

Principal Economic and Social Indicators of the European Union

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This overview summarises the principal economic and social indicators of the European Union (EU) as they are presented within this publication.

In 2018, the EU is home to almost 513 million people, with France being its second-most populous nation, behind Germany. Having started several decades ago, demographic ageing has become a long-term trend in Europe. It is due both to declining fertility and to falling mortality rates among the elderly.

The GDP of the EU accounts for just under a quarter of the world's GDP, close to that of the United States of America. The German economy accounts for 20% of the GDP of the EU in 2017. This is followed by the United Kingdom and France (14%). In general, European economies are very open, both to external trade and to intra European trade. However, the degree of such openness varies from country to country.

In most countries, public debt rose sharply between 2007 and 2017 due to the accumulation of significant deficits during the recession. At the end of 2017, the amount of debt reported by the public authorities stood at 82% of GDP for the EU as a whole. In 2017, the balance of public finances is in deficit to the tune of 1.0% of the GDP of the EU as a whole. Thirteen countries have a surplus, while fifteen have a deficit, including France.

In 2017 in the EU, just over two in every three people aged 15 to 64 are in employment. Therefore, the employment rate is two points higher than it was prior to the 2008-2009 financial crisis. Taking into account "underused" labour (*i.e.* people who would like to work or who would like to work more), the rankings between countries seen when viewed solely through the lens of unemployment rates change. Thus, the good performances of countries like the Netherlands or the United Kingdom are put into perspective, while France's position remains stable.

In 2016, 16% of the population of the EU (and 13% of the French population) find themselves in a situation of material and social deprivation. This rate is generally higher in countries with a lower standard of living.

An Ageing Population

Since 1980, the European Union (EU) has gradually grown from nine to twenty eight countries¹. Based on its 2018 size, the EU is home to almost 513 million people. Within the EU, France is the second-most populous nation, behind Germany. Between 1980 and 2018, the population grew throughout the entire EU, with France and Spain seeing higher growth than the other large European countries.

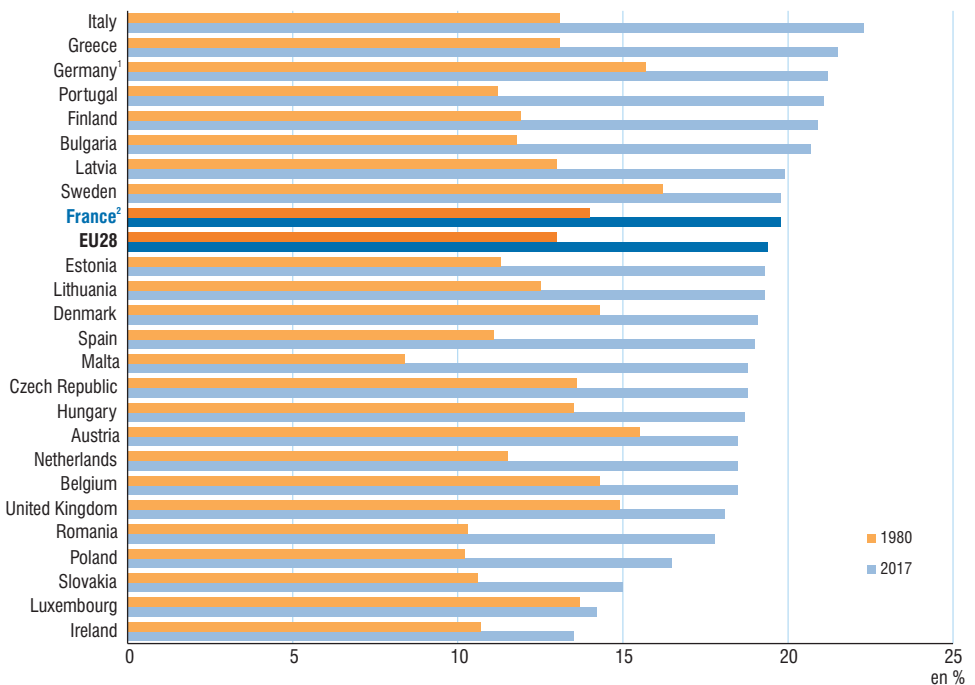
Having started several decades ago, demographic ageing has become a long-term trend in Europe. This ageing of the population is due both to declining fertility and to falling mortality rates among the elderly. Thus, in the EU as a whole, the proportion of people aged 65 or over increased from 13% in 1980 to 19% in 2017 (*figure 1*). In metropolitan France, this portion of the population has grown to the same extent.

