Society at a Glance

OECD SOCIAL INDICATORS

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ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

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- to achieve the highest sustainable economic growth and employment and a rising standard of living in member countries, while maintaining financial stability, and thus to contribute to the development of the world economy;
- to contribute to sound economic expansion in member as well as non-member countries in the process of economic development; and
- to contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations.

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FOREWORD

In 2001, the OECD published a "new" list of social indicators. They were "new" because such lists have been produced in the past, but were "out of fashion" during the 1980s and 1990s. The new listing attempted to satisfy the growing demand for quantative evidence on whether our societies are getting more or less unequal, healthy, dependent and cohesive.

This second edition of social indicators updates some of those included in the first edition, and adds new indicators, focusing especially on child well-being and disabled people. More detailed information on all indicators, including those not in this edition, can be found on the web pages of the OECD (*www.oecd.org/els/social/indicators*).

As this report addresses a wide-range of topics it would have been impossible to complete it without the contributions of many different people in and outside the OECD Social Policy Division. The list of contributors include: Willem Adema, Marcella Deluca, Jean-Christophe Dumont, Jean-Luc Heller, Peter Evans, Gaetan Lafortune, Pascal Marianna, David Morgan, Eva Orosz, Uffe Ploug, Dominique Paturot, Maria Pazos, Christopher Prinz, Peter Tergeist and Cécile Thoreau. Mark Pearson took the lead in developing the Social Indicator project, Thai-Thanh Dang co-ordinated the production of this report on social indicators, while Catherine Duchêne and Maxime Ladaique provided their statistical expertise to this work. It is published under the responsibility of the Secretary-General of the OECD.

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Part I

AN INTERPRETATIVE GUIDE

An Interpretative Guide

1. What are social indicators for?

The *primary* motives which lie behind this listing of indicators is to give insights into two questions:

– What are the social developments in OECD countries?

– Are the responses of society in general and government in particular effective in altering social outcomes?

The first of these requires a broad coverage of social issues. Insofar as social life requires health, education, freedom to develop, resources and a stable basis of social interactions, so must the indicators reflect these various dimensions.

The second is more challenging. Societies try to influence social outcomes, usually through the medium of government policy. The question is: are such actions effective in achieving their aims? Hence, a first step is to compare changes in social outcomes within the extent of social policies. This process cannot of course be used to evaluate whether a particular social programme is effective. Rather, indicators can be used to assess whether and how the broad thrust of policy is addressing important social issues. Social indicators can be used, for example, to indicate where social spending is high relative to other countries and whether outcomes are correspondingly better. They would not, in such circumstances, tell anyone *why* outcomes are poor, but they do "indicate" that there might be a need to think hard about just why this should be the case.

2. The structure of the indicators

The structure applied in this volume falls well short of being a full-scale framework for the collection of social statistics, but nevertheless is more than a straightforward, one- (or possibly two) dimensional listing of social indicators.

Colleagues using indicators in other parts of the OECD have used different ways in which to assess policy response indicators against policy outcome indicators, and their experience has provided some guidance as to how we might achieve this. For example, the set of education indicators published yearly in *Education at a Glance – OECD Indicators* is implicitly structured into a three part grouping: context; inputs (including expenditure); and outputs. *OECD Indicators on Science and Technology* have been grouped among broad themes such as the globalisation and economic performance and competitiveness to benchmark knowledge-based economies.

The Environment Directorate uses yet a different approach in its set of *OECD Environmental Indicators*. The underlying structure of these indicators is based on a model known as a "PSR" framework.[1] In the environmental area:

> Human activities exert *pressures* on the environment and affect its quality and the quantity of natural resources *(state);* society responds to these changes through environmental, general economic and sectoral policies and through changes in awareness and behaviour *(societal response)*. The PSR model has the advantage of highlighting these links, and helping decision-makers and the general public see that environmental and other issues are interconnected.

Examples of *pressures* include indirect pressures (indicators of sectoral activities such as energy, transport, industry, agriculture, etc.) and direct pressures (pollutant and waste generation, resource use). Examples of the *state* of the environment are measures of air, water, land quality, ecosystem health, etc. Examples of *responses* include various measures of the extent of policy interventions for environmental purposes (such as expenditure, environmental taxes, etc.). The attraction of the approach is that it focuses on broad indicators of what government and society do (response indicators) with broad indicators of what they are trying to influence (state and pressure indicators).

A similar *approach* of dividing indicators into three categories is followed in this grouping of social indicators. However, the three groupings differs somewhat from the pure PSR model:[2]

- **Social context.** These are those social variables which are not usually directly the target of policy, or which may be policy objectives, but only in the longer term. Nevertheless they are crucial for understanding the context within which social policy is developed. For example, the proportion of people over 64 years of age in the total population is not the target of policy. However, developments in this ratio are of importance in understanding more immediate developments (the living standards of the elderly, for example).
- **Social status.** These are, to the greatest possible extent, descriptions of those social situations that are of highest current priority for policy action. Ideally, the indicators chosen are such that the variables are easily and unambiguously interpreted – all countries would rather have low poverty rates than high ones, for example.
- **Societal response.** These indicators illustrate what society is doing which may affect social status indicators. Most such actions will be government policies, but wider definitions of societal actions might sometimes be useful, as for example, indicators of the activities of non-governmental organisations in the social sphere; the development of private pension saving insofar as this is an important pillar of retirement income policy; and actions taken by individuals and families caring elderly and young children. However, as data on government policy are generally of better quality than data on societal responses more generally, the initial listing below focuses almost exclusively on the role of the public sector.

Whilst broadly adopting the three-fold approach outlined above, it is not always straightforward to make the distinction between *context* and *status* in the social sphere. For example, fertility is an objective of pro-natalist policies in some countries, but is in the social policy background in others. Similarly, family breakdown can be seen as a failure of public family-support policies in some countries, whereas this would not be an explicit public policy concern in other countries. Regardless of the national policy objectives, family breakdown contributes to growth in the number of families at risk of economic insecurity. Inevitably any dividing line is arbitrary.

2.1. Choosing indicators in view of data considerations

The OECD has 30 countries which vary substantially in their collection of statistics. In choosing the indicators, a choice has to be made as to whether only to include indicators which are already available for all countries or, if not, how significant a departure from this principle should be allowed.

The indicators presented here are not confined to those for which there is absolute comparability across countries. Such a condition would, for example, rule out most income distribution and poverty statistics. Instead, the nature and extent of bias in comparisons between countries is indicated in the sourcing and description of data. This should alert users to potential pitfalls.

As a general rule the list includes only those indicators where there is a reasonable probability of collecting data for at least half of OECD countries. However, this rule is relaxed in some circumstances:

- Where there are known limitations in widely available data, supplementary indicators which illustrate the limitations of the main indicators are included. Such reasoning explains, for example, the including of measures on *net social expenditure* in countries, and the *number of households with no working-age adult in employment,* even though such indicators are available for only a minority of countries.

– The increasing use of longitudinal data sets allows for much more revealing indicators of social status by policy area. The distributions of the duration of unemployment or non-employment spells; the mean length of time spent on particular benefits; the duration of poverty spells are *dynamic* measures of population status. Although only available for a sub-group of countries, these will help give a more rounded picture than is possible if only static cross-sectional data are used.

2.1.1. Disaggregation and measurement

Aggregate data are often decomposed into sub-categories, such as, age group, family type, gender, etc. Use of individual or household data varies according to indicator. However, decompositions for sub-national regions or units of government are not included in this volume.

No attempt is made to record all data in the same common units: indicators are presented in a mixture of head counts, currency units, percentages of GDP, etc.

3. The use of the indicators

The *social context* and *social status* measures in themselves describe the social conditions of the population. The *social status* indicators can also be interpreted as measuring one particular dimension of what social policy is aiming to do. Response measures give one (or more) dimension of the scale and nature of social policy interventions. Confronting *response* indicators with *status* indicators provides a first-order indication of policy effectiveness. It is not intended that there should be a "one-for-one" relationship between *societal response* and *social status* indicators. But merely to consider that if the indicators have been chosen well and the measures of *societal response* are high compared to average and the indicators of *social status* low, then there is justification for questioning why there is an apparent anomaly.

Social context indicators are included to help in interpretation of policy effectiveness. Such indicators are intended to enumerate those quasi-exogenous variables which "explain" some part of the *social status* indicators, regardless of the response indicators. Thus, the intention of *social context* indicators is to give some impression of the differences across countries within which public policy operates. Unlike *status* and *response*, it cannot be said about context indicators that a particular outcome is good or bad. For example, where it is easy to say that the less accidents the better, such a statement cannot be made about the number of lone parent families, while their incidence is clearly a factor with which social policy-makers have to account for.

Some sort of underlying grouping of indicators into very broad policy fields may well prove useful. In this volume four underlying *objectives* of social policy are used to classify *status* and *response* indicators:

– Enhancing **self-sufficiency (SS)** has been increasingly stressed as an underlying objective of social policy, featuring prominently in, for example, the Communiqué of Social and Health Policy Ministers (OECD, 1999). Autonomy (of individuals or families) is promoted by ensuring active participation in the economy and society, and self-sufficiency in activities of daily living.

– **Equity (EQ)** in this context refers mainly to equity of outcome (policies which seek to overcome social or labour market disadvantage, thereby promoting equality of opportunity, are here classified as having as a primary function the promotion of autonomy). Equitable outcomes are measured mainly by the access of households to resources.

– The underlying objective of **health (HE)** care systems is to improve the health status of populations, which leads to a broader focus than an emphasis on disease and its cure, including other social factors which can affect mortality and morbidity.

– **Social cohesion (CO)** is often identified as an over-arching objective of the social policies of countries, but its definition is rarely attempted and there is no cross-country agreement on what precisely it means. However, it is possible to identify various pathologies which have been mentioned as causes of the lack of social cohesion, which do have resonance as objectives of social policy, albeit not ones where cause-and-effect of social policies is straightforward. This is true, for example of crime rates, industrial strife, and family stability.

To the extent that responses have an impact on multiple areas of social policy, they can be recorded as relevant indicators in more than one of these broad headings. The ability to undertake activities of daily living without assistance is both a sign of autonomy, and of health; and drug use may signal lack of social cohesion as well as being linked with healthy living. The problem of indicators which could be classified under many different headings is not a problem particular to social policy.[3] The response in other indicator listings is to indicate which indicators would be included in a *comprehensive* listing under each heading, but not to publish the indicator more than once in each publication (see below).

4. Description of the indicators

The chosen indicators are listed below together with general information on sources and definitions. Most indicators exist in one form or another already; many are already published in various OECD publications on a regular basis. The majority of the indicators are drawn from underlying databases, often those where co-operation between international organisations is taking place (*e.g.* Labour Force Statistics, Social Expenditure Database). Others indicators have been collected on an *ad hoc* basis, as for example, information on older people in institutions. No new large-scale data collection exercise was undertaken for the preparation of this volume.

It appears that there are far fewer good-quality *response* indicators than social situation indicators. This might be taken as suggesting a need for more effort in improving data collection describing public and private action; including private social spending and information on numbers of people and households receiving different benefits and services from employers and NGOs.

4.1. Context indicators (GE)

When comparing social *status* and societal *response* indicators, it is easy to end up making statements that one country is apparently doing badly relative to other countries, or that another is spending a lot of money on something compared with others. It is often important to put such statements into a broader context. For example, national income levels vary across OECD countries. If there is any link between income and health, it might be expected that richer countries have better health status than poor ones. If purchase of health care services is income elastic (as it appears to be) then again, there might be an expectation that rich countries spend more on health care (as a percentage of GDP) than do poorer countries. This does not mean that the indicators of health status and health spending are wrong or misleading. It does mean, however, that there is a pattern behind the data that should be borne in mind when considering the implications of the indicators.

Many context indicators are of relevance in interpreting a number of other indicators included in this publication. This is true of income per capita, of course, which has implications for the quality, quantity and nature of the social protection which individuals desire. Therefore, context indicators are not categorised as particularly important for understanding trends in any of the four underlying objectives of social policy – equity,

List of context indicators (GE) in the 2002 edition

General context indicators (GE)	2001 edition	
GE1. National income	G1	Included in this publication
GE2. Age dependency ratio	G3	
GE3. Foreigners and foreign-born population	G4	
***GE4.** Fertility rates*	*G2*	Not included in this publication but available on the website (*www.oecd.org/els/social/indicators*)
***GE5.** Divorce rates*	*G6*	
***GE6.** Refugees and asylum-seekers*	*G5*	
***GE7.** Lone parent families*	*G7*	

Source: OECD.

autonomy, health or cohesion. Apart from national income (GE1), the chosen indicators generally reflect long-term demographic trends and trends in household composition. Throughout the remainder of this volume, the code in-between brackets (*e.g.* GE1) refers to an indicator as listed in the tables below. No particular meaning should be attached to the numbering, but this practice simplifies cross-reference purposes.

4.2. Self-sufficiency (SS)

All systems of social security rely for their funding on contributions by people in work. Most systems in the OECD area encourage this by tying eligibility for social insurance benefits to employment and/or contributory records. Hence, self-sufficiency for the majority of the population of working age is necessary for the very survival of social security. Work (SS1, SS2) also provides a focus and forum for social interaction, social status and job-satisfaction and is often the focal point for future aspirations.

Social systems have been found to sometimes inadvertently reduce direct financial incentives to work for groups of workers (SS10) while at the same time raising labour costs (*SS17*). Hence, social protection systems have to take account of the concomitant tax burden on labour, to avoid adversely affecting labour demand, whilst ensuring that work continues to pay (Pearson and Scarpetta, 2000).

Nevertheless, providing the means to support oneself and one's dependants is sometimes an aspiration rather than a reality (SS3). Female labour force participation rates vary sharply across countries, reflecting both social differences and the effectiveness of government policies to overcome the barriers which women face (SS4). Such problems can be particularly severe for lone parents, who must balance the need for time to care for their families with the need to use that time to earn enough to support them financially. Long-term unemployment is – still – at high levels in many countries, signalling a drift away from an ability to participate in mainstream society. The difficulties which young people face in making the transition from school to work – from being supported to being independent – is fraught in a number of countries (*SS11*).

Whilst indicators of all these elements of employment as a way to achieve independence can be found, many others are absent (at least on an international basis). For example, employment rates of recent migrants are known to be relatively low, but we cannot (yet) give reliable measures of their situation on an internationally comparable basis.

The labour market has turned against low-skilled workers, who in all countries are more likely to find themselves unemployed, non-employed or earning lower wages than their better-educated colleagues. Hence, helping individuals to fulfil their potential requires education from an early age (*SS15*), and indeed throughout the life course. Across the OECD, the societal policy response is geared towards improving general education,

List of self-sufficiency indicators (SS)[1] in the 2002 edition

Social status	2001 edition	Societal responses	2001 edition
SS1. Employment	A1	**SS6.** Educational attainment	A10
SS2. Unemployment	A2	**SS7.** Student performance	
SS3. Jobless households	A4	**SS10.** Replacement rates	A12
SS4. Working mothers	A5	**EQ3.** Public social expenditure	B6
		EQ4. Net social expenditure	B8
SS11. *Jobless youth*	*A3*	***SS13.*** *Activation policies*	*A7*
SS12. *Retirement ages*	*A6*	***SS14.*** *Spending on education*	*A8*
		SS15. *Early childhood education and care*	*A9*
		SS16. *Literacy*	*A11*
		SS17. *Tax wedge*	*A13*

Note: Indicators SS5, SS8 et SS9 will be explained below in the appropriate section.
1. Indicators in shaded background are not just self-sufficiency indicators, but are presented in another sub-section. Italicisation means that the indicators are only made available on the website.
Source: OECD.

student performance and literacy standards (SS6, SS7 and *SS16*), supplemented with specific activation programmes and tax facilities to help the unemployed to find gainful employment (*SS13*, EQ4). Indeed, the avowed policy objective of social protection systems in OECD countries involves a focal shift from passive benefit delivery to a more active approach geared towards getting benefit recipients into jobs (*SS13*, EQ3).

The importance of individual *status* and *response* indicators is not necessarily limited to one of the four chosen broad objectives of social policy: self-sufficiency, equity, health and social cohesion. However, in order to avoid repetition, information on the indicators is only presented once in Part II of this volume. Indicators in shaded background mean that the relevant indicator is presented in another sub-section (Section 4.2 through to 4.5), not that is has no bearing on the broad social policy objective discussed here.

4.3. Equity (EQ)

There are very many dimensions of equity including access, opportunity, and outcome. And within and across societies there are likely to be a multitude of opinions as to exactly what a *fair* redistribution of resources entails or what establishes a *just* distribution of access opportunities to social services. In view of these differences, it is not surprising that it is hard to obtain comprehensive information on all aspects of *equity*. Data limitations are compounded by the fact that social services are often delivered by lower tiers of governments and non-government organisations, which makes it even harder to obtain indicators on, for example, the accessibility of social services to households. Finally, for some services, as for example child-minding, households often turn to an informal network of family members and friends, on the prevalence of which no comparable information is available. Hence, the equity *status* indicators are necessarily limited to indicators on financial inequality and "unequal" labour market outcomes (*EQ10*).

Apart from labour legislation aimed at safeguarding the position of low-paid workers (*EQ9*), social protection systems are the main tool through which policy-makers pursue social policy aims. Regardless, of the national notion on what establishes a fair social service delivery or equitable income support, all OECD countries have developed – or are in the process (OECD, 2000) – social protection systems that to a varying extent redistribute resources within societies. In addition, households may have access to social benefits provided through the private sector (*e.g.* employers and NGOs) or through the tax system (*EQ12* and EQ4). The magnitude of social systems is further indicated by the number of recipients of publicly controlled social benefits (EQ5), which when compared to actual workers raises concerns about the financial sustainability of social systems in the long run.

List of equity indicators (EQ)[1] in the 2002 edition

Social status	2001 edition	Societal responses	2001 edition
EQ1. Old age income		**EQ3.** Public social expenditure	B6
SS2. Unemployment	A2	**EQ4.** Net social expenditure	B8
SS3. Jobless households	A4	**EQ5.** Benefit recipiency	B9
SS4. Working mothers	A5	**SS6.** Educational attainment	A10
		SS10. Replacement rates	A12
EQ7. *Relative poverty*	*B1*	***EQ11.*** *Minimum wages*	*B5*
EQ8. *Income inequality*	*B2*	***EQ12.*** *Private social expenditure*	*B7*
EQ9. *Low paid employment*	*B3*	***SS13.*** *Activation policies*	*A7*
EQ10. *Gender wage gap*	*B4*	***SS14.*** *Spending on education*	*A8*
SS11. *Jobless youth*	*A3*	***SS15.*** *Early childhood education and care*	*A9*
		SS16. *Literacy*	*A11*

Note: Indicators EQ2 and EQ6 will be explained below in the appropriate section.
1. Indicators in shaded background are not just equity indicators, but are presented in another sub-section. Italicisation means that the indicators are only made available on the website.
Source: OECD.

Relative poverty (*EQ7*), restricted access to health and other social services, and low levels of literacy and educational attainment (SS6, *SS16*) are strongly correlated with each other and the labour market position of the individual and his/her family members (SS2, SS3, *EQ9*). The current distribution of work within societies raises adequacy concerns for groups of families and in particular the children in these families (*SS15*). In recognition of the fact that on an individual basis getting work is the most effective tool towards obtaining a more equitable distribution of resources, there is a need for an employment-oriented social policy. There are, however, different approaches to this objective. Interventions at key points of the lifecourse – before and during formal education (SS6, *SS15*), during the transition from school to work (*SS11*), in supporting those balancing paid work and caring activities (SS4) – can all be effective in preventing disadvantage. A comprehensive and complex set of policies, covering social support, cash benefits and labour market services is required to help people find paid employment. Income support programmes have been re-focused in many OECD countries towards the reintegration of benefit recipients into the labour market. Direct financial incentives to work have been strengthened (SS10). New employment-conditional social benefits have been introduced. Benefit-receipt has been made conditional on job-search activities for a larger group of clients, and sometimes involves mandatory participation in work-placement and training programmes. Finally, benefit administration has been reformed and often involves case-management of clients on an individual basis providing tailored employment support measures towards labour market reintegration.

Equity indicators cannot always be disentangled from self-sufficiency indicators. Taken together, they reveal how national social protection systems grapple with a recurrent social policy dilemma: how to balance adequacy of provisions with sustainability of the overall system and the promotion of individual self-sufficiency?

4.4. Health (HE)

There are strong links between social status and health. It is among the poorer countries and the most disadvantaged groups in society (*EQ7*), the least educated (SS6, *SS15*) or unemployed (SS2), that the greatest concentration of morbidity is found and, often, the shortest longevity. As a result, health status of some categories of the population has not improved, and it may have worsened, even while overall there have been improvements in most indicators. Indeed, the growth in living standards, accompanied by better access to health care and continuing progress in medical technology, has contributed to a significant improvement in health status, regardless of whether the indicator used is life expectancy at birth or at any other age; infant mortality; or reduction in infant mortality (*HE6*, *HE7* and HE1).[4]

The growth in older populations increases the share of those groups in the population which are at risk of a frail health status, not because of age itself but because of a greater incidence of disease and disability at this age. The health-adjusted life expectancy indicator (HALE, HE3) can be used to assess whether gains in life

List of health indicators (HE)[1] in the 2002 edition

Social status	2001 edition	Societal responses	2001 edition
HE1. Potential years of life lost	C3	**HE4.** Health care expenditure	C7
HE3. Health-adjusted life expectancy		**HE5.** Responsibility for financing health care	C8
SS2. Unemployment	A2	**SS6.** Educational attainment	A10
HE6. *Life expectancy*	*C1*	***HE10.*** *Older people in institutions*	*C6*
HE7. *Infant mortality*	*C2*	***HE11****. Health infrastructure*	*C9*
HE8. *Disability-free life expectancy*	*C4*	***SS15.*** *Early childhood education and care*	*A9*
HE9. *Accidents*	*C5*		
EQ7. *Relative poverty*	*B1*		
CO7. *Drug use and related deaths*	*D2*		

Note: Indicator HE2 will be explained below in the appropriate section.
1. Indicators in shaded background are not just health indicators, but are presented in another sub-section. Italicisation means that the indicators are only made available on the website.
Source: OECD.

expectancy result in extra years lived in disability. New estimates by the World Health Organisation seem to reveal that the population of Member countries can expect to have a significant number of years in good health.

Adequacy in access to health care is also affected by insufficient medical insurance coverage or co-payments which prove to be an effective barrier to seeking medical help.[5] Organisation of financing health systems (HE5) thus points to the risk of non-coverage. Health care expenditure (HE4) and the incidence of medical provisions such as doctors, beds, etc. (*HE11*) reveal the policy response of health care systems to adequacy concerns. Nevertheless, it is important to realise that health care systems have difficulty resolving policy challenges that arise from problems outside the health care system. Where a decline in health status is caused by interrelated social conditions such as unemployment and inadequate housing, health care policies alone cannot suffice.

4.5. Social cohesion (CO)

Simultaneously combating social exclusion and promoting social cohesion are regarded as central social policy goals in many OECD countries. However, there is no commonly accepted definition of either social cohesion or social exclusion, which makes identifying suitable indicators all the more difficult. The approach taken in this volume is to present indicators which identify to some degree the extent to which citizens participate in "societal life", or in some way reflect on the strains put on family relationships and relationships between different groups within society. It has proven difficult to find good indicators on the nature of relationships between different societal groups, and only one indicator appears available on a comprehensive basis; the extent to which employment conflicts between unions and employers result in industrial action such as strikes (CO1).

Without revealing whether a particular status is "good" or "bad", *context* indicators (Section 3) describe the social condition of the population, and as such point to the existence of different groups and households within society. For example, a high incidence of lone-parenthood (*GE7*) and high divorce rates are usually considered as "bad", but may be unavoidable (widowhood) or preferable to the alternative (a bad marriage).[6] Not surprisingly therefore these *context* indicators are not subject to avowed policy objectives.

Various indicators help illustrate the lack of social cohesion. Both suicide rates (CO2) and drug use and related deaths *(CO7)* point not just to personal breakdown, but also to social conditions. For example, suicide results from many different social and cultural factors: it is more likely to occur particularly during periods of economic, family and individual crisis situations, such as breakdown of a relationship, drinking, drug abuse, and unemployment. Similarly, and although there is much controversy about the causality between crime and social conditions, it is undeniable that crime and fear of crime can destabilise neighbourhoods, and in combination with other social conditions, as for example poverty, leave groups of people in some countries excluded from mainstream society.

List of social cohesion indicators (CO)[1] in the 2002 edition

Social status	2001 edition	Societal responses	2001 edition
CO1. Strikes	D1	**CO6.** Prisoners	D7
CO2. Suicide	D3	**SS6.** Educational attainment	A10
CO3. Crime	D4	**EQ3.** Public social expenditure	B6
SS2. Unemployment	A2	**HE4.** Health care expenditure	C7
CO7. *Drug use and related deaths*	*D2*	***SS13.*** *Activation policies*	*A7*
CO8. *Group membership*	*D5*	***SS15.*** *Early childhood education and care*	*A9*
CO9. *Voting*	*D6*		
EQ7. *Relative poverty*	*B1*		
SS11. *Jobless youth*	*A3*		

Note: Indicators CO4 and CO5 will be explained below in the appropriate section.
1. Indicators in shaded background are not just social cohesion indicators, but are presented in another sub-section. Italicisation means that the indicators are only made available on the website.
Source: OECD.

It is much more difficult to establish links between the status indicators on social cohesion and relevant response indicators, except and then only to a limited extent between crime (CO3) and incarceration (CO6). Other status indicators are much more difficult to link with policy responses. This is not that surprising as tackling social exclusion involves addressing a multitude of issues captured in the sections on self-sufficiency, equity and health. Fostering social cohesion requires an integrated approach towards pursuing economic, social, health and educational policies.

5. New indicators: disability and child well-being

Many of the new indicators in this volume refer to child well-being or to disabled people. Both of these are areas of much policy interest at the moment.

5.1. Why a focus on disability statistics?

Demographic characteristics, labour markets and economies are changing rapidly, raising questions of the adequacy and sustainability of current systems of social protection. At the same time, effects of current social security systems on work incentives and employment rates are getting more attention. In all OECD member countries, therefore, there is growing concern about the performance of social policies and labour market policies, but also about the relationship between the two policy spheres.

One particular aspect in this context is the potential risk of a sharp decline in the labour force (GE2), which invites countries to seek better utilisation of available human resources, probably in addition to carefully directed immigration policies (GE3). To secure adequate labour supply also in the future, sufficient to facilitate economic growth and to sustain social systems, labour market participation of different groups of the population has to be fostered: women, *e.g.* via better reconciliation policies (SS4), young adults, *e.g.* via shortening of the initial education phase (*SS11*), older workers, *e.g.* via incentives for later retirement (*SS12*), and people of all ages with reduced work capacity, *e.g.* via a whole range of vocational training and employment measures.

The latter group in particular has been given too little attention until recently, although data show, for example, that one in seven people at working-age in OECD countries claim to have a long-term health problem which limits their activities of daily living and although this is a risk which can strike everybody any time in his or her life. During the 1990s, equal rights and opportunities of this part of the population were increasingly put into the fore, and special anti-discrimination legislation – focussing on employment, accessibility, and other spheres of life – was enacted or is planned to be enacted in many countries.

The outcome of these new policy initiatives has yet to be analysed. Part of this new focus is a trend or at least an affirmation to reduce the share of disabled people living in institutions *(HE10)*, and similarly of those attending segregated special rather than regular schools (SS8) and of those working in sheltered rather than in open employment. The latter two issues are obviously linked, because better labour market integration of persons with disabilities requires better integration of them in the educational system.

By and large, labour market participation of people with work incapacities which are caused by a disability or disease is rather unsatisfactory (SS5), non-employment often leading to low financial resources if not poverty and social exclusion. Designing protective disability benefit systems without providing wrong work incentives is a particularly challenging problem: while relatively generous and easily accessible benefit schemes are important factors in explaining the reasonably good income security of most disabled persons (SS9), such systems may at the same time be encouraging benefit application and producing benefit dependence (EQ6). To understand the complex policy challenges and to measure the efficiency and the effectiveness of current policies, more detailed and comparable data is needed (see OECD, 2003). In some quite important areas such as the flows into and out of disability, however, data is largely lacking or in its infancy.

List of working-age disability indicators[1] in the 2002 edition

Social status	2001 edition	Societal responses	2001 edition
SS1. Employment	A1	**SS8.** Students with impairments	
SS2. Unemployment	A2	**SS9.** Resources of disabled adults	
SS5. Working disabled persons		**EQ3.** Public social expenditure	B6
		EQ5. Benefit recipiency	B9
		EQ6. Disability benefits	
		SS13. *Activation policies*	*A7*
		EQ11. *Minimum wages*	*B5*

1. Italicisation means that the indicators are only made available on the website.
Source: OECD.

5.2. Why should we be concerned with child and young well-being?

A key foundation of society is to be found in childhood socialisation. Get this wrong and there will be knock-on effects on educational achievement, skill acquisition, social and personal relationships, and economic performance. There is a perception in many countries that increasing divorce rates (*GE5*), rising lone parent families (*GE7*) and widening inequalities among families (Oxley *et al.*, 2000), mean that young people may experience increasing problems.

Child poverty is undoubtedly a problem (EQ2). Childhood deprivation is commonly thought to affect adversely cognitive and social development, harming their life chances. But unfortunately, in most countries, lone parent families are at greater risk of poverty than any other social group. Further, in a wider context of family changes across OECD countries [*i.e.* marriage and divorces (*GE5*)] and female economic independence (SS4), many children are likely to spend at least some of their childhood in single adult households. Growing up in lone parent families is not necessarily bad for children, especially when single parents are in highly paid work so as to support for the family needs. However, lone parents still have only half the time to provide the necessary care and resources for their children than two parents.

Growing concerns with single parents, however, have been mainly focused on the prevalence of unemployment risks (SS3). But most importantly, any children growing up in a jobless household, either with a lone or two parents, may not be so good. Bringing up without a working adult as a role model is likely to have a negative effect on future educational performance, attainment and future labour market achievement. They are also more likely to witness increasing violence, as in families where there are no other sources of income (*EQ7*) but social benefits (SS10), where economic strains and deprivation tend to be strongly associated with high alcohol consumption, domestic violence and sometimes child abuse. Not so surprisingly, violence is more common for such children, breeding thus further violence in adolescence and adulthood.

List of child well-being indicators[1] in the 2002 edition

Social status	2001 edition	Societal responses	2001 edition
EQ2. Child poverty		**SS6.** Educational attainment	A10
SS3. Jobless households	A4	**SS7.** Student performance	
HE2. Low birth weight		**SS10.** Replacement rates	A12
CO2. Suicide	D3	**EQ3.** Public social expenditure	B6
CO3. Crime		**HE4.** Health care expenditure	C7
CO4. Juvenile crime			
CO5. Teenage births			
SS11. *Jobless youth*	*A3*	***SS14.*** *Spending on education*	*A8*
EQ7. *Relative poverty*	*A6*	***SS15.*** *Early childhood education and care*	*A9*
CO7. *Drug use and related deaths*	*D2*		

1. Italicisation of indicators means that the indicators are only made available on the website.
Source: OECD.

Most often, the lack of socialisation within the family tends to direct children/teenagers towards other forms of socialisation. Juvenile crime is one typical example (CO4). Teenage motherhood (CO5) is another consequence. Unprotected teenage sex is more likely to occur in disadvantaged families. Having a baby may be among the less unattractive choices for female teenagers seeking to escape poor social family environments.

Finally, youth suicide rates (CO2) are particularly worrying in certain countries. Identifying the possible causes as to why people prefer to commit suicide is a complex issue but what is clear, however, is that suicide reflects an extreme degree of personal despair and dysfunctional society. Many policy interventions could be of use in helping children including promoting family friendly policies, inclusive educational systems, and youth employment.

6. What you can find in this publication

For each indicator, the text describes in a concise manner, the scope and definition of the indicator, what can be discerned from the underlying data and sometimes even more importantly, what the information cannot be taken to mean, and what measurement problems, if any, may exist. Countries differ in too many ways for it to be possible to pretend that some of the indicators are more precisely defined than they are. There are, inevitably, some differences in data across countries. Where this is the case, the text makes this clear, but also attempts to give some order of magnitude. Hence, for example, our poverty statistics are not entirely on a standardised basis, so that differences of around 2 points in the indicator chosen should not be seen as necessarily reflecting real differences rather than statistical noise. On the other hand, trends *within* a country over time are usually much more reliable indicators of real change.

