



# **EU Employment and Social Situation Quarterly Review**

## ***March 2014***

### **10 Key facts and figures**

EMPL A1-A2

# 1. Will it be job-rich and inclusive recovery?

**Real GDP, real GDHI and employment growth, EA17, 2005-2013**

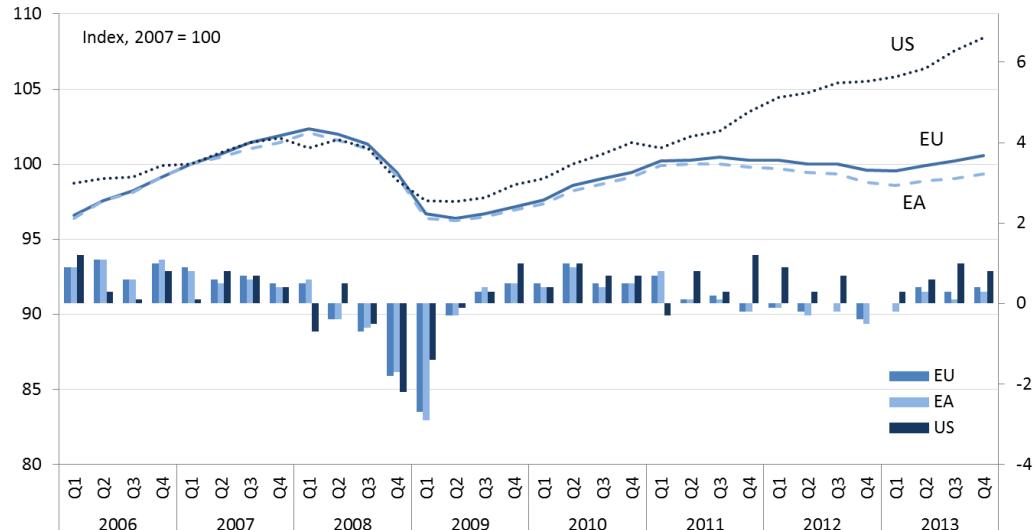


- Signs of economic recovery
  - Lagged adjustment in employment
  - Still decline in real gross disposable households income (GDHI)
- Recovery does not yet profit households and individuals

## 2. Macroeconomic context

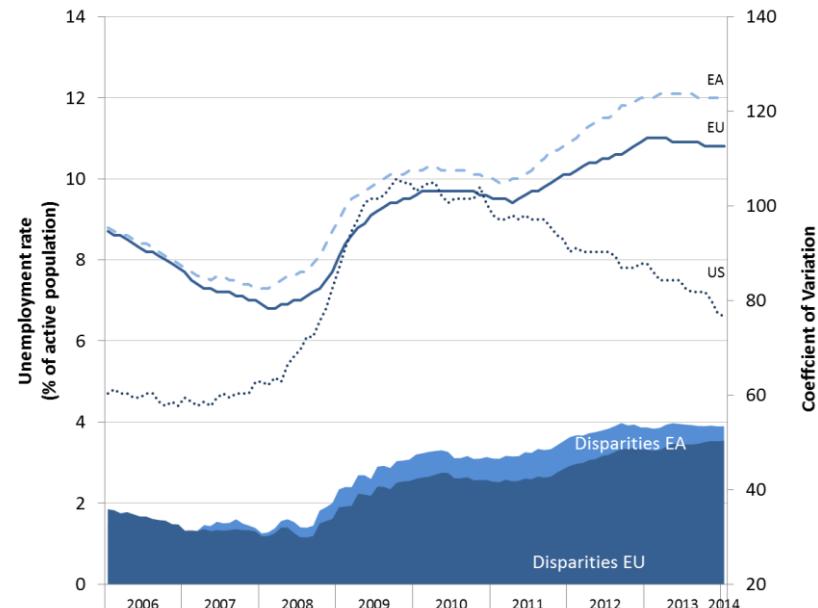
**First signs of economic recovery emerged in 2013, but the EU is still exposed to high unemployment and divergence among MS**

**Real GDP in Europe (EU/EA) and US (lhs)  
and % changes on previous quarter (rhs)**



Source: Eurostat, National Accounts and LFS

**Unemployment rates in Europe (EU/EA) and US (lhs)  
and unemployment disparity in Europe (rhs)**



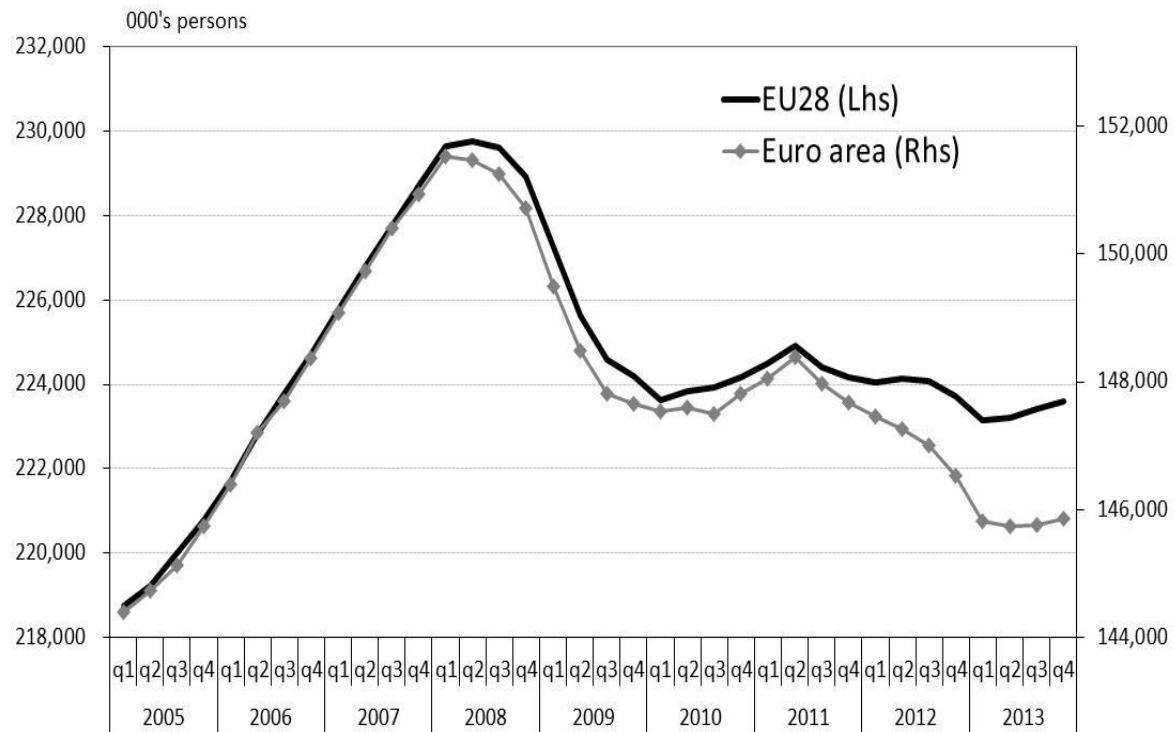
Note: Dispersion is the coefficient of variation calculated over the EU28 Member States' unemployment rates.