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1. Since the 2016 referendum in favour of Brexit, the United Kingdom has begun the process of leaving the EU.

In 2016, in the EU as a whole, life expectancy at birth is 83.6 years for women and 78.2 years for men. Shining a light on the gaps between men and women, in relation to life expectancy and disability-free life expectancy, is the focus of the dossier entitled “*Santé et vieillissement : un regard comparé sur la situation des femmes et des hommes en France et en Europe*” (Health and ageing: a comparative look at the situation of men and women in France and in Europe) [Moisy, 2019]. The life expectancy of women in France is one of the highest in Europe, while the life expectancy of men is six years lower than that of women. This male disadvantage, which is more marked in France than in other European countries, shines a light on the causes of premature male death: tobacco and alcohol consumption remain entrenched risky behaviours in France. In contrast, in France, life expectancy “in good health” varies little between women (64.9 years) and men (62.6 years) and is around the European average.

1. Proportion of People Aged 65 or Over in 1980 and 2017



1. Including the German Democratic Republic (East Germany).
 2. Metropolitan France.
 Coverage: European Union The data for Cyprus, Croatia and Slovenia are not available for 1980.
 Sources: Eurostat, data extracted in September 2018.

Education and Research Objectives Not Yet Met

Faced with an ageing population, increased training and research efforts are required to provide the younger generations with sufficient human and technological capital.

With respect to the education and training of young people, four objectives are being monitored across Europe up to 2020: the proportion of young people aged 18 to 24 who have left education without any qualifications and who are not in training should not exceed 10%; the proportion of people aged 30 to 34 who have graduated from higher education should

be at least 40%; pre-school attendance among children aged between 4 and the compulsory school age should be at least 95%; the proportion of 15-year-olds with low standards of literacy, mathematics and science should not exceed 15%. In 2016, on average across the EU, none of these objectives have been met, although some of them may be on the verge of being achieved. At national level, the two objectives most commonly achieved by countries are those relating to early school leavers and higher education graduates. France has achieved both of these objectives, in addition to the objective concerning the education of children aged under 6.

With respect to research and development (R&D), the EU has set an objective of devoting at least 3% of GDP to R&D activities in order to remain competitive with countries such as the United States of America, which dedicates 2.7% of GDP to research in 2015 (in comparison with 2.0% for the EU). In ten years, between 2006 and 2016, the volume of French domestic expenditure on research and development grew by an average of 1.6% per year. However, France is lagging far behind other highly industrialised countries, such as Germany. Thus, in France, the resources dedicated to research have increased slightly, rising from 2.05% to 2.22%; nevertheless, this remains behind the figure for Germany (2.92% in 2016).

The dossier entitled *“La recherche et développement des entreprises françaises au sein de l’Union européenne : spécificités sectorielles et financement public”* (Research and development by French businesses within the European Union: sectoral aspects and public finance) [Balcone and Schweitzer, 2019] analyses aspects specific to France. Certain business sectors are more favourable for conducting R&D than others. Thus, the sectoral structure of a country’s economy has an impact on its overall research efforts. If France had the sectoral structure of Germany (therefore, a greater industrial presence), while maintaining its sectoral levels of research dedication, the research effort by businesses would total 2.74% in that scenario, in comparison with the current level of 1.44%. Furthermore, in addition to the R&D activities that it performs directly, the public sector also has an impact on R&D by businesses through the public policies pursued and the funding for such private research. At present, France is the EU country with the highest level of expenditure (as a share of GDP) on public aid for R&D by businesses.

Almost a Quarter of Global GDP

On an economic level, the GDP of the EU represents just under a quarter of the world’s GDP, close to that of the United States of America. Germany has the highest GDP in the EU in terms of purchasing power parity (PPP). The German economy accounts for 20% of the GDP of the EU in 2017, followed by the United Kingdom and France (14%). The relative rankings differ in respect of these absolute differences: thus, Luxembourg is way out in front, with a GDP per capita 2.5 times greater than the EU average in 2017.

