the picture of European regions is very heterogeneous in many domains (namely, different levels of ageing of the demographic structures, unequal educational levels, different productive, economic and social systems). That will induce some possible effects:

- the increase of mobility will occur specially linked to specific segments of labour sectors (specially more qualified and more higher educational levels). This fact, should be taken in special account in the process of social and territorial cohesion, namely in less developed territories, as rural or low density areas);
- Europass strategies should be strongly articulated with the development of school education policies and the promotion of multilingualism strategies. This picture of competences certification and increasing mobility, are naturally more evident between countries that speak the same or similar languages or for those sectors/enterprises where a common language (as English) is currently spoken, that could be a threat to territorial and social cohesion.

2 INDICATORS

The aim of the exploitation of existing EU sources according to relevant indicators describing the relationship of social aspects and territory is to build up a list of usable indicators, including an analysis of each single indicator. The indicators are based on existing harmonised regional data easily available from EU sources. They should cover the EU 25+2+2 territory, preferably at NUTS 3 level, or at another appropriate territorial scale lower than National, at least NUTS 2.

The “list of indicators on regional level (NUT 2 or below)” comprises all relevant data on regional level. The analysis resulted in a description of 46 existing indicators that are describing the relationship between social issues and the territory on regional level.

Additionally the exploitation of the relevant sources resulted in a huge list of data and indicators, that are just available on national level. As they describe one country by just one value, they cannot directly be used for the analysis on regional level. Nevertheless they may be helpful for the question about further research needed. They are presented in the list “Indicators on national level”.

The List of indicators includes the following information:

- term of indicator
- source (institution, homepage)
- short definition (what does the data indicate/parameters)
- availability (territorial reference, available years, further surveys foreseen?)
- quality of the indicator (Does the indicator point out important aspects or provide sound typologies? Is the indicator comparable within the territory?)

The summary of these assessments should lead to a definition of lists of available and usable indicators (one group per key field), with each of these indicators stated to enable the description of social aspects of territorial development.

Figure 2: List of sources exploited

Abbreviation	Source	contact
Bulletin Housing + Building Statistics	Bulletin of Housing and Building Statistics for Europe and North America, 2004 (most recent)	MRI
ESPON	Generally within ESPON a large variety of primary data sources is used in order to meet the goal of a European spatial observatory. http://intranet.espon.lu (database with limited access)	OIR
EU Housing Statistics	Housing Statistics in the European Union (1991 ongoing); last edition of 2004 is analyzed with 25 member countries	MRI
Eurostat	Eurostat, Data on Population and Social Conditions/Living Conditions and Welfare/Income and Living Conditions/Non-monetary Poverty and Exclusion/Housing	Nordregio
Eurostat/Urban Audit	Eurostat/Urban Audit, dataset for National, Larger Urban Zone (LUZ, "functional urban region" – 150 indicators), City, and Sub-City Districts (SCD, 5 000 – 40 000 inhabitants – 31 indicators), exceptions: London and Paris, for three time periods 1989-1993, 1994-1998, 1999-2003, covering app. 20% of the national population, (original category as defined in the Urban Audit 2004 publication, Perception data are only available for EU15, and 31 cities	MRI
Förster/Mira D'Ercole	Source: Förster and Mira D'Ercole (2005), "Distribution de revenus et pauvreté dans les pays de l'OCDE", à paraître, OECD, Paris. OCDE (2004), Statistiques de la population active, 1983-2003, Paris	MRI
Labour Force Statistics	Labour Force Statistics: 1984 – 2004, 2005 Edition http://www.oecd.org/document/46/0,2340,en_2649_34251_2023214_1_1_1_1,00.html	CEG
OECD Education Online Database	OECD Education Online Database http://www.oecd.org/topicstatsportal/0,2647,en_2825_495609_1_1_1_1_1,00.html	CEG
OECD Employment Statistics	OECD Employment Statistics. Society at a Glance: OECD Social Indicators – 2005 Edition http://www.oecd.org/document/24/0,2340,en_2825_497118_2671576_1_1_1_1,00.html	CEG
OECD Factbook 2005	OECD Factbook 2005, Economic, Environmental and Social Statistics http://www.oecd.org/topicstatsportal/0,2647,en_2825_497118_1_1_1_1_1,00.html	CEG
OECD: Society at a Glance	OECD: Society at a Glance: OECD Social Indicators – 2005 Edition. http://www.oecd.org/document/24/0,2340,en_2825_497118_2671576_1_1_1_1,00.html OECD (2004), Benefits and Wages, www.oecd.org/els/social/workincentives in Förster and Mira D'Ercole (2005), "Income distribution and poverty in OECD countries in the second half of the 1990s", OECD Social, Employment and Migration Working Papers, forthcoming, OECD, Paris	CEG
SPESP – Eurostat	Indicator from: Study programme in European spatial planning: Theme 1.3: Indicators for social integration & exclusion, final report, October, 1999. – Source identified: Eurostat	OIR
UN-Habitat	UN-Habitat: Global Urban Indicators to measure the progress of the implementation of the Habitat Agenda (selection) UN-Habitat: Indicators to measure implementation of Habitat Agenda	MRI

Figure 3: List of indicators on regional level (NUT 2 or below)

Term	Source	Definition	Availability	territorial reference	date of collection	Periodical survey	Quality of indicator/ additional Remarks	Usability
Access to Social Services, SGEIs and mechanisms of public transfers								
Health care/hospitals	Eurostat	no. of hospital beds per 100.000 inhab.	EU-25 except FIN, POR, SLO, UK	some NUTS0, others NUTS1, NUTS2	From 1992	Annually/ 3-year interval.	Countries submit data to Eurostat on the basis of a gentleman's agreement	
Health care/medical doctors	Eurostat	no of medical doctors/physicians per 100.000 inhabitants	EU-25 except BEL, FIN, UK	some NUTS0, others NUTS1, NUTS2	From 1992	Annually from 1992/ 3-year interval	Countries submit data to Eurostat on the basis of a gentleman's agreement	
typology of combined household and business telecommunications development	CURDS, ESPON Database	1=Highly advanced; 2=Advanced; 3=Moderately advanced;4=moderate; 5=Lagging;6=Highly lagging; 7=no available data	EU 25+2+2	NUTS 2	2002			
Share of Internet users to 1.000	CEIDT, ESPON Database	Share of Internet users to 1.000 inhabitants regression; Regression analysis,	EU 25+2+2	NUTS 2	2003			
Employment and Income Distribution								
Employment rates by main categories	Eurostat/ European Union Labour Force Survey SPESP	definitions follow the ILO, employment by economic sectors available	EU 25+2, some missing	NUTS1 & 2	1999 onwards except MAL from 2002, BUL from 2000, ROM from 1999	Annually	Harmonisation is achieved through adherence of the MS to common principles of questionnaire construction	
Unemployment rates by main categories	Eurostat/ European Union Labour Force Survey SPESP	definitions follow the ILO	EU 25+2, some missing	NUTS1 & 2	1999 onwards except MAL from 2002, BUL from 2000, ROM from 1999	Annually	Harmonisation is achieved through adherence of the MS to common principles of questionnaire construction.	
activity rate by sex	SPESP – Eurostat	activity rate by sex	EU 25	NUTS 2				
part-time employment	SPESP – Eurostat	part-time employment	EU 25	NUTS 2				
Household income by main categories	Eurostat	Household accounts include data for individuals or groups as consumers + possibly as producers of goods for own use +non-profit institutions serving households	EU 25. Missing entities: ESP, FRA, ITA, HUN, AUT, POL POR No data : CYP, MAL, LUX, SLO	NUTS 2	From 1995 to 2002/ 2003.	annually	Regional household accounts data disseminated through Eurostat's Reference database (Domain "REGIO").	
Unemployed under 25/1.000 inhabitants	INKAR, ESPON Database	Unemployed under 25/1.000 inhabitants , aged 15 -< 25 years	EU 25+2+2	NUTS 2	2001			
Labour Force Replacement	Daniel Rauhut/	Labour Force Replacement: population of ages 10-19/	EU 25+2+2	NUTS 2	2000		Data from NORDREGIO	