### 3. Recent labour market trends

**Improvements in employment in the EU emerged during 2013, but are still weak**

- Employment declines appear to have stopped during 2013
- Slight growth in 2013q4 by 0.1% in the EU and the EA
- Despite improvements in recent quarters employment in 2013 was still lower than a year ago

**Employment level, thousands, EU28 (lhs) and EA18 (rhs), 2005-2013**

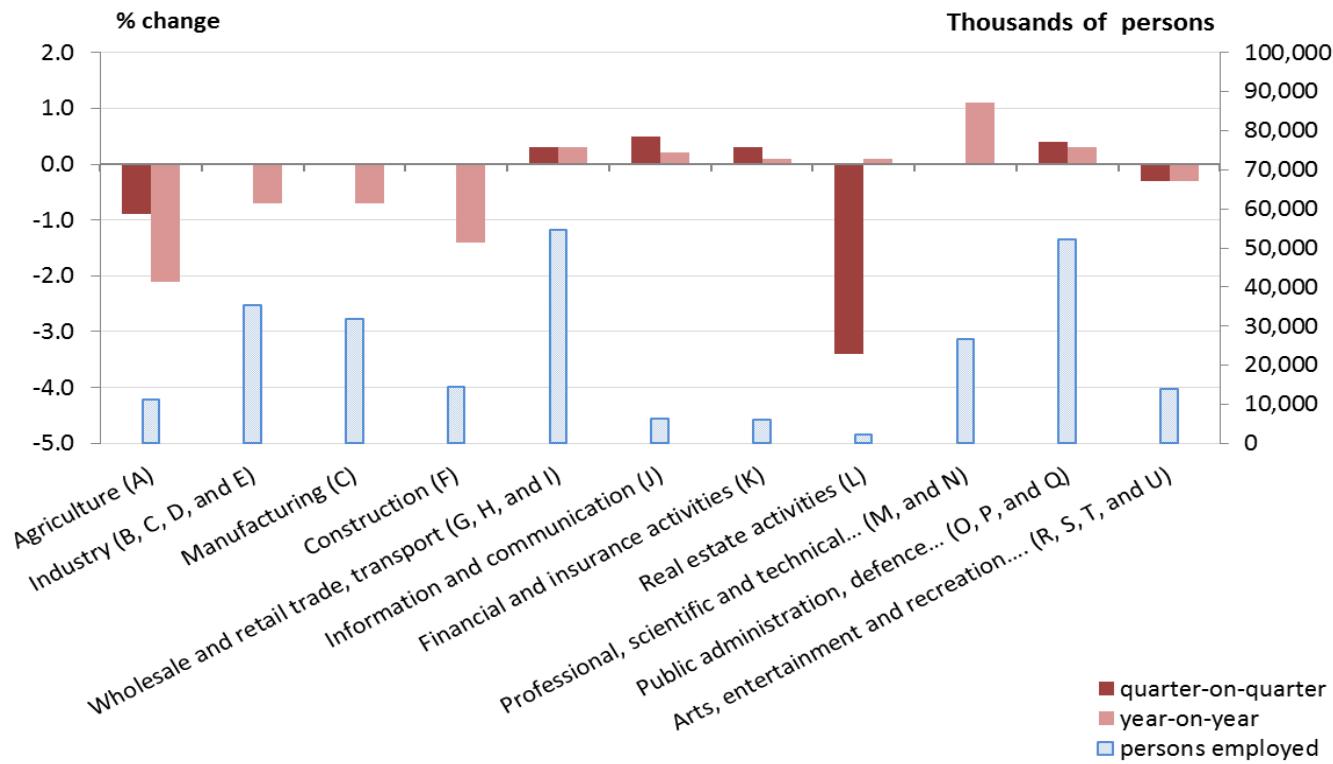


Source: Eurostat, National Accounts

### 3. Recent labour market trends

**Halt to employment decreases was registered in majority of sectors in the EU**

**Employment growth in 2013 Q4 compared to previous quarter and previous year (lhs) and employment level (rhs) for the EU28, by activity sector**