The "definition and measurement" section is followed by an "evidence and explanations" section which evidences indicator trends, cross-country differences, and provides some explanation as to why these may occur: this volume does not aspire to describe individual country experiences at length. In general, each indicator contains information for one year available for all OECD countries, and presents trends for a selection of countries. In doing so it also presents information on "composition", *e.g.* gender, age groups, etc., but this varies along with data availability. The text describing each indicator also draws attention to the links between the indicator in question and other *status* and *response* indicators, and each individual indicator contains a "box" with cross-references to other social indicators, not including context indicators. Evidence is presented in charts and tables, and each indicator finishes with a "further reading" section of at most 5 references. Data sources are clearly indicated, with full titles of publications in the further reading section.

6.1. What you can find elsewhere

For the vast majority of indicators, the data underlying the charts and tables can be disaggregated by age of individuals, gender, and family type. There is nearly always a time series of data available. But short of having an extraordinarily long publication, it is not possible to publish all these different dimensions of the indicators collected. However, the raw data underlying each individual indicator are available in the annex on the OECD website (*www.oecd.org/els/social/indicators*).

Notes

1. The PSR framework is in turn a variant of an approach which has also given rise to the *Driving force – State – Response* (DSR) model used by the UN Committee for Sustainable Development; and the *Driving force – Pressure – State – Impact – Response* (DPSIR) model used by the European Environment Agency.
2. In the environmental indicators, pressure indicators are flow data (emissions, waste generation, and resource use) which affect "stocks" of environmental goods (water or air quality, bio-diversity). Public responses may target both the flows and the stocks. There is no corresponding analogy in social policy. Whilst it is no doubt possible to separate flow and stock data ("flows onto benefit", "number of people on benefit at any one point in time"), this will not always be true for all possible policy areas, and the issues upon which such data would shed light can often be addressed more directly using longitudinal data.
3. For example, emission of some airborne pollutants is a key indicator determining the quality of air, land *and* water resources (*Towards Sustainable Development: Environmental Indicators*, OECD, 2000).
4. Given the extensive set of health indicators already published by the OECD, there is little purpose served by having a large subset reproduced in this volume (OECD, 2002b).
5. Insufficient medical services in some geographical regions can also lead to implicit rationing to which better regional planning may offer solutions. However, the regional indicators are outside the remit of this volume.
6. Divorce rates in themselves are only a highly imperfect indicator of family stress. It is intended that the indicator of formal divorce be supplemented with indicators of legal separation and, subject to data availability, differentiated by the presence or not of children.

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Part II

OECD SOCIAL INDICATORS

Definition and measurement

GDP per capita is an attempt to measure the average income per inhabitant, and is often used as a measure of relative well-being across countries. However, there are all sorts of reasons why it is, in fact, quite a poor measure of societal welfare. Being an average, it gives no idea of the distribution of well-being across the population; nor does it measure dimensions such as security, time-use, or the sustainability of that income level. Furthermore, there are a number of technical measurement problems. Home production, such as caring for one's own children, does not result in a market transaction, so does not enter the measure of national income.

All that being said, GDP per capita does provide a reasonable measure of the resources available to a country and its inhabitants. There are three different approaches in measuring GDP, either based on adding up all value added by resident producers, or taking the sum of income on labour and capital, but only expenditure-based measurement of GDP is available for all OECD countries (OECD, 2002). This approach defines GDP as being equal to the total of the gross expenditure on the final uses of the domestic supply of goods and services valued at purchasers' values less imports of goods and services (SNA, 1993). GDP here is measured at market prices including the value of all taxes on goods less subsidies on imports. Comparisons of GDP are arguably best based on purchasing power parities (PPP), not market exchange rates. PPP reflect the amount of a national currency that will buy the same basket of goods and services in a given country as the US dollar in the United States.

Evidence and explanations

The OECD is often somewhat misleadingly called "the club of rich countries", but as Chart GE1.1 shows there is in fact considerable variation in GDP per capita. In Turkey and the transition economies, GDP per capita is under US$5 000 per year; it is a little higher in Mexico and Korea. Most European countries fall in the US$20-30 000 category. The wealthiest countries in the OECD are Luxembourg, the United States, Norway and Switzerland.

Richer countries have more resources, and it is hardly surprising that they therefore spend more on social protection. Indeed, as Chart GE1.2 shows, the relationship between GDP per capita and public social expenditure (EQ3) per capita is very close indeed. Denmark, Sweden, Switzerland and France spend significantly more on social expenditure than might be expected, given their GDP, and the United States, Japan, Korea and Ireland spend significantly less.

There are a number of explanations as to why the relationship between social expenditure per capita and GDP per capita is as close as it is. Much social expenditure is "income replacement" – benefit payments to those without work or who are elderly. As a country gets richer, so are benefit payments increased. Other social expenditure are, in effect, buying the services of others – medical or child care, for example. As earnings of such service providers rise along with economy-wide trends in earnings, so does social expenditure increase. For all these reasons, it is clear that growth in GDP does not reduce the demand for social expenditure. Indeed, some social expenditure (*e.g.* health care) may be income elastic – as incomes go up, so do people demand ever more services.

Chart GE1.1. **Substantial variation in GDP per capita across OECD countries in 2000**

OECD unweighted average GDP per capita in US dollars using PPPs: 23 200 US$

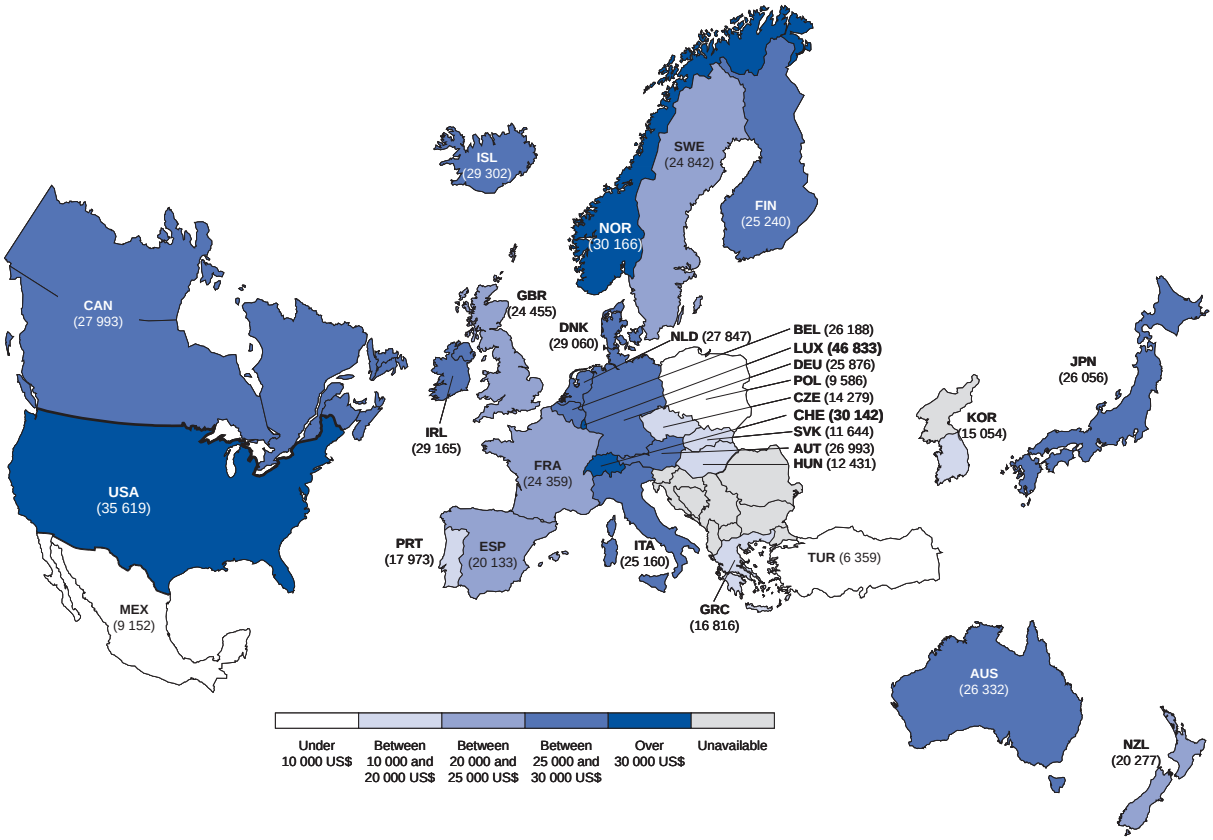
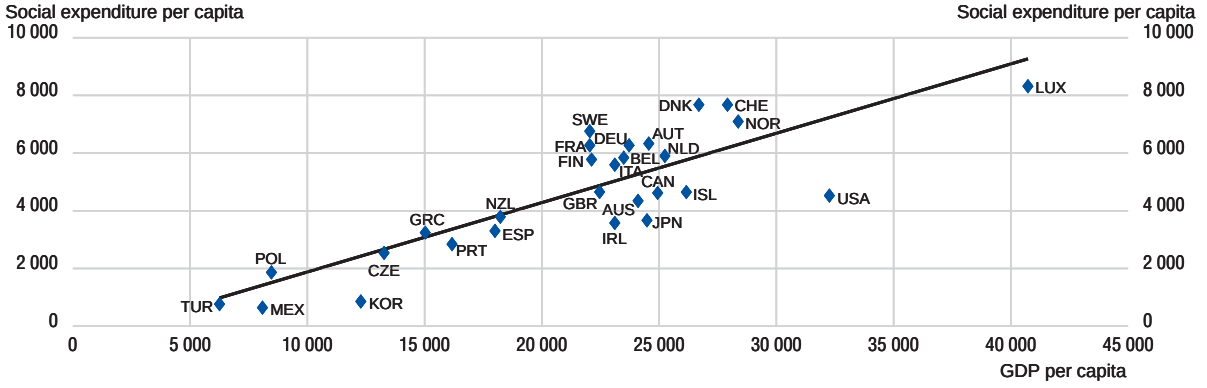


Chart GE1.2. **Richer countries spend more on social programmes**

GDP per capita and social expenditure per capita (in US dollars using PPPs) in 1998



Source: OECD (2002), *National Accounts of OECD Countries: Main Aggregates 1989/2000*, Volume 1 and OECD (2001).

Further reading

■ Arjona, R., M. Ladaique and M. Pearson (2001), "Growth, Inequality and Social Protection", Labour Market and Social Policy Occasional Paper No. 51, OECD, Paris. ■ OECD (2002), *National Accounts*, OECD, Paris. ■ OECD (2001), *OECD Social Expenditure Database, 1980-1998*, OECD, Paris. ■ SNA (1993), *System of National Accounts*, CEC-EUROSTAT, IMF, OECD, UN and the World Bank, Brussels/ Luxembourg, New York, Paris and Washington DC.

Definition and measurement

The number of people who benefit from age-related social programmes such as old age pensions is greatly influenced by demographic factors. Two factors are important: individual ageing, *i.e.* increased life expectancy after retirement; and, especially, population ageing, *i.e.* the increasing share of the population in older age groups. A useful way of assessing the degree of ageing is to compare the number of individuals aged 65 and over to the population of working age. Similarly, the youth age dependency ratio (those aged below 15) also provides a good indicator of future age imbalances, as projected declines indicate a future fall in the working-age population.

Dependency ratios depict the context in which ageing policies take effect, but say little about what the policy response should be, and should seldom be used in isolation. For example, the working-age population is a poor indicator of the number of social security contributors while people at 65 years old may have retired earlier. Thus, another reference population is also considered – the number of employed aged 15 to 64. Demographic projections are drawn from the United Nations World Population Prospects (2001).

Evidence and explanations

Almost all OECD countries will experience substantial rises in the share of the older age population over the next 50 years, reflecting the ageing of the baby boom generation combined with increased life expectancy. As can be seen in Chart GE2.1A, the old age dependency ratio is projected to almost double (on average) indicating that the number of working-age persons per elderly person will drastically fall from 5 to nearly 2 in fifty years. The highest increases are projected to occur in Spain and Japan, where the ratio will exceed 70%, while this will only reach 30% in Mexico and Turkey by the middle of the next century.

Cross-country differences in the ageing of the population mainly reflect varying growth rates in the working-age population. On average, the "youth" ratio is projected to remain fairly stable or to decline slightly from now to 2050 (Chart GE2.1B), markedly contrasting with the steady increase in the old-age dependency ratio. Again, there are large disparities across countries mainly reflecting differing fertility rates (*GE4*) across OECD countries. In the fastest ageing countries (such as Japan and Spain), fertility rates are among the lowest, with the rates projected to rise only slowly over the projection period. Accordingly, assumptions about fertility rate profiles are the key factor for long-term population forecasts. In particular, UN assumptions on the convergence of fertility rates will bring the youth ratio in Mexico close to the OECD average in 50 years time, while today it is more than twice as high.

Dependency ratios, taken in isolation, can underestimate pressures on retirement income systems (EQ3, EQ4, *EQ12*), as can be seen when the number of older people is compared with the number of people actually employed (SS1), rather than the whole working-age population (Chart GE2.2). The adjusted ratio is significantly higher. Moreover, countries with old-age dependency ratios similar to those of Japan and Italy can have substantially different adjusted ratios, as people in Japan retire much later than in Italy.

Chart GE2.1. **Age dependency ratio from 1980 projected to 2050**

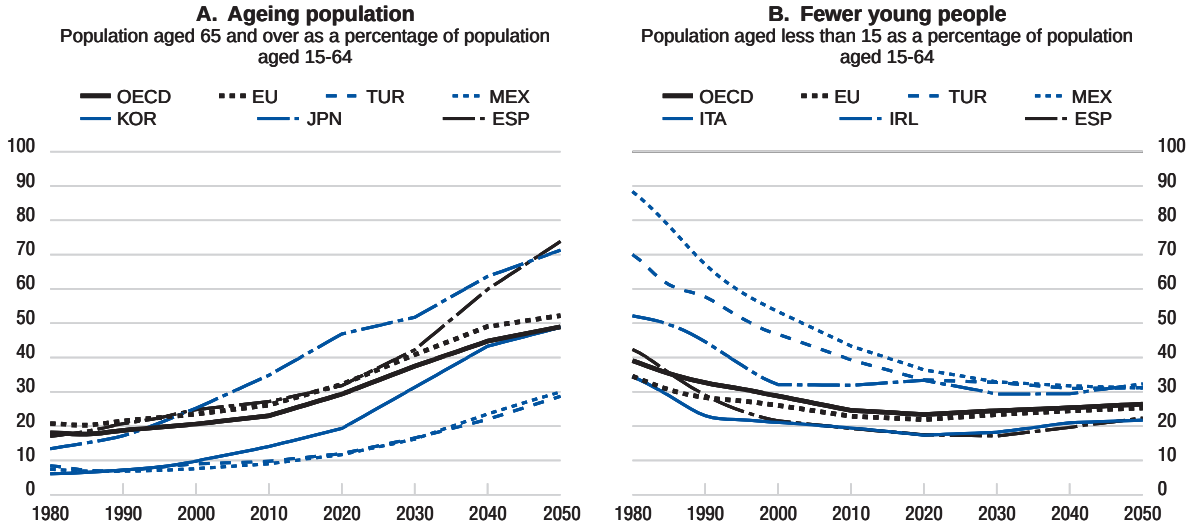
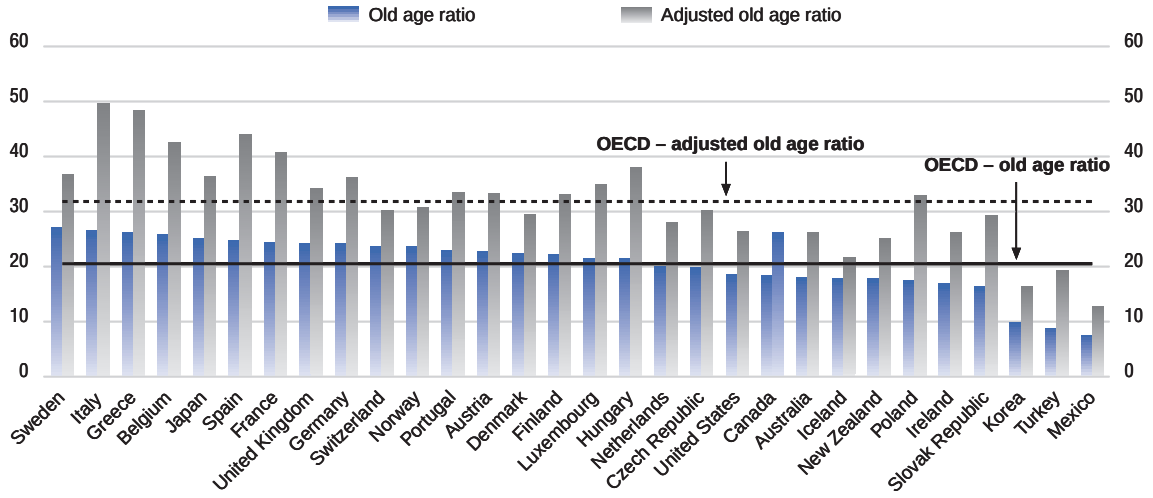


Chart GE2.2. **Higher adjusted old dependency ratios than old age dependency ratios**

Old age dependency ratios and adjusted old age dependency ratios in 2000, percentages



Notes: Old age dependency ratios: population aged 65 and over as a percentage of population aged 15-64.
Adjusted old age dependency ratios: population aged 65 and over as a percentage of employed population aged 15-64.
Source: United Nations (2001), *World Population Prospects: The 2000 Revisions*; OECD (2001), *Labour Force Statistics*.

Further reading

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Definition and measurement

Immigration is an essential component of our societies, especially in view of population ageing. Demographic projections (GE2) point in the long term to a fall in the labour force that can be cushioned by an increase in immigrant labour. Yet the absorption of demographic shocks will only partly lighten the burden that ageing brings to bear on public spending, because of these workers' aquired rights to social protection. Furthermore, the presence of a foreign population can sometimes generate certain social strains when the said population comes up against the problems involved in adapting to and becoming integrated in the culture of the host country. Such strains are often exacerbated in areas experiencing acute unemployment, and they can continue to affect the second generation of immigrants.

There are major differences in the ways different countries define an immigrant. In some cases, an immigrant is a person who does not have the nationality of the host country, while in others he/she is a person born abroad, meaning that fertility and naturalisations do not affect the numbers under consideration. Two indicators have been selected: the proportion of foreigners/foreign-born people in the total population and the change in numbers between 1990 and 2000, calculated in absolute value and in terms of annual growth. Illegal immigrants are not included in these statistics.

Every year, the OECD publishes an annual report entitled *Trends in International Migration* which contains a consolidated analysis of trends and migration policies in OECD member countries.

Evidence and explanations

The proportion of foreign-born immigrants is particularly high in Australia, accounting for almost one quarter of the resident population (Chart GE3.1). In the United States, the proportion is about 10%, while in Mexico it is no more than 1%. In the European countries, on the other hand, the proportion varies, being amongst the highest in Luxembourg and Switzerland, ranging between 8 and 10% in Austria, Germany and Belgium, and being lowest in the other traditional immigration countries (4% in the United Kingdom and 5.6% in France). The immigrant population remains below the 1% threshold in Japan, Korea and certain East European countries.

In the majority of countries, the number of foreigners/foreign-born members of the population has increased over the past ten years (Chart GE3.2), especially in Korea, Finland and southern Europe. The fourfold increase in Korea is partly attributable to the low naturalisation rate and to the increase in net flows of immigrants from neighbouring countries. Southern European countries, on the other hand, have become new immigration countries. Spain has seen the number of foreigners triple in 10 years, although it was at the same time proceeding with a significant number of naturalisations. The growth of the immigrant population is due partly to foreigners of Moroccan origin, and also to those coming from Latin America and Europe. In Italy and Portugal, the doubling of the foreign population is attributable to immigration from Morocco, Albania and the former Portuguese colonies.

Belgium, France, the Netherlands and Sweden are the exception to the rule, however, because of the relatively high rate of naturalisations in these countries (around 5 to 9% of the foreign population in 2000). In Hungary, the decline over the period is explained by certain migrants returning to their countries of origin (in particular those from Romania, ex-Yugoslavia, Poland and the Slovak Republic).

Chart GE3.1. The proportion of the foreign population/foreign-born population varies to a very large degree

Foreign population/foreign-born population, as a percentage of the total population, in 2000

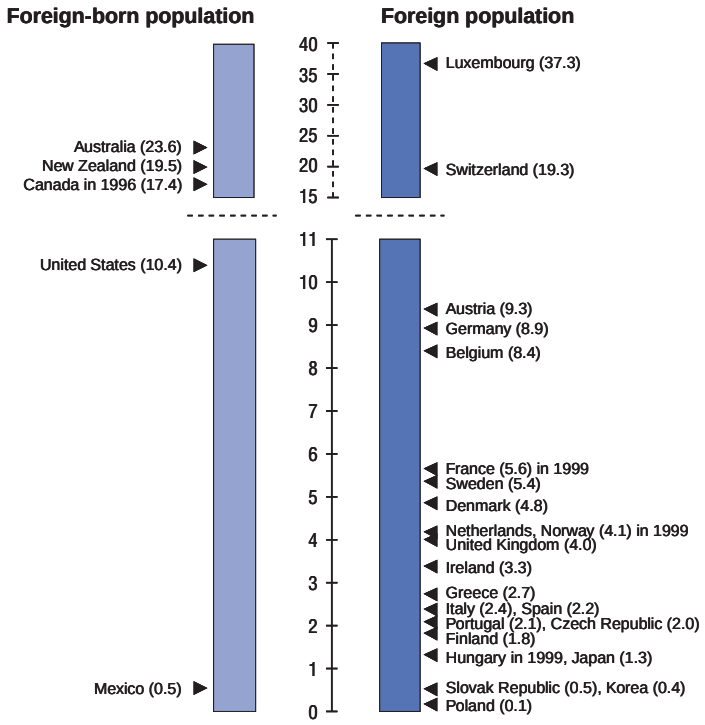
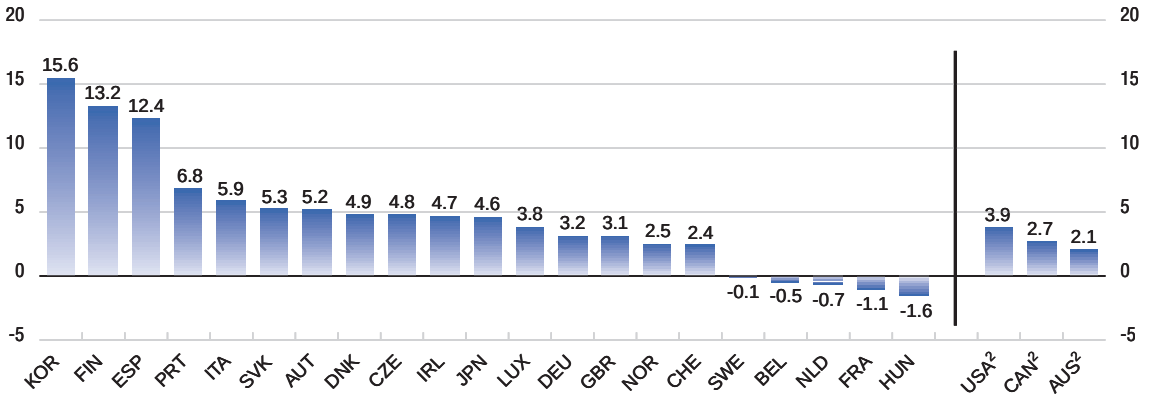


Chart GE3.2. Increase in the foreign population/foreign-born population between 1990 and 2000 in the majority of countries

Annual change between 1990 and 2000,[1] in percentage



1. Annual change between 1990 and 2000, except for Australia (1991-2000), France (1990-99), Hungary (1994-99), the Netherlands (1990-99), Canada (1991-96), the Czech Republic and Slovak Republic (1995-2000), and the United States (1994-2000).
2. In the case of Australia, Canada and the United States, the change concerns the foreign-born population numbers.

Source: OECD (2002).

Further reading

■ OECD (2002), *Trends in International Migration*, OECD, Paris.

Definition and measurement

Work is the activity through which most people gain the income needed to support themselves and their families. Furthermore, it has, in many countries, become the main forum for social interaction, leaving residential areas in some countries near-deserted on weekdays, other than the retired. High employment ratios are therefore generally desirable, although it is possible to think of reasons why this may not be so: if young people are investing in their education, for example, or if the non-employed are engaged in unpaid work or other socially useful activities.

The standardised International Labour Organisation (ILO) definition of employment considers a person as employed, if he/she works for pay, profit or family gain (in cash or in kind), for at least one hour per week, or is temporarily absent from a job because of illness, holidays or industrial dispute (CO1). The total employment/population ratio presented here is the proportion of the population of working age (all persons aged between 15 and 64) who are self-employed or in paid employment. Temporary workers are defined as those employees in jobs of limited duration. It therefore includes fixed-term contracts, daily work, seasonal work, etc. OECD (2002) provides a detailed description of how this definition is applied on a national basis. Data on employment and temporary work are generally gathered through national labour force surveys.

Evidence and explanations

The proportion of working-age people in OECD countries who are in employment surged upwards around the end of the 1990s, reflecting the economic strength of many economies. Compared with the 1999 employment rate published in the last edition of *Society at a Glance*, employment in the 15 European Union countries is over one-and-a-half percentage points higher, with particularly high increases in Spain (5.8%) and Italy (3.6%). On the other hand, employment has fallen sharply in Turkey (–9%) and Poland (–3.7%) but also, though to a lesser extent, in five of the seven countries with the highest employment rates (exceptions being Iceland and Sweden).

Across the OECD area, female employment/population ratios have increased considerably over the last two decades (Chart SS1.1), thereby narrowing the "gender gap" in employment rates. Nevertheless, on average across the OECD, men are still much more likely to be in employment than women *(EQ10)*.

Employment among older workers (55-64 years) has declined rapidly since 1970 *(SS12)*, as indeed has that of younger workers (15-24). Since 1999, employment of both groups has continued to fall on average across the OECD. However, this reflects very sharp falls in Turkey and some central European countries. On the contrary, employment of younger workers in the EU area has risen somewhat, and that of older workers sharply (by over five percentage points in just the two years). Women are more likely to be in temporary employment than men (Table SS1.1). Temporary work arouses much passion, with some seeing it as a sign of the precarity of employment contracts, whereas others see it as an effective way of encouraging greater employment. The reality is more complex. Young people are particularly likely to have such contracts, but they are also common among other groups. Furthermore, there has been no general trend towards a greater or lesser use of such contracts in different countries (see OECD, 2002).

Status indicators: Unemployment (SS2), Working mothers (SS4), *Retirement ages (SS12), Low paid employment (EQ9), Gender wage gap (EQ10)*, Strikes (CO1).

Response indicators: Replacement rates (SS10), *Activation policies (SS13), Tax wedge (SS17), Minimum wages (EQ11).*

Chart SS1.1. **Upward trends in female employment rates**

Female employment as a percentage of the female working-age population

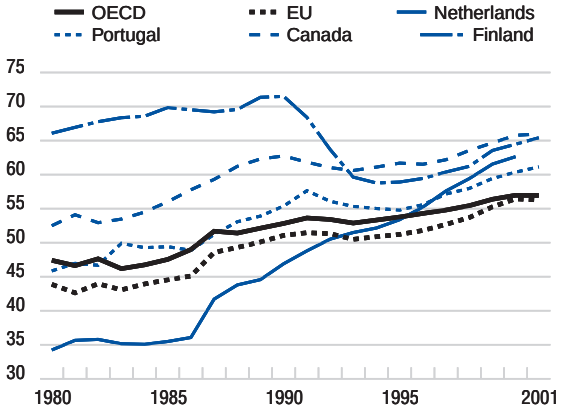


Chart SS1.2. **Trends in shares of temporary employment**

As a percentage of dependent employment

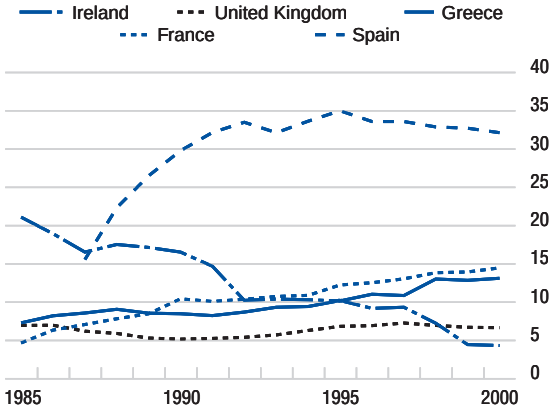


Table SS1.1. **Employment indicators, 2001**

	Employment/population ratio						Incidence of temporary employment in 2000 as a percentage of total dependent employment		
	Total	Age group			Men	Women	Total	Men	Women
		15-24	25-54	55-64					
Australia	68.9	60.6	76.4	46.3	76.0	61.7	5.7	5.0	6.6
Austria[1]	68.2	53.1	82.2	28.1	76.8	59.4	7.9	7.6	8.4
Belgium	59.7	28.5	76.6	25.2	68.5	50.7	9.0	6.6	12.1
Canada	70.9	56.4	79.8	48.3	75.9	66.0	11.4	11.8	13.3
Czech Republic	65.3	36.1	82.1	37.1	73.6	57.0	8.1	7.0	9.4
Denmark	75.9	61.7	84.5	56.6	80.2	71.4	10.2	8.8	11.7
Finland	67.7	40.3	81.5	45.9	70.0	65.4	17.7	14.5	20.9
France	62.0	24.3	79.3	36.5	69.0	55.2	15.0	14.3	15.7
Germany	65.9	47.8	80.0	36.8	73.0	58.6	12.7	12.5	13.1
Greece	55.6	26.0	70.4	38.0	70.9	41.2	13.1	11.5	15.7
Hungary	56.6	32.4	73.1	24.1	63.5	49.8	6.9	7.3	6.4
Iceland	84.6	66.8	90.7	85.6	88.0	81.1	5.4	4.9	5.9
Ireland	65.0	47.0	76.4	46.6	76.0	54.0	4.7	3.6	6.0
Italy[1]	54.9	27.4	65.6	18.6	68.7	41.1	10.1	8.8	12.2
Japan	68.8	42.0	78.6	62.0	80.5	57.0	12.9	7.7	20.9
Korea	62.1	29.1	72.7	58.0	73.4	50.9	. .	. .	. .
Luxembourg	63.0	32.3	78.7	24.8	74.9	50.8	3.4	2.6	4.6
Mexico	60.1	47.7	67.8	52.1	83.4	39.4	20.5	25.2	11.7
Netherlands[1]	72.1	66.5	81.1	37.9	81.4	62.6	14.0	11.5	17.2
New Zealand	71.8	56.0	79.3	60.7	78.9	64.8	. .	. .	. .
Norway	77.5	56.5	85.1	67.4	81.0	73.8	9.7	7.8	11.8
Poland	53.5	22.1	69.3	29.0	59.2	47.8	5.8	6.6	4.8
Portugal	68.7	43.5	82.4	50.3	76.7	61.1	20.4	18.6	22.7
Slovak Republic	56.9	27.9	74.8	22.3	62.1	51.8	4.0	3.8	4.3
Spain	58.8	37.1	69.5	39.2	73.8	43.8	32.1	30.6	34.6
Sweden	75.3	47.9	84.6	67.0	77.0	73.5	14.7	12.3	16.9
Switzerland	79.0	62.8	86.0	68.1	87.6	70.4	11.5	10.5	12.8
Turkey	45.1	32.0	53.3	32.9	66.0	24.1	20.4	22.2	12.6
United Kingdom	71.3	54.7	80.7	52.2	77.9	64.7	6.7	5.9	7.7
United States	73.1	57.8	80.6	58.4	79.3	67.1	4.0	3.9	4.2
OECD	**65.9**	**44.1**	**77.4**	**45.2**	**74.8**	**57.2**	**11.4**	**10.5**	**12.2**
EU	65.6	42.5	78.2	40.2	74.3	56.9	12.8	11.3	14.6

1. Austria and Netherlands: data for 2000; Italy: data for 25-59 and for 60-64.
Source: OECD (2002), *Labour Force Statistics*.

Further reading

■ OECD (2002), *Employment Outlook*, OECD, Paris. ■ OECD (2000), *Policies towards Full Employment*, OECD, Paris. ■ OECD (1999), *Implementing the OECD Jobs Strategy: Assessing Performance and Policy*, OECD, Paris.

Definition and measurement

Once unemployed, the chances of getting back into work decrease with the length of time spent out of work. Because employment (SS1) is often associated with social interaction, social mobility and socio-economic perspectives, unemployment may take away such opportunities while engendering lack of motivation, social distress (CO4, *CO7*) and dependency on benefits (SS10).

The standardised ILO definition of unemployment considers as unemployed those who are not in paid employment or self-employment (for at least one hour per week); are currently available for work; and who are seeking work, *i.e.* have taken specific steps to seek paid employment. Thus, for example, people who cannot work because of physical impairments (SS5), or who are in full-time education are not considered unemployed. Duration of unemployment also provides a good indicator of the labour market tightness. Short spells tend to reflect high turnover rates while a tight labour market is likely to be associated with longer unemployment spells. The data are mainly gathered through national labour force surveys.