Term	Source	Definition	Availability	territorial reference	date of collection	Periodical survey	Quality of indicator/ additional Remarks	Usability
	Mats Johansson	population of ages 55-64						
Number of persons employed per km ²	Eurostat (ESPON 242)	population high education/ population total education	EU 25+2+2	NUTS 2	2001			
Changes in Natural Growth Potential	ESPON Database	20-29 years in 2020 per 20-29 years in 2000	EU 25+2+2	NUTS 2	2000		ESPON 114	
Long-term unemployment	SPESP – Eurostat	Long-term unemployment	EU 25	NUTS 2				
Housing and territorial development								
No. of households by main categories	Eurostat	household membership = place of usual residence Private household classified by size according to total no. of resident members in the household. persons living in private households on their relationship to the reference member of the household	EU 25+2, EFTA + others on the Western Balkans. (total: 31 countries)	NUTS3	2001/2002	One observation	data collected by NSI from spring to autumn 2002, referring to national censuses from May 2002 (POL) to Nov 1995 (MAL) that are in different stages of completion validated by Eurostat.	
Housing by main categories	Eurostat	basis of household membership = place of usual residence Private household classified by size according to the total no. of resident members in the household. persons living in private households on their relationship to the reference member of the household	EU25 + 2 + TUR, availability for ICE, NOR, SUI, CRO varies	NUTS3	selection of years between 1994-2003 (ie. income reference years 1993-2002)	Annually	Indicators based on ECHP, changes in methodology communicated in a periodic Newsletter from 2004, EU-SILC data collection governed by framework regulation of Council + Parliament	
Tenure structure (listed under social aspects)	Eurostat/ Urban Audit	No. of households owning their own house, households in social housing/private rented housing, no. of homeless people	EU 25+2	National, LUZ, SCD	1989-1993, 1994-1998, 1999-2003	data 2005 not published yet	Numerous missing data	
Affordability indicators	Eurostat/ Urban Audit	– Average price per m2 for an apartment/for a house – Average price per m2 for an apartment/for a house to median annual household income – Average annual rent for an apartment/for a house per m2 – Ratio average price to average rent for an apartment/for a house, Average annual social housing rents (to median annual household income)	EU 25+2	National, LUZ, City	1989-1993, 1994-1998, 1999-2003	data 2005 not published yet	Numerous missing data	
Housing quality/basic amenities	Eurostat/ Urban Audit	Dwellings lacking basic amenities, Non-conventional dwellings	EU 25+2	National, LUZ, SCD	1989-1993, 1994-1998, 1999-2003	2005 not published yet		

Term	Source	Definition	Availability	territorial reference	date of collection	Periodical survey	Quality of indicator/ additional Remarks	Usability
Housing quality/ water + wastewater supply	Eurostat/ Urban Audit	- No. of dwellings connected to potable drinking water system, - No. of dwellings connected to sewerage treatment system	EU 25+2	National, LUZ, City	1989-1993, 1994-1998, 1999-2003	2005 not published yet	best delivered for 1999-2003	
dwellings with bathroom/shower, toilet	SPESP – Eurostat	dwellings with bathroom/shower, toilet	EU 25	NUTS 2				
Housing quality/ size	Eurostat/ Urban Audit	- Average occupancy per occupied dwelling, - Average area of living accommodation (m2 per person)	EU 25+2	National, LUZ, City	1989-1993, 1994-1998, 1999-2003	2005 not published yet	Numerous missing data, best delivered for 1999-2003	
Perception of housing costs and affordability	Eurostat/ Urban Audit	Easy to find good housing at a reasonable price	31 cities in EU 15 + 18 cities outside EU 15	49 cities	2004	2005 not published yet		
Perception of housing cost affordability	Eurostat/ Urban Audit	Has difficulties paying the bills at the end of the month (synthetic index)	31 cities in EU 15 + 18 cities outside EU 15	49 cities	2004	2005 not published yet		
Perception of safety	Eurostat/ Urban Audit	Feel safe in this neighbourhood (synthetic index), Feel safe in this city (synthetic index)	31 cities in EU 15 + 18 cities outside EU 15	49 cities	2004	2005 not published yet		
Tenure types	UN-Habitat	Tenure types (owned, purchasing with mortgage, private rental, social housing, sub-tenancy, rent free, squatter no rent, squatter rent paid, homelessness, other), %	EU 25+2+2 Missing data for BEL and others	Selected cities	1993, 1998 (2001 – no data available for the third wave)	unknown		
Evictions	UN-Habitat	Average annual no. of households evicted	EU 25+2+2 Missing data for BEL and others	Selected cities	1993, 1998, (2001 – no data available for the third wave)	unknown		Not usable
Housing price and rent to income ratio	UN-Habitat	Median housing price and median rent to median income ratio	EU 25+2+2 Missing data for BEL, FRA, POR, FIN, etc.	Selected cities	1993, 1998 (2001 – no data available for the third wave)	unknown		Not usable
Land price to income ratio	UN-Habitat	Land price of 1 m2 of highly developed, developed and raw land to median income	EU 25+2+2 Missing data for BEL, FRA, POR, FIN, etc.	Selected cities	1998	unknown		Not usable
Mortgage and non-mortgage	UN-Habitat	Percentage of dwellings purchased that are covered by mortgage and non-mortgage loans	EU 25+2+2 No data available for European cities	Selected cities	1998	unknown		Not usable
Access to water	UN-Habitat	Percentage of households with access to water	EU 25+2+2 Missing data for BEL, FRA, POR,	Selected cities	1993, 1998 (2001 – no data available for the third wave)	unknown		Not usable

Term	Source	Definition	Availability	territorial reference	date of collection	Periodical survey	Quality of indicator/ additional Remarks	Usability
Households connections	UN-Habitat	Households' connections to piped water, sewerage, electricity, telephone	EU 25+2+2 Missing data for BEL, FRA, POR, FIN, etc.	Selected cities	1993, 1998 (2001 – no data available for the third wave)	unknown		Not usable
Education and Training								
Educational attainment level by educational levels by main categories	Eurostat	Data allocated to the various education levels of the International Standard Classification of Education (ISCED), UNESCO, 1976 and 1997.	EU15, some data missing	educ97 refer NUTS 2, in some countries in NUTS1 or NUTS0	mainly on school/ academic years 1995/96 + 96/97 Educ97 starting with school year 1997/98	Annually	main source is the joint UNESCO/OECD/Eurostat questionnaire on education statistics, as defined in ISCED	
Share high educated population in %	Eurostat (ESPON 242)	population high education/ population total education	EU 25+2+2	NUTS 2	2002			
persons by educational level 25-59 years	SPESP – Eurostat	persons by educational level 25-59 years	EU 25	NUTS 2				
students in % of 15-30 year population	SPESP – Eurostat	students in % of 15-30 year population	EU 25	NUTS 2				
demographics and others								
Demographic data – population and population change	Eurostat/ Urban Audit	Total resident population, population according to age groups (working age, 0-4, 5-14, 15-19, 20-24, 25-54, 55-64, 65-74, 75-), Population change over 1 year, Population change over 5 years, dependency rates	EU 25+2 Some missing data	National, LUZ, SCD	1989-1993, 1994-1998, 1999-2003	data 2005 not published yet		
Demographic data – households composition	Eurostat/ Urban Audit	Total no. of households, one person households (total), lone parent households (total, mail, female), lone pensioner (above retirement age) households (total, male, female), households with children aged 0 to under 18	EU 25+2	National, LUZ, SCD	1989-1993, 1994-1998, 1999-2003	data 2005 not published yet	Numerous missing data	
Typology of migratory balances by age classes	ESPON Database	Age profile of the different types	EU 25+2+2	NUTS 2	1995-2000			
Typology crossing mobility and migratory balances	ESPON Database	for variable description see "additional metadata" or ask project 3.1/BBR (Volker.Schmidt-Seiwert@bbr.bund.de or Ingo.Heidbrink@bbr.bund.de)	EU 25+2+2	NUTS 2				
Relative	ESPON 112	Depopulation category: Very low/	EU 25+2+2	NUTS 3				