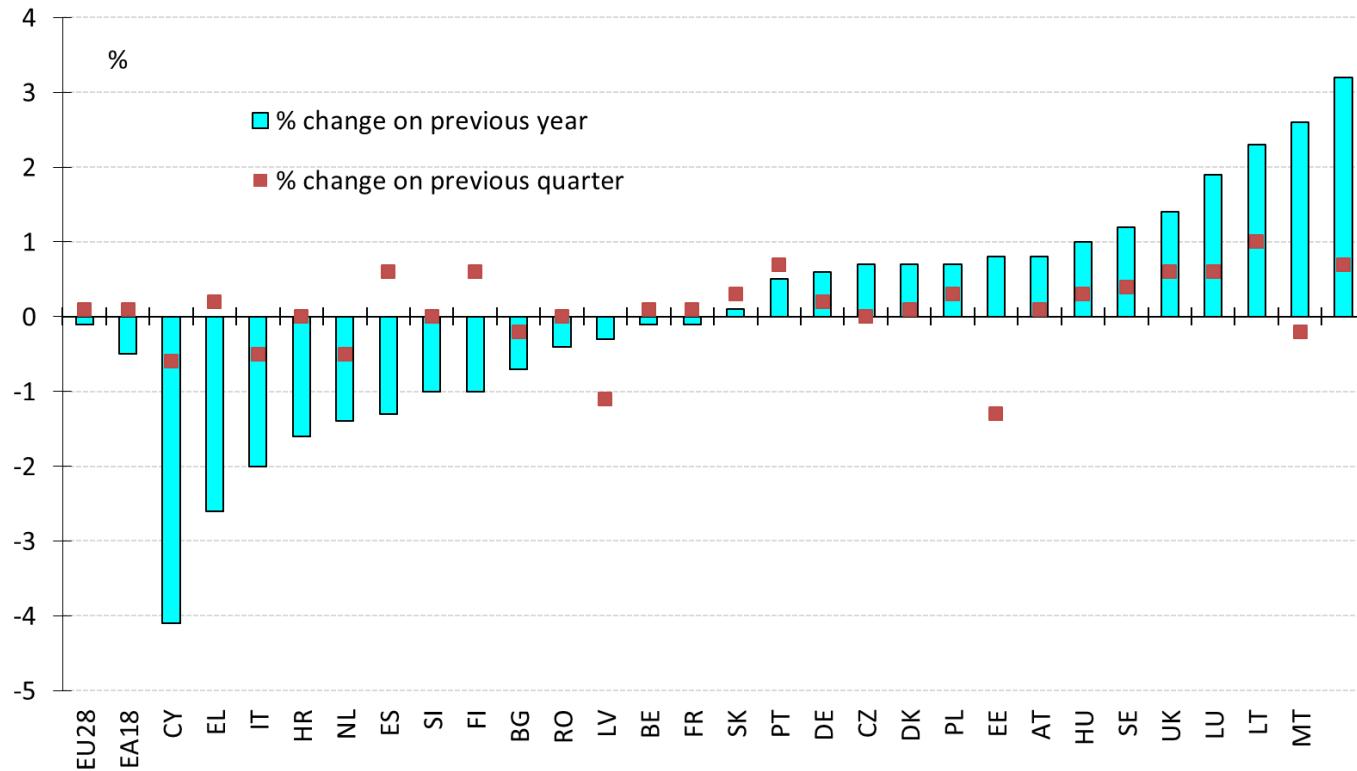
Source: Eurostat, National Accounts



### 3. Recent labour market trends

#### Employment rose in most MS in the last quarter 2013

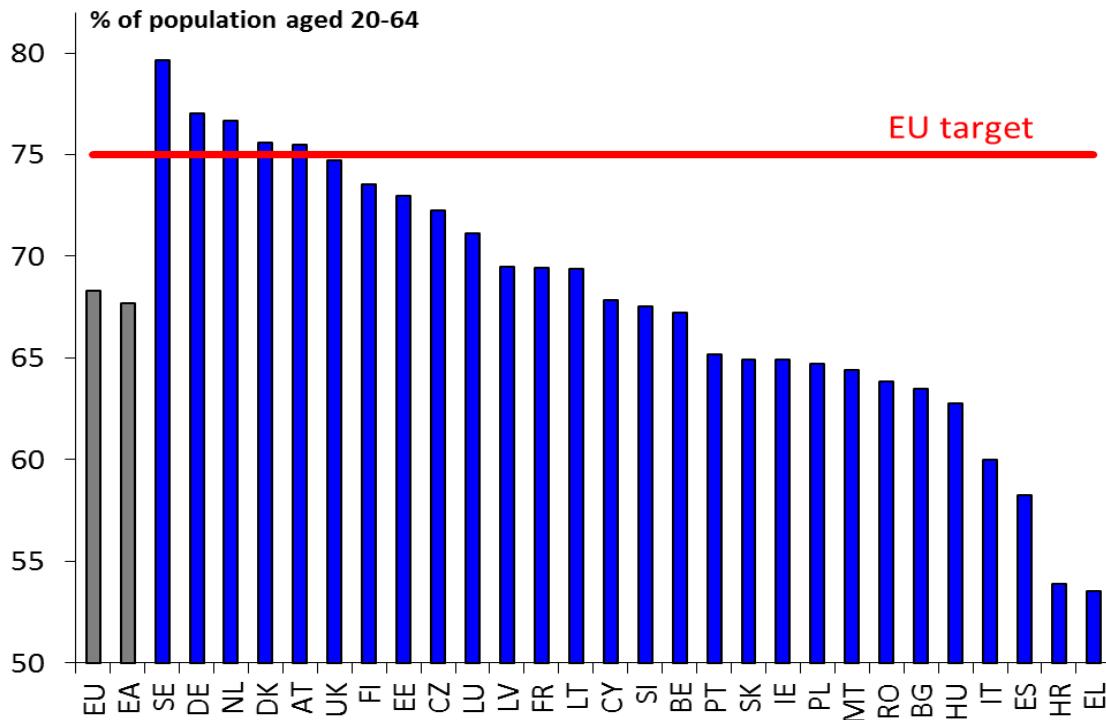
Employment growth in 2013 Q4 compared to previous quarter and previous year,  
EU28, EA18 and Member States