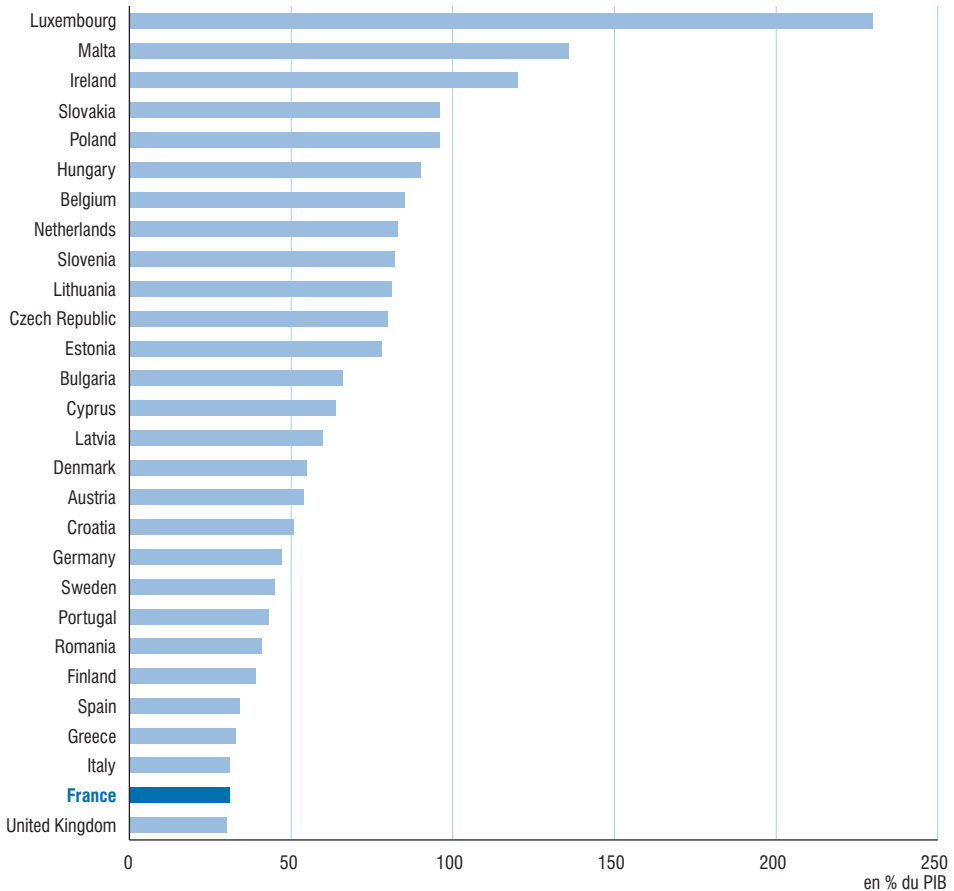
Open European Markets

In 2017, the export rate, which demonstrates a country’s level of openness to international trade, varies dramatically within the EU: from 30% of GDP in the United Kingdom, to 230% of GDP in Luxembourg (*figure 2*). There are multiple factors that explain these disparities, chief among which is country size. Germany, the largest economy in the EU, stands out with an export rate that is slightly higher (47%), due to the significant weighting of the manufacturing industry within the country’s economic activity.

The export rate is also an indicator of a country’s position with regards to globalisation. In fact, countries that specialise in subcontracting, rather than manufacturing finished goods, often have high export rates. This is the case for numerous Eastern European countries that export a large part of their production to Western European countries (Germany in particular).

The dossier entitled *“La géographie des échanges commerciaux de biens au sein de l’Union européenne : en 20 ans, une intensification des échanges entre nouveaux et anciens membres”*

2. Export Rates in 2017



Sources: Eurostat, data extracted in September 2018.

(The geography of the trade in goods within the European Union: in 20 years, an intensification of trade between new and older Member States) [Moutaabbid and Simon, 2019] analyses trade between EU countries. The majority of the trade in goods is between European partner countries, with Germany holding the position of a privileged partner, in particular with respect to the new EU Member States. To a certain extent, this is also the case for France in respect of Spain and Italy. Despite the increasing openness of European economies, the organisation of trade in goods has been relatively stable for 20 years and is dependent, above all else, on the economic weighting of the country. However, the development of the intensity of trade shows a coming together of countries that are geographically distant from each other, in particular between Eastern and Western Europe.