Term	Source	Definition	Availability	territorial reference	date of collection	Periodical survey	Quality of indicator/ additional Remarks	Usability
depopulation, quartiles	ESPON 114	low/high/very high relative depopulation quartiles based on distribution between all regions and on NUTS2-level						
GDP/inhabitant	SPESP – Eurostat	GDP/inhabitant	EU 25	NUTS 2				
National Total Fertility Rates 1999-2000 CODE	ITPS, ESPON Database (ESPON 114)		EU 25+2+2	NUTS 2	1999-2000			
Average score on indirect "ageing"/ "depopulating" indicators	ITPS, ESPON Database (ESPON 114)		EU 25+2+2	NUTS 2	2000			
Average score on indirect "ageing"/ "depopulating" indicators	ITPS, ESPON Database (ESPON 114)	Grouped (quartiles)	EU 25+2+2	NUTS 2	2000			
Ageing "Labour Force" (4 groups)			EU 25+2+2					

Figure 4: Indicators on national level

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
Risk of poverty rate by main categories	Eurostat	share of people with an equivalised disposable income below the risk-of-poverty threshold (60% of the national median equivalised disposable income (after social transfers)); calculated before social transfers (original income including pensions but excluding all other social transfers) and after social transfers (total income)	EU-25 + 2, EFTA countries except SUI.	annually from 1995	annually	Based on national income data
Expenditures per inhabitant on social exclusion not counted for elsewhere	Eurostat	published in national currencies and in purchasing power standards by main categories	EU-25 except CYP ICE, NOR, SUI. No data for ROM, BUL	Most since 1990	annually	ESSPROS methodology, NSI or/and Ministries of Social Affairs responsible for data collection
Long-term unemployment by main categories	Eurostat	share of long term persons unemployed for 12 months or more compared to no. of active persons (employed or unemployed)	EU-25	From 1992, but many missing data before 2000	Quarterly and annually	Eurostat is complementing quarterly data with the monthly indicator of the national unemployment delivered from the MS. Results give the harmonised monthly unemployment data
Activity rates by main categories	Eurostat	Employment/activity rates represent employed/active persons as a percentage of same age total population.	EU25 + EFTA (excl. LIE), + BUL + ROM; CYP data refer southern part; FRA excl. overseas departments	From 1992 for EU15, from 2000 for the New MS + NOR. No data for SUI	Quarterly and annually	If quarterly data of EU-LFS are not available, the quarterly national labour force survey data are used or the EU LFS data interpolated with reference to spring
Household Budget Survey	Eurostat	Final Consumption Expenditure per household and per adult equivalent as an average for the population, broken down by several cross-sectional variables	EU MS	1988 (10 MS) , 1994 (15 MS) and 1999 (15 MS ++ 12 Candidates)	Periodical	Surveys carried out by the NSI using their own methodologies, Data of different years not compatible due to methodological changes
Gini-coefficient	Eurostat	standard measurement for inequality of income distribution	EU25, but with missing entities and years	From 1995	Annually	Under EU-SILC, responsibility for fieldwork at NSI
Income quintile share ratio	Eurostat	Inequality of income distribution to 80 % income earners divided by bottom 20 % income earners (80/20)	EU25, missing entities and years	From 1995	Annually	Under EU-SILC, responsibility for fieldwork at NSI
Spatial patterns and size of built-up areas by main categories	Eurostat	Definitions used and described below are those of the UN-ECE Standard Statistical Classification of land use. Definition of forest and other wooded land is based on the UN-ECE/FAO Temperate and Boreal Forest Resources Assessment 2000.	EU-25 + BUL, ROM, TUR), NOR, ICE, LIE, SUI	for some countries from 1950 onwards	Every 5 years	data collected by NSI; for many countries only few data provided

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
Student enrolment statistics by main categories	Eurostat	Data and indicators disseminated include e.g. participation rates at different levels of education, enrolments in public and private institutions, tertiary education graduates, Science and Technology graduates by sex, pupil-teacher ratios, foreign language learning, expenditure on education per student and relative GDP etc.	EU15, some data missing	From 1998	Annually	main source: joint UNESCO/OECD/Eurostat questionnaire on education statistics, as defined in ISCED (makes it possible to compare differing national educational levels)
Early school leavers by level of education, sex, age etc.	Eurostat	Based on the ISCED system.	BEL, GRE, ESP, FRA, ITA, AUT, 2000 FIN, SWE, HUN, ROM, SLO, SVK		One observation	Based on LFS 2000
Life long learning by main categories	Eurostat	According to the European Union definition, " <i>lifelong learning</i> encompasses all purposeful formal + informal learning activity undertaken on an ongoing basis with the aim of improving knowledge, skills and competence". The intention/aim to learn is the critical point for distinguishing learning activities from non-learning activities (like cultural activities, sports activities etc).	EU-25 + ICE, NOR, SUI, BUL, ROM	2003	One observation	The Lifelong learning (LLL) data base's target population are persons in private households aged 25-64 years. The priority is to measure participation and volume of lifelong learning.
Housing expenditure in percentage of total expenditure by type of household and tenure status	Eurostat,	Housing expenditure in percentage of total expenditure by type of household (no of adults, age, no. of children/dependents,) + tenure status (owner or renter)	EU 15 Unreliable data for ESP; missing: BEL, FIN, POR	1994	No further collection undertaken	
Burden of the housing costs by type of household and income group	Eurostat	Burden of the housing costs by type of household (no. of adults, age, no.of children/dependents) and income group (below 60%; 60-100%; 100-140%; 140% and above of the median income in 4 groups)	EU 15; Missing: AUT, FIN 1994 LUX, SWE, unreliable data for ITA POR	1994-2001	No further collection undertaken	Comprehensive but a lot of data are missing
Burden of the housing costs by tenure status and socio-economic status	Eurostat	Burden of the housing costs (heavy burden, burden or no burden) by tenure status (owner or renter) and socio-economic status (employed, unemployed, retired, other)	EU 15 Missing: LUX, GRE FIN, SWE unreliable data DEN, ITA, POR, UK	1994-2001	No further collection undertaken	
Arrears with payments by type of household and income group	Eurostat	Arrears with payments (mortgage payments for owners with and without mortgage, rents and utility bills) by type of household (no. of adults, age, no of children/dependents, age in 11 groups) and income group (below 60%; 60-100%; 100-140%; 140% and above of the median income in 4 groups)	EU 15 Missing: GER, FIN, LUX, UK, SWE	1994-2001	No further collection undertaken	
Arrears with payments by socio-economic status	Eurostat	Arrears with payments (mortgage payments for owners with and without mortgage, rents and utility bills) by socio-economic status (employed, unemployed, retired, other)	EU 15 Missing: GER, FIN, UK, GRE, ITA, POR, SWE unreliable for BEL, DEN, FRA, POR, ESP, IRE	1994-2001	No further collection undertaken	