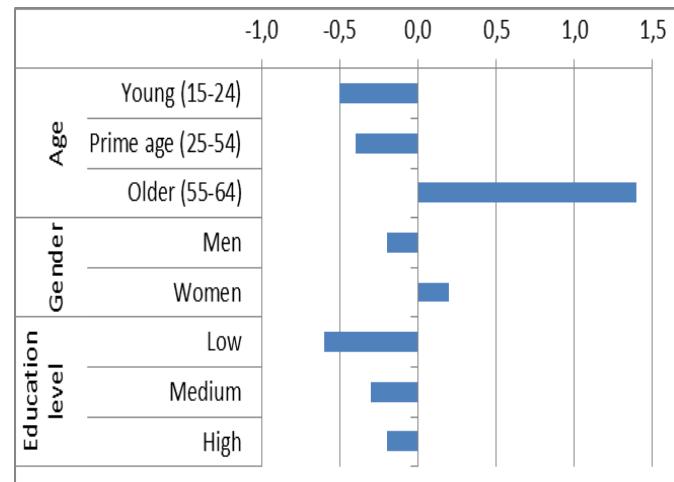
## 3. Recent labour market trends

### Employment rate remains below 70% in the EU and MSs

**Employment rates, EU28, EA18 and Member States,  
2013 Q3**



**Change in employment rate  
2012 Q3-2013 Q3, by age group,  
gender and education, EU28**

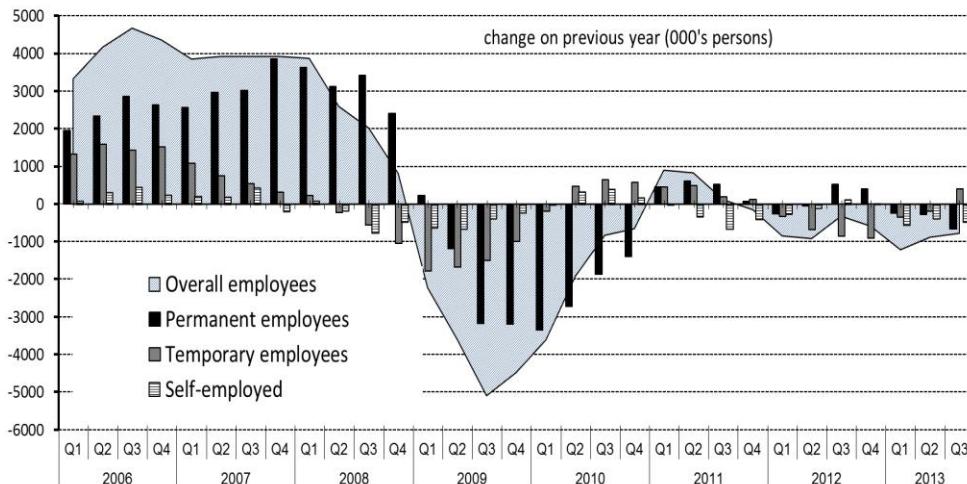


Source: Eurostat, LFS

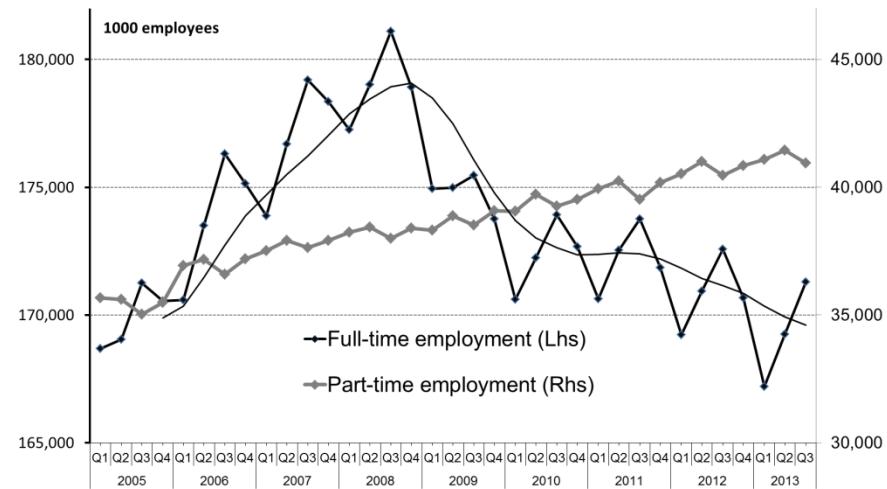
### 3. Recent labour market trends

**Temporary contracts started to lead recovery**  
**Part-time work has always been on rise**

**Employees in permanent and temporary contracts,  
 self-employment and total employment, year-on-  
 year change, EU28, 2006-2013**