Evidence and explanations

Trends in unemployment are affected by the changes in economic activity and other factors influencing labour demand *(SS17, EQ11)*, specific labour market characteristics (*e.g.* seasonal employment patterns), demographic factors affecting labour supply, and social programme design (SS10, EQ5). From its post-war high in the beginning of the 1990s, the unemployment rate in the OECD area had declined to under 7% in 1999 (Chart SS2.1). Unemployment in the EU area has continuously declined since 1994, now being below the OECD average. Such improvement has been mainly driven by marked falls in unemployment in Spain and Ireland. In contrast, unemployment has risen steadily in Japan since 1992.

On average, the gender gap in unemployment rates is just over 1 percentage point across the OECD. However, most of this gap is accounted for by just three southern European countries: Greece, Spain and Italy. Were they excluded, the gender gap in the rest of the OECD countries would be on average barely significant (Table SS2.1).

Unemployment, however, does not take the same form across countries. Being unemployed for a short period may be stressful for those concerned, but is unlikely to have major financial and social consequences in the long-term. The same cannot be said about those who are unemployed for an extended period. Table SS2.1 shows the enormous variation in the proportion of those who are unemployed for more than one year. The unemployment rate in the Netherlands may be significantly less than that in the United States, for example, but the high rate of long-term unemployment suggests that it is still a great social problem in the Netherlands. Chart SS2.2 suggests that although sustained reductions in long-term unemployment have occurred in some countries, such as the United Kingdom, the proportion of the long-term unemployed has been falling only very slowly across the OECD as a whole.

Some caution is always needed in interpreting unemployment data, however, and particularly the unemployment rates of older workers. Disability and early retirement programmes (EQ6) have been used as a means of support for those unable or unwilling to work, and recipients of such programmes do not appear in unemployment statistics (SS5, SS9, *SS12*).

Status indicators: Employment (SS1), Jobless households (SS3), Working disabled persons (SS5), *Jobless youth (SS11)*, *Retirement ages (SS12)*.

Response indicators: Resources of disabled adults (SS9), Replacement rates (SS10), *Activation policies (SS13)*, *Tax wedge (SS17)*, Public social expenditure (EQ3), Benefit recipiency (EQ5), Disability benefits (EQ6), *Minimum wages (EQ11)*.

Chart SS2.1. **Overall decline in unemployment rates in the late 90s**

As a percentage of the labour force

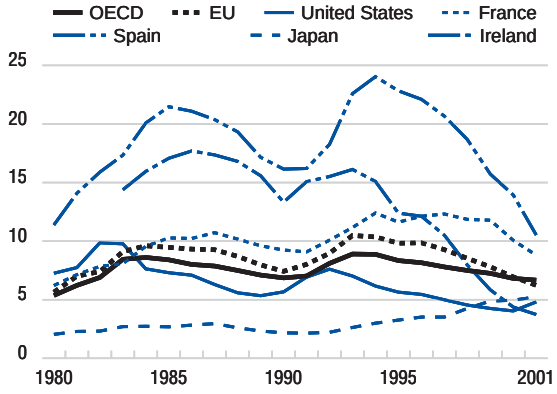


Chart SS2.2. **One in three unemployed is a long-term unemployed**

Unemployment for 12 months and over as a percentage of the total unemployment

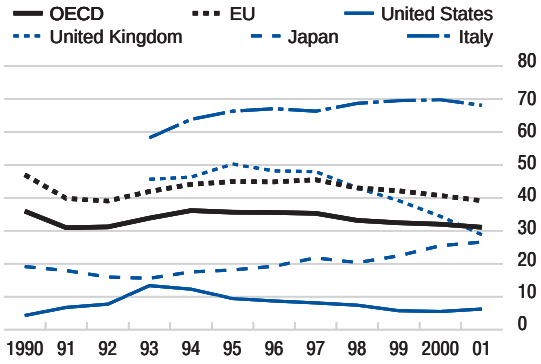


Table SS2.1. **Unemployment indicators, 2001**

	Unemployment As a percentage of the labour force						Incidence of long-term unemployment by duration As a percentage of unemployment	
	Total	Age group			Men	Women	6 months and over	12 months and over
		15-24	25-54	55-64				
Australia	6.7	12.7	5.3	4.7	6.9	6.3	38.7	21.5
Austria[1]	3.5	4.9	3.1	4.6	3.2	3.9	36.2	23.4
Belgium	6.2	15.3	5.4	3.0	5.7	6.9	66.5	51.7
Canada	7.3	12.8	6.2	5.9	7.6	6.8	16.8	9.5
Czech Republic	8.2	16.6	7.2	4.9	6.8	9.9	71.3	52.7
Denmark	4.2	8.3	3.5	4.0	3.7	4.8	38.5	22.2
Finland	9.2	19.9	7.4	8.9	8.7	9.1	42.2	26.2
France	8.8	18.7	8.1	6.1	7.1	10.8	57.2	37.6
Germany[3]	8.0	8.4	7.5	11.2	7.9	8.2	67.6	51.5
Greece	10.4	28.0	8.8	4.1	6.9	15.6	69.0	52.8
Hungary	5.7	10.8	5.1	3.0	6.3	5.0	68.1	46.7
Iceland	2.3	4.8	1.7	2.0	2.1	2.5	21.0	12.5
Ireland[4]	3.7	6.2	3.2	2.6	3.9	3.5	76.1	55.3
Italy[2]	9.6	27.0	7.6	4.4	7.4	13.1	77.4	63.4
Japan	5.2	9.7	4.4	5.7	5.4	5.1	46.2	26.6
Korea	3.9	9.7	3.4	2.1	4.4	3.2	13.0	2.3
Luxembourg	1.9	6.7	1.4	0.3	1.6	2.2	43.5	27.6
Mexico	2.2	4.1	1.6	1.0	2.1	2.4	4.1	1.1
Netherlands[1, 4]	3.3	6.6	2.7	2.4	2.6	4.2	80.7	43.5
New Zealand	5.4	11.8	4.1	3.5	5.5	5.3	31.3	16.8
Norway	3.5	10.5	2.6	1.6	3.6	3.4	13.4	3.7
Poland	18.6	41.0	15.8	9.7	17.2	20.2	66.1	43.1
Portugal	4.3	9.2	3.5	3.2	3.4	5.4	58.0	38.1
Slovak Republic	19.3	39.1	15.9	12.3	19.8	18.8	67.6	48.2
Spain	10.5	20.8	9.3	6.3	7.5	15.3	61.8	44.0
Sweden	5.1	11.8	4.1	4.9	5.4	4.7	36.7	22.3
Switzerland	2.5	5.6	2.1	1.7	1.8	3.5	. .	. .
Turkey	10.9	19.9	8.6	3.5	11.2	10.0	37.6	23.1
United Kingdom	4.8	10.5	3.9	3.3	5.3	4.2	43.6	27.7
United States	4.8	10.6	3.8	3.1	4.9	4.7	11.8	6.1
OECD	**6.7**	**14.1**	**5.6**	**4.5**	**6.2**	**7.3**	**47.0**	**31.1**
EU	6.2	13.5	5.3	4.6	5.3	7.5	57.0	39.1

1. Austria and Netherlands: data for 2000.
2. Italy: data for 25-59 and for 60-64.
3. Germany: data are for 2000 for incidence of long-term unemployment by duration.
4. Ireland and Netherlands: data are for 1999 for incidence of long-term unemployment by duration.

Source: OECD (2002), *Labour Force Statistics.*

Further reading

■ OECD (2002a), *Employment Outlook*, OECD, Paris. ■ OECD (2002b), *Labour Force Statistics*, OECD, Paris. ■ OECD (1999), *Implementing the OECD Jobs Strategy: Assessing Performance and Policy*, OECD, Paris.

Definition and measurement

Indicators on employment and unemployment are measures of what individuals do, or do not do. But the well-being of a household depends on the sum of all the resources contributed by its individual members. For example, a household in which one adult individual concentrates on activities such as care of other family members whilst another generates market income might well have a high standard of living. On the other hand, if no member of a household of working age is in paid employment, the household is likely to have to rely on public social benefits and many suffer great hardship if there are no other sources of income in the household. Different welfare policies may be required if a substantial proportion of the unemployed and the inactive are living in households with no other adults in employment (SS1). Any children growing up in such a household may not have a working adult as a role model – a factor often identified as affecting educational and future labour market achievements of children (SS6).

It follows that identifying the number of jobless households provides a better indicator of social problems associated with labour market status than individual employment or non-employment rates. Of course, not all jobless households are so involuntarily. Retired people may well have generated sufficient income resources to support themselves without working. The chosen indicator focuses on households with at least one person of working age (15-64), where no member of the household is in employment (part-time or full-time). Data are taken from labour force surveys.

Evidence and explanations

Chart SS3.1 shows that the proportion of jobless working-age households has declined between 1996 and 2001 in most countries, with particularly sharp falls in the Netherlands, Portugal and Spain. However, moderate increases have taken place in the United States, Austria, Greece and Germany. In countries with high shares of jobless households, such as in Hungary, Belgium, France, Germany and Greece, one working-age household in five has no one in employment.

Concerns are growing when children are present in such households for the irreversible consequences this may have on their future development (EQ2, SS6, CO4). Chart SS3.2 indicates that joblessness is much more likely in single parent households (32% on average) than in two-adult households (just 5%) in 2001. The figure is strikingly high in the United Kingdom where the proportion of jobless single parents is twice as high as in Austria and Portugal. The risks of non-employment in these families have fallen sharply in all countries and by more than 10 percentage points in Italy, Spain, the United Kingdom, but also in Austria, the Netherlands and the United States. Nevertheless, the first 3 of these countries still stand above the average OECD rates of joblessness among lone parents. The risks of no one being in employment for two-parent families have fallen everywhere, except in Greece and Belgium.

Unsurprisingly, evidence suggests that jobless households constitute the majority of those in the bottom quintile of the income distribution *(EQ8)*, and usually have cash benefits as the main source of household income. The decline in jobless working-age households should therefore be good news in tackling poverty and exclusion. That said, because the proportion of lone parent households is increasing, even moderate increases in employment rates may not be sufficient to reduce the prevalence of lone parent poverty.

Status indicators: Employment (SS1), Unemployment (SS2), Working mothers (SS4), *Relative poverty (EQ7)*, *Income inequality (EQ8)*, *Gender wage gap (EQ10)*, Teenage births (CO5).

Response indicators: Educational attainment (SS6), *Activation policies (SS13)*, *Early childhood education and care (SS15)*, Public social expenditure (EQ3), Benefit recipiency (EQ5).

Chart SS3.1. **Overall decline in jobless households in the late 90s**

Non-employment rates among working-age households in 2001, and difference between 1996 and 2001

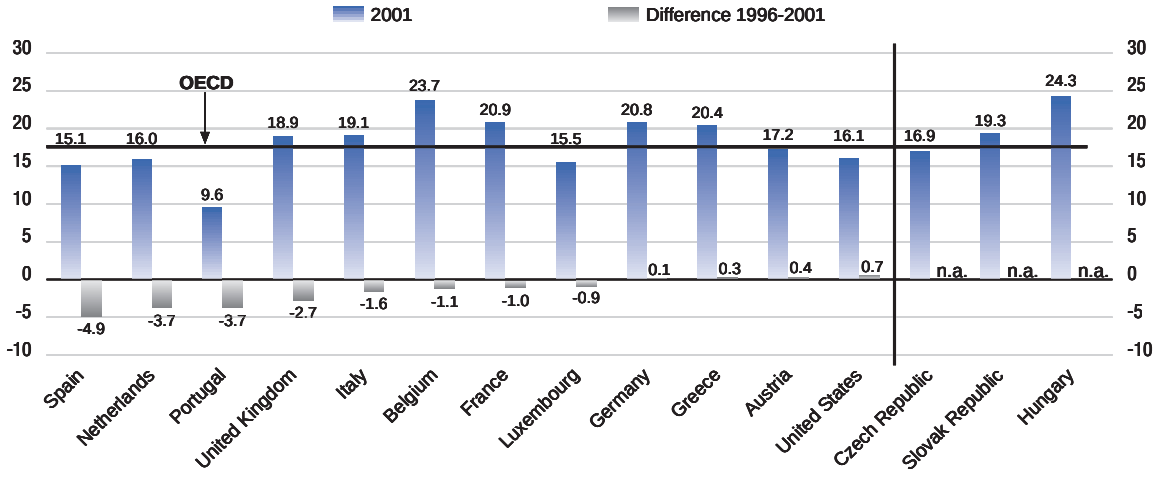
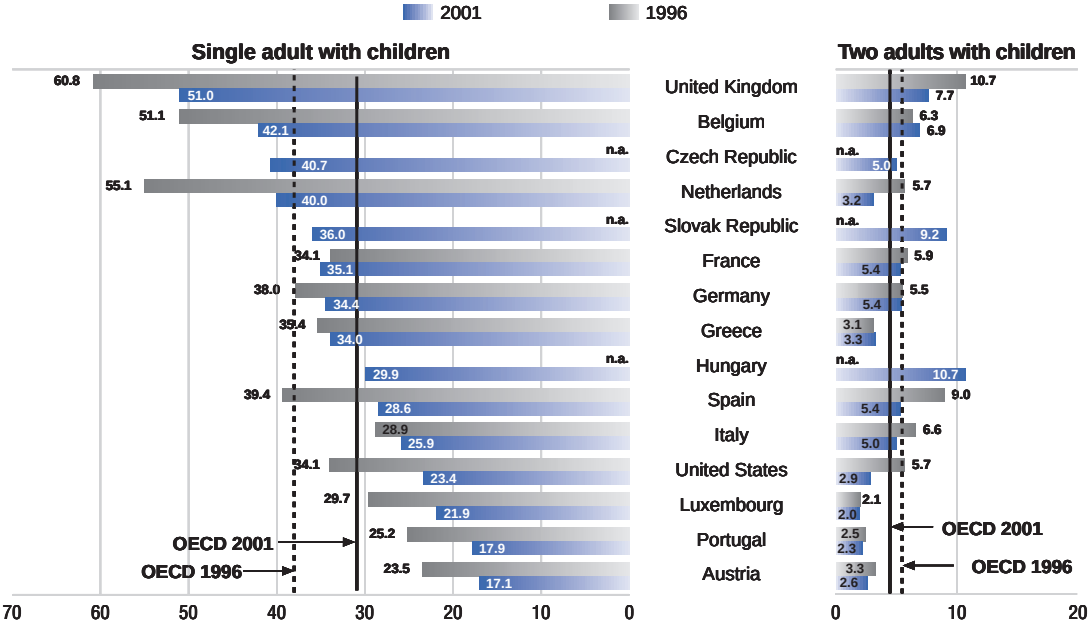


Chart SS3.2. **Children in jobless households are more prevalent in single parent families**

Non-employment rates among working-age households with children in 1996 and 2001



n.a.: Not available.

Source: OECD (1998); EULFS data supplied by EUROSTAT. United States: Labor Force Statistics from the Current Population Survey, *www.bls.gov/cps*

Further reading

■ Gregg, P. and J. Wadsworth (1999), "Mind the Gap, Please. The Changing Nature of Entry Jobs in Britain", LSE Centre for Economic Performance Working Paper, No. 796, London. ■ Gregg, P. and J. Wadsworth (1996), "It Takes Two: Employment Polarisation in the OECD", LSE Centre for Economic Performance Working Paper, No. 304, London. ■ OECD (1998), *Employment Outlook*, OECD, Paris.

Definition and measurement

In making their labour force participation decision, parents must balance their earnings-generating and care-giving activities. Increasingly, public policy aims to facilitate both parents, and particularly mothers, to be in employment for a wide variety of reasons including: promotion of individual autonomy and gender mainstreaming *(EQ10)*; a better use of labour market potential (SS1); and poverty alleviation *(EQ7)*, particularly for children (EQ2).

This indicator presents levels of employment among prime age (25 to 54) female workers with and without children, and information on the nature of the employment status for mothers with children under 6 years old and older children (6 to 16). Measurement problems exist given that age groups for young children may differ across national surveys. For example, in Australia, records identify young children who are not yet 5 years of age. Data are generally taken from national labour force surveys.

Evidence and explanations

Most younger women are spending a longer time in education (SS6) than previously, which is contributing to a slight fall in employment rates among young females (15-24). However, as shown in OECD (2002a) female employment rates for prime age and older workers have increased over the last decade in almost all countries. In contrast, employment rates for mothers with young children (below age 6) have remained fairly stable over the last 10 years except in Luxembourg, the Netherlands and the United States, where the rates increased by about 5 percentage points (Chart SS4.1).

The presence of children has a significant impact on the employment status of women (Table SS4.1). Across OECD countries, average employment rates for prime age mothers (age 25-54) with one child (just over 70%) are lower than employment rates for non-mothers (around 74%), except in Belgium, Denmark, and Portugal, where female employment rates do not appear to be greatly influenced by the presence of children one way or the other. Maternal employment rates are highest in the Nordic countries at around 80%, partly because these countries (including Austria and Germany) have extended periods of paid parental leave during which mothers are counted as "employed", even though they are in fact looking after their children.

Mothers are likely to want to devote time to caring for young children. One way to do this without stopping work altogether is to reduce their labour supply. Chart SS4.2 shows that part-time work is more common for this group in comparison with mothers with older children. Exceptions are Denmark and Portugal. Part-time work is the most common form of employment for female workers in the Netherlands, the United Kingdom and Australia. In the remaining countries, however, although mothers are more likely to work part time than women without children, in fact full-time work remains more usual. The relative incidence of part-time work is highest among mothers with low and medium levels of educational attainment (SS6), while mothers with relatively high levels of educational attainment and earnings are more likely to be in full-time employment.

High levels of rising maternal employment rates are facilitated by a mixture of policy instruments that vary in relative importance across countries. A strong focus on gender equity in public policy and generous public child-related leave arrangements and childcare services underlie high maternal employment rates in the Nordic countries, whereas "family-work reconciliation" in the Netherlands is achieved through part-time employment. In-work benefits for families (EQ3, EQ4) which strengthen financial incentives to work (SS10), and the widespread use of private care arrangements support high maternal employment rates in the United States.

Status indicators: *Lone parent families (GE7)*, Employment (SS1), Jobless households (SS3), Child poverty (EQ2), *Relative poverty (EQ7)*, *Gender wage gap (EQ10)*, Teenage births (CO5).

Response indicators: Educational attainment (SS6), Student performance (SS7), *Early childhood education and care (SS15)*, Public social expenditure (EQ3), Net social expenditure (EQ4).

Chart SS4.1. Fairly stable employment rates for mothers with young children (under 6)

Except significant increases for Luxembourg, the United States and the Netherlands

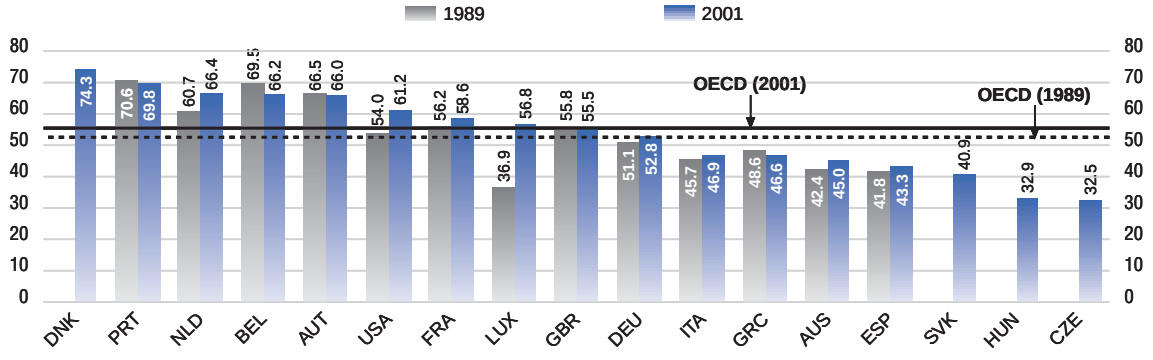


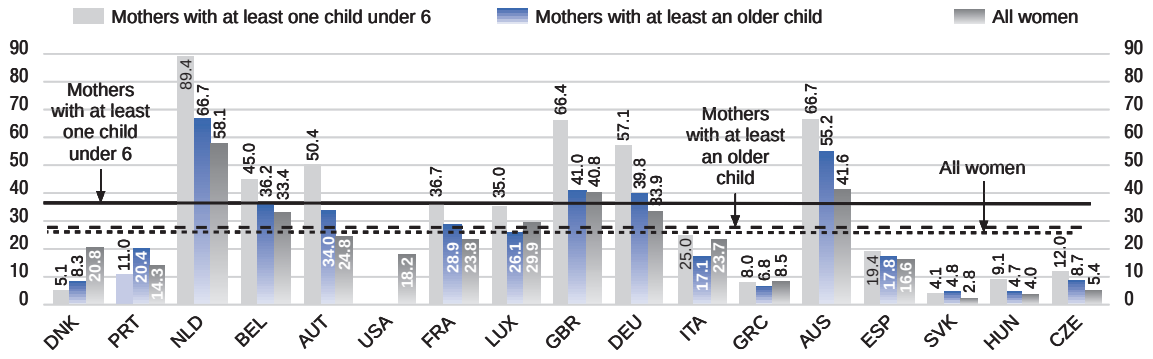
Table SS4.1. Lower employment rates for mothers, except in Denmark, Belgium and Portugal

Women's employment rates by presence of children in 2000, as a percentage of persons aged 25-54

	No children	One child	Two or more children		No children	One child	Two or more children
Australia	68.4	55.3	43.2	Italy	52.8	52.1	42.4
Austria	76.0	75.6	65.7	Luxembourg	68.7	65.8	50.1
Belgium	65.6	71.8	69.3	Netherlands	75.3	69.9	63.3
Canada	76.5	74.9	68.2	New Zealand (2001)	80.7	66.9	58.9
Czech Republic	80.8	72.3	59.4	Norway	82.9	83.3	78.0
Denmark (1998)	78.5	88.1	77.2	Portugal	72.6	78.5	70.3
Finland (1997)	79.2	78.5	73.5	Spain	54.6	47.6	43.3
France	73.5	74.1	58.8	Sweden	81.9	80.6	81.8
Germany	77.3	70.4	56.3	Switzerland (2001)	84.3	75.5	65.5
Greece	53.1	53.9	50.3	United Kingdom	79.9	72.9	62.3
Iceland	89.1	89.3	80.8	United States (1999)	78.6	75.6	64.7
Ireland	65.8	51.0	40.8				
				OECD	**73.7**	**70.6**	**61.9**

Chart SS4.2. Higher shares in part-time employment for mothers with young child (under 6)

Share in part-time employment for mothers with child under 6, all mothers and all women, 2001, percentages



Note: Countries are ranked as in the above Chart SS4.1.
Source: EULFS; OECD (2002a and 2002b); United States: Labor Force Statistics from the Current Population Survey, *www.bls.gov/cps*

Further reading

■ OECD (2002a), *Employment Outlook*, OECD, Paris. ■ OECD (2002b), *Babies and Bosses: Reconciling Work and Family Life (Volume 1): Australia, Denmark and the Netherlands*, OECD, Paris. ■ OECD (2001), *Employment Outlook*, OECD, Paris. ■ OECD (1999), *A Caring World: The New Social Policy Agenda*, OECD, Paris.

Definition and measurement

Employment participation is probably the most important means of social integration. For disabled people, this is a challenge. Disability reflects long-term health problems, due to handicap or disease, with consequent limitations in daily living activities. The degree of severity of disability is determined according to whether such activities are moderately or severely hampered (moderate or severe disability). Nevertheless, relatively low employment/population ratios do not automatically lead to exclusion because lack of work may be compensated by active involvement in other spheres of (social) life.

Employment data by disability status are derived from general population surveys, where information on disability is self-reported. Self-assessed disability is sometimes criticised for being biased and endogenous: there may be a tendency to exaggerate the severity of health problems and the incidence of disability in order to rationalise labour force non-participation. But there is also evidence that self-reported disability is a reasonable predictor of a person's objective health status (*e.g.* Benítez-Silva *et al.* 2000), in particular when related to general activity limitations rather than work limitations.

Evidence and explanations

Employment is crucial for social and economic integration. On average, employment rates for working-age disabled people tend to be lower than for non-disabled people (Chart SS5.1). In more than half of the OECD countries, the employment rate of disabled people varies between 40 and 50% while in Switzerland and Norway the rate is even higher (60%). On the other hand Spain and Poland have only very few working-age disabled people in work.

Table SS5.1 shows the employment rate of disabled people as a ratio of that of non-disabled people. The highest ratios are often found in countries with low overall employment rates – Mexico and Korea. It is striking that some countries with above average overall employment rates – Poland, the United Kingdom, Australia – nevertheless have below average employment ratios of disabled people.

When taking into account the degree of severity in disability, differences across countries are less marked. Employment rates for severely disabled people are only about one-third of those of the non-disabled population, ranging from 22% to 41%, other than in France (Table SS5.1). For moderately disabled people, employment rates are about 70% of those of non-disabled people, but variations across countries are much larger: 91% in Sweden and 49% in Spain. Overall, this gives an average relative employment-population ratio of around 60%. In Australia and Spain, differences in employment rates between severely and moderately disabled people are much smaller than on average, while in Denmark, Korea, Sweden and the United States the opposite is found.

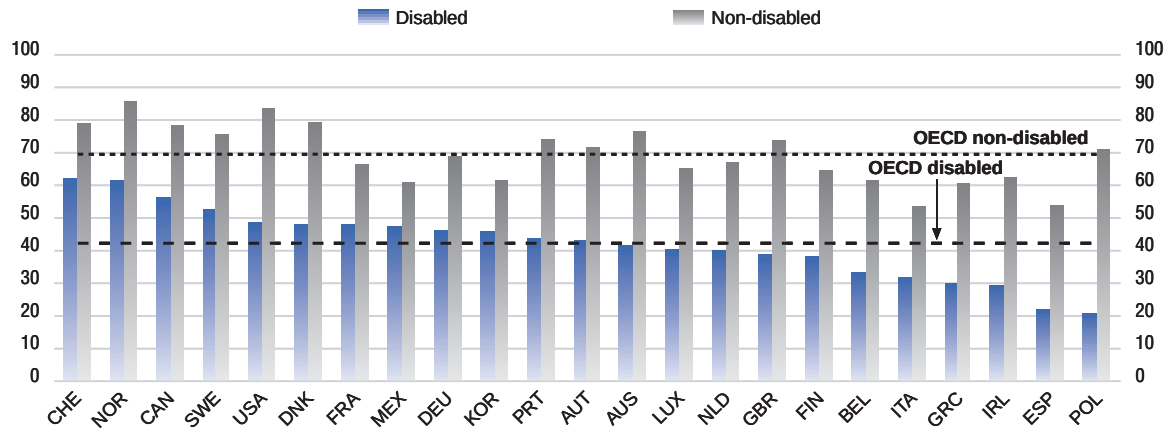
Noticeable differences in relative employment rates can be observed between disabled people over 50 and those below 50 years old. Disabled people in prime working-ages (20-49 years) in employment are only slightly less likely to be working than those without any disabilities, while the relative rate drops down to 50% for those aged over 50 (Table SS5.1). Such differences tend to be more marked in European countries, in particular in Luxembourg and Belgium. However, because employment rates for non-disabled people are also generally lower for those over 50, absolute employment rates for disabled people are very low. Such findings suggest that the labour market problems of disabled people and older workers tend to be inter-related.

Status indicators: Employment (SS1).

Response indicators: Students with impairments (SS8), Resources of disabled adults (SS9), Public social expenditure (EQ3), Disability benefits (EQ6).

Chart SS5.1. Lower employment rate for disabled persons

Employment rates of disabled and non-disabled persons aged 20-64, late 90s, percentages



Note: Countries are ranked in decreasing order of employment rate for disabled persons.

Table SS5.1. Lower relative employment rate with higher degree of disability and older age

Relative employment rate of disabled to non-disabled persons, late 90s

	All disabled aged 20-64	Degree of disability		Age group	
		Severe	Moderate	20-49	50-64
Australia	0.55	0.41	0.61	0.66	0.45
Austria	0.60	0.33	0.70	0.85	0.55
Belgium	0.54	0.34	0.65	0.73	0.30
Canada	0.72	. .	. .	0.80	0.62
Denmark	0.61	0.29	0.69	0.74	0.42
Finland	0.59	0.35	0.67	0.79	0.43
France	0.72	0.50	0.80	0.83	0.67
Germany	0.67	0.39	0.77	0.84	0.65
Greece	0.50	0.25	0.67	0.61	0.56
Ireland	0.47	0.40	0.50	0.47	0.52
Italy	0.60	0.36	0.70	0.84	0.52
Korea	0.74	0.22	0.83	0.82	0.66
Luxembourg	0.62	0.40	0.70	0.87	0.36
Mexico	0.77	. .	. .	. .	. .
Netherlands	0.60	0.40	0.69	0.70	0.52
Norway	0.72	. .	. .	0.81	0.62
Poland	0.29	. .	. .	0.32	0.35
Portugal	0.59	0.37	0.75	0.70	0.56
Spain	0.41	0.30	0.50	0.53	0.36
Sweden	0.69	0.45	0.91	0.78	0.56
Switzerland	0.79	. .	. .	0.87	0.68
United Kingdom	0.53	0.30	0.60	0.64	0.42
United States	0.58	0.31	0.70	0.66	0.48
OECD (18)	**0.59**	**0.35**	**0.69**	**0.72**	**0.50**

. . Not available.
Source: OECD (2003).

Further reading

■ Benítez-Silva, H., M. Buchinsky, H.M. Chan, S. Cheidvasser and J. Rust (2000), "How Large is the Bias in Self-Reported Disability?", NBER Working Paper No. 7526. ■ OECD (2003), *Transforming Disability into Ability*, OECD, Paris.

Definition and measurement

A well-educated and well-trained population is important for the social and economic well-being of countries and individuals (SS1, SS2, *EQ7*). Technological progress and, hence, the rising skill requirements of labour markets underscore the importance of continuous development of skill levels. The level of educational attainment in a population is the commonly used proxy for the stock of human capital.

The attainment profiles shown here are based on the percentage of the population aged 25-64 years who have completed a specified level of education. The recently refined International Standard Classification of Education (ISCED 1997) defines different levels of educational attainment in great detail (OECD, 1999). The indicators here are based on three broad groupings: primary and lower secondary education, upper secondary education and post-secondary and tertiary education (university education and advanced vocation-specific programmes). For countries with no system break between lower and upper secondary education, the first three years in secondary education are grouped as lower secondary education. Data are derived from national labour force surveys.

Evidence and explanations

In all but a few OECD countries, more than 50% of the population achieves at least upper secondary education level. Among the highest achieving countries, the proportion of the population below the secondary education level is less than 15%. There are noticeable differences in tertiary achievements varying from 10% in the Czech Republic and the Slovak Republic to 40% in the United States and Canada. More worrying are the countries with high proportions of poorly educated people (more than 70% below upper secondary level) as in Portugal, Mexico and Turkey (see Chart SS6.1).

As can be seen in Chart SS6.2, the male bias in educational attainment has become less pronounced for younger generations as compared with their parents' generations, at least for upper secondary levels. Panel A indicates that the prevalence of males above secondary levels as a proportion of the total of those achieveing this level has sharply declined in certain countries, especially in Korea. The shift has even reversed the pattern in many countries, which now have a greater proportion of educated females than males.

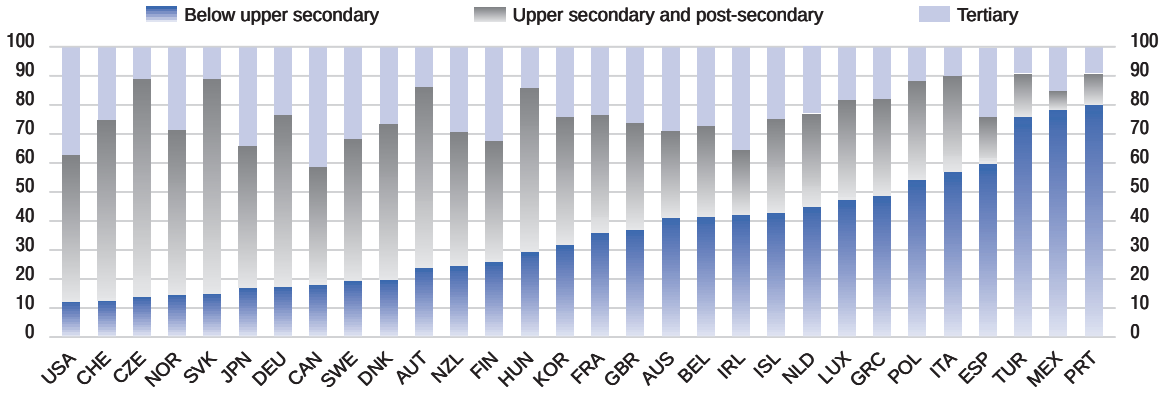
OECD countries have experienced a much more striking increased feminisation of the most educated population. More women than men are found in tertiary education in most countries, especially when compared to former generations. This has been the case in 21 countries out of 30, with a particular preponderance of women in high categories level in Canada, Norway and especially in Finland.