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
Durables by type of household and income group	Eurostat	Durables (car, colour TV, video recorder, dishwasher, microwave oven, telephone) by type of household (no. of adults, age, no of children/dependents, age in 11 groups) and income group (below 60%; 60-100%; 100-140%; 140% and above of the median income in 4 groups)	EU 15 Missing: GER, SWE, LUX	1995-1998	No further collection undertaken	
Durables by type of household and socio-economic status	Eurostat	Durables (car, colour TV, video recorder, dishwasher, microwave oven, telephone) by type of household (no. of adults, age, no. of children/dependents, age in 11 groups) and socio-economic status (employed, unemployed, retired, other)	EU 15 Missing: SWE, FIN, LUX, NED, unreliable: LUX	1994-2001	No further collection undertaken	
Lack of amenities by tenure status and type of housing	Eurostat	Lack of amenities (dwellings with hot running water, bath and shower, flush toilet, central heating, missing at least one of the three basic amenities) by tenure status (renter, free renter or owner) and type of housing (house, flat, other living quarter)	EU 15 Missing: GRE, ESP, SWE, UK, DEN, FIN, IRE, BEL, NED	1994-2001	No further collection undertaken	
Lack of amenities by type of household and income group	Eurostat	Lack of amenities (dwellings with hot running water, bath and shower, flush toilet, central heating, missing at least one of the three basic amenities) by tenure status (renter, free renter or owner) and type of housing (house, flat, other living quarter)	EU 15 Missing: LUX, FIN, SWE	1995-2001	No further collection undertaken	
Lack of amenities by socio-economic status	Eurostat	Lack of amenities (dwellings with hot running water, bath and shower, flush toilet, central heating, missing at least one of the three basic amenities) by socio-economic status (employed, unemployed, retired, other)	EU 15 Missing: GRE, LUX, NED, UK, SWE	1995-1998	No further collection undertaken	Comprehensive
Rooms per person by tenure status and type of housing	Eurostat,	Rooms per person by tenure status (renter, free renter or owner) and type of housing (house, flat, other living quarter)	EU 15 Missing: ESP, LUX, IRE, POR, FIN, SWE.	1994-2001	No further collection undertaken	
Rooms per person by socio-economic status	Eurostat	Rooms per person by socio-economic status (employed, unemployed, retired, other)	EU 15 Missing: FIN SWE, unreliable: LUX	1994-2001	No further collection undertaken	
Rooms per person by type of household and income group	Eurostat	Rooms per person by type of household (no. of adults, age, no. of children/dependents, age in 11 groups) and income group (below 60%; 60-100%; 100-140%; 140% and above of the median income in 4 groups)	EU 15 Some missing or unreliable data for all countries, especially regarding household types	1994-2001	No further collection undertaken	
Households living in overcrowded conditions by type of household and income group	Eurostat,	Households living in overcrowded conditions by type of household (no. of adults, age, no. of children/dependents, age in 11 groups) and income group (below 60%; 60-100%; 100-140%; 140% and above of the median income in 4 groups)	EU 15 Missing: DEN, IRE, LUX, NED, FIN, SWE, GRE and ITA.	1994-2001	No further collection undertaken	Unreliable data and no data are available regarding several household types for all countries

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
Housing problems by tenure status and type of housing	Eurostat	Housing problems (vandalism or crime, rot in the house or damp or leaky roof, darkness, not adequate heating facilities, noise, pollution, lack of space) by tenure status (owner, free renter, renter) and type of housing (house, flat, other living quarter)	EU 15 Missing: ESP, FIN, GER, LUX, GRE, IRE, DEN, BEL, SWE, UK,	1995-1997	No further collection undertaken	missing: especially for "rent free" and "other living quarter" categories
Housing problems by type of household and income group	Eurostat	Housing problems (vandalism or crime, rot in the house or damp or leaky roof, darkness, not adequate heating facilities, noise, pollution, lack of space) by type of household (no. of adults, age, no. of children/dependents, age in 11 groups) and income group (below 60%; 60-100%; 100-140%; 140% and above of the median income in 4 groups)	EU 15 Missing: GER, LUX, SWE, UK, especially concerning households types	1995-2000	No further collection undertaken	
Housing problems by socio-economic status	Eurostat	Housing problems (vandalism or crime, rot in the house or damp or leaky roof, darkness, not adequate heating facilities, noise, pollution, lack of space) by socio-economic status (employed, unemployed, retired, other)	EU 15 Missing: GER, LUX, FIN, UK, NED, SWE	1994-2000	No further collection undertaken	Comprehensive
Housing dissatisfaction by tenure status and type of housing	Eurostat Housing	Housing dissatisfaction by tenure status (owner, free renter, renter) and type of housing (house, flat, other living quarter)	EU 15 Missing: GER, LUX, FIN, UK, NED, GRE, ESP, IRE, BEL, DEN, SWE	1994-2001	No further collection undertaken	Comprehensive
Housing dissatisfaction by type of household and income group	Eurostat	Housing dissatisfaction by type of household (no. of adults, age, no. of children/dependents, age in 11 groups) and income group (below 60%; 60-100%; 100-140%; 140% and above of the median income in 4 groups)	EU 15 Missing: GER, LUX, FIN, SWE, UK, unreliable for IRE.	1994-2001	No further collection undertaken	Missing and unreliable data for more countries especially for household types in the category "not satisfied".
Housing dissatisfaction by socio-economic status	Eurostat	Housing dissatisfaction by socio-economic status (employed, unemployed, retired, other)	EU 15 Missing: GER, IRE, LUX, SWE.	1994-2001	No further collection undertaken	
Tenure status of accommodation by type of household and income group	Eurostat	Tenure status of accommodation (owner, free renter, renter) by type of household (no. of adults, age, no. of children/dependents, age in 11 groups) and income group (below 60%; 60-100%; 100-140%; 140% and above of the median income in 4 groups)	EU 15 Missing: SWE, FIN	1994-2001	No further collection undertaken	
Tenure status of accommodation by type of housing and socio-economic status	Eurostat	Tenure status of accommodation (owner, free renter, renter) by type of housing (house, flat, other quarter) and socio-economic status (employed, unemployed, retired, other)	EU 15 Missing: ESP, LUX, FIN, SWE, UK.	1994-2001	No further collection undertaken	unreliable data for BEL, GRE, IRE, FIN, FRA, POR. Especially in the category "other living quarters"
Type of housing by type of household and income group	Eurostat	Type of housing (house, flat, other quarter) by type of household (no. of adults, age, no. of children/dependents, their age in 11 groups) and income group (below 60%; 60-100%; 100-140%; 140% and above of the median income in 4 groups)	EU 15 Missing FIN, SWE, POR.	1994-2001	No further collection undertaken	

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
Type of housing by tenure status and socio-economic status	Eurostat	Type of housing (house, flat, other quarter) by tenure status (owner, free renter, renter) and socio-economic status (employed, unemployed, retired, other)	EU 15 Missing: FIN, SWE, NED.	1994-2001	No further collection undertaken	unreliable data FRA, LUX, NED, IRE, GRE, AUT. Especially in the categories "rent free" and "other living quarters" and "unemployed"
No. of dwellings	Eurostat	No. of dwellings	EU 15 Missing: DEN, GRE, ESP, IRE, LUX, AUT, POR, FIN, SWE, UK	1971, 1981, 1991	No further collection undertaken	
No. of dwellings by type of living quarters	Eurostat, Census – Round 90-91	No. of dwellings by type of living quarters (Conventional dwelling, Principal residence, Residential buildings, One dwelling house, Residential buildings – other, For seasonal or secondary use, Other living quarter (hotel, institution, camp))	EU 15	1991	No further collection undertaken	Some missing data
Occupied conventional dwellings by tenure status	Eurostat	Occupied conventional dwellings by tenure status (owner, other)	EU 15	1971, 1981, 1991	No further collection undertaken	
Rooms per dwelling/ person and persons per dwelling by tenure status	Eurosta	Rooms per dwelling, rooms per person, persons per dwelling by tenure status (owner, other)	EU 15	1971 (some missing), 1981, 1991	No further collection undertaken	
Occupied conventional dwellings by date of construction	Eurostat	Occupied conventional dwellings by date of construction (Before 1919, 1919-1939, 1946-1960, 1961-1970, 1971-1980, 1981 and later, unknown)	EU 15 Missing: GER, POR, GRE, ESP	1971 (some missing), 1981, 1991	No further collection undertaken	
Occupied conventional dwellings by principal amenities	Eurostat	Occupied conventional dwellings by principal amenities (Piped water in dwelling, Bath, shower in dwelling, Flush toilet in dwelling, Central heating)	EU 15 Missing: GER, POR, GRE, ESP, FRA, LUX,	1971 (some missing), 1981, 1991	No further collection undertaken	
Average useful floor area per dwelling and per person	EU Housing Statistics	Average useful floor area per dwelling and person (m2), for total dwelling stock, dwellings completed, occupied dwelling stock	EU 25 Some missing data	Three terms from the 1991-2003, differing from country to country	Yes	last edition of 2004 is analyzed with 25 MS
Average no. of rooms per dwelling and per new dwelling	EU Housing Statistics	Average no. of rooms per dwelling for total dwelling stock and per new dwelling	EU 25 Some missing data	Two terms from 1991-2003, differing from country to country	yes	last edition of 2004 is analyzed with 25 MS
Bath/Shower, hot running water and central heating in total dwelling stock	EU Housing Statistics	Bath/Shower, hot running water and central heating in total dwelling stock (%)	EU 25 Some missing data	Three terms from 1991-2003, differing from country to country	Yes	last edition of 2004 is analyzed with 25 MS, lot of data are missing for running water

