

Society at a Glance: OECD Social Indicators 2006 Edition

Summary in English

Society at a Glance, the bi-annual compendium of social indicators, attempts to provide quantitative evidence on whether OECD societies are getting more or less equal, healthier, and cohesive and assesses the role of social indicators in measuring the wellbeing of citizens and societies.¹

The best-known indicator is of course GDP, but this takes into account only production within a country and does not include capital consumed in the production process or income from abroad. Net national income (NNI) adjusts for these two factors. Across the 28 OECD countries for which data are available, national income per capita was around USD 24 000 in 2004, up 15% since 2000. The US has the biggest NNI, at USD 32 943. Among major countries, France, Germany, Italy and Japan recorded a widening of their gap in NNI per capita relative to the United States since the early 1990s (between 28% and 35%) while the United Kingdom recorded a significant narrowing (to less than 20%).

OECD populations are ageing, fertility is declining, and migration is increasing in some countries

The total age dependency ratio (ratio of people aged under 16 and over 64 to those aged 16-64) averaged 65% in 2005 and is projected to increase by 23 points by 2050.

The elderly population

Life expectancy at birth has increased by 10.1 years since 1960 for women, to 81.1 years in 2004, and by 9.4 years for men, to 75.4. The gender gap in life expectancy widened slightly, from 5.0 years in 1960 to 5.7 years in 2004. In 2005 there were 24 persons aged over 64 for every 100 aged 20 to 64, up 20% from 1980. By 2050, this ratio is projected to more than double in the OECD area (to 52%). In 2004 (or the latest year available), between 3% and 6% of people aged 65 and over were living in long-term care institutions in most OECD countries. Over the past decade, the percentage of elderly people in long-term care institutions has fallen in many countries, reflecting at least partly

¹ More detailed information on all indicators, including those not in this edition, can be found on www.oecd.org/els/social/indicators/sag



the preference of most elderly people to receive care at home where possible. But this has meant that residents of long-term care institutions are now older and more disabled than in the past.

The youth dependency ratio was 41% across OECD countries in 2005, down 20 percentage points from its 1980 level, and is expected to decline to 37% in the OECD area by 2050.

Fertility rate and low birth weight

The total fertility rate is below replacement level in all OECD countries except Mexico and Turkey (at 2.2 and 2.4, respectively) and Iceland and the United States (where it is around 2.1). In 2004, fertility rates averaged 1.6 across OECD countries, but displays a moderate recovery since 2002. The positive (and widening) gap between the number of children that women declare they want and the number they actually have suggests that the decline in fertility rates is due in part to lack of support such as affordable child care facilities. Low birth weight (less than 2 500 grams) averaged 6.5% of live births in 2004. Prevalence has increased in some OECD countries since 1980, due to the number of multiple births (which imply an increased risk of pre-term births and low birth weight); women delaying childbearing until their thirties or later (the mean age of mothers at first childbirth has increased by around one year per decade since 1970); and medical technology and improved pre-natal care giving very small foetuses an increased chance of being born alive. Ethnicity appears to play a role too, e.g. in the United States, black infants have a rate almost double that of white infants; similar differences have been observed among the indigenous and non-indigenous populations in Australia and Mexico.

Foreign-born population

Around 10% of the OECD population was foreign-born in 2004, and the net migration rate was a third higher in the early 2000s than in the early 1990s. However, this OECD average is boosted by high rates in countries such as Spain and Ireland that had previously recorded net outflows. Family members represented the main share of permanent inflows of immigrants in 2004 (around 60% on average).

Employment is rising (but gender, age and education gaps remain), while strikes and accidents are declining

After increasing every year since 2001, the unemployment rate fell from 7.3% to 7% between 2004 and 2005 and in many OECD countries, employment/population ratios in 2005 were at their highest level since the 1980s, but cross-country differences remain substantial, ranging from 70% or more in the US, Australia, the Netherlands, Canada, the UK and Sweden to 60% or less in Turkey, Poland, Hungary, Italy, the Slovak Republic and Mexico. Employment rates are 5 points lower than in the mid-1990s in several central and eastern European countries and Turkey.