Status indicators: Employment (SS1), Unemployment (SS2), Working mothers (SS4), *Relative poverty (EQ7)*, *Gender wage gap (EQ10)*.

Response indicators: Student performance (SS7), *Spending on education (SS14)*, *Literacy (SS16)*.

Chart SS6.1. Variation in educational attainment

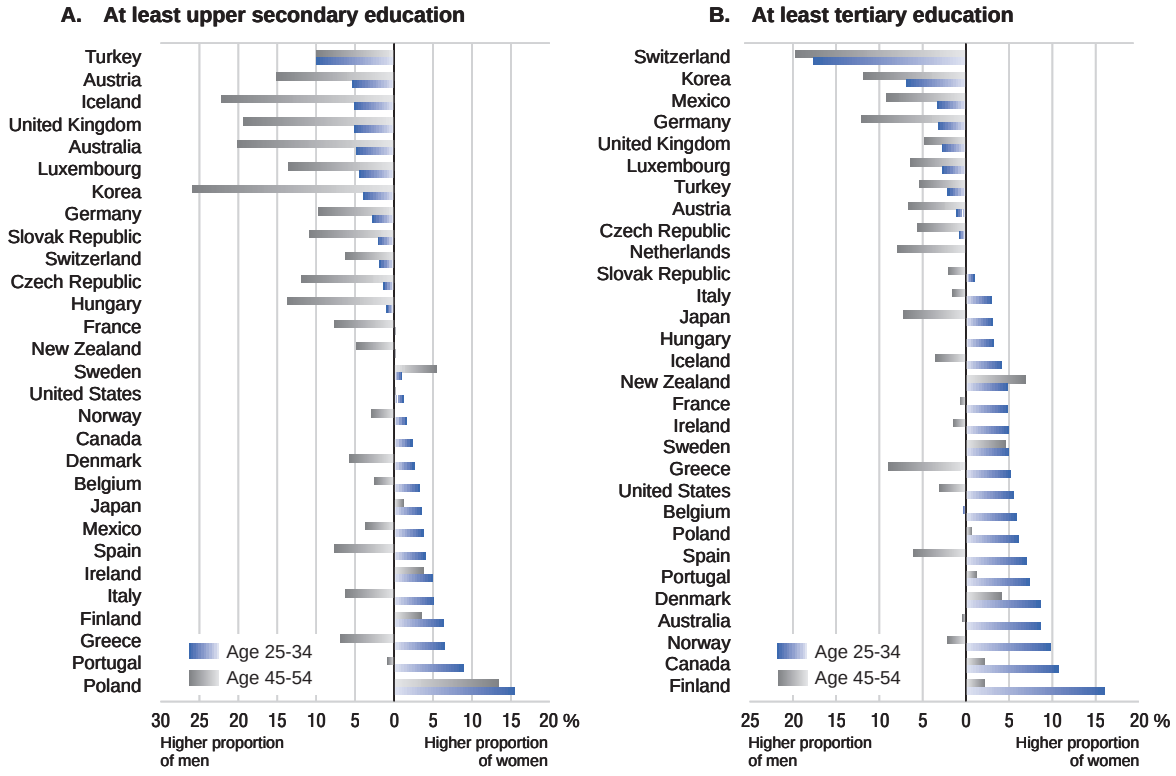
Distribution of the population aged 25 to 64, by level of educational attainment, in 2001,[1] percentages



1. 2000 for Austria.

Chart SS6.2. Rising female education in secondary and tertiary education

Difference between women and men aged 25 to 34 and 45 to 54 years of age who have attained at least upper secondary or at least tertiary education, 2001



Notes: Countries are ranked in ascending order of the difference between women and men aged 25 to 34 who have attained at least upper secondary or tertiary education. 2000 for Austria, Belgium, Germany and Norway; 1999 for the Netherlands.

Source: OECD (2002).

Further reading

■ OECD (2002), *Education at a Glance – OECD Indicators*, OECD, Paris. ■ OECD (1999), *Classifying Educational Programmes – Manual for ISCED 97 Implementation in OECD Countries*, OECD, Paris. ■ UNESCO (1997), *International Standard Classification of Education (ISCED 1997)*, Paris.

Definition and measurement

Ensuring that children get a good education is a high policy priority in most OECD countries. This is hardly surprising, given that so many good things (chance of employment, health, incomes) are correlated with education. The capacity of students to apply knowledge and skills are assessed in a new OECD survey, PISA 2000 (the OECD Programme for International Student Assessment). This is the most comprehensive and rigorous international effort to date to assess learning outcomes and to identify the policy levers that may help to improve the performance of education systems.

More than a quarter of a million 15-year-olds took internationally standardised tests under independently supervised testing conditions in order to appraise their capacities in the three areas of reading, mathematical and scientific literacy. All results were standardised so that for each literacy area across OECD countries, the average score is 500 points.

Evidence and explanations

Chart SS7.1A ranks countries by their average score in the three disciplines (the differences in ranking when looking at each individual element are in fact quite small), with Japan, Korea and Finland having the best results. Interestingly, as shown in Chart SS7.1B, these three countries achieve that excellence in education at a reasonable cost. Strikingly, the high-achieving countries – including, in addition to those already mentioned, Canada, and Sweden – combined high performance with an exceptionally moderate impact of social background on student performance. Poor performance in school does not automatically follow from a disadvantaged socio-economic background of students.

Results were disappointing for some other countries, showing that their students' performance lags considerably behind that of their counterparts, sometimes by the equivalent of several school years, and sometimes despite high investments in education, both in terms of government spending and (although not shown here) student learning time. Southern and central European countries, together with Mexico, occupy most of the lowest ranks. However, whereas the southern Europeans generally perform worse than might be expected, given their level of educational spending, this is not the case for the central European countries.

Policy makers have given increased priority to issues of gender equity in education. Results from PISA (Chart SS7.2) point to a problem for males in reading literacy who are under-performing females in all countries, often by very significant amounts. This reflects and is reflected in the fact that more girls than boys spend at least 30 minutes a day reading for pleasure in all OECD countries with the exception of Korea. Indeed, across all countries nearly half of all boys claim to read only when they have to, whereas this is true of just one quarter of girls. In mathematical literacy, there remains a measurable disadvantage for females in most countries, though often by insignificant amounts, whereas there is no discernible gender difference in scientific literacy.

Status indicators: Employment (SS1), Unemployment (SS2), *Low paid employment (EQ9)*, *Gender wage gap (EQ10).*

Response indicators: *Activation policies (SS13), Spending on education (SS14), Early childhood education and care (SS15), Literacy (SS16),* Public social expenditure (EQ3), Benefit recipiency (EQ5).

Chart SS7.1. Encouraging overall performance at reasonable cost for Japan, Korea and Finland

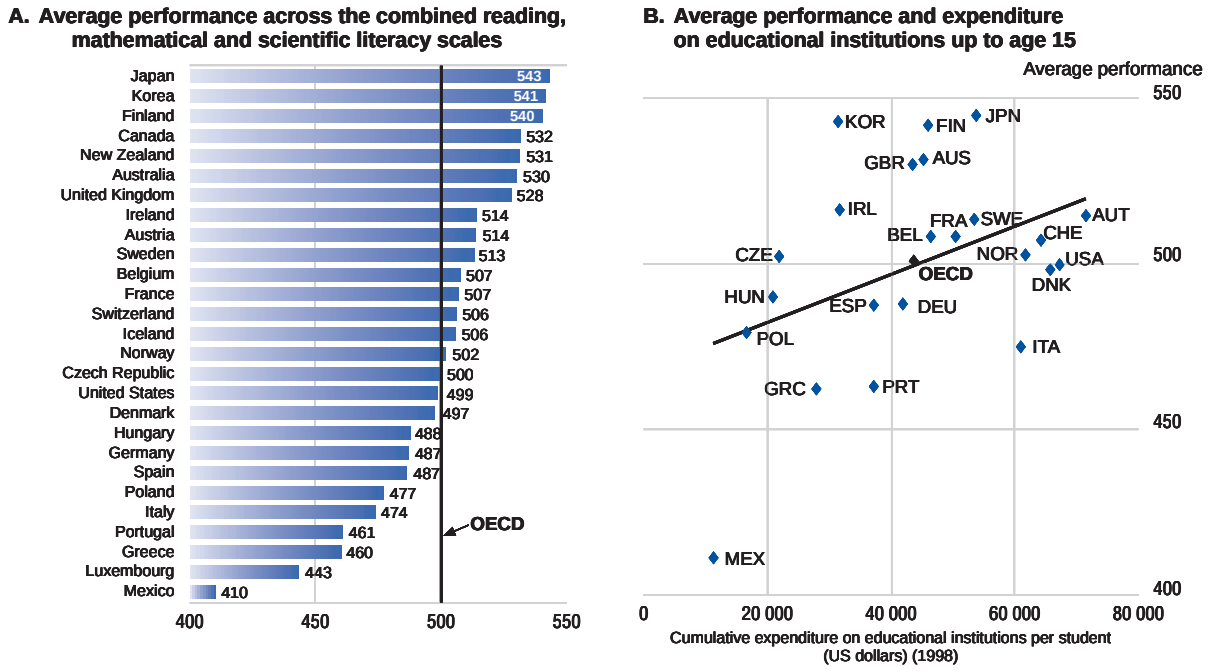
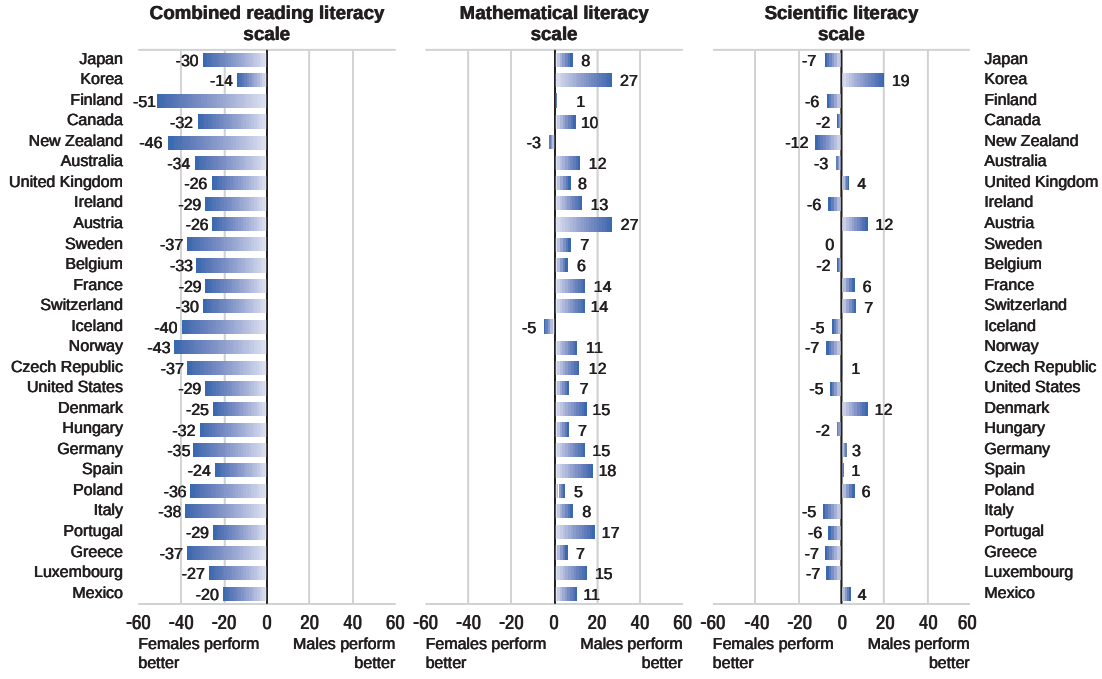


Chart SS7.2. Gender differences in student performance



Source: OECD (2001).

Further reading

■ OECD (2002), *Sample Tasks from the PISA 2000 Assessment: Reading, Mathematical and Scientific Literacy*, OECD, Paris. ■ OECD (2001 and 2002), *Education at a Glance – OECD Indicators*, OECD, Paris. ■ OECD (2001), *Knowledge and Skills for Life: First Results from Pisa 2000*, OECD, Paris.

Definition and measurement

Recently there has been a great deal of interest in the performance of national education systems (SS6, SS7). All OECD member countries are concerned with student attainment standards, as educational reforms are planned and put in place as part of a strategy for attaining equity and moving our countries into the knowledge economy.

Students with impairments are no exception, and programmes are being developed to assist these students in improving their skills, so as to be more fully included into society and work. The demographic trends (GE2) are such that in the coming years, as a result of the increasing numbers of retired citizens and the decreasing birth rate, all available skills will be needed to maintain our economies.

In this indicator, national categories of disabled students have been reclassified to include only those where there is a clear organic basis for their learning difficulties (because of blindness or mental handicap), under the label cross-national category A (CNC A). Students falling into this category require that additional resources be made available to support their education (for further discussion see OECD, 2000). The comparisons are limited to primary and lower secondary education, reflecting data quality and availability.

Evidence and explanations

Different countries identify different proportions of students falling into CNC A, as can be seen in Chart SS8.1. The proportions vary from 0.3% to 4.6% of all students in primary and lower secondary education.

There is particular policy interest in the setting for education of CNC A students. As shown in Chart SS8.2, in some countries these students are educated in segregated special schools while in others they may be in special classes or regular schools. Such differences can reveal potential inequities between countries' provision and will give all students very different educational and socialising experiences. In Chart SS8.2 the differences are particularly striking, with some countries having very few CNC A students in special schools *(e.g.*, Italy, Spain, and the United States) while in others the majority are educated in such schools (*e.g.*, Belgium – the Flemish community –, the Czech Republic, France, Greece, Hungary, the Netherlands).

In almost all countries more males than females receive additional resources. Table SS8.1 shows that in all settings approximately 60% of all CNC A students are male.

This finding is not easy to interpret. It may be that males have more difficulty adjusting to formal education than females and hence are judged to be in need of greater support, or it may be that the education of males is valued more highly than that of females and hence male difficulties are given greater priority. On the other hand, males manifest their difficulties more overtly than females and are thus more readily identified. Whatever the reasons, this male/female difference is a potential indicator of inequity in educational systems (*e.g.* Evans, 2001) and a fuller understanding will require further research.

Status indicators: Working disabled persons (SS5).

Response indicators: Educational attainment (SS6), *Spending on education (SS14)*, Public social expenditure (EQ3), Health care expenditure (HE4).

Chart SS8.1. Up to 5% of students receive additional resources for their education

Students in CNC A receiving additional resources in primary and lower secondary education, 1999
As a percentage of all students in primary and lower secondary education

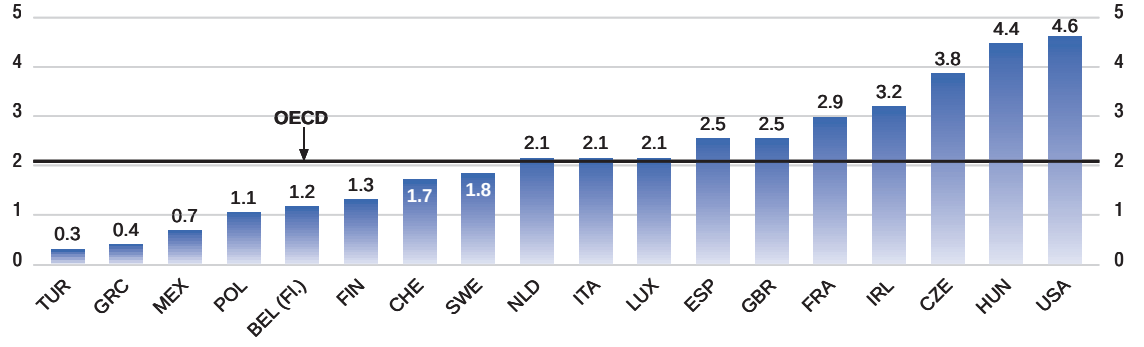


Chart SS8.2. Integration of students with impairments in education

Distribution of students with impairments by location, 1999, percentages

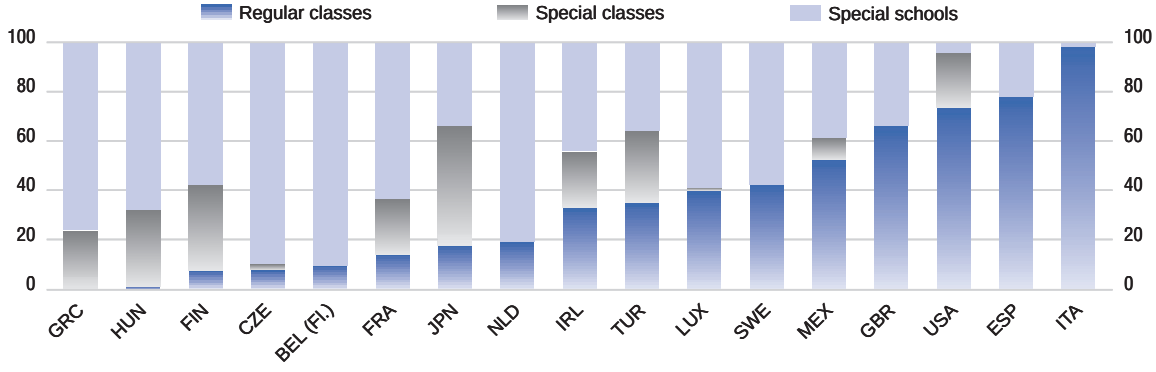


Table SS8.1. Six out of 10 students with impairments receiving additional resources are males

Share of male children in primary and lower secondary education, by location, 1999, percentages

	Male children with impairments receiving additional resources in:			Non-disabled male children in regular education
	Special schools	Special classes	Regular classes	
Finland	65	67	66	51
Germany	62	. .	. .	51
Luxembourg	61	87	65	51
Mexico	59	63	61	51
Netherlands	68	. .	. .	52
Poland	53	. .	. .	52
Spain	61	. .	62	52
Sweden	59	. .	56	50
Switzerland	55	. .	. .	51
Turkey	65	62	. .	55
United Kingdom	68	. .	68	51

. . Not available.
Source: OECD (2000); OECD education database.

Further reading

■ Evans, P. (2001), "Equity Indicators Based on the Provision of Supplemental Resources for Disabled and Disadvantaged Students", in W. Hutmacher, D. Cochrane and N. Bottani (eds.), *In Pursuit of Equity in Education*, Kluwer Academic Publishers, London. ■ OECD (forthcoming), *Special Needs Education: Statistics and Indicators*, OECD, Paris. ■ OECD (1998, 2000 and 2001), *Education at a Glance – OECD Indicators*, OECD, Paris. ■ OECD (2000), *Special Needs Education: Statistics and Indicators*, OECD, Paris.

Definition and measurement

Total personal income is one possible indicator of a person's economic position. Low personal income, however, does not necessarily imply a lack of financial resources. Many people without their own sources of income live in reasonably wealthy households. Equivalised incomes of households with and without a disabled person are therefore a better measure of economic well-being and poverty. But personal income is more revealing to describe resources acquired by people with disabilities themselves.

Data on personal income by disability status are taken from general population surveys. Hence, the same cautions apply as for indicator SS5. In addition, in some of the surveys used, incomes recorded in year t in fact refer to incomes earned or received in year t – 1, the year preceding the interview. For EU countries, for which information is based on data from the European Community Household Panel which also suffer from this type of mismatch, adjusting the data would be possible. Analysis based on disability status taken from the previous wave of the survey and income referring to the subsequent year shows that incomes of disabled people relative to those of people without disabilities are not affected.

Evidence and explanations

Income security of people with disabilities is fairly high in the majority of OECD countries, as indicated by the fact that personal incomes of disabled people are similar to that of the population as a whole (Chart SS9.1). Relative income is correlated with the structure of the disability benefit system and the benefit level paid: countries with individual disability benefit entitlements which disregard previous work experience and high earnings-related insurance benefits have the highest relative incomes of disabled people (about 80-90%), those with a strong focus on means-tested programmes the lowest (about 60-70% and even lower in Australia, where all social benefits are means-tested). But the latter group does so with considerably lower public spending on benefits.

Personal incomes of disabled people depend primarily on their work status. Work incomes of those disabled people who work are almost as high as work incomes of people without disabilities. In most countries, the difference is only about 5 to 15% (Chart SS9.2A). In Switzerland and Austria in particular, average work incomes do not depend on the disability status. Only in a few countries is work income of the disabled significantly lower than that of other workers. In Sweden, this difference is largely due to a considerable share of part-time workers among disabled people.

Disabled persons out of work have considerably lower financial resources; their total personal income is, on average, only half that of employed disabled people (Chart SS9.2B). But there are some exceptions: in Denmark, the Netherlands and Sweden, personal incomes of disabled people without work are comparably high, while in the United States and, in particular, in Mexico these people are in a relatively worse position.

One consequence of these findings is that overall differences in relative incomes between disabled and non-disabled people are, to a significant extent, a result of differences in employment rates (SS5).

Status indicators: Working disabled persons (SS5), Health-adjusted life expectancy (HE3).

Response indicators: Students with impairments (SS8), Public social expenditure (EQ3), Disability benefits (EQ6), Health care expenditure (HE4).

Chart SS9.1. Lower income for disabled persons

Personal income of disabled persons aged 20-64 relative to that of non-disabled persons, late 90s, income ratio

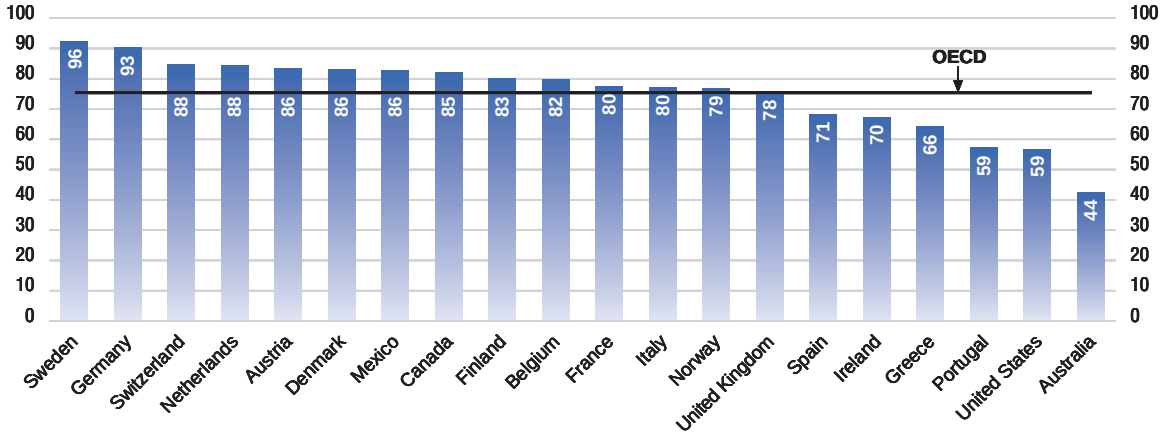
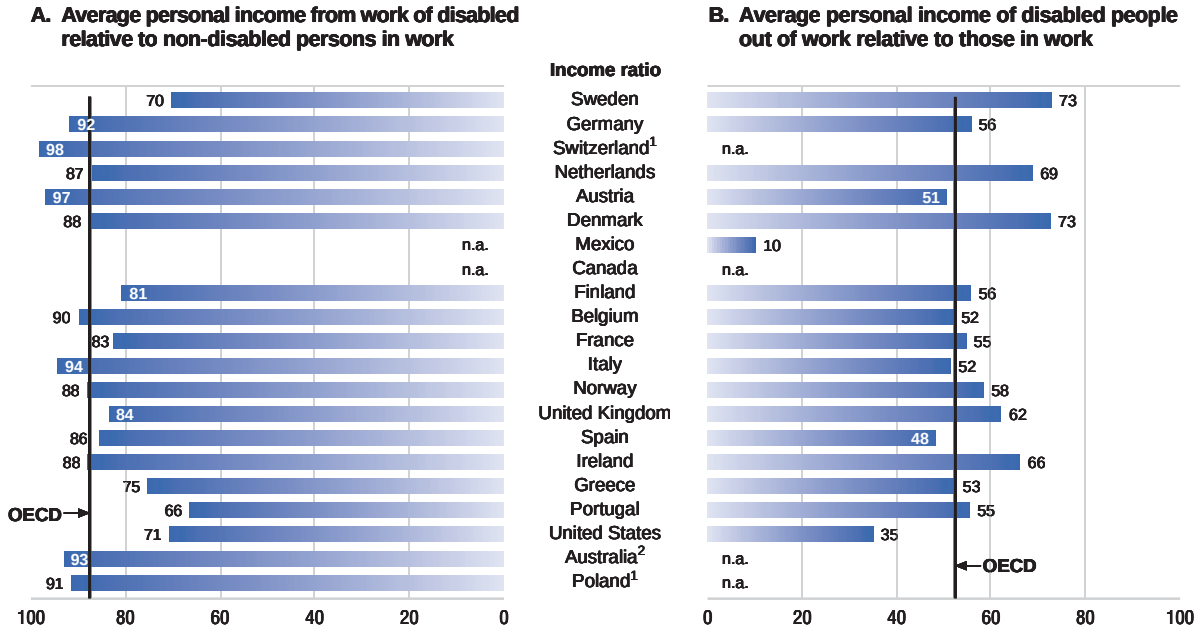


Chart SS9.2. Lower income from work for disabled persons, and lower income for disabled persons out of work



Note: Countries are ranked as in Chart SS9.1.
n.a.: Not available.
1. Equivalised household income for Poland and Switzerland.
2. Australia: median income instead of average income.
Source: OECD (2003).

Further reading

■ Benítez-Silva, H., M. Buchinsky, H.M. Chan, S. Cheidvasser and J. Rust (2000), "How Large is the Bias in Self-Reported Disability?", NBER Working Paper No. 7526. ■ OECD (2003), *Transforming Disability into Ability*, OECD, Paris.

Definition and measurement

Setting the level of benefit payments raises many dilemmas for governments. On the one hand, too low a level can leave those in receipt of benefit in real distress. On the other, too high a level may leave individuals with little immediate financial incentive to seek work, potentially increasing benefit dependency and increasing the burden on taxpayers. One way of examining benefit payments to able-bodied people of working age across countries is to compare the benefit income of households with their previous salaries after taking into account the effects of taxes and other benefits such as family or housing benefits. The ratio of in-work to out-of-work incomes is known as the net replacement rate (NRR).

NRRs vary according to a large range of factors. Here, it is assumed that the person being considered is 40 years old and has been working for 22 years. Children are considered to be 4 and 6 years old and not to be in formal childcare. Spouses are assumed not to be working and do not have unemployment benefits. OECD (2002) contains further detail on assumptions underlying the calculations.

NRRs often vary according to the length of time spent receiving benefit. Many people qualify for unemployment insurance when they first become unemployed, but most long-term unemployed exhaust their insurance benefits, and rely instead on social assistance ("welfare") benefits which are normally dependent on the recipients having very few assets.

By averaging the NRR for different family types and durations of unemployment, an overall indicator of NRRs can be calculated. This overall measure of the generosity of the benefit systems is given by a simple average of NRR with each month of benefit receipt weighted equally for four household types and for two levels of previous earnings (100% and 66.7% of average earnings).

Evidence and explanations

The overall NRR indicator in OECD countries is on average 59% (Chart SS10.1). Switzerland is now estimated to have the highest overall level of benefits in the OECD, closely followed by some Nordic and European countries. In general, Anglo-saxon and southern European countries have the lowest replacement rates. The position of the United Kingdom as having above-average replacement rates is perhaps surprising: this reflects the importance of housing benefits in that country. It is assumed that people with a low income do qualify for housing benefits in each country. If the alternative assumption were made – that they have assets, so do not qualify for this type of benefit – the United Kingdom would be much lower in the listing.

The balance between protecting family incomes and incentives to work changes according to family type. Countries are generally particularly reluctant to let families with children have low incomes (EQ2), so replacement rates for lone parent families and two-adult families with children tend to be around 70%, at least initially, though somewhat lower for long-term benefit recipients (Chart SS10.2).

Indeed, net replacement rates in the first month after losing employment are generally higher than in the long run. This reflects the importance of insurance benefits in the initial stages of unemployment. Countries often take the view that people who lose their jobs should not suffer large changes in family income whilst they look for new work. If, however, they do not find work in this initial period, rates of benefit fall sharply, to 51% on average, as people are, in effect, encouraged to take less well-paying jobs.

Benefit generosity is not the only influence on poverty rates of those without work – the level of employment (SS1) and the question of how many people receive the benefits (EQ5) are also key; but the level of benefits is in practice a very important factor. Similarly, whilst low levels of benefits are associated with low rates of unemployment (SS2), high levels of benefit are only one amongst many reasons for overly-high unemployment rates (OECD, 1994).

Status indicators: Employment (SS1), Unemployment (SS2), Child poverty (EQ2), *Relative poverty (EQ7)*, *Low paid employment (EQ9)*.

Response indicators: *Activation policies (SS13)*, *Tax wedge (SS17)*, Public social expenditure (EQ3), Benefit recipiency (EQ5), *Minimum wages (EQ11)*.

Chart SS10.1. **Large variation across countries in net replacement rates, 1999**

Average of NRRs over 60 months of unemployment, for four family types at two earnings levels, in percentages

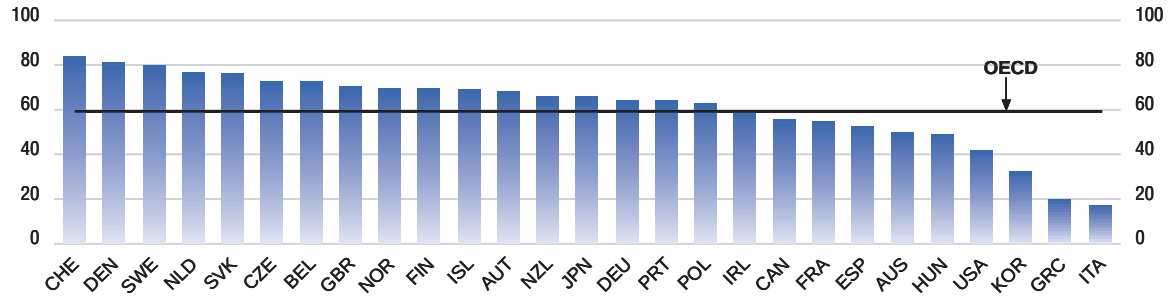
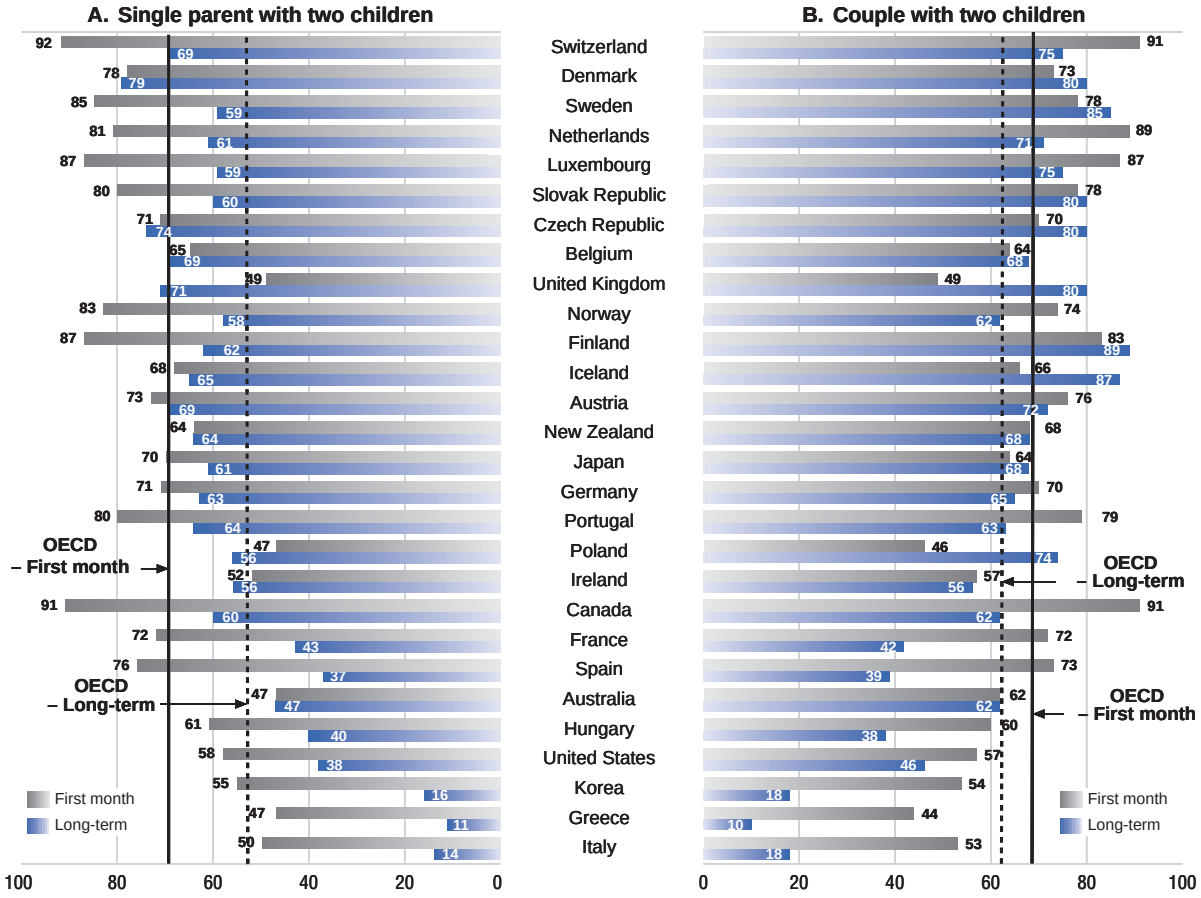


Chart SS10.2. **Relatively high replacement rates for families in 1999**

Net replacement rates for two family types at APW[1] earnings level



1. APW: Average production worker.

Source: OECD (2002). Also see: *www.oecd.org/els/social/workincentives*

Further reading

■ OECD (2002), *Benefits and Wages, OECD Indicators*, OECD, Paris. ■ OECD (1999), *Benefit Systems and Work Incentives*, OECD, Paris. ■ OECD (1994), *OECD Jobs Study: Evidence and Explanations*, OECD, Paris. ■ Pazos (forthcoming), "Benefit Systems and Work Incentives: Comparative Results using the OECD Tax-Benefit Models", Labour Market and Social Policy Occasional Papers, OECD, Paris. ■ Pearson, M. and S. Scarpetta (2000), "What do We Know about Policies to Make Work Pay?", *OECD Economic Studies*, No. 31, 2000/2, OECD, Paris.