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
Age distribution of the housing stock (%)	EU Housing Statistics	Age distribution of the housing stock (%) (-1919, 1919-45, 1946-70, 1971-81, 1981-90, 1991-)	EU 25	One year in the period 1991-2003, differing from country to country	Yes	last edition of 2004 is analyzed with 25 MS
Dwellings in high rise residential buildings	EU Housing Statistics	Share of multi-family and high-rise dwellings in total dwelling stock buildings	EU 25 Some missing data	2004?	Yes	last edition of 2004 is analyzed with 25 MS
Dwelling stock by type of building	EU Housing Statistics	Dwelling stock by type of building (total, multi-family, one-family)	EU 25	1980, 1990, 1995, 2000, 2002, 2003	Yes	last edition of 2004 is analyzed with 25 MS, Lot of missing subcategories
Dwellings per 1.000 inhabitants and dwelling stock	EU Housing Statistics	Dwellings per 1.000 inhabitants and total dwelling stock in thou for given years	EU 25 Some missing data	1980, 1985, 1990, 1995, 2000, 2003, total stock for one year from the period 2001-2004	Yes	last edition of 2004 is analyzed with 25 MS
Vacant conventional dwellings	EU Housing Statistics	Vacant conventional dwellings as % of the total stock	EU 25 Some missing data	Early mid nineties, and one more recent time, two data per country	Yes	last edition of 2004 analyzed with 25 MS
Occupied dwelling stock by tenure	EU Housing Statistics	Occupied dwelling stock by tenure (renter, owner, cooperative, other)	EU 25 Some missing data	1980, 1990, 1995, 2000, 2003	Yes	last edition of 2004 analyzed with 25 MS
Average no. of persons per occupied dwelling	EU Housing Statistics	Average no. of persons per occupied dwelling	EU 25	1980, 1985, 1990, 1995, 2000, 2003	Yes	last edition of 2004 analyzed with 25 MS
No. of persons per occupied dwelling by tenure	EU Housing Statistics	No. of persons per occupied dwelling by tenure (social/ public, private rental, owner occupied, cooperative, total)	EU 25	for one year from the period 1990-2003	Yes	last edition of 2004 is analyzed with 25 MS, data missing, especially for subgroups rented stock
Dwellings completed by type of building	EU Housing Statistics	Dwellings completed by type of building (total, one-family, multi-family as %)	EU 25	1980, 1985, 1990, 1995, 2000, 2003	Yes	last edition of 2004 is analyzed with 25 MS, data missing for subgroups
Dwellings completed per 1.000 inhabitants	EU Housing Statistics	Dwellings completed per 1.000 inhabitants	EU 25	1980, 1985, 1990, 1995, 2000, 2003	Yes	last edition of 2004 is analyzed with 25 MS, data missing for subgroups

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
Dwellings demolished or otherwise removed from the housing stock	EU Housing Statistics	No. of dwellings demolished or otherwise removed from the housing stock	EU 25	1980, 1985, 1990, 1995, 2000, 2003	Yes	last edition of 2004 is analyzed with 25 MS, Some missing data
Building permits, no. of dwellings – growth rates	EU Housing Statistics	Building permits, no. of dwellings – quarterly growth rates (%)	EU 25 missing data for ITA, LAT, MAL	2002 Q1-2004 Q2	Yes	last edition of 2004 is analyzed with 25 MS
Building permits in 1.000 m2 of habitable/usable floor area, residential buildings	EU Housing Statistics	Index of building permits in 1.000 m2 of habitable/usable floor area, residential buildings (2000=100)	EU 25 missing data for AUT, CZE, ITA, SVK, UK	1990, 1995, 2000, 2001, 2002, 2003	Yes	last edition of 2004 is analyzed with 25 MS
Harmonized Indices of consumer prices	EU Housing Statistics	harmonized Indices of consumer prices and for housing (1996=100)	EU 25	1985, 1990, 1995, 2000, 2003, 2004	Yes	last edition of 2004 is analyzed with 25 MS, A lot of Missing: dates 1985 and 1990
Housing consumption as share of total household consumption	EU Housing Statistics	Housing consumption as share of total household consumption (%)	EU 25	1980, 1990, 1995, 2000, 2003	Yes	last edition of 2004 is analyzed with 25 MS
Disaggregated housing consumption	EU Housing Statistics	Disaggregated housing consumption (total housing, rent, imputed rent for owner-occupied housing, maintenance/repair, water supply/other services, electricity/gas/fuel, total housing consumption in EURO/inhabitant)	EU 25 Missing data for MAL	2003	Yes	last edition of 2004 is analyzed with 25 MS
Rent index of dwellings	EU Housing Statistics	Rent index of dwellings (1996=100)	EU 25 Some missing data	1995, 2000, 2001, 2002, 2003	Yes	last edition of 2004 is analyzed with 25 MS
Price index of existing one-family dwellings	EU Housing Statistics	Price index of existing one-family dwellings (nominal, real) (1985=100)	EU 25	1990, 1995, 2000, 2003	Yes	last edition of 2004 is analyzed with 25 MS, Lot of missing data
Construction cost index, residential dwellings	EU Housing Statistics	Construction cost index, residential dwellings (2000=100)	EU 25	1990, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003	Yes	last edition of 2004 is analyzed with 25 MS, Lot of missing data especially before 2000
Average price for one-family dwellings	EU Housing Statistics	Average price for one-family dwellings (average price and size for existing dwellings/for newly completed dwellings, average construction cost per dwelling)	EU 25	2003	Yes	last edition of 2004 is analyzed with 25 MS; Lot of missing data
Average annual rent and average size for rental dwellings in the free and the regulated market	EU Housing Statistics	Average rent and average size per dwelling (free market, regulated market) (thou EURO)	EU 25	2003	Yes	last edition of 2004 is analyzed with 25 MS; Lot of missing data

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
Relative price indices for housing consumption	EU Housing Statistics	Relative price indices for housing consumption, gross rent, fuel and power	EU 25	1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002	Yes	last edition of 2004 is analyzed with 25 MS, lot of missing data, especially before 1999
Low-income households by tenure	EU Housing Statistics	Low-income households by tenure (total, owner, rent, 60% of median equalized income in PPS)	EU 25 no data for CYP	2001	Yes	last edition of 2004 is analyzed with 25 MS, some missing data
Households receiving housing allowances	EU Housing Statistics	Households receiving housing allowances (%)	EU 25	2003	Yes	last edition of 2004 is analyzed with 25 MS; Lot of missing data
Mean interest rate for private mortgages with selected fixed-rate terms and typical mortgage interest-rates	EU Housing Statistics	Mean interest rate for private mortgages with selected fixed-rate terms and typical mortgage interest-rates	EU 25	2003 and 2002-2003 for typical mortgage interest rates	Yes	last edition of 2004 is analyzed with 25 MS; lot of missing data
Ratio of outstanding residential mortgage debt to GDP	EU Housing Statistics	Ratio of outstanding residential mortgage debt to GDP	EU 25	1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003	Yes	last edition of 2004 is analyzed with 25 MS; Lot of missing data
Market shares of new gross residential mortgage lending by type of institution	EU Housing Statistics	Market shares (%) of new gross residential mortgage lending by type of institution (universal/commercial banks, savings banks, mortgage banks, cooperative and mutual credit banks, building societies/bausparkassen, insurance corporations/pension funds, other)	EU 25	2003	Yes	last edition of 2004 is analyzed with 25 MS; Lot of missing data
Supply side subsidies, public loans and public credit guarantees in the housing sector	EU Housing Statistics	Supply side subsidies, public loans (whereof state budget, regional or local budget – %) and existence of public sector credit guarantees (in mio. EURO)	EU 25	2003	Yes	last edition of 2004 is analyzed with 25 MS; Lot of missing data
Demand side subsidies in the housing sector	EU Housing Statistics	Demand side subsidies in the housing sector (total volume, whereof from state budget, regional or local budget – %, total volume of indirect support)- (in mio. EURO)	EU 25	2003	Yes	last edition of 2004 is analyzed with 25 MS; Lot of missing data
Public housing support in % of total public expenditure, state budget, and GDP	EU Housing Statistics	Public housing support in % of total public expenditure, state budget, and GDP (public housing subsidies expenditure, public housing loans expenditure)	EU 25	2003	Yes	last edition of 2004 is analyzed with 25 MS; Lot of missing data
Social sector in % of rental stock, housing stock and new dwelling completions	EU Housing Statistics	Social sector in % of rental stock, total housing stock and new dwelling completions (rental and total)	EU 25 missing for UK	2003	Yes	last edition of 2004 is analyzed with 25 MS, some missing data