Women, youth and the less well-educated

The employment rate of people aged 15-24 is a third lower than that of prime-age people, while the rate for those aged 55-64 is 25 percentage points lower than for primeage people. Employment rates for women were 16 percentage points lower than those of men in 2005 and wages 18% lower. Maternal employment rates are generally well below those of women without children: 4 points for mothers with one child and 13 points for women with two or more children. Child care costs probably explain part of this difference. On average, the out-of-pocket costs for two children in full-time care represent 17% of the net household income both of a single parent earning the wage of an average worker and of a two-earner family where one spouse earns average wages and the other earns two-thirds of that.

Employment rates of people with less than upper secondary education are 17 points lower than for those with upper secondary education, and 27 points less than among those with university and other tertiary degrees.

The tax wedge on labour, i.e. the difference between the salary costs of a single average worker to their employer and take-home-pay the worker receives was 37% of labour costs in 2005, down half a point since 2000. Employers' social security contributions represent the largest component, at around 15% of total labour costs on average.

Accidents and sickness

Fatal and non-fatal work-accidents have declined since 1995, except for non-fatal accidents in Spain. In 2003, non-fatal accidents ranged from 1 200 cases per 100 000 workers in the Netherlands to 6 500 in Spain, while fatal accident rates ranged from 1 in the UK to 20.6 in Turkey. Accidents are strongly concentrated in agriculture, certain manufacturing industries, construction and road transport. As workers in these sectors are predominantly adult men, workers aged 45 to 54 account for more than half of all fatal accidents (and workers aged 25 to 44 for more than half of non-fatal ones).

In 2005, the number of work days lost due to sickness by full-time employees varied from 25 in Sweden to less than 1 in Greece. Women are more prone to sickness absences than men. In 2005, between 5% and 8% of men aged 15 to 64 years declared that they were neither working nor looking for work because of sickness and permanent disability in Finland, Hungary, Norway, Poland, Sweden and the UK; Denmark Iceland and Netherlands recorded similar shares for women.

Cash benefits (public and private mandatory) disbursed for sick absences in 2001 (excluding disability benefit payments) accounted for around 0.8% of GDP in the OECD area, but for more than 2% in the Netherlands and Norway.

Strikes

The strike rate (ratio between number of days lost due to strikes and lockouts and number of employees) declined from 295 in 1980-84 to 78.5 in 2000-2004. Strike incidence (share of salaried workers involved in strikes or affected by lock-outs) declined from 101 to 24. Strike rates are usually twice as high in industry than in the service sector (except transport). The average duration of disputes was around 7.5 days in 2000-2004.

Student performance is affected by education policy and social background, less by **spending**

In 2003, the average performance of the three OECD countries at the top of the league of the mathematics scale (Finland, Korea and the Netherlands) exceeded that of the three countries at the bottom of the scale (Mexico, Turkey and Greece) by the equivalent of almost three school years. Differences in students' performance are equally large for reading and science. Differences in average student performance across countries mainly reflect differences in performance among low achievers. There is only a weak positive relation between spending per student aged 6 to 15 and student performance. There is more evidence that the earlier the age at which students are streamed, the greater is inequality in learning outcomes and the lower average performance.

Students whose parents (either fathers or mothers) have a low education attainment have, on average, mathematics scores equivalent to around 1.5 years less than those with highly educated parents. Students from single-parent households show lower competencies while students born in a different country from the one where they attend school and from first-generation immigrants also record lower performance (with a gap equivalent to more than one grade-year, on average, relative to natives).

Material deprivation and income inequalities persist

In the early 2000s, around 10% of OECD households failed to satisfy basic needs such as heating their home, having a healthy diet or access to health care. For a threshold set at half of median income, the average poverty rates prevailing over a three-year period was around 10% among 17 OECD countries, with 17% of the population poor at least once over that period. The "always poor" represent around 40% of those who have low income at any time among people aged 25 to 64, but close to 50% for children and more than 60% among the elderly. Women living alone also face a higher probability of persistent poverty compared to men with an "always poor" rate above 10% in around half of all countries.

Housing has increased as a share of household disposable income from close to 20% in 1995 to more then 21% in 2003. Rental costs in the early 2000s accounted for more than 30% of the income of households in the bottom fifth of the income distribution, compared to 22% and 16% for those at the middle and the top.