Definition and measurement

Insuring adequate living standards for elderly people is an important goal for societies. Sharp increases in old-age dependency ratios as a result of population ageing (GE2) will bring substantial fiscal pressures on future working-age populations. Although reforming current systems may sometimes be necessary to contain fiscal costs, the risk that the adequacy of income of the oldest generations might be undermined should not be underestimated by policy makers, especially for the most needy.

The well-being of the elderly is proxied by the relative income of the old age population (aged 65 and over) in comparison with those of the working age. The elderly may have access to resources unavailable to the working-age population – in health care or cheap transport, for example. Further, they may have fewer work-related expenses. They are also much more likely to have assets, especially housing. Nevertheless, income is a reasonable proxi for relative well-being. The income definition includes public transfers, capital, labour and other related market incomes net of taxes, which is then equivalised and adjusted to the household size. Relative poverty rates for the elderly are based on the poverty cut off line set to 50% of the median income of the entire population. The data are drawn from Förster (2000).

Evidence and explanations

As can be seen in Chart EQ1.1A, incomes of the elderly are relatively close to those of the working-age population (above 75%). However, this should not hide wide variations across countries, with Canada and Switzerland achieving the highest ratios (90%) as compared to Australia with the lowest (60%). Cross-country differences seem to have little to do with varying systems of retirement income provision. For example, Canada, Switzerland and Australia have substantial private pensions, whereas France does not. Thus, when incomes from public and private provisions are considered together, pension systems appear to have successfully ensured adequate living standards, though income from work also plays a significant role in some countries (*e.g.* Japan) (OECD, 2001).

Trends over the last decades indicate that the relative economic situation of older people has improved in almost all countries (Chart EQ1.1B). Such improvements mainly reflect the maturation of pension schemes in OECD countries in the mid 1990s, but there have been noticeable exceptions that can be observed in Turkey, Mexico, and Greece together with Ireland and Australia.

The risk of poverty at older ages has been successfully brought down to low levels (about 6%), especially in Norway, Sweden and the Netherlands (Chart EQ1.2). However, this is not the case in Mexico, Turkey, Greece and Italy where the risk of poverty among the elderly is about 3 to 4 times higher than the OECD average and is as high as for the working-age population in these countries.

Status indicators: *Retirement ages (SS12), Relative poverty (EQ7),* Health-adjusted life expectancy (HE3), Suicide (CO2).

Response indicators: Public social expenditure (EQ3), *Private social expenditure (EQ12), Older people in institutions (HE10).*

Chart EQ1.1. **Mean disposable income of 65+ is on average 3/4 of those in working-age 18-64**

Percentage of mean disposable income of people aged 65 and over with that of those aged 18 to 64

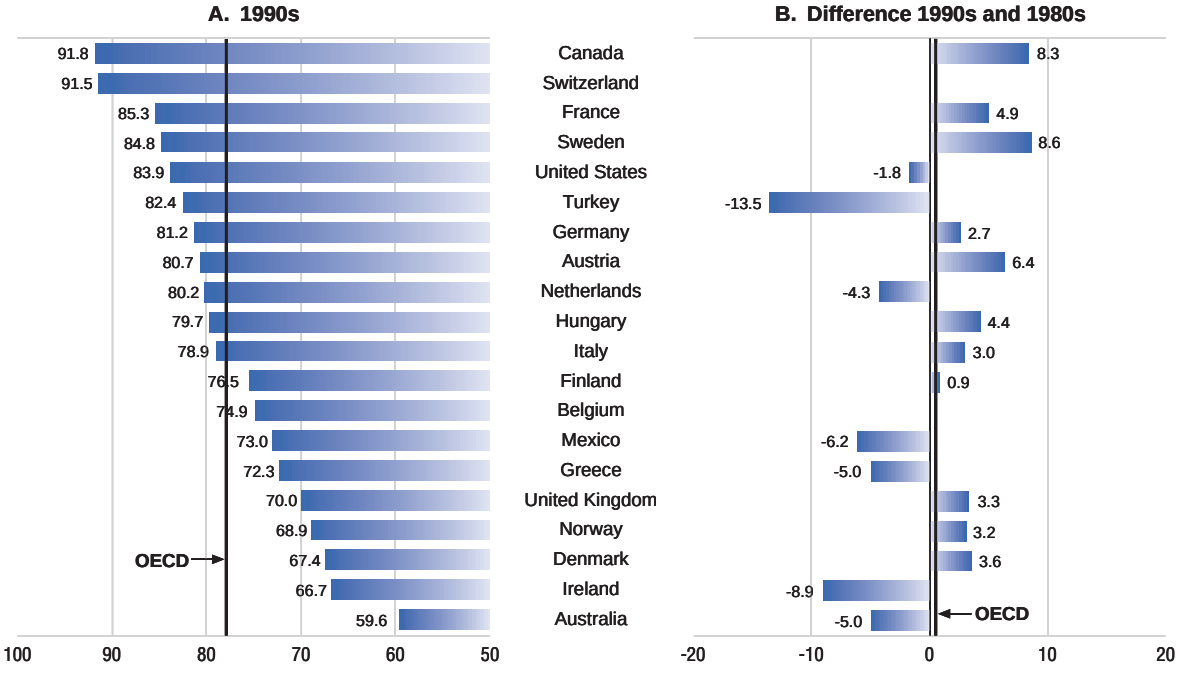
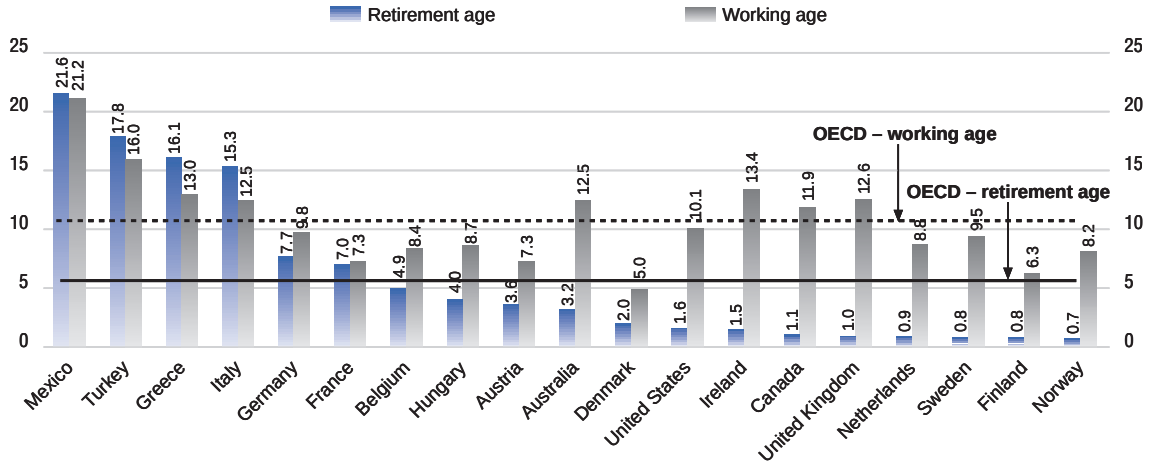


Chart EQ1.2. **High poverty risk among retirement population age in Mexico, Turkey, Greece and Italy, 1990s**



Source: OECD calculations based on data from the Luxembourg Income Study.

Further reading

■ Förster, M. (2000), "Trends and Driving Factors in Income Distribution and Poverty in OECD Area", Labour Market and Social Policy Occasional Paper, No. 42, OECD, Paris. ■ OECD (2001), *Ageing and Income: Financial Resources and Retirement in 9 OECD Countries*, OECD, Paris. ■ Yamada, A. (forthcoming), "The Evolving Retirement Income Package: Trends and Adequacy and Equality in 9 OECD Countries", OECD, Paris.

Definition and measurement

Poverty is a concern of all governments, but many are particularly worried about child poverty. Children cannot be held responsible for their situation in life, and childhood deprivation is commonly thought to adversely affect cognitive and social development, near-permanently harming their life chances.

Ideally, poverty would be measured by looking at the overall access of a family or person to resources, including income, assets and services. Adequate data being lacking, instead here child poverty is indicated by looking at the share of children living in households with disposable income less than 50% of median equivalised income. Children are defined as being those aged under 18 years of age. Income includes earnings, transfers and income from capital, and is measured net of direct taxation. Imputed income from ownership of assets, especially housing, is not included. Income is calculated for the whole household, but then is adjusted for household size (see Oxley *et al.*, 2000).

There is a danger in taking small differences in poverty rates too seriously. There may be a number of people clustered around the 50% of median income level. Small changes in this income level might sometimes lead to relatively large changes in poverty rates. As different national surveys are often designed slightly differently, the level of unrecorded income (both from capital and from the shadow economy) varies across countries, and institutional differences such as reliance on consumption taxes and provision of health care can be substantial, it makes sense to treat poverty rates as indicating a broad order of magnitude. Data are all drawn from various sources.

Evidence and explanations

The lowest child poverty rates are found in the Nordic countries and Belgium, where under 5% of children are in poor households (Chart EQ2.1). Slightly higher rates are found in France, the Netherlands and Germany. The highest child poverty rates are found in Mexico, the United States, Turkey, Italy and the United Kingdom. Whilst little account should be taken about the exact ranking of countries because of measurement difficulties, there is little doubt that this latter group does have significantly higher child poverty rates than those first mentioned.

It is a matter of major policy importance to understand just why these poverty rates differ across countries. The most important factor is the employment rate of parents (SS1, SS4). Table EQ2.1 shows that in every country, more adults working in a household means a lower percentage of households in poverty. For example, just under 40% of working lone parents are poor in the United States, compared with over 90% of non-working lone parents. In Italy, nearly 70% of two-parent households where no-one works are poor, falling to around 20% where there is one worker and just 6% if there are two workers. This does not mean that parental work is the only solution to child poverty. The poverty rates of no-worker families vary enormously, and this reflects access to and level of income support for jobless families.

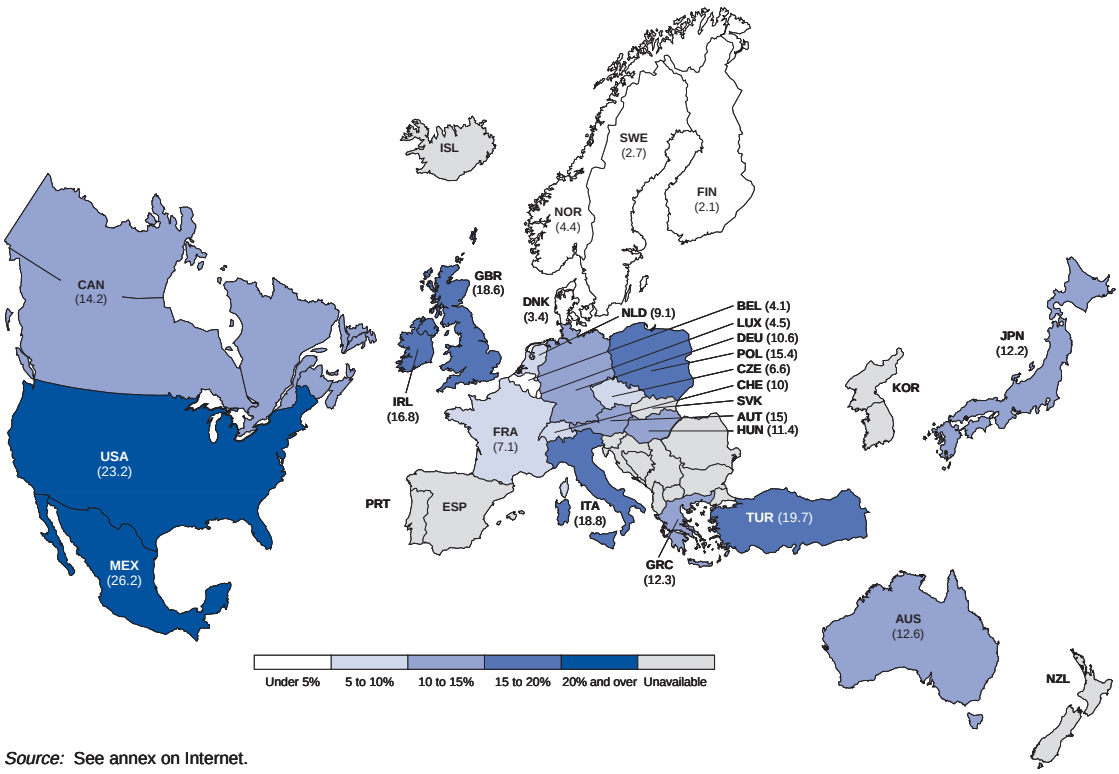
Another hypothesis that is often raised is that lone parents are more at risk of poverty than two-adult households, so the proportion of lone parent households in a country might be a major cause of differences in poverty rates. To some extent this must be true, but Table EQ2.1 suggests that it is not a major factor. If all countries are assumed to have the same proportion of lone parents (10% of the total number of families), but that their income remains at the national average of each country, then poverty rates of children do not change significantly, the largest changes being in the United Kingdom (see UNICEF, 2000 and Oxley *et al.*, 2000).

Status indicators: *Lone parent families (GE7),* Working mothers (SS4), *Relative poverty (EQ7)*, *Low paid employment (EQ9)*, Low birth weight (HE2), *Infant mortality (HE7),* Juvenile crime (CO4), Teenage births (CO5).

Response indicators: *Early childhood education and care (SS15),* Public social expenditure (EQ3), Benefit recipiency (EQ5).

Chart EQ2.1. Geographical variation in child poverty rates in the mid-90s

Share of children living in households earning less than 50% of median income
Unweighted OECD average child poverty rate: 12%



Source: See annex on Internet.

Table EQ2.1. Poverty rates not related to family structure

Poverty rates for children and by household type, percentages

	Children	Households with children		Single parent		Two parents		
		Actual weights	Common weights[1]	Not working	Working	No worker	One worker	Two workers
Australia, 1994	10.9	9.4	8.0	42.1	9.3	18.3	8.9	5.0
Belgium, 1995	4.1	3.3	3.1	22.8	11.4	16.1	2.8	0.6
Canada, 1995	14.2	12.5	13.8	72.5	26.5	73.5	18.1	3.7
Denmark, 1994	3.4	2.6	3.1	34.2	10.0	6.0	3.6	0.4
Finland, 1995	2.1	1.9	2.5	9.9	3.0	3.6	3.5	1.5
France, 1994	7.1	6.7	6.8	45.1	13.3	37.5	7.3	2.1
Germany, 1994	10.6	8.4	7.7	61.8	32.5	44.8	5.6	1.3
Greece, 1994	12.3	11.1	10.2	36.8	16.3	22.0	15.1	5.0
Italy, 1993	18.8	17.0	16.0	78.7	24.9	69.8	21.2	6.1
Mexico, 1994	26.2	23.0	22.3	31.0	27.2	41.5	27.2	17.6
Netherlands, 1995	9.1	7.6	6.1	41.3	17.0	51.4	4.7	1.2
Norway, 1995	4.4	3.6	3.4	29.6	4.6	30.6	3.9	0.1
Sweden, 1995	2.7	2.5	3.5	24.2	3.8	9.5	6.0	0.8
Turkey, 1994	19.7	16.6	17.2	39.9	16.3	40.0	17.8	14.4
United Kingdom, 1995	18.6	15.6	13.0	69.4	26.3	50.1	19.3	3.3
United States, 1995	23.2	19.4	21.1	93.4	38.6	82.2	30.5	7.3
OECD (16)	**11.7**	**10.1**	**9.9**	**45.8**	**17.6**	**37.3**	**12.2**	**4.4**

1. Poverty rates of households with children were recalculated using poverty rate for each group reweighted by a common population structure *e.g.* 10% of all household are lone parents.

Source: Oxley, Dang, Förster and Pellizari (2000).

Further reading

■ OECD (2001), *Employment Outlook*, Chapter 2: "When Money is Tight: Poverty Dynamics in OECD Countries", OECD, Paris. ■ Oxley, H., T.T. Dang, M. Förster and M. Pellizari (2000), "Income Inequalities and Poverty Among Children and Households with Children in Selected OECD Countries: Trends and Determinants", in K. Vleminckx and T.M. Smeeding (eds.), *Child Well-Being, Child Poverty and Child Policy in Modern Nations*, The Policy Press, Bristol. ■ UNICEF (2000), "A League Table of Child Poverty in Rich Nations", Innocenti Report Card Issue No. 1, Innocenti Research Centre, Florence, Italy. ■ Vleminckx, K. and T.M. Smeeding (2000), *Child Well-Being, Child Poverty and Child Policy in Modern Nations*, The Policy Press, Bristol.

Definition and measurement

Social support includes the provision, by both public and private institutions, of benefits and financial contributions for those households whose circumstances adversely affect their welfare. Social expenditure comprises cash benefits, direct "in-kind" provision of goods and services, and tax breaks with social purposes (EQ4). To be considered "social", benefits have to address one or more social goals. Benefits may be targeted at low-income households *(EQ7)*, but they may also be related to household members being old (EQ1, HE4), disabled (EQ6, SS9), sick (HE4), unemployed (SS10), or young (EQ2, CO5). Programmes regulating the provision of social benefits have to involve: *a)* redistribution of resources across households, or *b)* compulsory participation.

Social benefits are regarded as public when general government (that is central, state, and local governments, including social security funds) controls relevant financial flows. For example, sickness benefits financed by compulsory employer and employee contributions to social insurance funds are considered public, whereas sickness payments paid directly by employers to their employees are private (EQ4, *EQ12*). For cross-country comparisons, the most commonly used indicator of social support is gross (before tax) public social expenditure related to GDP. Measurement problems do exist, particularly with regard to spending by lower tiers of government, which may be underestimated in some countries.

Evidence and explanations

On average, public social expenditure amounts to 21% of GDP, although there are significant cross-country variations (Chart EQ3.1). In Sweden and Denmark, public social spending is among the highest (about 30%), while it is less than 10% in Korea and Mexico. It is convenient to group expenditure along with their social purposes to better analyse policy focus and trends. Broadly speaking, the three biggest groups of social transfers are pensions (on average 8% of GDP), health (5.5%) and income transfers to the working-age population (4.7%). Public spending on other social services only exceeds 5% of GDP in the Nordic countries, where the public role in providing services to the elderly, the disabled and families is the most extensive.

Public support for families with children across the OECD area is nearly 2% of GDP on average, but this has increased in most countries since 1980. Family support exceeds 3% of GDP in the Nordic countries and Austria, as they have the most comprehensive public system of child allowances (EQ2), paid leave arrangements and childcare (SS4). Moreover, governments can also help families through the tax system; examples include the "quotient familial" in France and "income splitting" in Germany (EQ4). Finally, benefits targeted towards low-income households are generally more generous for families with children, *e.g.* income-tested housing benefits and the Earned Income Tax Credit in the United States (not shown in Chart EQ3.2).

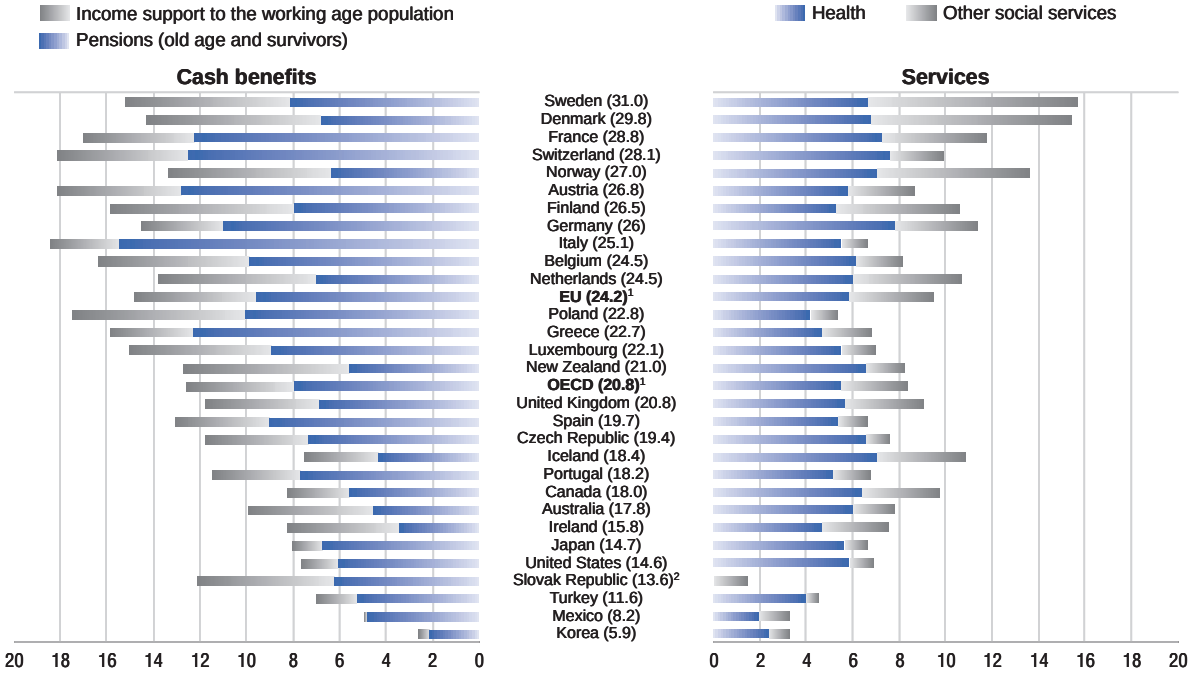
Social insurance spending related to work incapacity (disability, sickness and occupational injury benefits) has declined in as many countries as it has increased since 1980. Particularly large declines were found in Belgium, the Netherlands and Portugal (Chart EQ3.3). This mainly reflects reforms towards reducing the incentives to use such benefits as a form of early retirement, as in the Netherlands by the tightening of entry criteria, the re-examination of existing claimants, the privatisation of sickness benefits and the reduction of payment rates. In 1998, strikingly, Poland spent 6% of GDP on incapacity-related benefits, the highest share across OECD countries.

Status indicators: Unemployment (SS2), Working mothers (SS4), Working disabled persons (SS5), Child poverty (EQ2).

Response indicators: Net social expenditure (EQ4), Benefit recipiency (EQ5), Health care expenditure (HE4).

Chart EQ3.1. Variation in public social expenditure by broad social policy area, 1998

As a percentage of GDP



Note: Countries are ranked by decreasing order of total public social expenditure as a percentage of GDP.
1. OECD and EU are unweighted averages.
2. Slovak Republic: Data for total are underestimated because data about health are not available yet.

Chart EQ3.2. Social expenditure devoted to family is about 2% of GDP

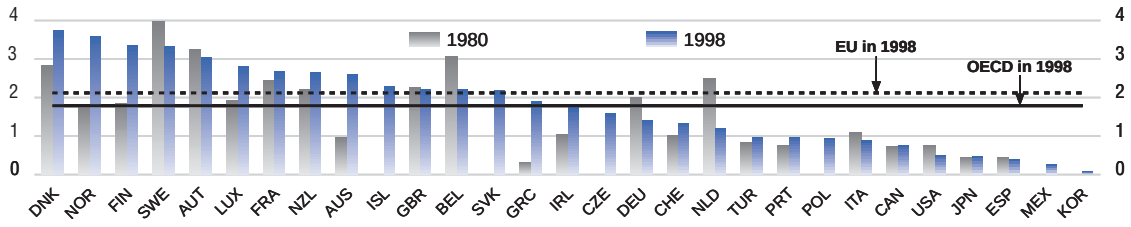
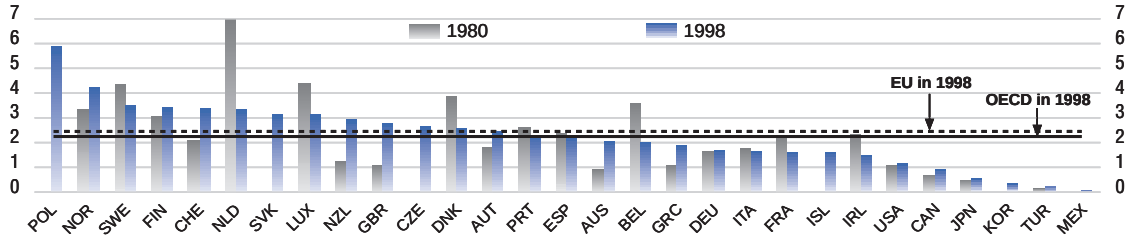


Chart EQ3.3. General decline in public spending on incapacity-related income support

As a percentage of GDP



Source: OECD (2001).

Further reading

■ Adema, W. (2001), "Net Social Expenditure, 2nd Edition", Labour Market and Social Policy Occasional Paper, No. 52, OECD, Paris. ■ OECD (2001), *OECD Social Expenditure Database, 1980-1998*, OECD, Paris. ■ World Bank (1999), "Disability and Work in Poland", Draft Discussion Note – Version 2, The World Bank, Washington, December 20.

Definition and measurement

A narrow focus on public social expenditure (EQ3) can be misleading since this largely ignores the role of private social benefits (*EQ12*) and the extent to which the tax system affects "real" expenditure levels. Governments sometimes tell or encourage individuals and companies to organise social protection of their own accord. Private social benefits often concern pensions (GE2) and employment-related incapacity benefits (SS9), but also health benefits (HE4, HE5) and services provided by NGOs. To capture the effect of fiscal measures on gross (before tax) social expenditure indicators, account has to be taken of the government "clawback" on social spending through direct taxation of benefits together with indirect taxation of consumption paid by benefit recipients. Moreover, governments can pursue social policy objectives by awarding tax advantages for social purposes (*e.g.* child tax allowances – EQ2). From the government perspective, "net (after tax) public social expenditure" gives a better indication of the resources societies are devoting to social issues (SS10, *SS17*). From the perspective of benefit recipients "net total social expenditure" better reflects the proportion of an economy's domestic production to which they can lay claim (EQ5).

Measuring the impact of the tax system on social expenditure often requires estimates derived from microdatasets and microsimulation models, as administrative data are frequently not available. Central recording of private social expenditure is often not available. Hence, relevant information is of lesser quality than data on public social expenditure. Since net spending adjustments cover indirect taxation, it is more appropriate to relate these indicators to GDP at factor costs rather than GDP at market prices.

Evidence and explanations

The role of private social benefits varies to a large extent across countries *(EQ12)*: private social expenditure exceeds 10% of all social expenditure in Australia, Canada, the Netherlands, and the United Kingdom, but it is especially high in the United States (30%) and in Korea (45%).

The government "clawback" of spending on cash transfers (through direct taxation) is much higher in the Netherlands and the Nordic countries than elsewhere (Table EQ4.1), while the value of benefit income clawed back through indirect taxation is much larger in European countries than in non-European OECD countries.

Countries with relatively limited direct taxation levies on benefits – Canada, Germany, and the United States (EQ3), make more extensive use of tax breaks for social purposes (not including those for pensions) than countries with high direct tax burdens on benefit incomes.

In general, governments claw back more money through taxation of public transfer income than they spend on tax breaks with social purposes, except for Korea and the United States where gross public spending actually underestimates public social effort.

Accounting for private social benefits together with the impact of the tax system considerably reduces differences in spending to GDP ratios across countries. The proportion of an economy's domestic production to which recipients of social benefits lay claim is rather similar in Austria, Finland, Italy, the Netherlands, Norway, the United Kingdom and the United States (Chart EQ4.1). However, this similarity in social spending quota does not mean that the redistributional nature of tax and benefit systems in countries is also similar *(EQ8)*.

Status indicators: Child poverty (EQ2), *Relative poverty (EQ7)*, *Income inequality (EQ8)*.

Response indicators: Resources of disabled adults (SS9), Replacement rates (SS10), *Tax wedge (SS17)*, Public social expenditure (EQ3), Benefit recipiency (EQ5), *Private social expenditure (EQ12)*, Health care expenditure (HE4), Responsibility for financing health care (HE5).

Table EQ4.1. From gross to net public social expenditure, 1997

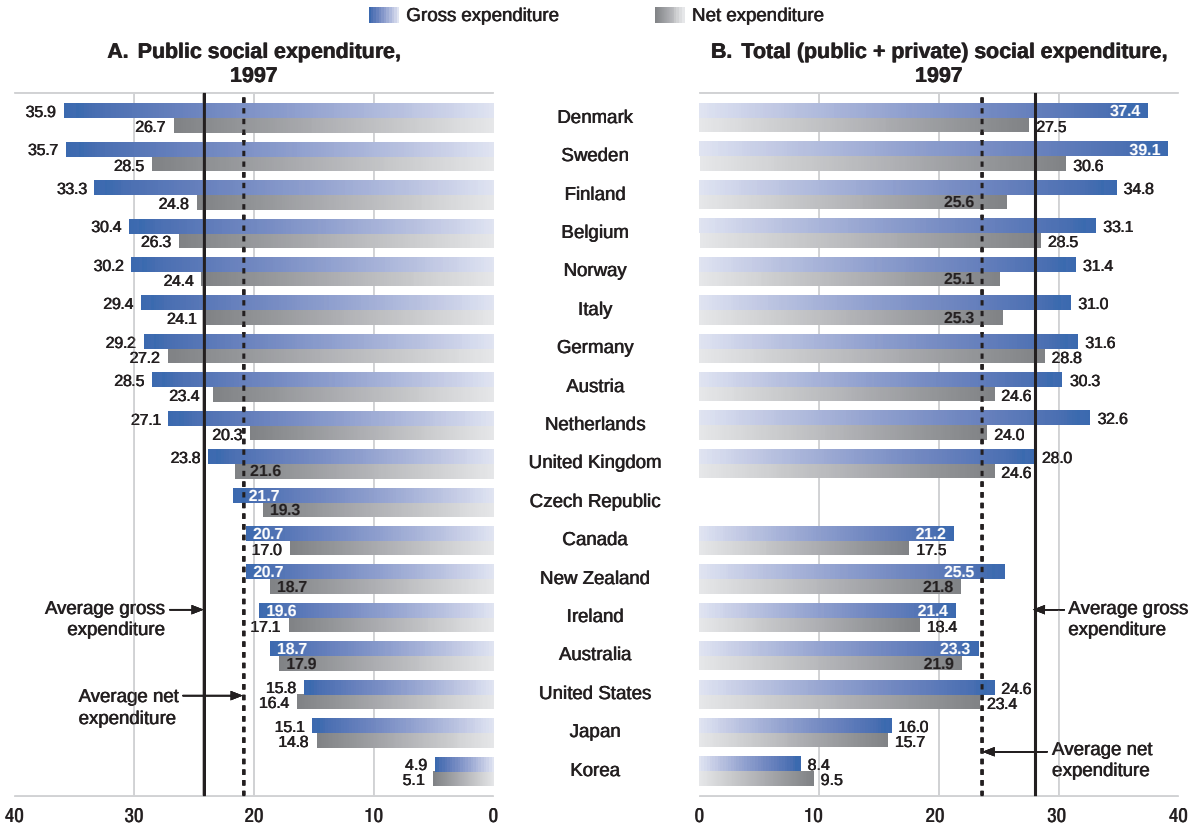
As a percentage of GDP at factor cost

Item		Australia	Denmark	Germany	Netherlands	United Kingdom	United States
1	Gross public social expenditure	18.7	35.9	29.2	27.1	23.8	15.8
	– Direct taxes and social contributions paid on transfers	0.3	5.1	1.3	4.4	0.4	0.4
2	Net cash direct public social expenditure	18.4	30.8	27.8	22.7	23.4	15.5
	– Indirect taxes	0.8	4.1	2.3	2.4	2.3	0.4
3	Net direct public social expenditure	17.6	26.7	25.5	20.2	21.1	15.0
	+ TBSPs excluding TBSPs on pensions	0.3	0.0	1.6	0.1	0.5	1.4
4	Net current public social expenditure	17.9	26.7	27.2	20.3	21.6	16.4
Memorandum item:							
	TBSPs on pensions	1.6	. .	0.1	1.2	2.7	1.1

TBSPs: tax break for social policies.