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
Supply of shelter in the houseless category	EU Housing Statistics	Supply of shelter in the houseless category (homeless shelter and temporary accommodation, women's shelter, temporary for immigrants, institutions, supported housing for homeless)	EU 25	2004	Yes	last edition of 2004 is analyzed with 25 MS; Lot of missing data
Dwelling stock	UNECE Human Settlements Database	Dwelling stock + Dwelling stock per 1.000 inhabitants Dwelling stock built before 1919; 1919-1945; 1946 – 1970; 1946-1960; 1961-1970; 1971-1980; 1981-1985; 1981-1990; 1986-1990; 1991-1995; no.	EU 25+2+2	1980-2004, mostly available after 1990	Annually	Missing data especially before 1990
Tenure structure	UNECE Human Settlements Database	Owned occupied dwellings; Rented occupied dwellings; Unknown tenure status; Other occupied dwellings, no.	EU 25+2+2	1980-2004, mostly available after 1990	Annually	Missing data especially for before 1990
Housing construction	UNECE Human Settlements Database	Average floor space per dwelling completed; m2, Dwellings – authorized during the year; – begun during the year; – completed during the year – completed in other new residential buildings with 1 to 2; 3 to 5; 6 to 8; 9 storeys and over; – completed in other new residential buildings; – completed by other building activities, by private investor, cooperatives; by private investor, other private bodies; – completed by private investor, private persons; by private investor, total; by public investor, other public bodies; public investor, state and local governments; public investor, Rooms in dwellings completed, Value of construction (national currency)	EU 25+2+2	1980-2004, mostly available after 1990	Annually	Missing data especially for before 1990
Change in dwelling stock	UNECE Human Settlements Database	Increase in dwelling stock during the year; Decrease in dwelling stock during the year; (resulting from change in use, from demolition)	EU 25+2+2	1980-2004, mostly available after 1990	Annually	Missing data especially for before 1990
Quality of the constructed stock	UNECE Human Settlements Database	Dwellings completed: – connected to a sewerage system; no. – in ground-oriented new residential buildings; – in ground-oriented, 1-, 2-, 3- and-more dwelling buildings; – in new construction; in new non-residential buildings; – per 1.000 inhabitants, – with 1, 2, 3, 4, 5, 6, 7, 8 and more rooms; – with central heating; fixed bath or shower; piped water	EU 25+2+2	1980-2004, mostly available after 1990	Annually	Missing data especially for before 1990

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
Slum population	Millenium Goals, Target 11	No. of people and Proportion of households to those with access to secure tenure (UN-HABITAT)	EU 25+2+2	1990, 2001	unknown	
Mid-year population, urbanization level, + population density	Bulletin Housing + Building Statistics	Mid-year population (million), urbanization level (%), and population density (sq km)	EU 25+2+2 Some missing data	1993, 1997, 2000, 2002 (urbanization level 1997, 2002)	unknown	
Size of households by tenure	Bulletin Housing + Building Statistics,	Size of households by tenure (owner, renter, other)	EU 25+2+2 Some missing data	Differing form country to country, 1991-2003	unknown	large variance in data year
Households by no. of persons and no. of rooms	Bulletin Housing + Building Statistics	Households by no. of persons and no. of rooms	EU 25+2+2 Some missing data	Differing form country to country, 1991-2003	unknown	large variance in data year
Households by no. of persons and square metre (m2) of floor space	Bulletin Housing + Building Statistics	Households by no. of persons and square metre (m2) of floor space	EU 25+2+2 Some missing data	Differing form country to country, 1991-2003	unknown	variance in data year
Dwelling stock	Bulletin Housing + Building Statistics	Total dwellings (thou), dwellings per 1.000 inhabitants, dwellings in urban areas (%), dwellings privately owned (%), occupied dwellings (%)	EU 25+2+2 Some missing data	1993, 1997, 2001, 2002	unknown	
Change in dwelling stock	Bulletin Housing + Building Statistics	Increases (total, new construction), Decreases (total, demolition, change in use), total (thou)	EU 25+2+2 A lot of missing data	1993, 1997, 2001, 2002	unknown	
Dwellings by period of construction	Bulletin Housing + Building Statistics	Age of the dwelling stock built before 1919; 1919-1945; 1946 - 1970; 1971-1980; 1981-1990; 1991-2000; 2001 and later, (%)	EU 25+2+2 No data UK, SWE, NOR, GER, GRE, BEL	1993, 1997, 2001, 2002	unknown	
Classification of dwellings according to equipment	Bulletin Housing + Building Statistics	Dwellings with (as % of the total dwelling stock) piped water, fixed bath or shower, flush toilet, central heating, kitchen	EU 25+2+2 No data BEL, NOR, UK Some missing data	1993, 1997, 2001, 2002	unknown	
Size of dwellings by tenure	Bulletin Housing + Building Statistics	Dwellings with 1, 2, 3, 4, 5, 6, or more rooms as % of the total stock of owner, renter and other tenure (m2)	EU 25+2+2 Some missing data	Differing form country to country, 1991-2002	unknown	
Size of dwellings by period of construction	Bulletin Housing + Building Statistics	Dwellings with 1, 2, 3, 4, 5, 6, or more rooms as % of Dwellings with 1, 2, 3, 4, 5, 6, or more rooms (sq m)	EU 25+2+2 Missing data: Latvia, UK, SWE	Differing form country to country, 1999-2002	unknown	A lot of missing data

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
Average estimated floor space of dwellings by no. of rooms	Bulletin Housing + Building Statistics	Average estimated floor space of dwellings (total and by dwellings with 1, 2, 3, 4, 5, 6, or more rooms) (sq m)	EU 25+2+2 Missing: GER, POR, SVK, NOR, SWE	Differing form country to country, 1999-2002	unknown	
No. of dwellings completed	Bulletin Housing + Building Statistics	Total dwellings completed, – by new construction, – in urban areas, by private investors (%), – by 1.000 inhabitants	EU 25+2+2 Some missing data	1993, 1997, 2001, 2002	unknown	
Average no. of rooms	Bulletin Housing + Building Statistics	Average no. of rooms	EU 25+2+2 A lot of missing data	1993, 1997, 2001, 2002	unknown	
Average no. of rooms, average floor space per dwelling completed	Bulletin Housing + Building Statistics	Average floor space per dwelling completed in 1993, 1997, 2001 and 2002 (sq m)	EU 25+2+2 A lot of missing data	1993, 1997, 2001, 2002	unknown	
Value of total construction put in place	Bulletin Housing + Building Statistics	Total construction in mio. of national currency, residential construction and non-residential construction as % of total construction	EU 25+2+2 A lot of missing data	1993, 1997, 2001, 2002	unknown	
Value of residential and non-residential construction put in place	Bulletin Housing + Building Statistics	Residential construction, new and improvements – maintenance and repairs; Non-residential construction, new and improvements – maintenance and repairs (in mio. of national currency)	EU 25+2+2 A lot of missing data	1993, 1997, 2001, 2002	unknown	
Occupancy and floor area by housing type	UNCHS CitiBase database	Occupancy (occupied, vacant) and floor area by housing type (conventional, mobile, marginal)	EU 25+2+2 A lot of missing data	one selected year between 1981-1994	unknown	A lot of missing data + old data, not updated
Type of housing units by household size	UNCHS CitiBase database		EU 25+2+2 A lot of missing data	one selected year between 1981-1994	unknown	A lot of missing data + old data, not updated
Housing Units by no. of rooms	UNCHS CitiBase database	Housing Units by no. of rooms (1, 2, 3, 4, 5, 6 and more rooms)	EU 25+2+2 A lot of missing data	one selected year between 1981-1994	unknown	A lot of missing data + old data, not updated
Tenure	UNCHS CitiBase database	Tenure (owner occupied, tenant in government-owned housing, tenant in privately owned housing, sub-tenant, free of charge, other)	EU 25+2+2 A lot of missing data	one selected year between 1981-1994	unknown	A lot of missing data + old data, not updated