**Part-time and full-time employment,  
 EU28, thousands, 2005-2013**

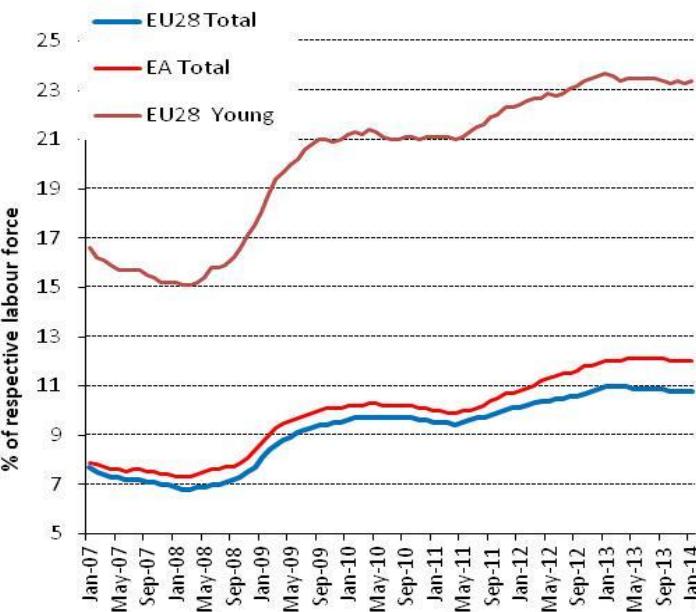


Source: Eurostat, LFS

## 4. Unemployment

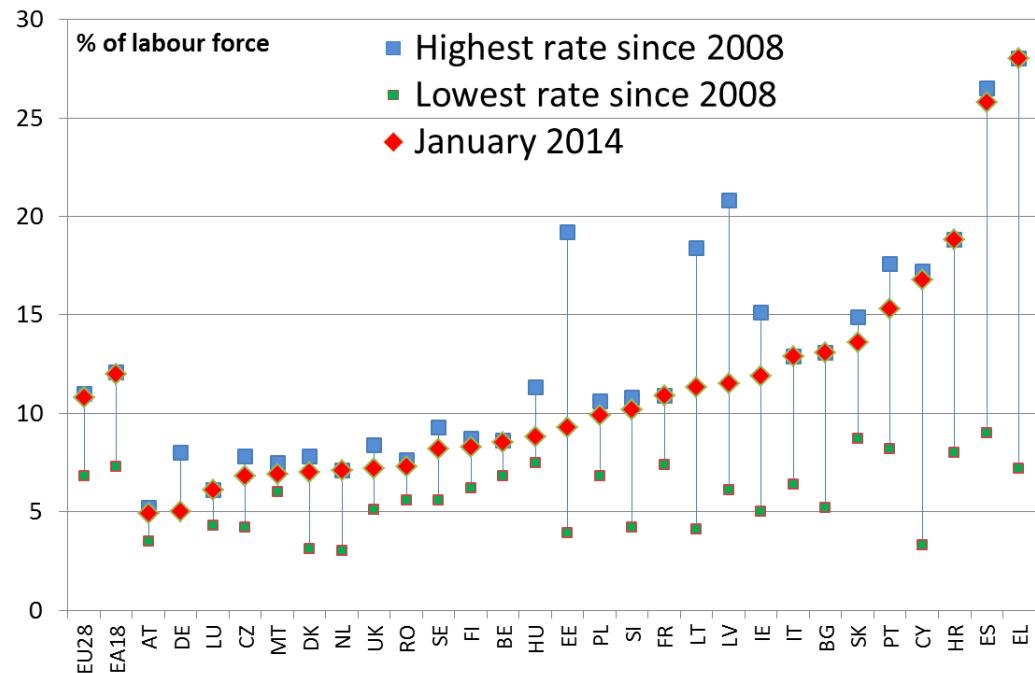
### Unemployment rate slightly falling from high levels

**Unemployment by age, EU28 and EA18, 2007-2014**



Source: Eurostat, series on unemployment

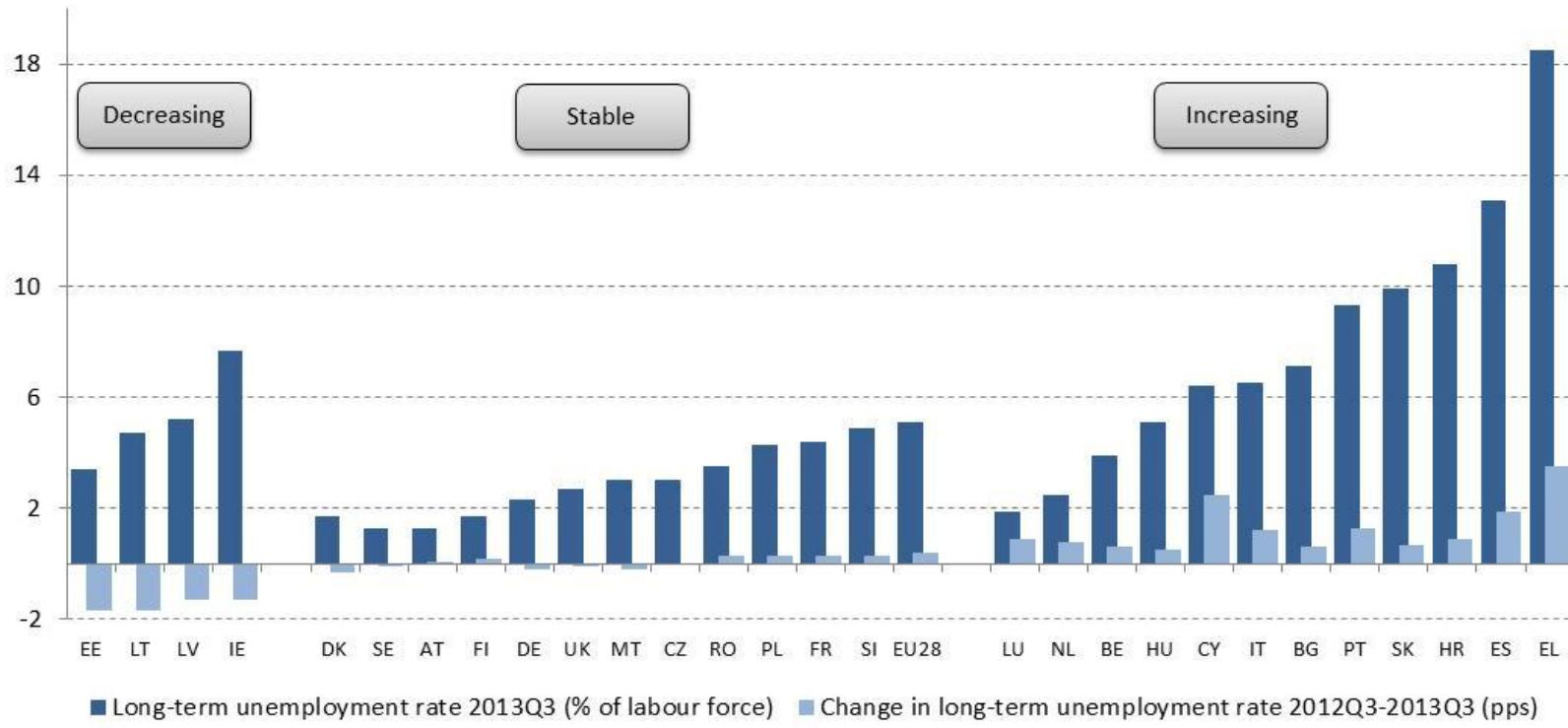
**Unemployment rates, EU28, EA18 and Member States, January 2014, and highest/ lowest rates since 2008**