In 2007, before the start of the financial crisis, the balance of the EU's external trade in goods and services was slightly in surplus (0.6% of its GDP). Since then, the EU has become a clear net exporter, with an external trade balance for goods and services of around +3.7% of GDP in 2017. France and the United Kingdom stand out due to their persistent trade deficits for goods and services, standing at -1.1% and -1.3% of GDP, respectively, in 2017.

A Partial Recovery of Public Finances

In 2017, the balance of public finances is in deficit to the tune of 1.0% of EU-wide GDP. Thirteen countries have a surplus, while fifteen have a deficit, including France (-2.7% of GDP²). Although the balance for the EU as a whole is virtually the same as ten years earlier, it did fall during the recession towards the end of the 2000s. The gradual recovery of public finances between 2009 and 2017, noted across the entire EU, owes a great deal to the improvement in the economic context. However, it conceals significant disparities between countries. In France, the balance of public finances grew by 4.5 points of GDP between 2009 and 2017; however, this was less than for the EU as a whole (+5.6 points of GDP).

Expressed in points of GDP, public debt rose sharply in most countries between 2007 and 2017 due to the accumulation of significant deficits during the recession. At the end of 2017, the amount of debt reported by the public authorities stands at 82% of GDP for the EU as a whole. However, this figure varies from 9% of GDP for Estonia to over 100% of GDP in Belgium, Italy and Portugal and as much as 176% of GDP for Greece. France and Spain are very close to the limit of 100% of GDP.

Ecological Transition Indicators

There are multiple indicators used within the publication to analyse the ecological transition.

The amount of municipal waste produced in France (511 kg/inhabitant in 2016) is greater than the EU average (483 kg/inhabitant). However, the volume produced by all of the economic activities in France is the same as the EU average (4.9 tonnes/inhabitant in 2014), though this figure varies greatly from one country to the next (0.9 tonnes in Croatia and 24.9 tonnes in Bulgaria), with the significance of extractive industries providing a partial explanation for these differences.

Domestic material consumption stands at 11.1 tonnes per inhabitant in France (in 2015) and is below the European average (13.5 tonnes). Greenhouse gas emissions per inhabitant in France (7.1 tonnes of CO₂ equivalent/inhabitant in 2016) are also 18% lower than the figure for the EU (8.7 tonnes). The country's fuel mix is largely responsible for these results: in France, nuclear power retains a dominant position, while the proportion of renewable energies (16% of final energy consumption) is slightly less than the European average (17%) and the European 2020 Energy Strategy objective of 20%.

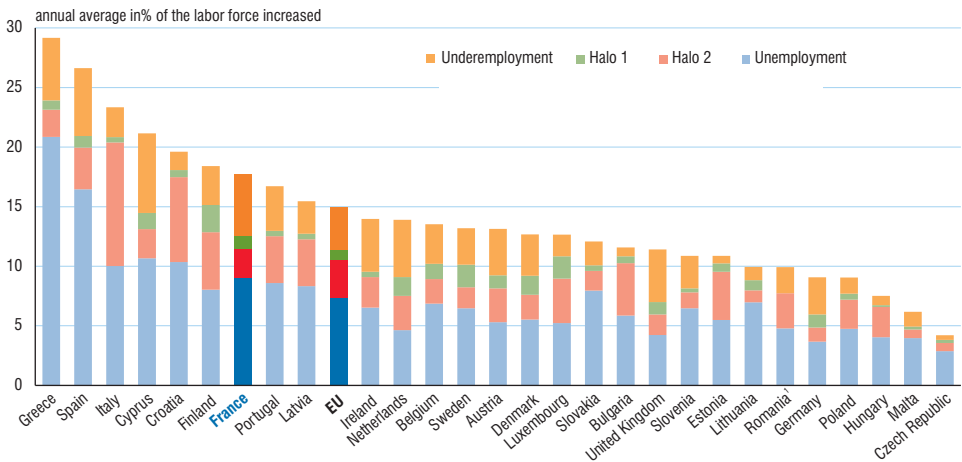
Two in Every Three People Aged 15 to 64 in Employment