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
Period of construction of housing units	UNCHS CitiBase database	Period of the construction of dwelling stock (built before 1919; 1919-1945; 1946 – 1970; 1971-1980; 1981-1990; 1991-)	EU 25+2+2	one selected year between 1981-1994	unknown	A lot of missing data + old data, not updated
Newly-constructed and converted housing	UNCHS CitiBase database	Newly-constructed and converted housing according to stock (constructed, restored or extended or converted)	EU 25+2+2	one selected year between 1981-1994	unknown	A lot of missing data + old data, not updated hard to find detailed data for European cities
Facilities – (water supply, toilets, lighting, kitchens, cooking fuel)	UNCHS CitiBase database	% of dwellings with water supply (indoor connection, standing pipe, no water), toilets (flush toilet, other, no toilet), lighting (electric, solar, oil, gas, candle, other), type of kitchen, cooking fuel	EU 25+2+2	one selected year between 1981-1994	unknown	A lot of missing data + old data, not updated hard to find detailed data for European cities
Collective living quarters	UNCHS CitiBase database	Collective living quarters (hotels or rooming and lodging houses, institutions, camps, others)	EU 25+2+2 A lot of missing data	one selected year between 1981-1994	unknown	A lot of missing data + old data, not updated hard to find detailed data for European cities
Homeless	UNCHS CitiBase database	Homeless (no. of males, females, children) (legal titles of plots/housing units provided to homeless, no. of homeless provided with social rehabilitation programmes, incl. temporary housing)	EU 25+2+2 No data for most European cities	one selected year between 1981-1994	unknown	A lot of missing data + old data, not updated hard to find detailed data for European cities
Type of buildings	UNCHS CitiBase database	No. of housing units by type of buildings (permanent, semi-permanent, non-permanent)	EU 25+2+2 No data for most European cities	one selected year between 1981-1994	unknown	
Squatter/slum settlements policy	UNCHS CitiBase database	No. of affected housing units by squatter/slum settlements policy actions (demolition, legalization, resettlement)	EU 25+2+2 No data for most European cities	one selected year between 1981-1994	unknown	
Investment in housing	UNCHS CitiBase database	Value of investment in local currency by type of investor (central/regional government, municipal government, other public, NGO/CBO, private, others)	EU 25+2+2 No data for most European cities	one selected year between 1981-1994	unknown	missing data
Housing affordability	UNCHS CitiBase database	is there a rent control in the city ? house price to income ratio, rent to income ratio)	EU 25+2+2 No data for most European cities	one selected year between 1981-1994	unknown	missing data
Construction costs	UNCHS CitiBase database	Construction cost index per m2, according to base year (cement, iron sheets, stone chips, bricks, tiles, others)	EU 25+2+2 No data for most European cities	one selected year between 1981-1994	unknown	missing data
average no. of persons per room	UN, Statistics Division	The average no. of persons per room (total, urban, rural)	EU 25+2+2	Differing form country to country, 1987-1996	unknown	wide range of data years

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
No. of human settlements in the country	UN-HABITAT: Global Urban Observatory	Total No. of human settlements in the country, by population and urban/rural areas, categories by population	EU 25+2+2 No data for SUI	Differing from country to country	unknown	Old data
No. of households by type of living quarters occupied, and no. of living quarters	UN-HABITAT: Global Urban Observatory	No. of households by type of living quarters occupied (conventional, basic, temporary, marginal, collective), and no. of living quarters, total country, urban, rural areas, cities	EU 25+2+2 No data for SUI	Differing from country to country	unknown	Old data
Occupied housing units	UN-HABITAT: Global Urban Observatory	Occupied housing units by no. of rooms and no. of occupants (total, urban/rural areas, selected cities)	EU 25+2+2 No data for SUI	Differing from country to country	unknown	Old data
water supply system for households	UN-HABITAT: Global Urban Observatory	Households in occupied housing units by water supply system (piped water inside – private or community resource, outside), total, urban/rural areas, cities	EU 25+2+2 Missing for SUI and numerous cities	Differing from country to country	unknown	Old data
toilet facilities in occupied housing units	UN-HABITAT: Global Urban Observatory	Households in occupied housing units by toilet facilities (flush, non-flush, outside, other), total, urban/rural areas, selected cities	EU 25+2+2 Missing for SUI and numerous cities	Differing from country to country	unknown	Old data
type of solid waste disposal in occupied housing units	UN-HABITAT: Global Urban Observatory	Households in occupied housing units by type of solid waste disposal (authorized collectors, unauthorized, at the dump), total country, urban/rural areas, selected cities	EU 25+2+2 missing for numerous cities, and countries (SUI, NOR, BEL, etc.)	Differing from country to country	unknown	Old data
type of lighting in occupied housing units	UN-HABITAT: Global Urban Observatory	Households in occupied housing units by type of lighting (gas, oil/cerosien, other), total country, urban/rural areas, cities	EU 25+2+2 missing for cities, + countries (NED, SVK, ESP, etc.)	Differing from country to country	unknown	Old data
Population by sex and age, largest cities	UN-HABITAT: Global Urban Observatory	Population by sex and age groups (every 5 years), largest cities and total	EU 25+2+2 Missing UK etc.	Differing from country to country	unknown	
Percentage of population in urban areas	UN-HABITAT: Global Urban Observatory	Percentage of population residing in urban areas,	EU 25+2+2	1990, 1995, 2000, 2005, 2010, 2015, 2020, 2025, 2030	unknown	
population in urban agglomerations	UN-HABITAT: Global Urban Observatory	no. of urban agglomerations + percentage of urban population by size of urban agglomeration: major area and region	EU 25+2+2	1980-2015 – five-year intervals	unknown	No national data

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
population residing in large urban agglomerations	UN-HABITAT: Global Urban Observatory	percentage of total population residing in urban agglomerations with 750,000 or more inhabitants	EU 25+2+2	1980-2015 with five-year intervals	unknown	
The largest 30 urban agglomerations	UN-HABITAT: Global Urban Observatory	The largest 30 urban agglomerations ranked by population size (in mio.)	EU 25+2+2	1980-2015 with five-year intervals	unknown	Old data
Development of no. of households 1985-2030	UN-HABITAT: Global Urban Observatory	Estimated no. of households and annual household growth rate, 1985-2030 (15-year intervals); changes in no. of households (5-year increments)	EU 25+2+2	1985-2030	unknown	
Poverty rates,	OECD: Society at a Glance	proportion of individuals with equivalised disposable income less than 50% of the median income of the total population Poverty gaps = percentage difference between the average income of the poor	27 OECD Countries	Second Half of the 1990s	For two non fixed years	Comparable if pattern of evolution is considered
Income inequality	OECD: Society at a Glance	Child poverty Income of older people	27 OECD Countries	Second Half of the 1990s	For two non fixed years	Comparable if pattern of evolution is considered
social spending	OECD: Society at a Glance	Public social spending Private social spending Total social spending	27 OECD Countries	Second Half of the 1990s	For two non fixed years	Comparable if pattern of evolution is considered
pensions	OECD: Society at a Glance	Old-age pension replacement rate; Pension promise	27 OECD Countries	Second Half of the 1990s	For two non fixed years	Comparable if pattern of evolution is considered
Public social expenditure by main category as a percentage of GDP	OECD Factbook	Public social expenditure: cash benefits, direct "in-kind" provision of goods + services, tax breaks with social purposes Targets of social benefits: low-income households, elderly, disabled, sick, unemployed, or young persons public: government (that is central, state, and local governments, including social security funds) controls relevant financial flows Programmes regulating the provision of social benefits have to involve: a) redistribution of resources across households, or b) compulsory participation.	27 OECD Countries	1991-2001	Annually	For cross-country comparisons, the most commonly used indicator of social support is gross (before tax) public social expenditure related to GDP. Measurement problems with regard to spending by lower tiers of government, which may be underestimated in some countries.
Public social expenditure by main category in national currency	OECD Factbook	at current prices; at constant prices (1995) definitions see indicator "Total public social expenditure by main category as a percentage of GDP" above	27 OECD Countries	1981-2001	Annually	

