



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

Subject : Council Conclusions on Structural Indicators

Delegations will find attached the text adopted by the Council (General Affairs) on 8 December 2003 on Structural Indicators.

Annex

COUNCIL CONCLUSIONS ON STRUCTURAL INDICATORS FOR 2004 SPRING REPORT

1. The Council, on the basis of the contributions of the Social Protection Committee, the Economic Policy Committee, the Employment Committee and the Working Party on Environment¹, has considered the Commission's Communication on structural indicators and has adopted the following conclusions.
2. The Council welcomes the Commission's Communication on structural indicators and agrees on most of the points raised by the Commission. The Council also welcomes the progress achieved in making use of the indicators in the decision-making process in EU and underlines the need to better coordinate the use of indicators in the different policy fields. The Council shares the view that considerable progress has been made in increasing the transparency and the comparability of the indicators across countries and also welcomes any improvement in increasing the data coverage of acceding and candidate countries.
3. The Council acknowledges the Commission's proposal to establish a shortlist of headline indicators that should be conveyed to public opinion through the mass media in order to monitor the progress made in achieving the goals of the Lisbon, Göteborg and Stockholm Councils. The Council also supports the intention of maintaining, in parallel to the shortlist, a publicly accessible database containing a larger number of indicators in order to fully monitor structural reforms. The Council deems important that the Spring Report should continue to base its analysis on the longer list of indicators, which remains the main instrument available to the Commission for policy analysis². In this respect, the Commission should consult the Council on any substantial changes concerning the longer list, also taking into account the progress made in developing further the indicators' quality and their usefulness for policy analysis by the relevant Committees and Working Parties. When applying the longer list of indicators, the Commission should pay particular attention to important areas of the Lisbon's agenda that are not presently covered by the shortlist, such as information technology.

¹ According to the (Environment) Council's Conclusions of 27th October 2003.

² For instance the real GDP growth rate.

4. The Council agrees with the Commission on revising the shortlist of structural indicators every three years. However, following the procedure set out in par. 3, the shortlist could be modified in order to take into account new important policy priorities, in particular by the inclusion of an indicator on biodiversity.
5. Both levels and changes in recent years should, whenever appropriate, be presented for indicators. In using and interpreting the indicators, the Commission should focus both on current performance as well as on the progress made by the Member States and should avoid mechanical use of the indicators, for instance in ranking the countries. Moreover, it is important to take into account the fact that the achievement of political goals may not be fully captured by the indicators.
6. Disaggregation by gender is an important principle for the indicators and should be applied whenever appropriate. The Council recommends that the gender breakdowns in the shortlist of structural indicators be included in the Spring Report.
7. The Council endorses the shortlist of indicators as set out in Table 1.

Priorities for further work

8. While the quality of most of the indicators has improved markedly, further progress is necessary in important areas.

Further progress should regard market structure and prices in network industries, public procurement, efficiency of public administration, regulatory environment, social cohesion at the regional and local level, pension systems, benefit dependency ratio, cost of capital and financial integration, ICT, employment growth measured in full-time equivalents, job vacancies, childcare facilities, adjusted gender pay gap, public and private spending on education and training, quality of work, poverty, unemployment and inactivity traps, sectors and *ad hoc* state aid, indicators on the multidimensionality of poverty and social exclusion, and adequate and sustainable pensions.

Further progress is necessary in enhancing the balance of indicators according to the priorities of the EU Sustainable Development Strategy and the 6th Environmental Action Plan. Indicators on biodiversity and health should be included as soon as possible and not later than the next review of the EU Sustainable Development Strategy (expected for 2004).

9. Considering the global implication of the Lisbon, Göteborg and Stockholm goals, it would be desirable to have a more extensive use of indicators, focusing on the performance of the European Union compared to other countries such as the United States and Japan.
10. The Council also stresses the importance of strengthening the co-ordination between the relevant statistical bodies and services at EU and national level in improving the quality of the data on which the indicators are built.

Table 1
Proposed indicators for the 2004 Spring Report

General economic background
1. GDP per capita in PPS
2. Labour productivity
Employment
3. Employment rate
4. Employment rate of older workers
Innovation and research
5. Educational attainment (20-24)
6. R&D expenditure*
Economic reform
7. Relative price level
8. Business Investment
Social cohesion
9. At-risk-of-poverty rate
10. Dispersion of regional employment rates
11. Long-term unemployment
Environment
12. Greenhouse gases emissions
13. Energy intensity of the economy**
14. Volume of transport

* The Commission should, in the graphic presentation, highlight IT expenditure.

** The Commission should, in the graphic presentation, distinguish between renewable and non-renewable energy.