Chart EQ4.1. From public to total social expenditure

Percentage of GDP at factor cost



Source: Adema (2001).

Further reading

■ Adema, W. (2001), "Net Social Expenditure, 2nd Edition", Labour Market and Social Policy Occasional Paper, No. 52, OECD, Paris. ■ OECD (2001), *OECD Social Expenditure Database, 1980-1998*, OECD, Paris.

Definition and measurement

The proportion of the population in receipt of social benefits provides a measure of the magnitude of a country's social protection system (EQ3), but it says little about the extent to which benefit recipients depend on their benefit as their main source of (family) income (SS3). Information on benefit dependency is not available across countries on a comparable basis for two main reasons. First, point-in-time estimates make it impossible to determine whether an individual of working age will receive the benefit during the rest of the year. Second, individuals can receive different benefits at the same time, complicating the assessment of dependency on benefit income for that individual, let alone household.

Benefit recipiency is here defined as the number of benefit years for those aged 15 to 64 *vis-à-vis* the number of employment years for those aged 15 to 64, excluding those years in work related to sickness and maternity. Both benefit and employment are denoted in full-time equivalents so as to account for part-time benefit receipt and part-time employment. Benefits covered in the calculation are social benefits regulated by law (public and mandatory private), and include those regarding old age and survivors pensions to recipients younger than 65, disability and long-term sickness, maternity, unemployment and social assistance. Comparative information is only available for 11 countries as studied by the Netherlands Economic Institute (NEI, 2000 and 2002).

Evidence and explanations

As shown in Chart EQ5.1 northern European countries have among the highest benefit recipiency ratio indicating that a larger number of persons are dependent on benefits as compared with those drawing their resources from the labour market. In Belgium, for example, this reflects partly a greater share of recipients from unemployment and old-age pension benefits. Ratios are among the lowest in Spain, the United States, and – in recent years – the Netherlands.

When looking at changes over the last two decades, all countries show similar cyclical patterns in the ratio, increasing in the 1980s and declining in the late 1990s (Chart EQ5.1), following the business cycles. In the late 1990s, further stabilisation of the ratio reflects the economic upswing (except in Japan) but recent reforms have also played a significant role. In European countries, especially, there has been a focus on reducing the use of retirement and disability programmes to withdraw older-age workers from the labour market. Most remarkably, the United States is the only country where the benefit recipient ratio has steadily declined from 1980 to 1999.

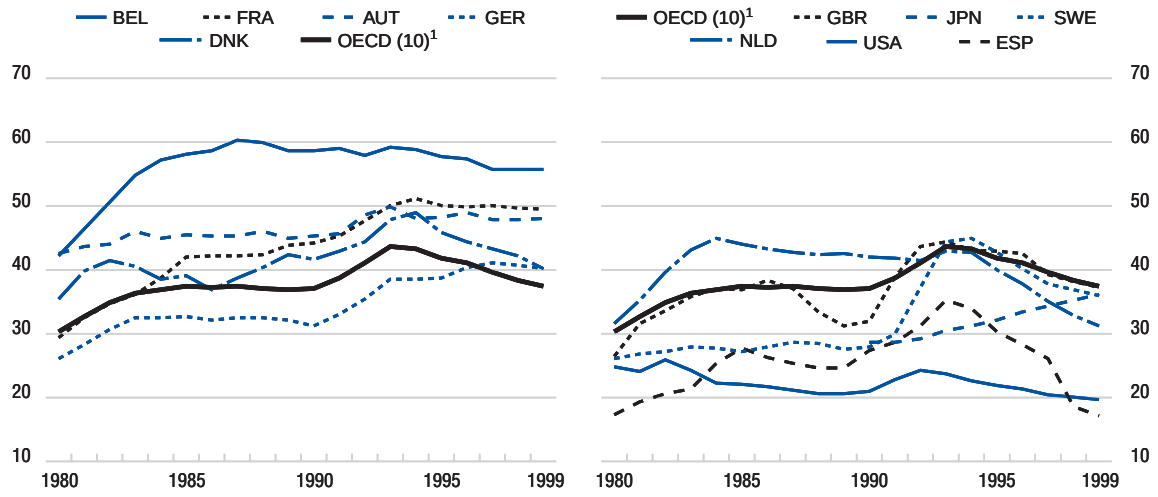
Gender differences indicate that the benefit recipiency ratio is higher for females than for men (Chart EQ5.2). To look at this issue, an arbitrary allocation rule was used for those benefits which were received on the household basis (*e.g.* social assistance). However, sensitivity analysis suggested that the precise assumption has very little effect on the results – females are still twice as dependent on benefits than males since they receive, on average, 10% more benefit years while their time spent in work is half that of men (on average). Women tend to receive relatively more benefits because they are more likely to be widows, to retire earlier and/or to be unemployed, especially in Belgium, Austria and Germany.

Status indicators: Employment (SS1), Unemployment (SS2), Jobless households (SS3).

Response indicators: Public social expenditure (EQ3), Net social expenditure (EQ4), Disability benefits (EQ6).

Chart EQ5.1. General decline in benefit recipiency rates in the late 90s, except for an increase in Japan

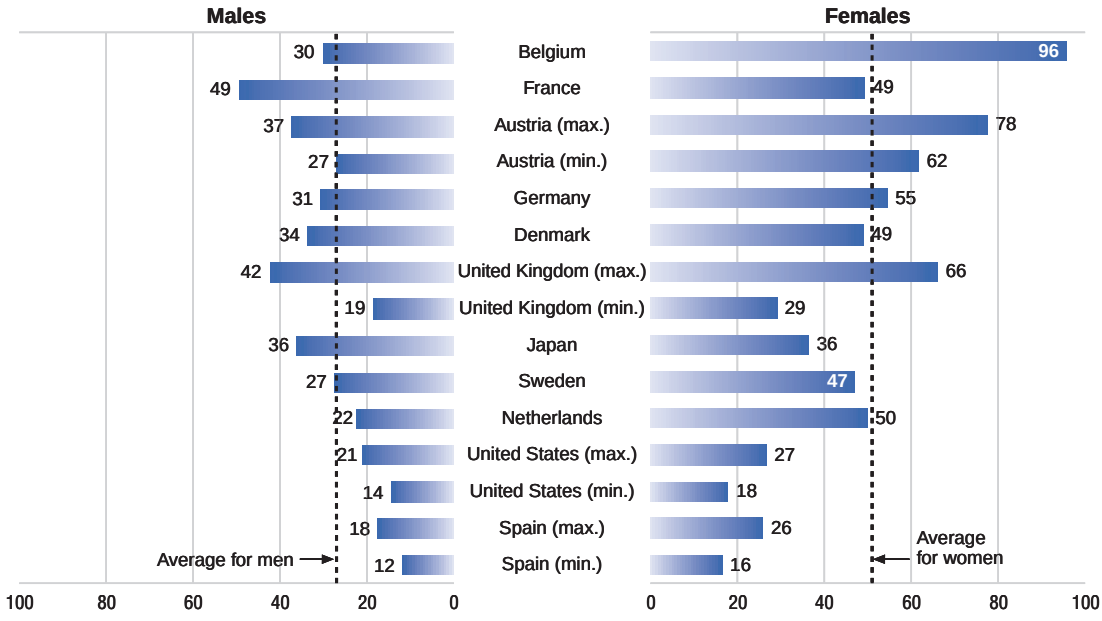
Benefit recipiency ratios for the working age population, 1980-1999, percentages



1. OECD (10) average does not include Japan as data are only available from 1990 onwards.

Chart EQ5.2. Female benefit recipiency ratio significantly higher than male ratio

Benefit recipiency ratio for the working age population (15-64) in 1999, by gender, percentages



Note: Countries are ranked in decreasing order of 1999 ratio for both genders.
Source: NEI (2002).

Further reading

■ Einerhand, M., I. Eriksson and M. van Leuvensteijn (2000), "Benefit Dependency and the Dynamics of the Welfare State", *International Social Security Review*, No. 2001/1. ■ NEI (2002), *Benefit Dependency Ratios by Gender: An International Comparison*, Netherlands Economic Institute, Elsevier, the Netherlands. ■ NEI (2000), *Benefit Dependency Ratios: An Analysis of Nine European Countries, Japan and the US*, Netherlands Economic Institute, Elsevier, the Netherlands. ■ OECD (1999), *A Caring World: The New Social Policy Agenda*, Paris.

Definition and measurement

Cross-country comparison of data on disability benefit recipiency is not straightforward. In some countries benefit systems cover the entire population, in others it is only the working-age population, while in many countries there are dual systems where different population groups are covered by different schemes. The appropriate denominator for calculating rates of risk differs accordingly. Not only would using different denominators make data incomparable because employed people have a different risk of applying for and being awarded a disability benefit than those who are unemployed or not part of the labour force, but also in many cases it is simply impossible to determine the correct denominator because part of the covered population is *de facto* ineligible for benefits (*e.g.* labour force with insufficient insurance record, or people who would fail the household means-test).

The only solution is to relate benefit recipients to the entire working-age population in each country, irrespective of the benefit scheme. Variations in recipiency rates are then a function of a whole range of systemic differences, including the definition of coverage.

Evidence and explanations

Today, Poland is the country with the highest disability benefit recipiency rate in the OECD, which also explains the high amount of public spending in incapacity-related programmes (EQ3). In the majority of OECD countries, the rate is around half that level (Chart EQ6.1).

There are strong cross-country differences in the composition of recipients by type of benefit programme. In several countries, disability insurance is the only public programme, which in some cases also covers the non-insured population. Australia and Denmark are the only two countries in this group having non-contributory public schemes. Half of the countries have a dual benefit system: earnings-related benefits from a disability insurance, plus means-tested disability benefits for those without a sufficient insurance record, with different proportions on either of the two schemes.

During the 1980s and 1990s, recipiency rates have increased in most countries as a consequence of lenient access and a lack of outflow from benefit (Chart EQ6.2). Large increases occurred in Australia, the United Kingdom, Canada, the United States and Switzerland – countries with below-average recipiency rates in 1990. Declines in these rates only occurred in three Southern European countries, some of which had extremely high recipiency rates in the early 1980s. This development has led to convergence in recipiency levels. In particular after 1995, many countries successfully stopped or even reversed the increase in the benefit recipiency rate. While outflow remained low, this change was usually due to a decline in the inflow rate led by successful measures to curb access on reasons other than disability itself.

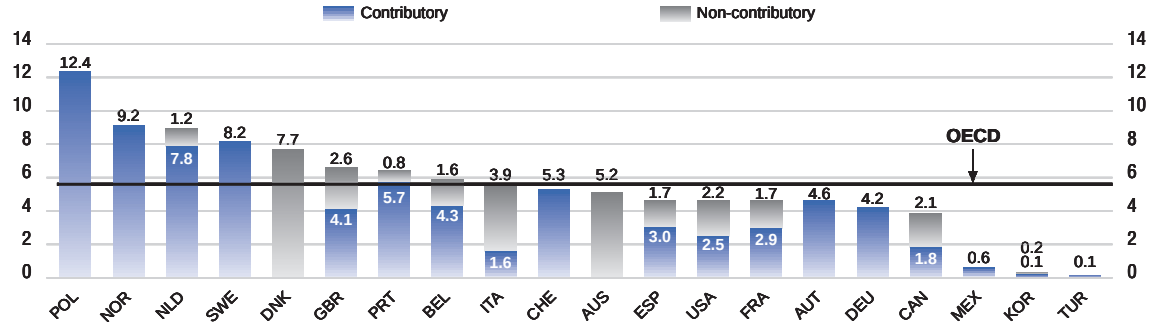
The rate of disability benefit recipiency considerably rises with age. As shown in Chart EQ6.3 individuals between 55-59 years old are twice as likely to be on disability benefits than those aged 45-54. The age-specific disability benefit recipients also differs markedly across countries. The Netherlands and the United Kingdom, for instance, have very high recipiency levels at age 20-44, while Austria and Portugal are countries with particularly high rates at age 55-59. It should be noted that countries are ranked from the highest to the lowest overall rate, so any peak or trough suggests an atypically high or low recipiency level at a particular age group in any country.

Status indicators: Working disabled persons (SS5), *Retirement ages (SS12).*

Response indicators: Resources of disabled adults (SS9), Public social expenditure (EQ3), *Private social expenditure (EQ12).*

Chart EQ6.1. **Strong cross-country differences in disability benefit recipiency rates**

Disability benefit recipiency rates in 1999 by benefit programme, percentage of 20-64 population



Note: The rate is corrected for persons receiving both contributory and non-contributory benefits (overlap for Canada unknown).

Chart EQ6.2. **General increase in disability benefit recipiency rates of the 20-64 population, 1980-1999**

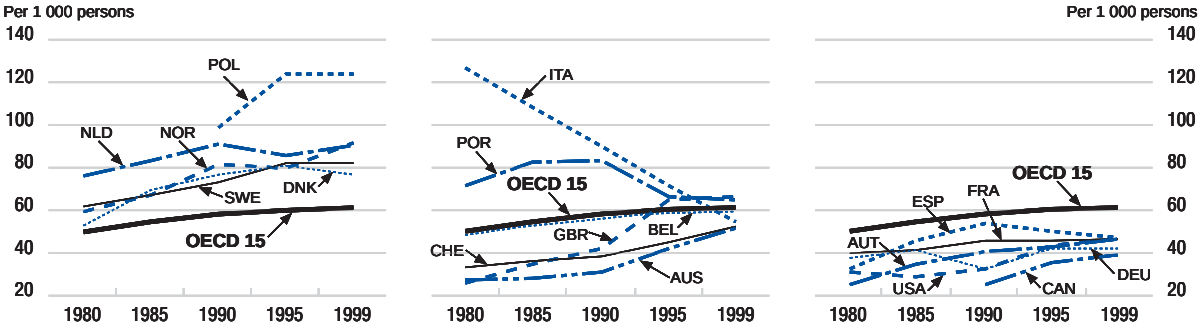
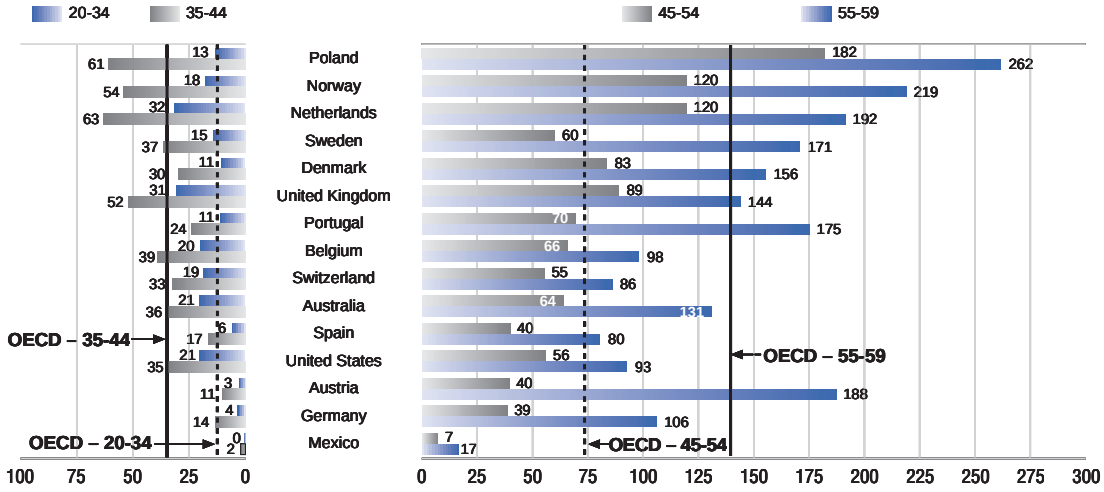


Chart EQ6.3. **Variation in age-specific disability benefit recipiency rates, 1999, per 1 000, by age group**



Note: Countries are ranked as in Chart EQ6.1 (*i.e.* in decreasing order of the 1999 recipiency rate for 20-64 year-olds).
Source: OECD (2003).

Further reading

■ OECD (2003), *Transforming Disability into Ability*, OECD, Paris.

Definition and measurement

It is often in poor areas or poor societies *(EQ7)* that the greatest concentration of morbidity and shortest life expectancy are found. Having a better understanding of the causes in premature mortality would help policy makers to identify those fatalities that could be avoided/prevented, amongst other things, by better access to quality social and health care services.

Potential years of life lost (PYLL) is a summary measure of premature mortality, providing an explicit way of weighting deaths occurring at younger ages, which could potentially be avoided. The calculation for PYLL involves adding up age-specific deaths occurring at each age, weighted by the number of remaining years to live until a selected age limit, defined here as the age of 70. For example, a death occurring at 5 years of age is counted as 65 years of PYLL. The indicator is expressed per 100 000 females and males.

Evidence and explanations

Premature mortality, measured in terms of potential years of life lost (PYLL), has more than halved over the last forty years (Chart HE1.1). The decline has been fairly steady. The reduction in infant mortality was among the major factors contributing to this decline in the 1960s and 1970s, particularly in countries such as Portugal, Japan, Korea and Mexico *(HE7)*. More recently, the decline in deaths from heart disease has been a major contributor to reducing premature mortality for people under 70 years of age in many OECD countries.

The Eastern European countries, particularly Hungary and Poland (not shown), have seen only moderate decreases for males. Now, Hungary reports the highest level of premature mortality for men, at a level twice the OECD average (Chart HE1.2). Although infant mortality rates in Hungary have dropped, in line with other countries, this has been slowed by persistent high levels of mortality from circulatory disease (24% of all PYLL for men in 2000), cancer (22%) and from liver cirrhosis/ disease (12%). This partly reflects the unhealthy lifestyle in relation to alcohol and tobacco consumption.

Japan, Iceland and Sweden feature amongst the countries with the lowest levels of premature mortality for both male and female. By contrast, the United States is well above the OECD average (15% above in the case of men and 26% higher in the case of women).

Gender differences indicate that the risks of early mortality are greater for men than for women across all OECD countries. The main causes of premature mortality for men are principally due to external causes, including car accidents and violence (29%), followed by cancer (20%) and circulatory diseases (19%). For women they are mainly cancers (31%), external causes (17%), and circulatory diseases (14%).

Status indicators: *Life expectancy (HE6), Accidents (HE9),* Suicide (CO2), *Drug use and related deaths (CO7).*

Response indicators: Health care expenditure (HE4), *Health infrastructure (HE11).*

Chart HE1.1. **Steady decline in potential years of life lost in the last four decades**

Per 100 000 males/females

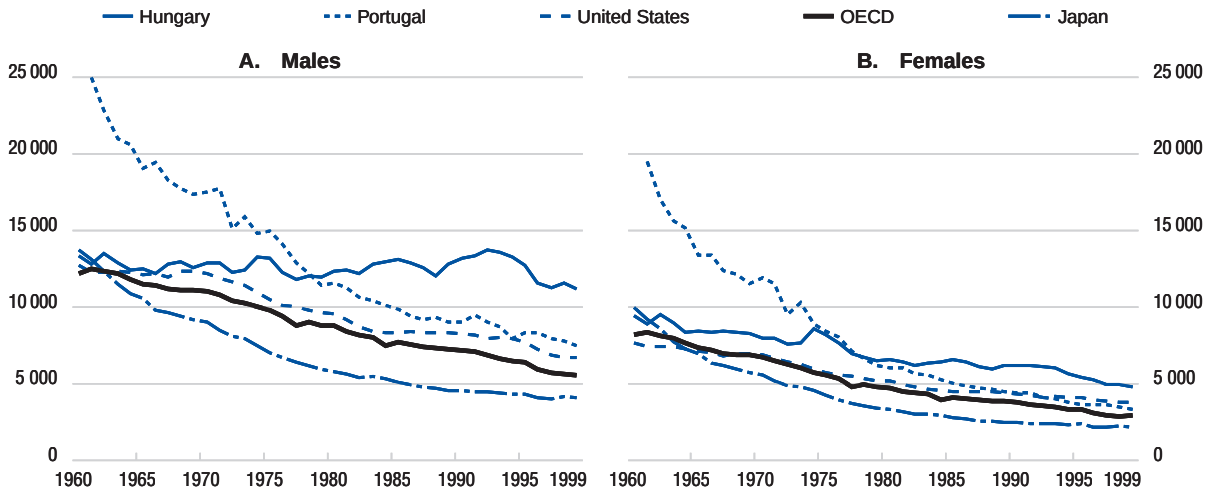
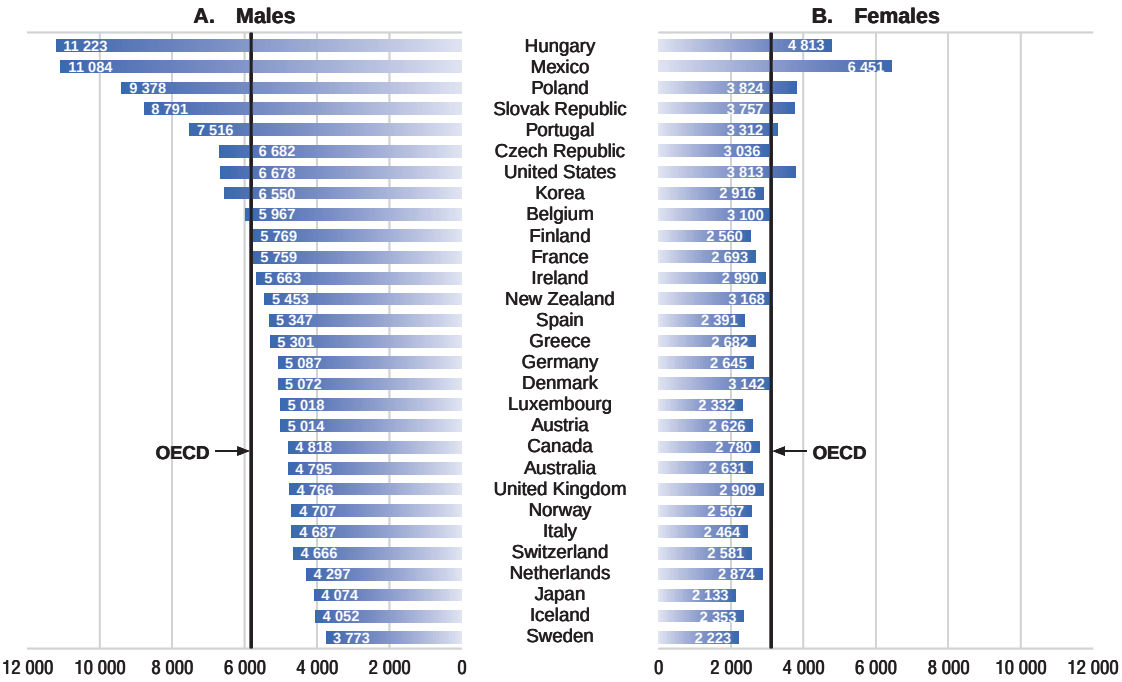


Chart HE1.2. **Variation in potential years of life lost, 1999**

Per 100 000 males/females



Source: OECD (2002).

Further reading

■ OECD (2002), *OECD Health Data 2002*, OECD, Paris.

Definition and measurement

Low birth weight is an important indicator of the various risk factors associated with pregnancy and pre-maturity such as maternal age, especially teenage (CO5), using drugs *(CO7)*, smoking, and nutrition, which in turn may be linked to other socio-economic factors, including living in poor conditions *(EQ7)*. It significantly increases the risk of mortality within the first year of life or the risk of health and development problems in infancy and in later life. Low birth weight is here defined as being below 2 500 g.

Evidence and explanations

There are many reasons for underlying recent increases in the number of babies with low birth weight in OECD countries (Chart HE2.1B). First, the number of multiple births, with the additional risks involved, has steadily risen, partly due to the increase in fertility treatments. Secondly, over the past 20 years there has been a tendency in most countries for women to delay childbearing until their late twenties and thirties with the associated higher risk of low birth weight infants. Finally, new medical technology and improved pre-natal care have considerably increased the chances of survival for babies born with significantly low weight (less than 1 500 g).

Among OECD countries Japan and Korea, perhaps surprisingly, sit at opposite ends of the scale in terms of having respectively one of the highest and lowest proportion of low birth weight infants (Chart HE2.1A). If one compares the entire birth weight distribution in Japan to that in Korea, the shape of the curves appear very similar, but the average weight in Japan is lower than that in Korea (Chart HE2.2). Strikingly, Japan has witnessed an unprecedented surge in low weight births over the past 20 years, rising from 5.2% in 1980 to 8.6% in 2000, while the country had historically low scores. A number of risk factors in Japanese society have been identified, such as the increase in smoking (traditionally a male bastion) amongst younger women from the 1970s onwards, together with a decrease in the body mass index for women in their thirties (Ohmi *et al.*, 2001).

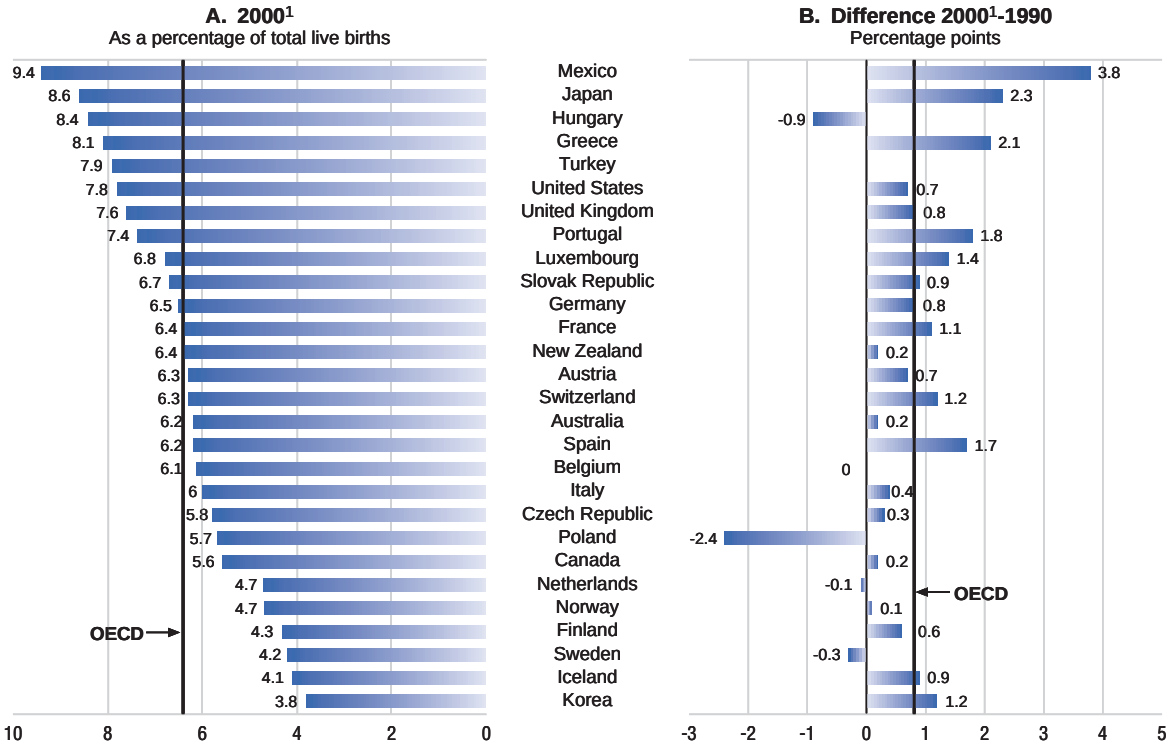
When looking at the rest of the OECD, the Nordic countries especially show the lowest proportions of low birth weight infants, while the United Kingdom, the United States, Portugal and Greece tend towards the other end of the scale. Against the general trend among OECD countries, Poland has experienced a significant decrease over the last ten years, falling from a high of 8.1% during the transition year of 1990 to 5.7% in 2000. Such improvement is partly due to a decline in female smoking, which had been historically high.

Comparisons suggest that rates of low birth weight infants are influenced in part by inequality of income (EQ2, *EQ7*) and social opportunity (Gorski, 1998). Between sub-populations and regions there can be marked differences in the observed rates. In the United States, black Americans have an observed rate twice that of whites Americans (US Congress, 1993). Similar differences can be found amongst the indigenous and non-indigenous populations in Australia where 13% of births to indigenous mothers in 1999 were classed as being of low birth weight in comparison to an overall rate of 6.6% for all Australian births.

Status indicators: *Infant mortality (HE7)*, Teenage births (CO5), *Drug use and related deaths (CO7)*.

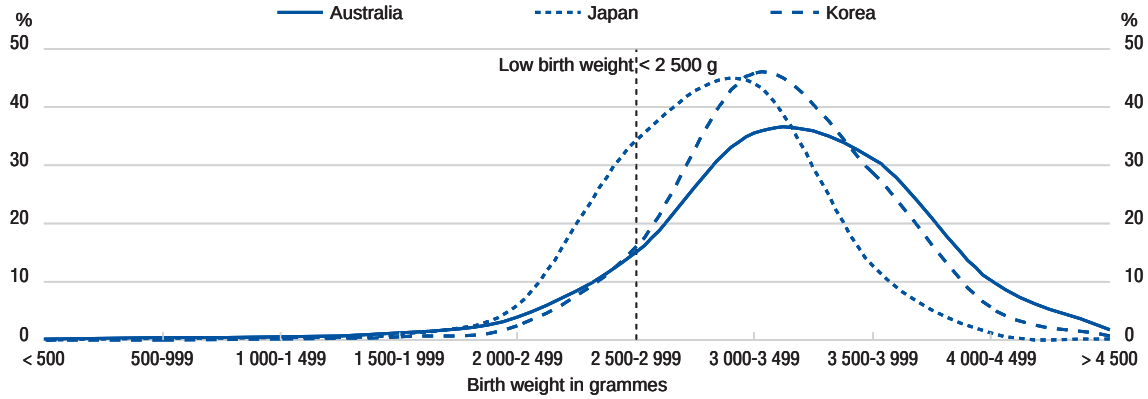
Response indicators: Health care expenditure (HE4).

Chart HE2.1. General increase in low birth weight



1. 1999 for Mexico, Greece, Portugal, Germany, Switzerland, Canada and the Netherlands; 1998 for Turkey, Spain, Norway; 1997 for Belgium.
Source: OECD (2002).

Chart HE2.2. Live births by birth weight in Australia, Japan and Korea



Source: Australia: Australian Institute of Health and Welfare; Japan: National Statistical Office; Korea: Ministry of Health and Welfare. See annex on Internet for more details.

Further reading

■ Gorski, P.A. (1998), "Perinatal Outcome and the Social Contract: Interrelationships between Health and Society", *Acta Paediatrica Japonica, Overseas Edition 1998*, 40(2), pp. 168-172. ■ OECD (2002), *OECD Health Data 2002*, OECD, Paris. ■ Ohmi, H., K. Hirooka, A. Hata and Y. Mochizuki (2001), "Recent Trend of Increase in Proportion of Low Birth Weight Infants in Japan", *International Journal of Epidemiology 2001*, 30, pp. 1269-1271. ■ US Congress, Office of Technology Assessment (1993), "International Health Statistics: What the Numbers Mean for the United States", Background paper, OTA-BP-H-116, US Government Printing Office, Washington DC.