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
Public social expenditure by main category Per head	OECD Factbook	at current prices and current PPPs, in US dollars definitions see indicator "Total public social expenditure by main category as a percentage of GDP" above	27 OECD Countries	1981-2001	Annually	Comparability possible
Mandatory private social expenditure as a percentage of GDP	OECD Factbook	definitions see indicator "Total public social expenditure by main category as a percentage of GDP" above	27 OECD Countries	1981-2001	Annually	Comparability possible
Mandatory private social expenditure at current prices	OECD Factbook	in national currency definitions see indicator "Total public social expenditure by main category as a percentage of GDP" above	27 OECD Countries	1981-2001	Annually	Comparability possible
Total expenditure on health, % of gross domestic product	OECD Factbook 2005	Total expenditure on health, % of gross domestic product	AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1960-1965-1970-1975 – 2000; 2000, 2001, 2002, 2003	5 years until 2000; Annually after 2000	Comparability possible
Total health expenditure per capita, US\$ PPP	OECD Factbook 2005	Total health expenditure per capita, US\$ PPP	AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1960-1965-1970-1975 – 2000; 2000, 2001, 2002, 2003	5 years until 2000; Annually after 2000	Comparability possible
Development of health expenditure	OECD Factbook 2005	Average annual growth rate of Total expenditure on health	AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1960-1965-1970-1975 – 2000; 2000, 2001, 2002, 2003	5 years until 2000; Annually after 2000	Comparability possible
Public expenditure on health	OECD Factbook 2005, health data 2005	Public expenditure on health total an in % of total expenditure on health	AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1960-1965-1970-1975 – 2000; 2000, 2001, 2002, 2003	5 years until 2000; Annually after 2000	Comparability possible
Pharmaceutical expenditure, % total expenditure on health	OECD Factbook – health data 2005	Indicator usable	AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1960-1965-1970-1975 – 2000; 2000, 2001, 2002, 2003	5 years until 2000; Annually after 2000	Comparability possible
Practising physicians density	OECD Factbook – health data 2005	Practising physicians, density per 1.000 inhabitants	AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1960-1970 - 2000, 2001, 2002, 2003	10 years until 2000; Annually after 2000	Comparability possible
Practising nurses, density	OECD Factbook – health data 2005	Practising nurses, density per 1.000 inhabitants	AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1960-1970-...2000, 2000, 2001, 2002, 2003	10 years until 2000; Annually after 2000	Comparability possible
Acute care beds, density	OECD Factbook – health data 2005	Acute care beds, per 1.000 inhabitants	AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1960-1970-...2000, 2000, 2001, 2002, 2003	10 years until 2000; Annually after 2000	Comparability possible

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
MRI units desity	OECD Factbook – health data 2005	MRI units per million population	AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1990-1995- 2000 2000-2001- 2002-2003	5 years until 2000; Annually after 2000	Comparability possible
CT Scanners per million population	OECD Factbook – health data 2005	CT Scanners per million population	AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1980, 1990, 1995, 2000 2000-2001- 2002-2003	diffent years until 2000; Annually after 2000	Comparability possible
Employment rate/ Unemployment rate	OECD Employment Statistics	ratio of employed/unemployed persons to the working age population – persons employed: those aged 15 or over who report that they have worked in gainful employment for at least one hour in the previous week – persons not employed: persons out of work but seeking employment, students and all others who have excluded themselves from the labour force (e.g. due to incapacity the need to look after young children or elderly relatives) – Working age: persons from 15 to 64 (in some countries from 16 to 64)	A AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1990-2001	Annually	measuring employment according to ILO Guidelines (except ICE, TUR) The sources for population in each age group are a mixture of labour force surveys, administrative records and population censuses.
Employment rate/ Unemployment rate by age group	OECD Employment Statistics	The population employed/unemployed in an age group in per cent of the total no. of people in that group. – persons employed: those aged 15 or over who report that they have worked in gainful employment for at least one hour in the previous week – persons not employed: persons out of work but seeking employment, students and all others who have excluded themselves from the labour force (e.g. due to incapacity the need to look after young children or elderly relatives)	AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	2000-2003	Annually	measuring employment according to ILO Guidelines (except ICE, TUR) The sources for population in each age group are a mixture of labour force surveys, administrative records and population censuses.
Jobless households	Förster/Mira D'Ercole.		FIN, FRA, UK, NOR, NED, ITA	1971-2003	Annually	
Working mothers	OECD: Society at a Glance		AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	2002	One year	
Age at retirement	OECD: Society at a Glance		AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1965-2005	Annually	OECD estimates derived from the European and national labour force surveys
Youth inactivity	OECD: Society at a Glance		FRA, POR, IRE, LUX, NOR, SWE, AUT, NED, SUI, DEN	1984 e 2002	For two Annually	Comparability possible

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
Civilian employment by sector of activity	Labour Force Statistics	civilian employment (= total employment – military employees) at 1-digit level based on ISIC Revision 2	AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	2002-2005	Annually	Comparability possible
Civilian employment by professional status	Labour Force Statistics	Civilian employment by professional status	AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	2002-2005	Annually	Comparability possible
Self-employment	Labour Force Statistics	percentages of self-employed in total civilian employment (= total employment – military employees) – employed persons: those aged 15 or over who report that they have worked in gainful employment for at least 1 hour in the previous week – Self-employed persons: employers, own-account workers, members of producers' co-operatives, unpaid family workers (do not have a formal contract to receive a fixed amount of income at regular intervals but share in the income generated by the enterprise)	AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1984-2004	Annually	measuring employment according to ILO Guidelines (except ICE, TUR) The sources for population in each age group are a mixture of labour force surveys, administrative records and population censuses.
Temporary work,	Labour Force Statistics		AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1984-2004	Annually	
Duration of unemployment	Labour Force Statistics	data on unemployment by duration breakdown	AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1984-2004	Annually	
Educational Personnel	OECD Education Online Database		AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1983-2003	Annually	Comparability possible
Expenditure by funding source and transaction type	OECD Education Online Database		AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1983-2003	Annually	Comparability possible
Expenditure by nature and resource category	OECD Education Online Database		AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1983-2003	Annually	Comparability possible
Foreign Students Enrolled	OECD Education Online Database		AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1983-2003	Annually	Comparability possible

Term	Source	Definition	Availability	date of collection	Periodical survey	Quality of indicator/ additional Remarks
Graduates by age	OECD Education Online Database		AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1983-2003	Annually	Comparability possible
Graduates by field of education	OECD Education Online Database		AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1983-2003	Annually	Comparability possible
New entrants by sex and age	OECD Education Online Database		AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1983-2003	Annually	Comparability possible
Students aligned to Finance and personnel data	OECD Education Online Database		AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1983-2003	Annually	Comparability possible
Students enrolled by age	OECD Education Online Database		AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1983-2003	Annually	Comparability possible
Students enrolled by type of institution	OECD Education Online Database		AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1983-2003	Annually	Comparability possible
Total population by sex and age	OECD Education Online Database		AUT, BEL, CZE, DEN, FIN, FRA, GER, GRE, HUN, IRE, ITA, LUX, NED, NOR, POL, POR, SVK, ESP, SWE, SUI, UK	1983-2003	Annually	Comparability possible
Dependency rate 1995	ITPS, ESPON Database (ESPON 114)	Total population/population 20-64 years.	EU 25+2+2	1995		
Dependency rate 1999	ITPS, ESPON Database	Total population/population 20-64 years.	EU 25+2+2	1995		