## 5. Labour market detachment

**Long-term unemployment stagnated overall, while some Member States still evidence increase**

**Long-term unemployment rates and changes compared to previous year,  
EU28 and Member States, 2013 Q3**



Source: Eurostat, LFS

## 5. Labour market detachment

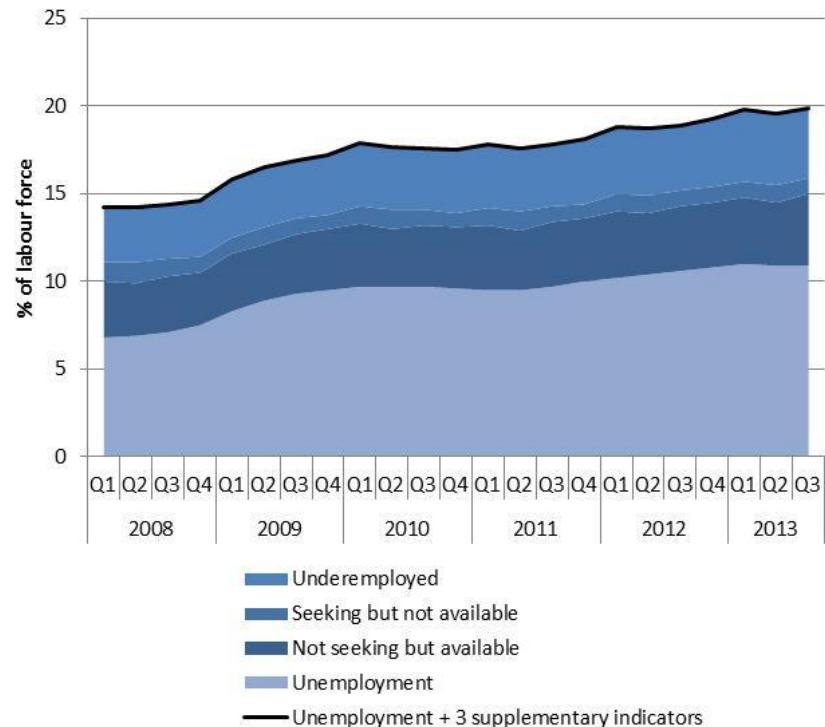
### Underemployment and additional potential labour force grew in the EU

- Underemployment and potential labour force have expanded as fast as unemployment
- They would add 40% to current unemployment level

\* underemployment = part-time workers who want to work more

\*\* potential labour force = those who seek work but are not available plus discouraged who are available but don't seek work

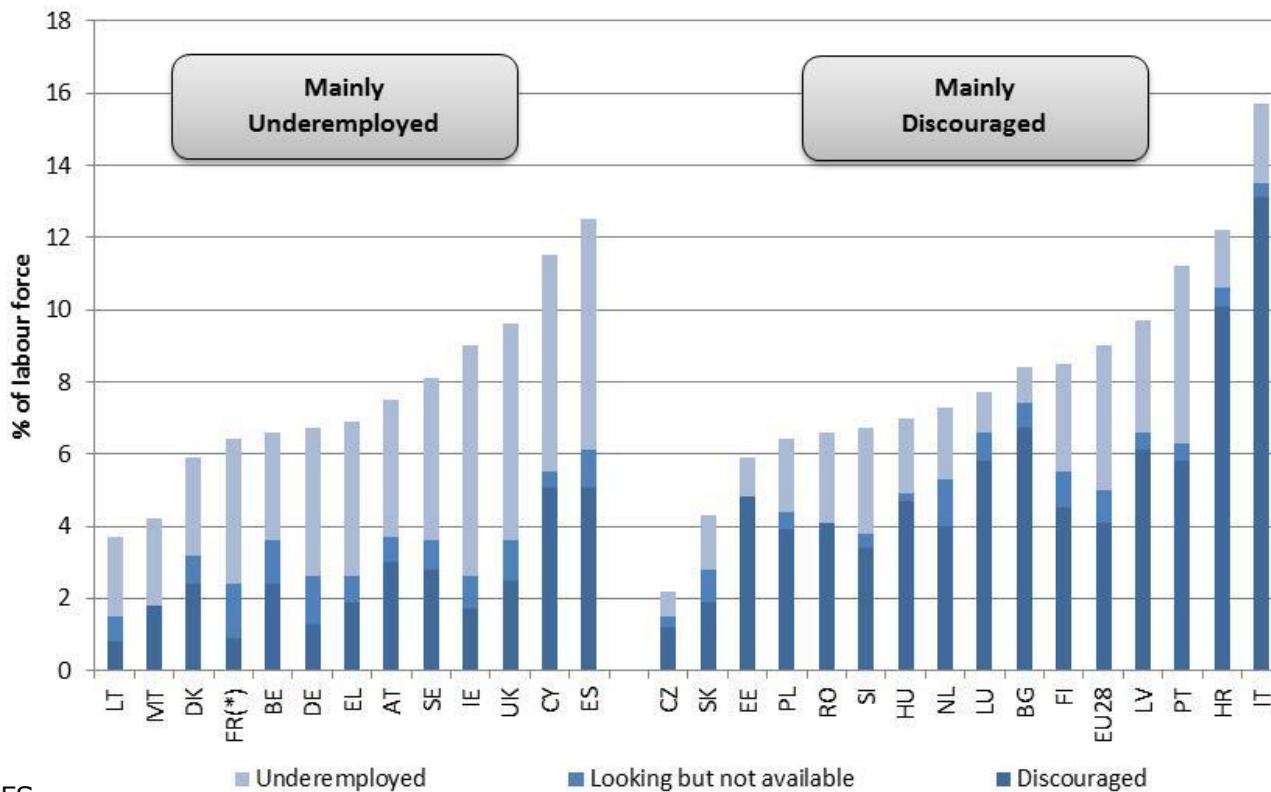
**Underemployment and potential labour force,  
EU28, 2008-2013**