Definition and measurement

The increase in life expectancy begs the question as to whether the extra years of life are spent in good health, or are leading to prolonged period of illness and dependency. In order to get a measure of life expectancy in good health, the World Health Organisation (WHO) recently calculated estimates of health-adjusted life expectancy or Healthy Life Expectancy (HALE). HALE aims to summarise the number of years to be lived in what might be termed the equivalent of "full health". To calculate HALE, the World Health Organisation weights the years of ill-health according to severity and subtracts them from overall life expectancy to give the equivalent years of healthy life.

There remain however a number of issues regarding the reliability and comparability of HALE estimates. One of the main issues relates to the measurement of health status in a comparable manner across countries/surveys. HALE estimates are expected to be refined in the years ahead and to benefit from effort underway to improve the comparability of survey-based measures of health status and the results of new epidemiological studies.

Evidence and explanations

New estimates of healthy life expectancy for 2001 from WHO suggest that new-borns can now expect to live 70 years or more in good health in more than half of the OECD countries (Table HE3.1). Given the very strong correlation between healthy life expectancy and life expectancy at birth (a correlation coefficient of 0.95), it is not surprising that those countries which rank high in terms of life expectancy also rank high in terms of HALE. For the population as a whole, Japan registers the highest HALE at birth, followed by Switzerland, Sweden, Australia, France, Iceland and Italy. This ranking needs to be treated with caution however, given uncertainties regarding the precision of current HALE estimates. The same factors that contribute to rising life expectancy also contribute to gains in HALE. These include rising standards of living, better lifestyles and working conditions, public health interventions and access to quality healthcare services.

Estimates of HALE show that while women live longer than men, they also tend to be unhealthy for longer periods. In most OECD countries, women are likely to experience the equivalent of 2 to 3 more years of ill health than men during the course of their lives (Chart HE3.1). As a percentage of total lifetime, the burden of ill health for women is estimated at 12% compared with 10% for men on average across OECD countries.

There are no trend data available now on HALE which would provide direct evidence on whether the observed gains in life expectancy for women and men over time are additional years lived in good health or ill health. However, available survey-based data on disability rates among the elderly population from several countries indicate a decline in the prevalence of disability among people aged 65 and over, although the evidence is not conclusive in some countries *(e.g.*, Australia and the United States). To the extent that people at older ages remain healthy and are able to continue to live independently, this will reduce pressures on the provision of healthcare and long-term care, although these might simply involve a postponement of care needs.

Status indicators: Working disabled persons (SS5), Potential years of life lost (HE1), *Life expectancy (HE6).*

Response indicators: Disability benefits (EQ6), Health care expenditure (HE4).

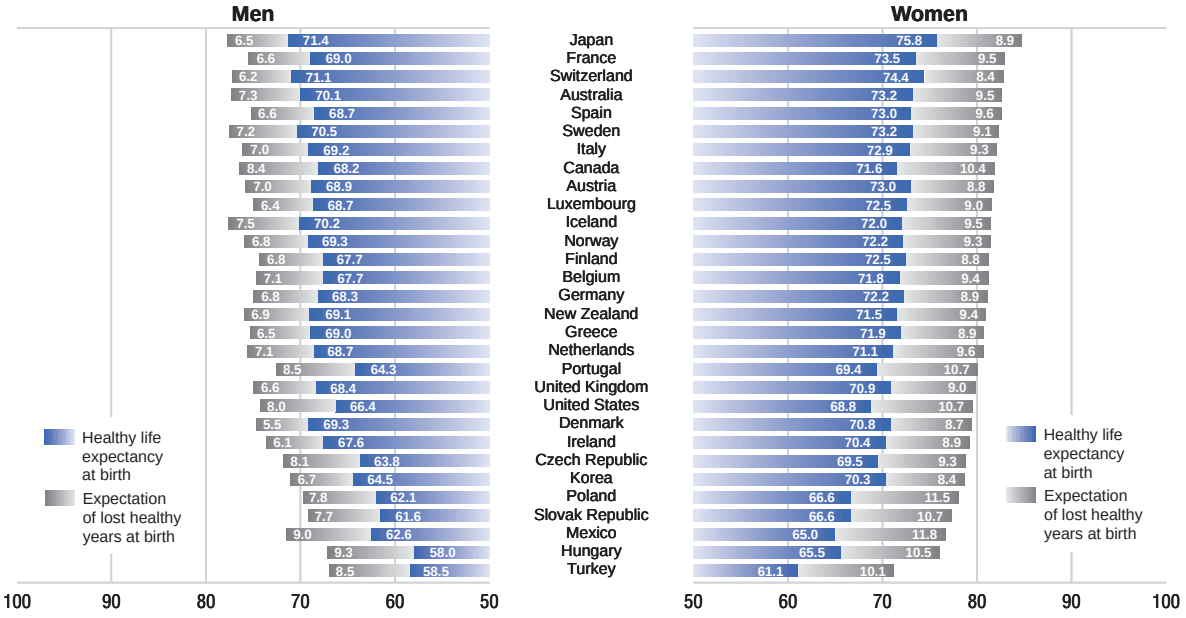
Table HE3.1. **Healthy life expectancy reaches 70 years old in more than half of OECD countries**

Healthy life expectancy (HALE), estimates for 2001

	Healthy life expectancy at birth (years)			Expectation of lost healthy years at birth (years)		Percentage of total life expectancy lost	
	Total population	Men	Women	Men	Women	Men	Women
Australia	71.6	70.1	73.2	7.3	9.5	9.4	11.4
Austria	71.0	68.9	73.0	7.0	8.8	9.3	10.7
Belgium	69.7	67.7	71.8	7.1	9.4	9.5	11.6
Canada	69.9	68.2	71.6	8.4	10.4	11.0	12.6
Czech Republic	66.6	63.8	69.5	8.1	9.3	11.3	11.8
Denmark	70.1	69.3	70.8	5.5	8.7	7.3	10.9
Finland	70.1	67.7	72.5	6.8	8.8	9.1	10.8
France	71.3	69.0	73.5	6.6	9.5	8.7	11.4
Germany	70.2	68.3	72.2	6.8	8.9	9.1	10.9
Greece	70.4	69.0	71.9	6.5	8.9	8.6	11.0
Hungary	61.8	58.0	65.5	9.3	10.5	13.8	13.9
Iceland	71.1	70.2	72.0	7.5	9.5	9.7	11.6
Ireland	69.0	67.6	70.4	6.1	8.9	8.3	11.2
Italy	71.0	69.2	72.9	7.0	9.3	9.2	11.3
Japan	73.6	71.4	75.8	6.5	8.9	8.3	10.6
Korea	67.4	64.5	70.3	6.7	8.4	9.4	10.6
Luxembourg	70.6	68.7	72.5	6.4	9.0	8.6	11.0
Mexico	63.8	62.6	65.0	9.0	11.8	12.6	15.3
Netherlands	69.9	68.7	71.1	7.1	9.6	9.4	11.9
New Zealand	70.3	69.1	71.5	6.9	9.4	9.1	11.6
Norway	70.8	69.3	72.2	6.8	9.3	8.9	11.4
Poland	64.3	62.1	66.6	7.8	11.5	11.1	14.7
Portugal	66.8	64.3	69.4	8.5	10.7	11.7	13.4
Slovak Republic	64.1	61.6	66.6	7.7	10.7	11.1	13.9
Spain	70.9	68.7	73.0	6.6	9.6	8.8	11.6
Sweden	71.8	70.5	73.2	7.2	9.1	9.2	11.1
Switzerland	72.8	71.1	74.4	6.2	8.4	8.0	10.2
Turkey	59.8	58.5	61.1	8.5	10.1	12.7	14.2
United Kingdom	69.6	68.4	70.9	6.6	9.0	8.8	11.3
United States	67.6	66.4	68.8	8.0	10.7	10.8	13.5
OECD 30	**68.9**	**67.1**	**70.8**	**7.2**	**9.5**	**9.8**	**11.9**

Chart HE3.1. **Women likely to live 2 to 3 more years in ill health**

Healthy life expectancy, by gender, estimates for 2001



Source: WHO (2002).

Further reading

■ WHO (2002), *World Health Report 2002*, Geneva.

Definition and measurement

Total expenditure on health is the amount spent on health care goods and services plus capital investment in health care infrastructure, by both public and private sources. The definition of health includes all activities that have as a goal to: promote health and prevent disease; cure illness and reduce premature mortality; care for persons affected by chronic illness who require nursing care; and provide and administer health programmes, health insurance and other funding arrangements.

OECD Health Data 2002 includes comprehensive health expenditure estimates based on national health accounts that are in compliance with the recently developed System of Health Accounts (SHA) for 12 countries: Australia, Canada, Denmark, France, Germany, Hungary, Japan, Korea, the Netherlands, Switzerland, the United Kingdom and the United States. For other countries, spending estimates are based on health spending as reported in national accounts or national health accounting systems.

Evidence and explanations

Many factors – economic, social, environmental – contribute to good health. Access to quality health care services is certainly an important one. In most OECD countries, 7 to 10% of gross domestic product (GDP) is now spent on health care. The annual increase in per capita spending on health care across OECD countries has outpaced overall economic growth per capita by around 50% (3.2% *versus* 2.2%) over the past decade (Chart HE4.1). As a result, the ratio of health spending to GDP on average across OECD countries grew from 7.2% in 1990 to 7.9% in 2000 (Chart HE4.2), while that of public spending grew from 5.3 to 5.7%.

Country variations in health expenditure patterns are notable. The average growth rate of health expenditure was more than 5% per year in five countries (Korea, Ireland, Turkey, Portugal and Poland) during the 1990s, and around 4% per year in six others (Chart HE4.1). In Korea and Mexico, the extension of the public system was a major driving force behind rising health expenditure. In the Czech Republic and Poland, it was rather the emergence of a private sector for health services which contributed to expenditure growth.

The United States spent the highest share of GDP on health throughout the last decade, increasing from 11.9% of GDP in 1990 to 13.0% in 2000. Following the United States was Switzerland, which spent 10.7% of GDP on health and Germany, which spent 10.6% of GDP on healthcare. At the other end of the scale, Korea, Mexico, the Slovak Republic and Turkey spent 5-6% of GDP on health in 2000 (Chart HE4.2).

Cost-control strategies, such as the spread of managed care plans in the United States and restrictions in the availability of services financed by public budgets in other countries, have had some success in slowing down the growth of health care costs in the 1990s. Yet, in many countries there are signs that these cost-containment strategies may not be sustainable, as health consumers and providers alike express growing dissatisfaction with restrictions on the choice and use of health services, putting renewed pressures on costs (OECD, 2002b). There is strong interest now in most OECD countries in finding new ways of improving the efficiency and equity of health spending (OECD, 2002c). This, in turn, leads to an interest in finding the right balance between spending on medical care and investments in preventive interventions to help keep people healthy.

Status indicators: Potential years of life lost (HE1), *Life expectancy (HE6)*, *Infant mortality (HE7)*.

Response indicators: *Tax wedge (SS17)*, Public social expenditure (EQ3), Responsibility for financing health care (HE5), *Health infrastructure (HE11)*.

Chart HE4.1. Increase in health care expenditure and GDP per capita in the 1990s

Annual real growth per capita for GDP and total health expenditure, 1990-2000,[1] percentages

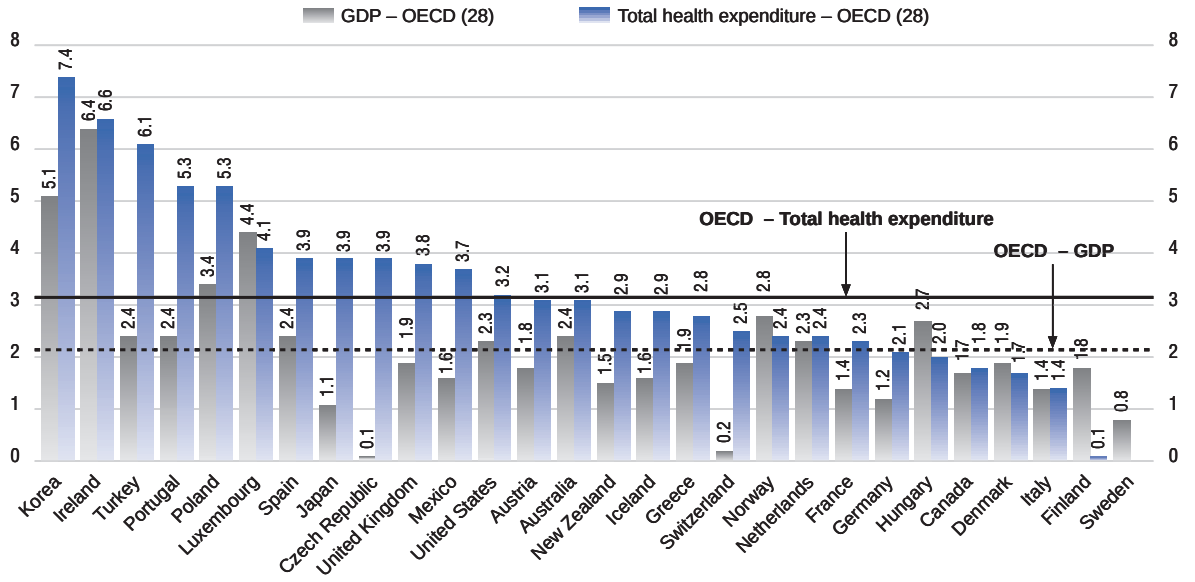
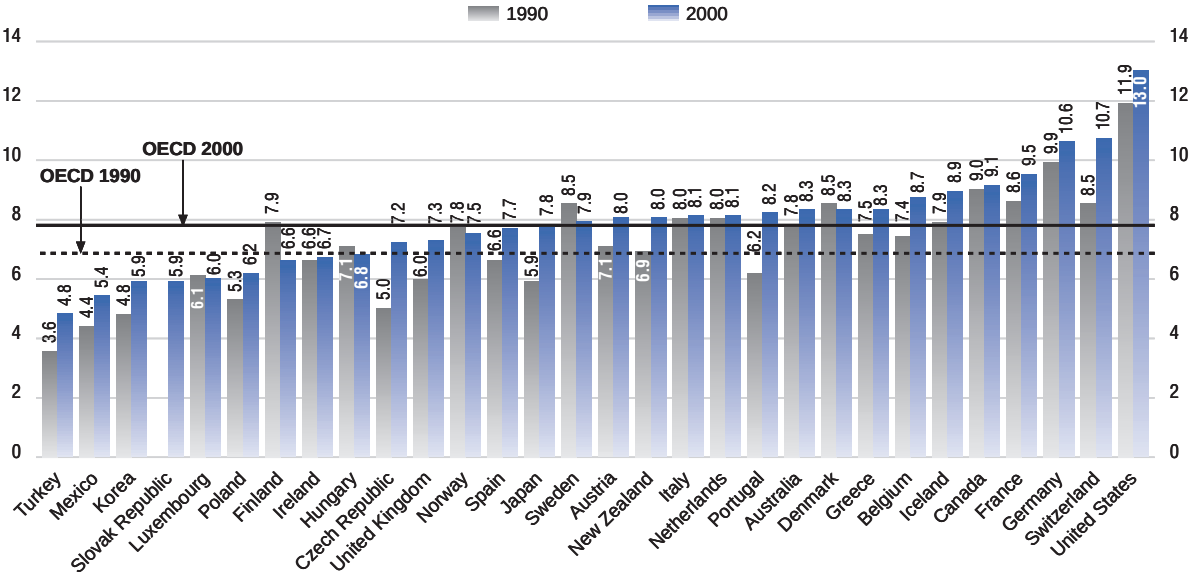


Chart HE4.2. General growth in health care expenditure in the 1990s

Health care expenditure in 1990 and 2000,[1] as a percentage of GDP



1. 1990-98 for Sweden and Turkey, 1990-99 for Luxembourg and Poland, 1991-2000 for Hungary, 1992-2000 for Germany.
Source: OECD (2002a).

Further reading

■ OECD (2002a), *OECD Health Data 2002*, CD-Rom, OECD, Paris. ■ OECD (2002b), *OECD Economic Survey: United States*, special chapter on health care, OECD, Paris. ■ OECD (2002c), *Measuring Up: Improving Health System Performance in OECD Countries*, Proceedings from Ottawa conference, OECD, Paris. ■ OECD (2000), *A System of Health Accounts*, OECD, Paris.

Definition and measurement

Financial provisions in health care can raise important equity issues such as whether the poor have adequate access to medical services (*EQ7*, HE1, *HE6*). Public funding is not the only source. Indeed, private sources can also contribute to varying degrees to the financing of health care. Such provisions include direct financing by individuals through so-called "out-of pocket payments", financing by private health insurance funds, payments by charities and direct private investment in health facilities.

The indicator used here is the proportion of public funding in total health expenditure, which includes financing through central, state or local taxation, as well as contributions to social security and health insurance funds that are part of general government *(SS17)*. Information on private financing of health care is not available for all countries. In particular, "out-of-pocket" expenditure cannot (as yet) be separated into: *a)* the complete individual financing of a medical service/product; and *b)* individual financing of medical interventions that are partly covered by public and private health insurance systems, so-called "co-payments".

Evidence and explanations

In all OECD countries, health spending is financed by a mixture of public financing, private insurance and direct household expenditure, for both medical services and pharmaceuticals. But the relative importance of these funding sources varies across countries. Public funding remains popular in most countries because it allows matching payment for health care to ability to pay and access to services to needs. It is usually the main source of funding, accounting for 70% to 80% of total health spending in many countries, with the remaining 20 to 30% paid by private insurance, out-of-pocket payments by households or other private sources. In contrast, in the United States and Korea, more than half of health spending is paid by private sources, either mainly by private health insurance in the case of the United States (35% of total health spending) or out-of-pocket payments in the case of Korea (44%) (Charts HE5.1 and HE5.2).

Although the share of public funding is relatively low in the United States, with only about one-quarter of the population insured through public programmes, the absolute level of public spending per capita for health care remains among the highest (over $2 000 per year per capita), just after Iceland and Germany (Chart HE5.1). The share of out-of-pocket payments varies a lot across countries, from a low of about 10% in France, Germany and Ireland, to around 25% in Italy and Spain and 44% in Korea (Chart HE5.2).

Despite wide differences in funding sources for health care across OECD countries, the public/private mix has shown some limited signs of convergence (Chart HE5.3). On the one hand, countries that had a relatively high public share in the 80s or 90s have in many cases seen that share decrease by 2000 (*e.g.* New Zealand and the United Kingdom). This has been often a result of policies to control government spending either through exempting certain types of health services or pharmaceuticals from public coverage or through increasing co-payments by private households. On the other hand, countries with low public shares in the 80s or 90s (Korea and the United States) have witnessed an increase up to now as a result of policies designed to improve access to health care, at least for certain population groups (OECD, 2002b).

Status indicators: Potential years of life lost (HE1), *Life expectancy (HE6)*.

Response indicators: *Tax wedge (SS17)*, Public social expenditure (EQ3), *Private social expenditure (EQ12)*, Health care expenditure (HE4), *Health infrastructure (HE11)*.

Chart HE5.1. **Public funding is the main source of health care financing, except in the United States and Korea**

Public and private funding of health expenditure per capita in 2000, in US$ using PPPs

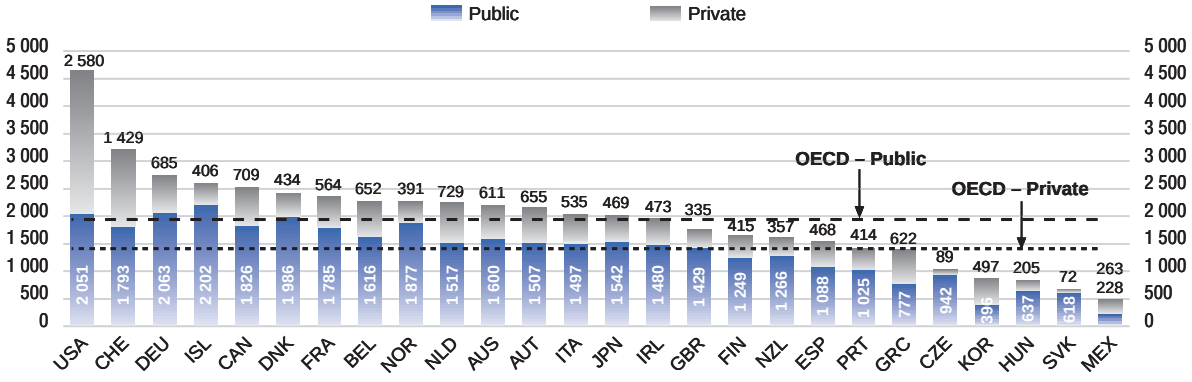


Chart HE5.2. **On average 30% of health spending is covered by private insurance or out-of-pocket payments**

Public and private sources of fund for health care in 2000, percentages

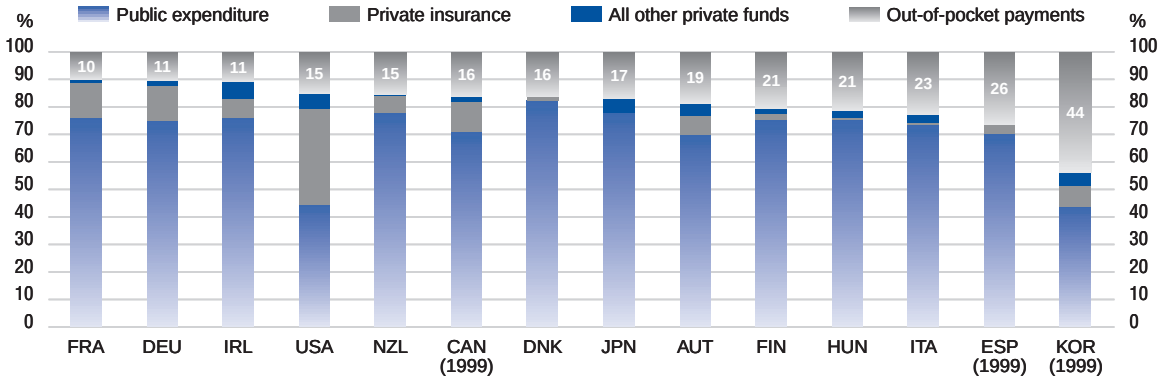
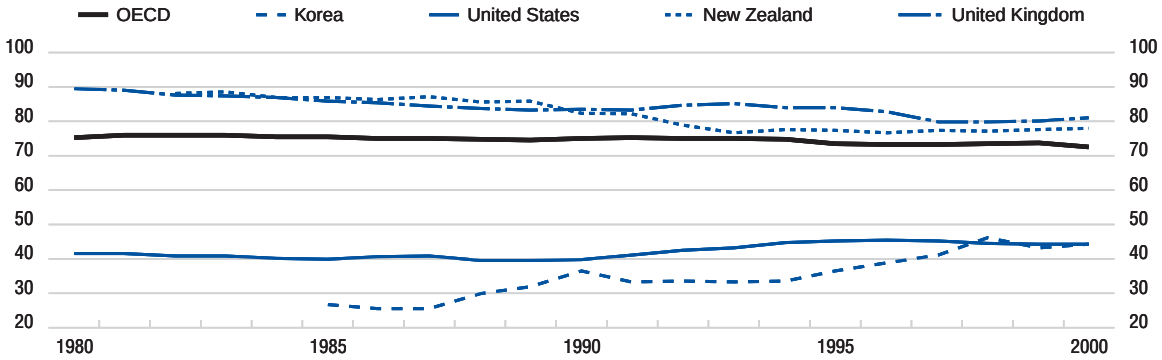


Chart HE5.3. **Moderate convergence in total health expenditure**

Public spending as a percentage of total health care expenditure, 1980 to 2000



Source: OECD (2002a).

Further reading

■ OECD (2002a), *OECD Health Data 2002*, CD-Rom, OECD, Paris. ■ OECD (2002b), *OECD Economic Survey: United States*, special chapter on health care, OECD, Paris.

Definition and measurement

One indicator of strains in the relationships between societal groups, and thus of social cohesion, is the extent to which employment conflicts between employees, unions and employers result in industrial conflict such as strikes and lockouts. A strike (lockout) has been defined by the ILO's International Conference of Labour Statisticians as a temporary work stoppage (closure of establishment) effected by one or more groups of workers (employers) with a view to enforcing or resisting demands or expressing grievances, or supporting other workers (employers) in their demands or grievances.

The strike rate indicator relates the amount of time not worked due to strikes and lockouts to the total number of salaried employees, which is better suited for comparisons than to show absolute numbers of strikes and lockouts, or workers involved in them. International comparability of data on strikes and lockouts is affected by differences in definitions and measurement across countries. Most countries exclude small work stoppages from the statistics, with varying thresholds relating to the number of workers involved and/or the number of days lost. Other countries may not include stoppages in particular industries (such as the public sector), political strikes or "wildcat" strikes in their official records. Countries may also omit workers indirectly involved (those who are unable to work because others at their workplace are on strike) or work stoppages indirectly caused (because of shortage of materials supplied by enterprises subject to strike activity).

Evidence and explanations

Within individual countries strike rates can vary substantially from one period to another (Chart CO1.1). A normally "peaceful" country may show a sudden peak in one year (*e.g.* 1995 for Sweden and France), followed again by a relative absence of conflict. Accordingly, averaging over a longer time period can better reflect a country's level of strike and lockout activities than any single-year figures. Over the past 10 years, Chart CO1.2 indicates that industrial conflict has been most prevalent in Iceland and Spain, while the least strike activities have been found in Switzerland and Japan.

Despite large variation in the rates from year to year and across countries, Chart CO1.1 depicts an overall decline in strike activity since 1990, with both weighted and unweighted averages for OECD countries trending downward. This general tendency is confirmed by Chart CO1.2 showing a drop (though moderate) in working days lost per salaried employee between the two five-year periods, except in Canada, the United States and especially in Denmark and Norway.

In a number of countries, labour disputes can be further analysed by branch of economic activity. As a general rule, the incidence of strikes and lockouts is higher within the industrial sector (comprising mining, manufacturing, construction, and electricity, gas and water) than in service industries (with the exception of transportation). The "intensity" of strikes varies from case to case, but information on whether strikes involve occupations of work-sites, clashes with police or arrests of trade unionists is not available across countries on a comprehensive basis.

Status indicators: Employment (SS1), Unemployment (SS2).

Chart CO1.1. **Downward trends in strike/lockout actions despite high peaks**

Number of days lost through industrial action per 1 000 salaried employees

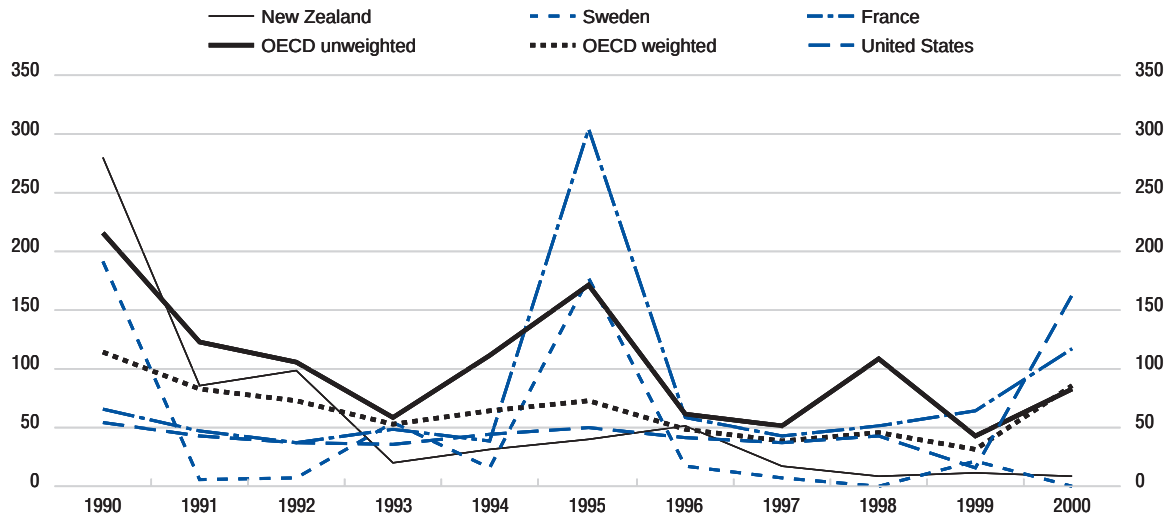
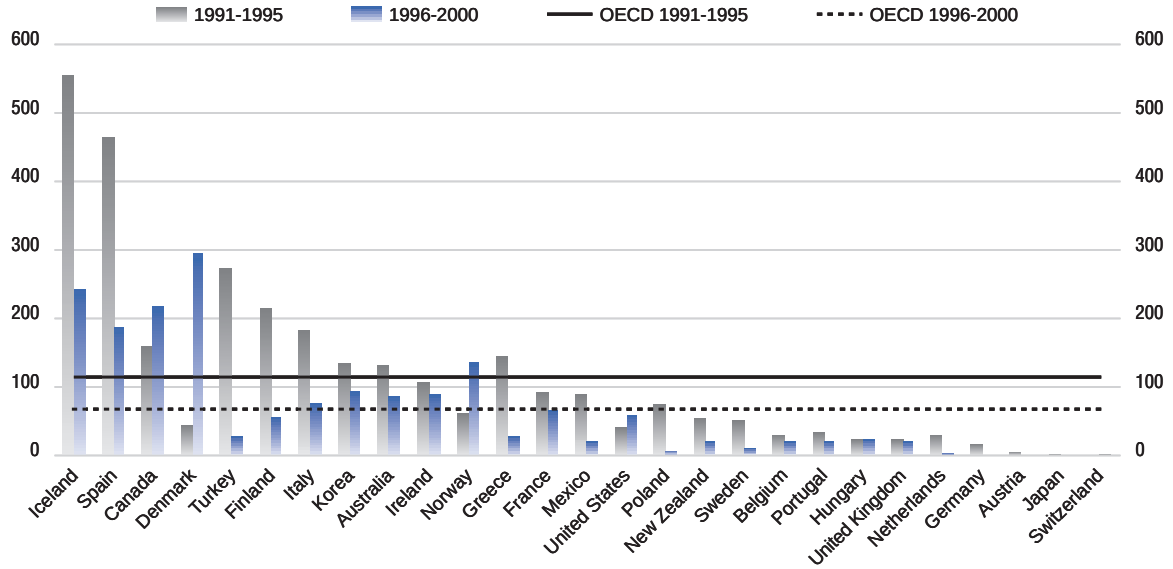


Chart CO1.2. **Relative fall in industrial conflicts over 10 years except in a few countries**

Multi-year averages in days lost through industrial action per 1 000 salaried employees



Source: ILO (2001). OECD (2001).

Further reading

■ DARES (2000), "Les conflits en 2000: Le regain se confirme", *Premières Synthèses*, February, No. 091. ■ Davis, J. (2000), "International Comparisons of Labour Disputes in 1998", *Labour Market Trends*, April, pp. 147-153. ■ ILO (2001), *Yearbook of Labour Statistics*, Geneva. ■ OECD (2001), *Labour Force Statistics*, OECD, Paris.

Definition and measurement

The intentional killing of oneself is not only evidence of personal breakdown, but also says much about the social context. Although mental disorders are involved in 90% of all suicide cases, especially as a consequence of depression or substance abuse, this does not imply being "mentally ill" and only few people who commit suicide have been under psychiatric observation or treatment. Suicide results from many different social and cultural factors: it is more likely to occur during crisis periods, whether economic, familial or individual, for example the breakdown of a relationship, drinking, drug use, and unemployment.

A great stigma surrounds suicide in many countries. Those recording deaths come under pressure from surviving family and friends to record deaths from suicide as being due to other causes. As official registers of "causes of death" are the only source of information on suicide rates, this inevitably means that there is some doubt about the reliability of cross-country comparisons. That said, the large differences described below presumably do reflect real differences.

Evidence and explanations

Over the last two years, the average suicide rate has been declining moderately, though steadily, since the peaks of the late 1980s recessions (Chart CO2.1A). Such progress can be observed for both sexes, although suicide remains a predominantly male phenomenon. Indeed, men remain twice as likely to kill themselves as women.

With age, the frequency of suicides also rises, as shown in Chart CO2.1B. However, there are noticeable improvements, as the age differences have been less pronounced over the past 2 decades. Suicide rates among elderly age groups (64+) have markedly declined, perhaps reflecting the increased well-being of the elderly in today's society (EQ1). However, almost no progress has been observed for younger cohorts.

Averages tend to hide large cross-country differences, especially for the young (Chart CO2.2A). People aged under 25 years old are more prone to commit suicide in Ireland, Finland, and more strikingly in New Zealand, where the risks are twice as high as the OECD average. Suicides and self-inflicted injuries in New Zealand are the second most common cause of death among young people, after car accidents (New Zealand Statistics). Further, youth suicides have dramatically increased in these countries (excluding Finland), which is particularly marked given the general stabilisation observed, on average, across OECD countries (Chart CO2.2B). In contrast, Southern European countries together with Mexico have among the lowest youth suicide rates. But, even low levels should raise concerns: as the Mexican population is particularly young (GE2 – 57% of the population is below 25), the incidence is higher than in other countries.