In 2017 in the EU, just over two in every three people aged 15 to 64 are in employment. Therefore, the employment rate is two points higher than it was prior to the 2008-2009 financial crisis. It ranges from 53.5% in Greece to 76.9% in Sweden and is 64.7% in France. In the EU as a whole, the employment rate for men (73.0%) is higher than for women (62.5%). This gap, which has shortened over time, has remained stable since 2014, though it varies greatly depending on the country. The rate of employment for young people (aged 15 to 24) is 34.7%, which has been improving since 2015 but remains below the level achieved in 2008. The disparities between countries are significant, reflecting differences in the duration of education, the combining of work and studies (including apprenticeships) and the difficulties faced by young people, to a greater or lesser extent, with respect to joining the labour market. The employment rate for older people (aged 55 to 64) is 57.1% in the EU as a whole. It is over 70% in Germany and Sweden and, although it is on the rise, it remains lower than the European average in France (51.3%).

2. Reported data published by Eurostat in October 2018.

In 2017, the average employment rate for people aged 15 to 74 across the EU is 7.6%, which is close to the level achieved in 2008. The dossier entitled “*Les personnes en situation contrainte sur le marché du travail dans l’Union européenne : un diagnostic complémentaire qui révèle l’ampleur de la main-d’œuvre sous utilisée*” (People facing restrictions on the labour market in the European Union: a complementary analysis that reveals the extent of underused labour) [Parent and Rebière, 2019] analyses the balance of the labour market, going beyond just the employment and unemployment figures. It focuses on so-called “underused” labour, i.e. people who would like to work or who would like to work more (unemployment halo, underemployment). This notion changes the rankings seen when viewed solely through the lens of unemployment rates. In the EU in 2017, the underuse of labour affects 15.0% of the active population, plus the halo (figure 3). The good performances of countries like the Netherlands or the United Kingdom are put into perspective. As for France, its position in the rankings of European countries remains fairly stable, when based solely on the unemployment rate or when the underuse of labour as a whole is taken into account. France is one of the seven EU countries with the highest underused labour rates, with a rate of 17.7%.

3. Underused Labour Rates in the European Union in 2017



1. Halo 1 data for Romania are unavailable.

Coverage: people aged 15 to 74.

Notes: the active population is increased by the unemployment halo. For Eurostat, the unemployment halo includes individuals who are inactive, within the ILO definition, who want to work but who are not classed as unemployed, within the ILO definition, because they are not immediately available to work (halo 1), or because they are not actively seeking work (halo 2). Underemployment includes part-time workers who want to work more hours and are available to do so.

Sources: Eurostat, Labour Force Survey.

One Person in Six in a Situation of Material and Social Deprivation

In 2016, the average standard of living in EUR Member States is EUR 19,390 per year. It ranges from EUR 3060 per year in Romania to EUR 41,560 per year in Luxembourg, giving a ratio of 1 to 14. When standards of living are expressed as purchasing power standards (PPSs), this ratio changes to 1 to 6.

The ratio between the minimum standard of living of the wealthiest 10% in the country and the maximum standard of living for the poorest 10% is an average of 3.7 across the EU as a whole. In France, this ratio is lower than the European average (3.3). The inequalities measured using this indicator are highest in Belgium, Lithuania, Romania and Spain.

Poverty is studied in greater detail in the dossier entitled “*Qui est pauvre en Europe ? Deux figures différentes de la pauvreté, par l’approche monétaire ou par la privation matérielle et sociale*” (Who is poor in Europe? Two different illustrations of poverty, using the monetary approach or the material and social deprivation approach) [Blasco and Gleizes, 2019]. Income poverty is based on household income and is relative in nature. Material and social deprivation is based on the standards of living of the individual. Therefore, there is a negative correlation between the material and social deprivation rate and the standard of living of a country that is more marked than for the income poverty rate. In 2016, 13% of the French population and 16% of the EU population find themselves in a situation of material and social deprivation. In turn, income poverty affects 14% of the French population and 17% of the European population. France has one of the lowest income poverty rates in the EU and an average material and social deprivation rate. In most EU countries, the populations exposed to either of these forms of poverty are similar, from the point of view of activity status, profession and family configuration. However, independent workers, farmers and young people are affected by income poverty much more than by material and social deprivation. ■

For Further Information

- Eurostat, *Key Figures on Europe – Statistics illustrated*, 2018 edition.
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