## 5. Labour market detachment

**Underemployment and discouragement prevailed in Member States to different degree**

**Underemployment and potential labour force, EU28 and Member States, 2013 Q3**

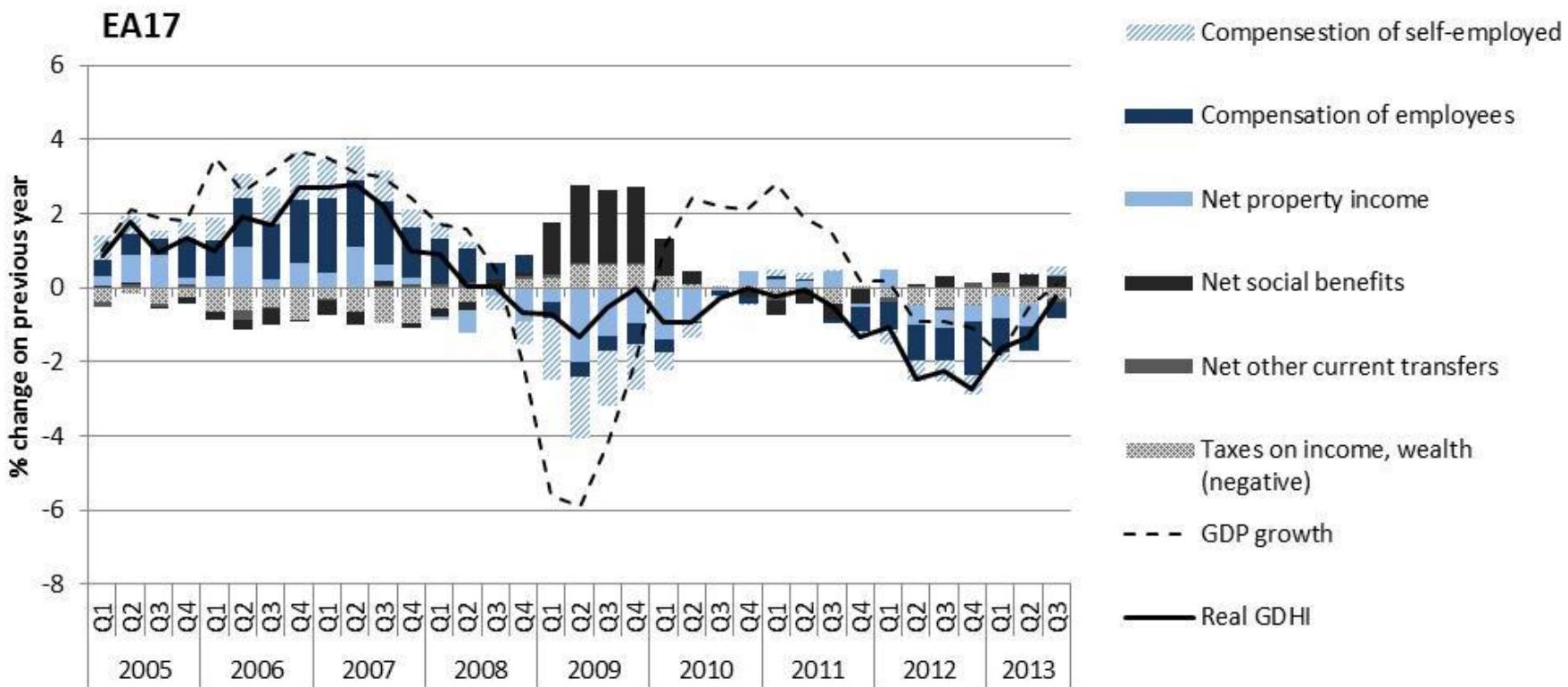


Source: Eurostat, LFS

## 6. Situation at household level

**Recovery has not yet benefited individuals - real GDHI still slightly down on previous year**

Real GDHI growth, EA17, 2005-2013

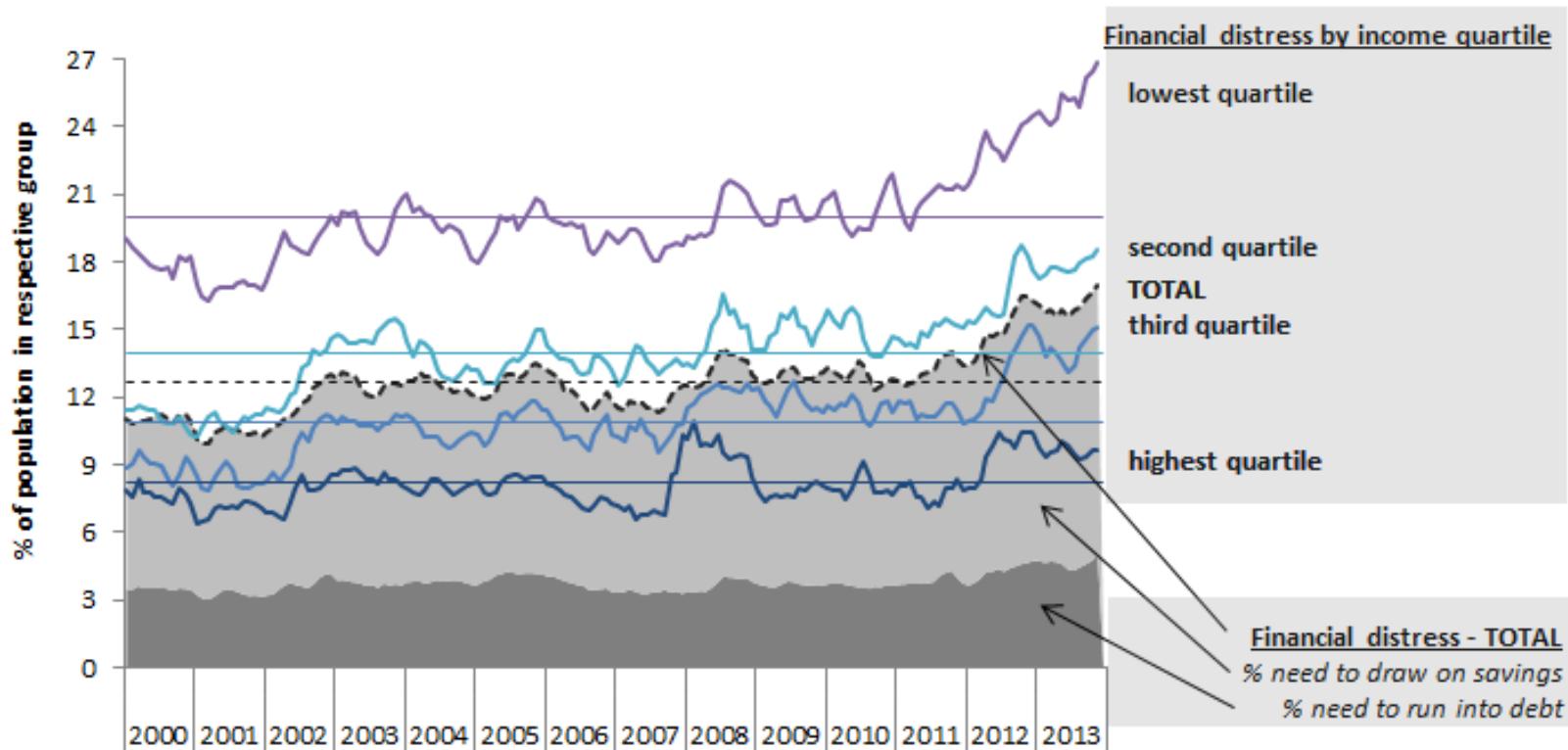


Source: Eurostat, National Accounts