High illicit drug use *(CO7)* and prolonged periods of unemployment often are present in the lives of those who commit suicide, but causes are usually complex and cannot be reduced to a single factor. External pressures from the social and family environments, combined with fragile changes in interpersonal life bridging childhood into adulthood may also bring young people toward excessive responses. Attempted suicides are likely to be more common than fatal outcomes. Prevention needs to start before the act and the pre-suicidal process, dealing with a wide range of aspects of health (HE4), together with educational and socialisation process during adolescence (Ruzicka and Choi, 1999).

Status indicators: Unemployment (SS2), Old age income (EQ1), Potential years of life lost (HE1), *Drug use and related deaths (CO7).*

Response indicators: Public social expenditure (EQ3), Health care expenditure (HE4).

Chart CO2.1. Suicide rate by gender and age, per 100 000 persons

Average of 18 OECD countries

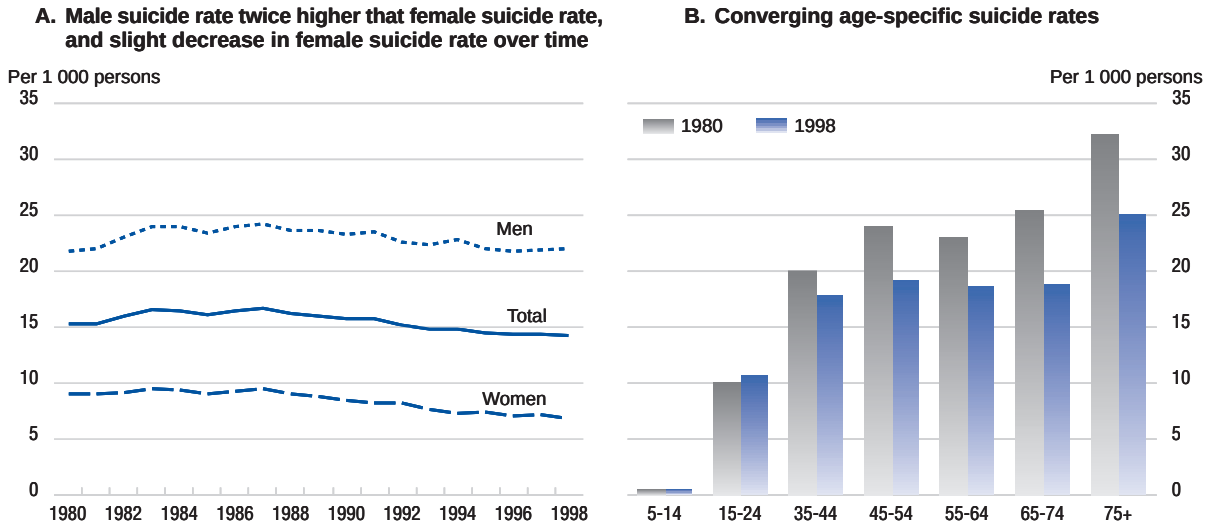
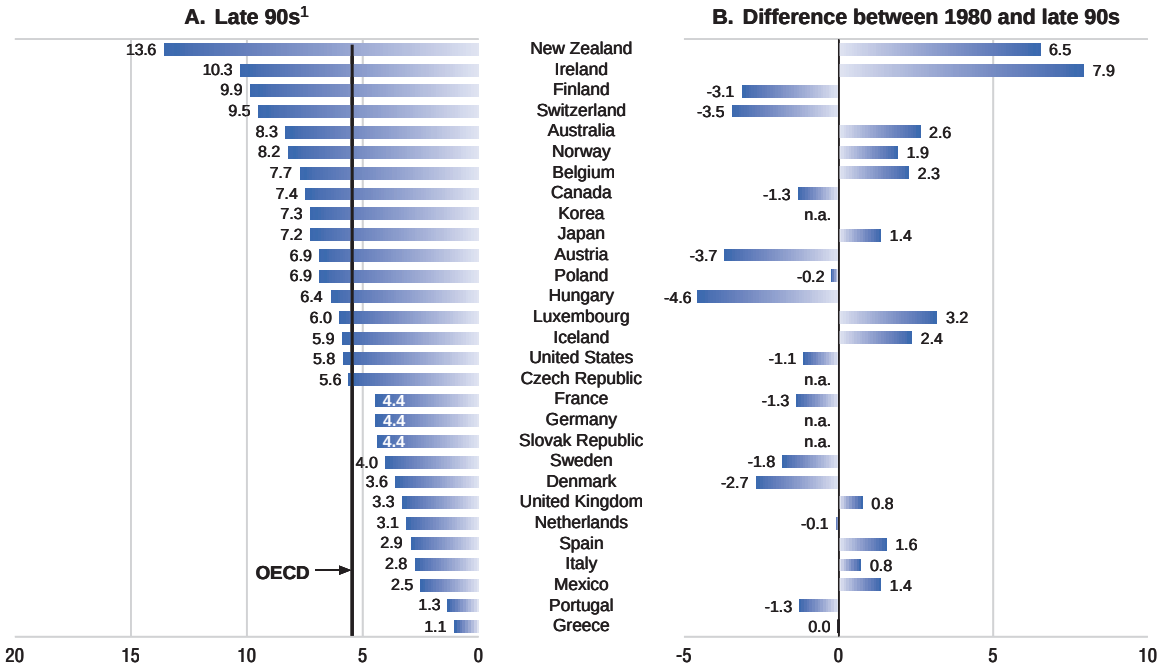


Chart CO2.2. Variation in suicide rates for under 25 years old



1. 1998, except 1999 for Poland, 1997 for Canada and Iceland, 1995 for Belgium and Mexico, and 1994 for Switzerland.

Source: World Health Organisation, Mental Health project, *www5.who.int/mental_health*

Further reading

■ Ruzicka, L. and C.Y. Choi (1999), "Youth Suicide in Australia", Working Papers in Demography No. 78, The Australian National University. ■ World Health Organisation, Mental health project on suicide prevention named "Live your Life", Data available on *www5.who.int/mental_health*

Definition and measurement

Speculations about links between social distress and crime are commonplace, particularly in relation to the potential for economic pressures to provide an incentive for theft. Whatever the causes, it is undeniable that crime and fear of crime can destabilise neighbourhoods to the extent that such areas can be left excluded from mainstream society. In these circumstances, crime, poverty and hopelessness reinforce one another, with tragic consequences for those concerned.

Using official records of crimes reported to the authorities may not be a very useful way of comparing crime rates across countries in view of the differences in policy on registering "trivial crime" between judicial systems and of individuals to report such incidences which they do not believe likely to be pursued. For crimes with an individual as opposed to a corporate victim, a more effective approach may be to ask people whether they have been victims of crime over a given period. A number of OECD countries participate in just such a study – the International Crime Victims Survey. Comparing the survey results with reported crime figures suggests that thefts of cars and burglaries both have about 80% reporting rates, on average. However, assault and especially sexual offences are heavily under-reported in most countries.

Evidence and explanations

For those countries where comparable information is available, a majority have shown an increase in the proportion of people who were victims of a crime over the previous 12 months. Particularly large increases took place in England and Wales and Japan. However, there are a number of exceptions; most notably, four of the countries with particularly high crime rates in the late 1980s have experienced declines of some sort since then: Canada, the Netherlands, Poland and (especially) the United States. Across countries for which data are available, Australia, England and Wales and the Netherlands had the highest proportion (over 25%) of respondents that reported themselves as having been victims of crime over the preceding 12 months. Rates for Japan, Northern Ireland and Portugal barely exceeded 15% in 2000 (Chart CO3.1).

These high rates of people reporting crimes against themselves reflect in large parts high rates of vehicle-related crimes – particularly vandalism (more than 5% of the population in OECD countries experience care vandalism, other than those in Nordic countries, Japan and Switzerland). Thefts from cars are also very common in some countries (Table CO3.1).

People are particularly fearful of contact crime (robbery, assaults and sexual assaults). Such crimes are least common in Japan and Portugal. Over 6% of the population experience assaults and threats in Australia and Great Britain. Indeed, Australia has one of the highest rates of all the different contact crimes. The incidence of sexual incidents is highest in Australia, Austria and the Netherlands (Table CO3.2).

How crime is linked to social situation remains a source of great debate. Violent crime is more likely to take place in deprived areas, perhaps because of indirect links with other social pathologies, such as drug use. Deprived areas also tend to be the areas where most crime is committed and where victims of multiple incidents reside. Similarly, lower income and status groups are more at risk of being victims of crime than higher status social groups.

Status indicators: Unemployment (SS1), *Relative poverty (EQ7)*, Juvenile crime (CO4), *Drug use and related deaths (CO7)*.

Response indicators: Prisoners (CO6).

Chart CO3.1. Variation in number of crimes reported across OECD countries

Victimisation in the year preceding the survey, percentages victimised once or more, 1989 and 2000

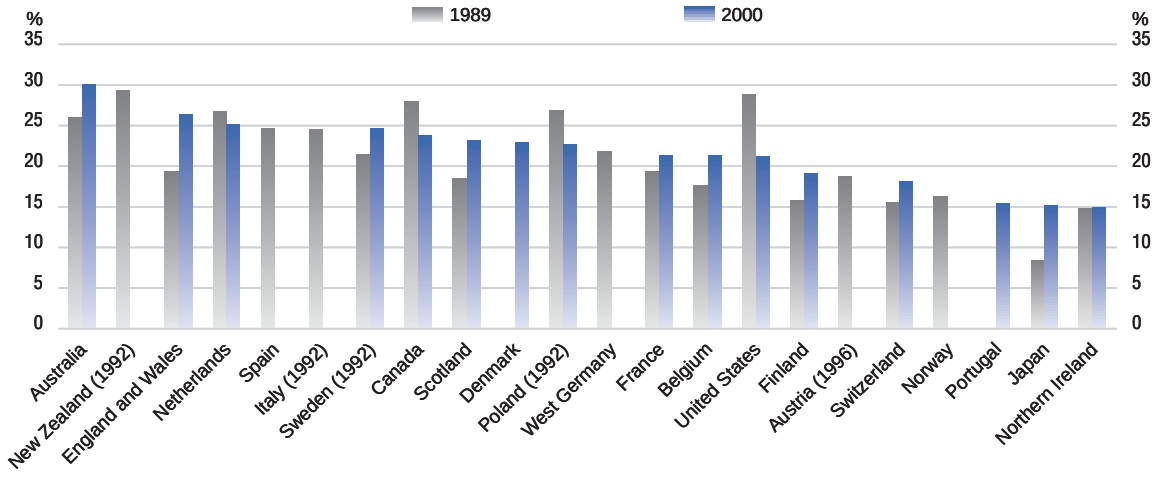


Table CO3.1. Vehicle-related crimes in 2000

Victimisation in the year preceding the survey, percentages victimised once or more

	Car vandalism	Car theft	Theft from car	Motorcycle theft	Bicycle theft
Australia	9.2	1.9	6.8	0.1	2.0
Austria[1]	6.7	0.1	1.6	0.0	3.3
Belgium	6.1	0.7	3.6	0.3	3.5
Canada	5.5	1.4	5.4	0.1	3.5
Denmark	3.8	1.1	3.4	0.7	6.7
England and Wales	8.8	2.1	6.4	0.4	2.4
Finland	3.7	0.4	2.9	0.1	4.9
France	8.2	1.7	5.5	0.3	1.8
West Germany[2]	8.7	0.4	4.7	0.2	3.3
Italy[3]	7.6	2.7	7.0	1.5	2.3
Japan	4.4	0.1	1.6	1.0	6.6
Netherlands	8.9	0.4	3.9	0.6	7.0
New Zealand[3]	7.9	2.7	6.9	0.3	4.4
Northern Ireland	4.5	1.2	2.7	0.0	1.4
Norway[2]	4.6	1.1	2.8	0.3	2.8
Poland	7.0	1.0	5.5	0.1	3.6
Portugal	6.3	0.9	4.9	0.3	0.8
Scotland	9.0	0.7	4.2	0.1	2.0
Spain[2]	6.6	1.4	9.6	0.8	1.1
Sweden	4.6	1.3	5.3	0.4	7.2
Switzerland	3.9	0.3	1.7	0.2	4.7
United States	7.2	0.5	6.4	0.3	2.1

Table CO3.2. Contact crimes and burglaries in 2000

Victimisation in the year preceding the survey, percentages victimised once or more

	Assaults and threats	Sexual incidents	Burglaries	Robberies
Australia	6.4	4.0	3.9	1.2
Austria[1]	2.1	3.8	0.9	0.2
Belgium	3.2	1.1	2.0	1.0
Canada	5.3	2.1	2.3	0.9
Denmark	3.6	2.5	3.1	0.7
England and Wales	6.1	2.7	2.8	1.2
Finland	4.2	3.7	0.3	0.6
France	4.2	1.1	1.0	1.1
West Germany[2]	3.1	2.8	1.3	0.8
Italy[3]	0.8	1.7	2.4	1.3
Japan	0.4	1.2	1.1	0.1
Netherlands	3.4	3.0	1.9	0.8
New Zealand[3]	5.7	2.7	4.3	0.7
Northern Ireland	3.0	0.6	1.7	0.1
Norway[2]	3.0	2.2	0.7	0.5
Poland	2.8	0.5	2.0	1.8
Portugal	0.9	0.6	1.4	1.1
Scotland	6.1	1.1	1.5	0.7
Spain[2]	3.1	2.3	1.6	3.1
Sweden	3.8	2.6	1.7	0.9
Switzerland	2.4	2.1	1.1	0.7
United States	3.4	1.5	1.8	0.6

1. Data for 1996.
2. Data for 1989.
3. Data for 1992.

Source: International Crime Victims Surveys, March 2002. See *www.unicri.it/icvs/publications/pdf_files/key2000i/app4.pdf*

Further reading

■ Dijk, J.J.M. van and P. Mayhew (1997), *Criminal Victimisation in Eleven Industrialised Countries. Key Findings from the 1996 International Crime Victims Survey*, 's-Gravenhage, Ministry of Justice, the Netherlands. ■ Data and methodological aspects of the International Crime Victims Survey can be found on *www.unicri.it/icvs/*

Definition and measurement

The degree of juvenile crime can be viewed as an indicator of society's failure in the socialisation of young people, be it through families, schools or public institutions. Antisocial behaviour is more common when children experience or witness domestic and street violence, while environmental factors such as poor socio-economic conditions *(EQ7)*, alcohol and drug-use *(CO7)* and living in deprived areas are potential risks for such behaviour to turn into juvenile delinquency and future adult criminality. Recognising that crime may breed further crime is an important step when looking for effective measures which balance punishment and prevention.

International comparisons, however, require great caution as there are wide disparities across countries in legal systems and juvenile courts, the types of crime, the judicial attitude towards young people and the differences in the official age of criminal responsibility (Table CO4.1). The proportion of juvenile criminals is measured by the ratio of suspected juveniles per 100 000 people aged between 0 and 19 years old. Being suspected of a crime or cautioned may be less serious than being arrested, but still both reflects and causes problems for the young people concerned. The incidence is indicated by the ratio of suspected young people to total suspected population.

Evidence and explanations

Most countries have long accepted that children should be dealt with differently from adults. Juvenile conviction rates are thus below adult rates, reflecting the many programmes that attempt to keep juveniles accused of less serious offences from coming into contact with the justice system (*i.e.* diversion specific programmes). However, such options are typically fuelling controversial debates. Some support measures hardening juvenile punishment, such as imprisonment and/or lowering the age of judicial responsibility. Others, however, put a greater emphasis on identifying motivations and causes for offending so as to avoid breeding juvenile crime.

The high proportion of juveniles involved in crimes is a fairly good predictor of the incidence of young people among total criminals, although there are noticeable exceptions. As indicated in Chart CO4.1, New Zealand and Germany rank among the countries where young people are far more involved compared to other countries. At the extreme opposite, low figures tend to be concentrated in Southern European countries where the family remains an important social constraint. When looking at the incidence of juveniles in total crimes, juveniles in Japan, England and Wales account for half of the suspected population.

Gender differences are also very pronounced (Chart CO4.2). Young men are much more likely to be involved in crime in all countries. However, if arrests of young girls tend to be often associated with prostitution and drug use, the United States (ranking among the countries with the highest share – *i.e.* about 30%) has witnessed a rising trend in violent crimes perpetrated by young girls (OJJDP, 2001).

Status indicators: Child poverty (EQ2), Crime (CO3), Teenage births (CO5), *Drug use and related deaths (CO7).*

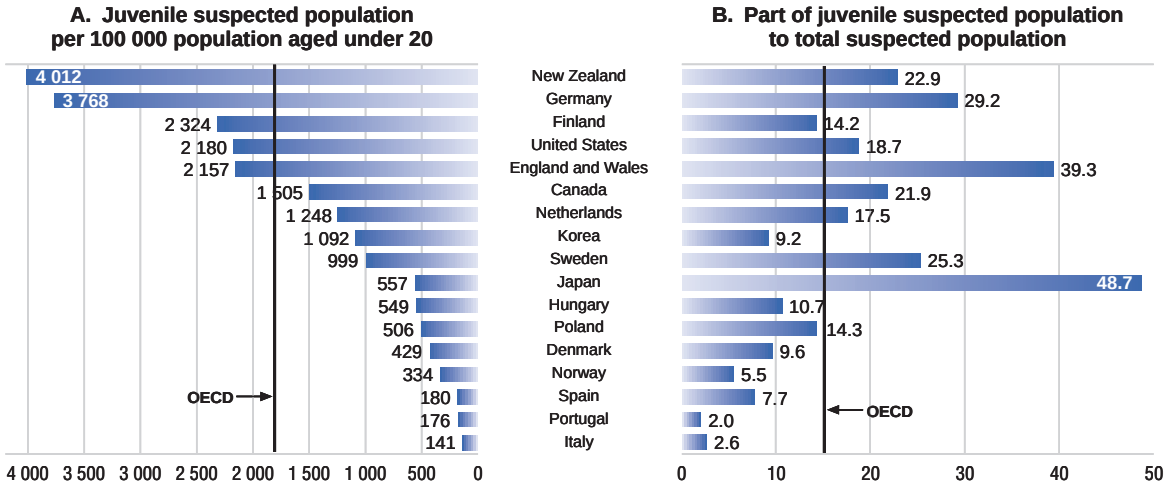
Response indicators: Educational attainment (SS6), Public social expenditure (EQ3), Prisoners (CO6).

Table CO4.1. Official age of criminality responsibility

Age 7	Age 8	Age 10	Age 12	Age 13	Age 14	Age 15	Age 16	Age 18
Ireland	Australia (ACT) Scotland	Australia (most states) New Zealand UK excepted for Scotland	Canada Korea	France Poland	Germany Hungary Italy Japan	Czech Republic Denmark Finland Iceland Norway Sweden	Portugal Spain	Belgium

Source: UNICEF (1998).

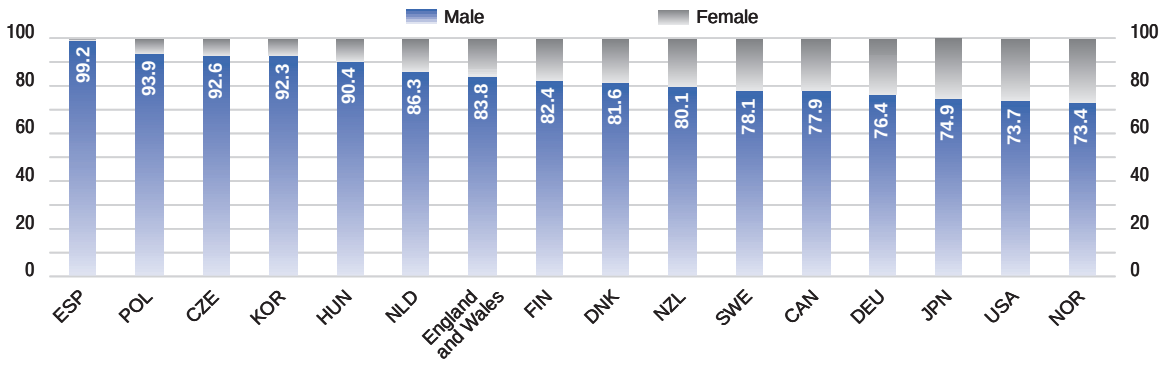
Chart CO4.1. Prevalence of juvenile crimes, 1997



Note: The suspected population is related to persons brought into formal contact with the criminal justice system, where formal contact might include being suspected, arrested, cautioned, etc.

Chart CO4.2. Young men are more likely to be involved in juvenile crimes than young women

Juvenile crimes by gender, 1997, percentages adding to 100%



Source: United Nations (1997), "Sixth Survey on Crime Trends and the Operations of Criminal Justice Systems".

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Definition and measurement

Teenage births are often seen as a problem because they tend to be strongly associated with a wide range of disadvantages for mothers, children and society in general. Young mothers are more likely to drop out of education (SS6), be poorly paid *(EQ9)*, bring up their children as single mothers and live on welfare (EQ5). Often their babies may encounter health problems such as low birth weight (HE2). Children from teenage mothers may also be more likely to become victims of neglect and to have less attachment in school. Enabling young women to choose when to become a mother so that they provide children with a favourable family environment, and the necessary care and social foundation is an important justification for policy intervention.

The indicator shown is the number of births per 1 000 teenagers aged 15 to 20, drawn from *A League Table of Teenage Births in Rich Nations* by UNICEF.

Evidence and explanations

In the late 1990s, on average less than 16 teenagers per 1 000 give birth, though there are marked differences across countries (Chart CO5.1). The lowest rates can be observed in Korea, Japan and Switzerland but the situation is more worrying in the United States, the United Kingdom and New Zealand where the rates are more than twice the OECD average. In the United States, teenage births are significantly high, at a level four times the average for EU countries. This partly reflects relatively high birth rates among younger teenagers (between 15 to 17) but also cultural and ethnic differences, as Latino teenagers tend to have higher birth rates than black and white Americans.

Interpreting cross-country differences is nevertheless very complex, for there are many interacting factors. Teenage pregnancy is rarely intended and mainly results from inappropriate use of contraception, together with attitudes of teenagers towards sex. Indeed, the average age for first sexual experimentation has fallen sharply in almost all OECD countries (UNICEF, 2001) and full intercourse tends to start at earlier ages. On the other hand, countries differ in the extent to which they directly try to influence teenage childbirth (family planning, contraception and abortion) (UNICEF, 2001).

Table CO5.1 indicates that where inequality and educational drop-out is high, teenage birth rates tend to also be high. Further, the likelihood that teenagers engage in unprotected sex is highly correlated with growing up in single parent households, or where parental educational levels are low, or in poverty. Such teenagers are less likely to terminate their pregancies than their counterparts living in relatively affluent families.

Status indicators: *Lone parent families (GE7), Relative poverty (EQ7), Income inequality (EQ8), Low paid employment (EQ9),* Low birth weight (HE2), *Drug use and related deaths (CO7).*

Response indicators: Educational attainment (SS6), Public social expenditure (EQ3), Health care expenditure (HE4).

Chart CO5.1. Large cross-country differences in teenage births

Births to women aged below 20 per 1 000 women aged 15 to 19 years old, 1998

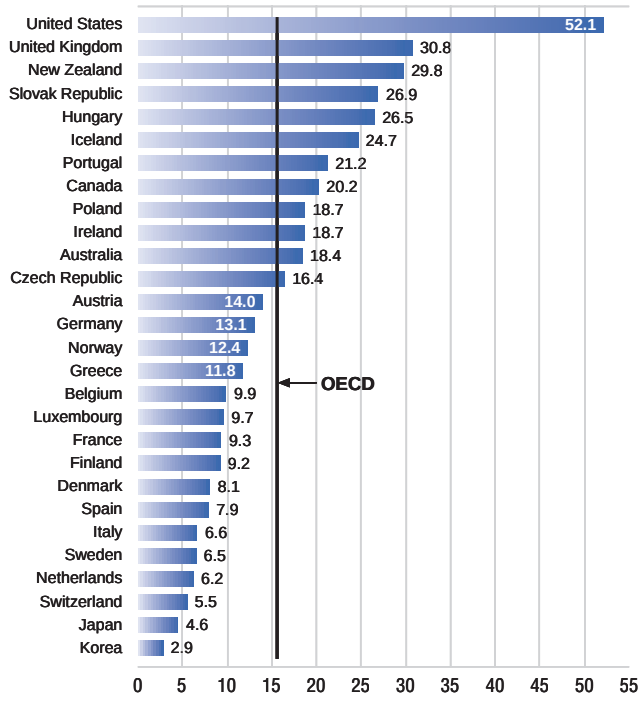

Table CO5.1. Teenage births, income inequality and school drop-out, 1998

	Teenage birth rates	Income inequality index – Gini coefficient	Percentage of 15-19 year-olds not in education		Teenage birth rates	Income inequality index – Gini coefficient	Percentage of 15-19 year-olds not in education
Korea	2.9	. .	21.4	Germany	13.1	28.2	11.7
Japan	4.6	. .	. .	Austria	14.0	26.1	23.8
Switzerland	5.5	26.9	15.9	Czech Republic	16.4	. .	25.1
Netherlands	6.2	25.5	14.0	Australia	18.4	30.5	18.4
Sweden	6.5	23.0	13.9	Ireland	18.7	32.4	19.3
Italy	6.6	34.5	30.2	Poland	18.7	. .	18.6
Spain	7.9	. .	23.5	Canada	20.2	28.5	22.0
Denmark	8.1	21.7	19.9	Portugal	21.2	. .	23.8
Finland	9.2	22.8	17.0	Iceland	24.7	. .	20.3
France	9.3	27.8	12.2	Hungary	26.5	28.3	24.6
Luxembourg	9.7	. .	. .	Slovak Republic	26.9	. .	. .
Belgium	9.9	27.2	13.9	New Zealand	29.8	. .	28.3
Greece	11.8	33.6	22.4	United Kingdom	30.8	32.4	30.5
Norway	12.4	25.6	13.6	United States	52.1	34.4	25.8

Note: Countries are ranked in ascending order of teenage birth rate.
Source: UNICEF (2001), *A League Table of Teenage Births in Rich Nations*, Innocenti Report Card, Issue No. 3, July; OECD (2000), *Education at a Glance – OECD Indicators*; Förster (2000).

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Definition and measurement

Crime (CO3) causes great suffering to victims and their families, but the costs associated with imprisonment can also be considerable. These costs are normally justified by reference to a combination of three societal "needs": to inflict retribution, to deter others from behaving in a similar way, and to prevent re-offending.

Not everyone in prison has been found guilty of a crime, especially those awaiting trial or adjudication. The indicator here considers only those sentenced to incarceration, excluding pre-trial and non-guilty offenders. The data are collected for a typical day representative of the whole year. Such information is collected by the United Nations as part of its work considering the operation of criminal justice systems.

Evidence and explanations

Since the 1970s, OECD countries have experienced steady increases in prison population, with the exception of Finland where the rate has continued to decline. Over the last ten years (Chart CO6.1), Portugal has recorded one of the largest increases together with Spain among European countries, though levels remain far below the United States. In this country, the prison population has witnessed a huge jump that bears no historical comparison, with a population in 2000 four times as high as in the early 1970s. Differences across countries have, surprisingly, only little to do with the prevalence and developments of crimes but more likely with political factors and responses to the increasing belief that prison is preferable to other alternatives in certain countries.

When comparing prison populations in 2000 (Chart CO6.2), again the United States stands far above the norm with an incarceration rates 5 times as high as the OECD average and 3 times larger than the Czech Republic, ranking second. More than 1.2 million convicted American adults are in gaol (a little less than 2 million when pre-trial and non-guilty offenders are included), which may have a significant distorting role on the labour market for young males. Rising prison populations, unless fully resourced, generally reduce the effectiveness of criminal re-education. Upward trends can pull down the staff-prisoner ratio, a key component for framing effective prevention of re-offending and promoting re-integration in the community. Moreover, prison overcrowding tends to exacerbate already high levels of tensions and violence, raising the risks of self-injury and suicides. Finally and unfortunately, prisons are more likely to act as "universities of crime".

The higher the population incarcerated the greater the financial drain over government budget. In 2000, the United States spent around 40 billion dollars on prisons (accounting for a 5% increase since 1999). Strikingly, for the first time in 1995, the States spent more on building prisons than colleges (Justice Police Institute, 2000).

Status indicators: Unemployment (SS2), *Relative poverty (EQ7)*, Suicide (CO2), Crime (CO3), Juvenile crime (CO4).

Response indicators: Educational attainment (SS6), *Activation policies (SS13)*, Public social expenditure (EQ3).

Chart CO6.1. **Trends in prison population, 1990-2000**

Number of convicted adults admitted to prison per 100 000 population

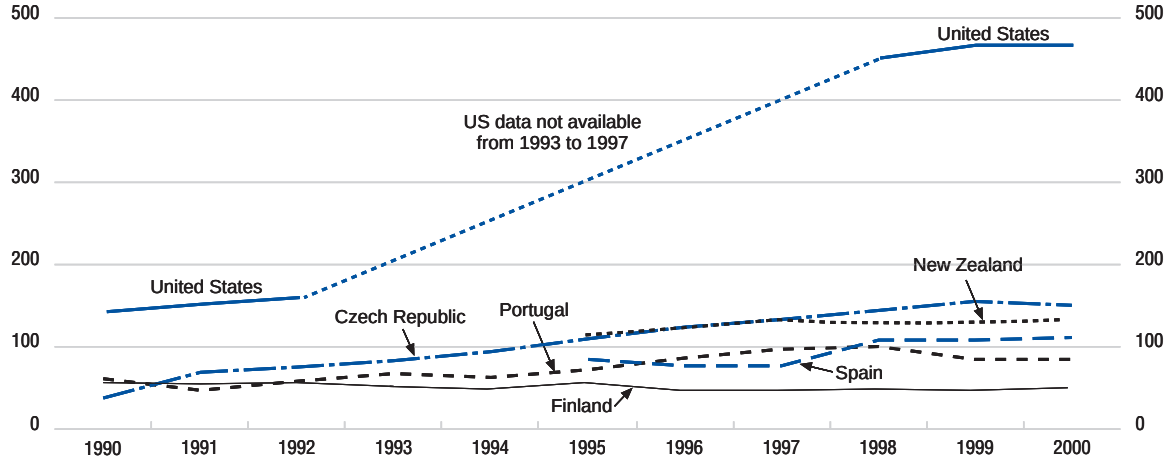
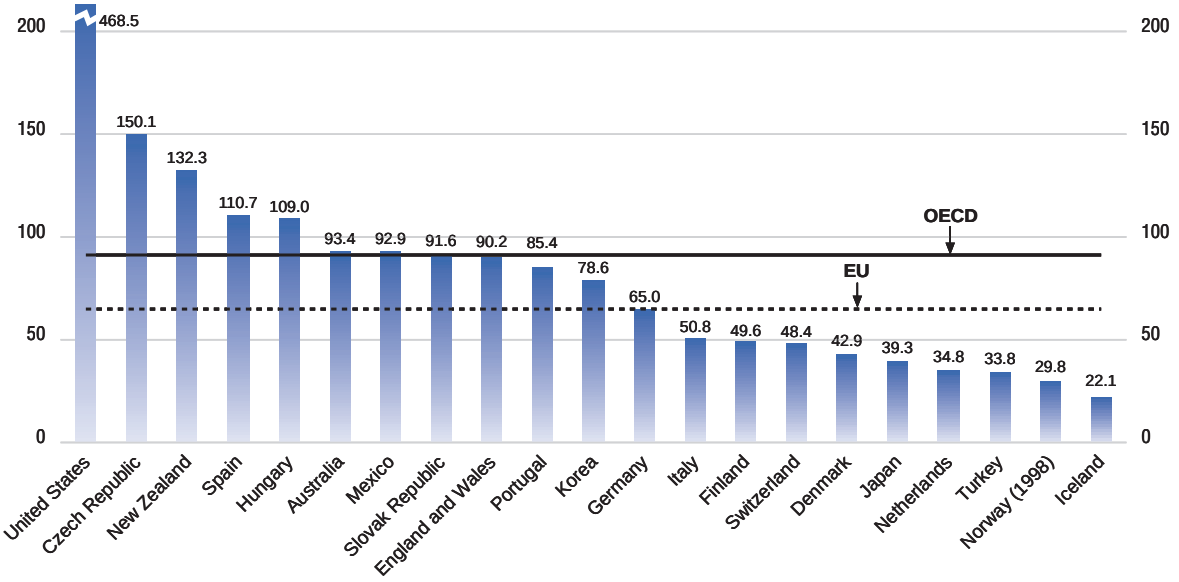


Chart CO6.2. **Convicted adults admitted to prisons in 2000**

Per 100 000 population



Source: United Nations (1997).

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