Since 1980, the ratio of minimum to median earnings has fallen on average from 50% to 43%. Trends in earning inequality since the early 1990s differ between workers paid more or less than the median. The ratio of the earnings of the top 10% to the median increased by over 4% among the 11 OECD countries for which data are available. For the bottom part of the distribution, however, changes were negligible.

Social spending is declining, but health spending is increasing, although inequalities remain

In 2003, gross public social expenditure represented 20% of GDP on average (after peaking at 23% in 1993) ranging from 6% in Mexico and Korea to more than 30% in Sweden. In general, governments claw back more money through taxation of public social expenditure than they spend on tax breaks provided for social purposes. On average, across 24 OECD countries in 2003, total net social expenditure (i.e. public and private spending) accounted for a little more than 22% of GDP, ranging from more than 30% in Germany to less than 12% in Korea.

In 2004, OECD countries devoted 8.9% of their GDP to health spending, ranging from 15.3% in the US to less than 6% in the Slovak Republic and Korea. On average, 73% of health spending was publicly funded. The health expenditure to GDP ratio increased from 7.0% to 8.9% over 1990-2004.

People with lower education, lower income and from lower occupational classes tend to die at younger ages and to have, within their shorter life, a higher prevalence of different health problems. In Europe, less educated people have a life expectancy around 15% lower than that of more educated people. These inequalities are larger for men than for women. Inequalities are also significant between ethnic groups, e.g. 6.5 years between Afro-American and white men in the United States and between registered Indians and non-Indians in Canada (in 1998) and 18 years for Aboriginal and Torres Strait Islanders compared with the non-aboriginal population in Australia (1996-2000).

Voter turnout is higher than trust in political institutions

Voter turnout rates vary from below 60% in Switzerland, Poland, Canada, the US, Luxembourg, Hungary and the UK to above 80% in New Zealand, Spain, Denmark, Italy, Korea, Belgium and Iceland. After increasing for many decades, turnout declined in most OECD countries and on average in the last decade. Turnout is slightly lower for women than for men, and the turnout of young people (17-24) eligible to vote is 20 points lower than that of individuals aged 65 and more. Turnout is 12 percentage points higher among the most educated than among the lowest educated. Turnout increases with individuals' income, with this effect tapering off at the very top of the distribution.

On average, 38% of individuals across 24 OECD countries in the early 2000s reported high trust in parliament. A marginally lower share of respondents, across 17 OECD countries, reported high confidence in their government. Around 44% of OECD citizens report high confidence in the civil service. Trends in citizen satisfaction provide little evidence of a general decline in satisfaction with democracy.

Incarceration rates are increasing, sometimes dramatically

On average, the incarceration rate increased from 100 persons per 100 000 total population in the early 1990s to 130 persons in the mid-2000s, and to 738 per 100 000 in the US in 2005 (505 in 1992). One in four prisoners is a pre-trial detainee or a remand prisoner. Women and youths (aged below 18) account for 5% and 2% of the prison population, foreigners for almost 20%. Prison occupancy levels are above 100% in more than half of OECD countries, and above 125% in Greece, Hungary, Italy,

Life is more satisfying for men, the married, the young and the well-educated

Life satisfaction could be considered as the subjective measurement that sums up the impact of all the other data. People are asked to rate their satisfaction from 1 to 10, and the indicator used here is the proportion of any group scoring 7 or above. On this basis, life satisfaction is marginally higher among men than women, and among youths and the elderly, and lowest among people aged 51-64, although with significant cross-country differences. Life satisfaction for married people is around 10 points higher than for those divorced and widowed. In 2004, the marriage rate (averaged across 26 OECD countries) was 5.1 per 100 000 people, more than a third less than in 1970. The average age of women at first marriage increased from 24.7 years in 1990 to 27.3 in 2002/2003. At 2.3 per 100 000 people, the divorce rate was twice the level recorded in 1970 and 0.2 points higher than in 2000.

Life satisfaction also increases with educational attainment, but differences between full-time and part-time workers, the self-employed and students are generally small. Conversely, unemployed people report levels of life satisfaction around 20 points lower than among those with jobs.

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