## 6. Situation at household level

**Households' financial distress continued to intensify – particularly among low-income households**

Reported financial distress (need to draw on savings or run into debt), EU28, 2000-2013

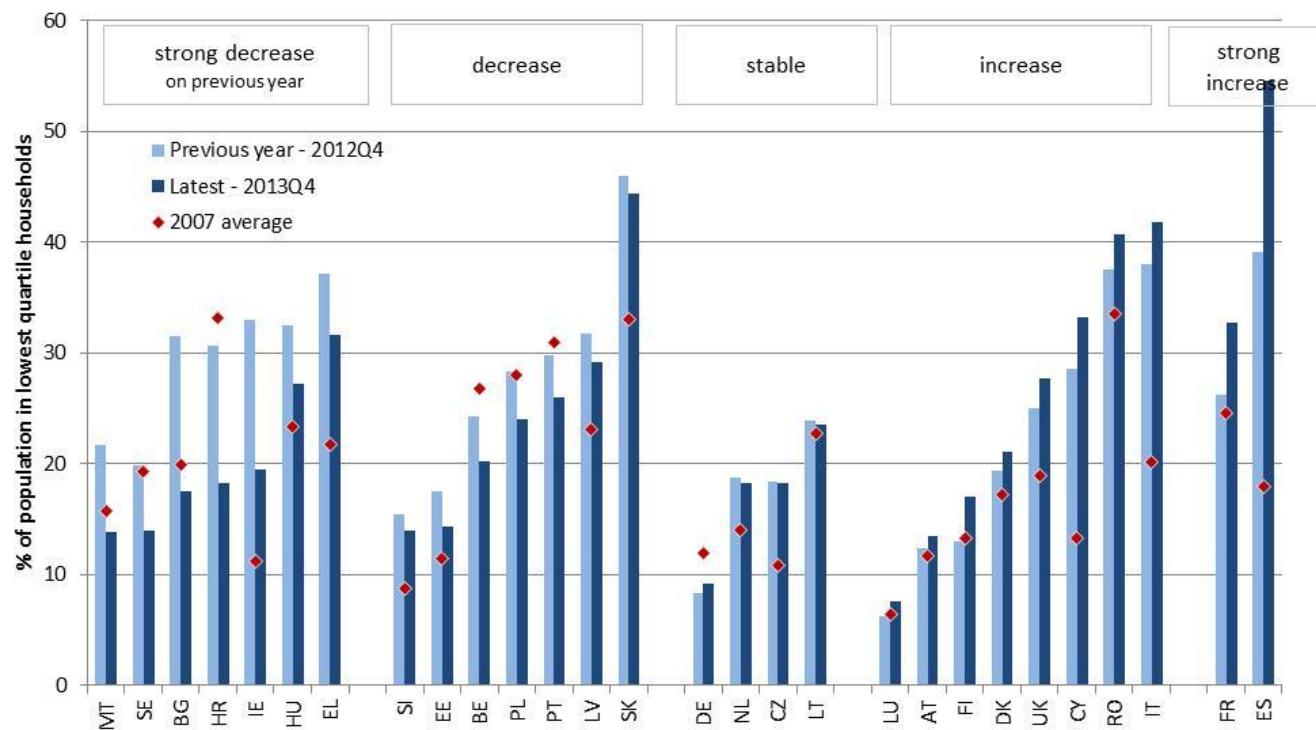


Source: European Commission, Business and Consumer Surveys

## 5. Situation at household level

### Developments in financial distress have varied across the EU

**Reported financial distress (need to draw on savings or run into debt), EU Member States, 2007, 2012 Q4 and 2013 Q4**

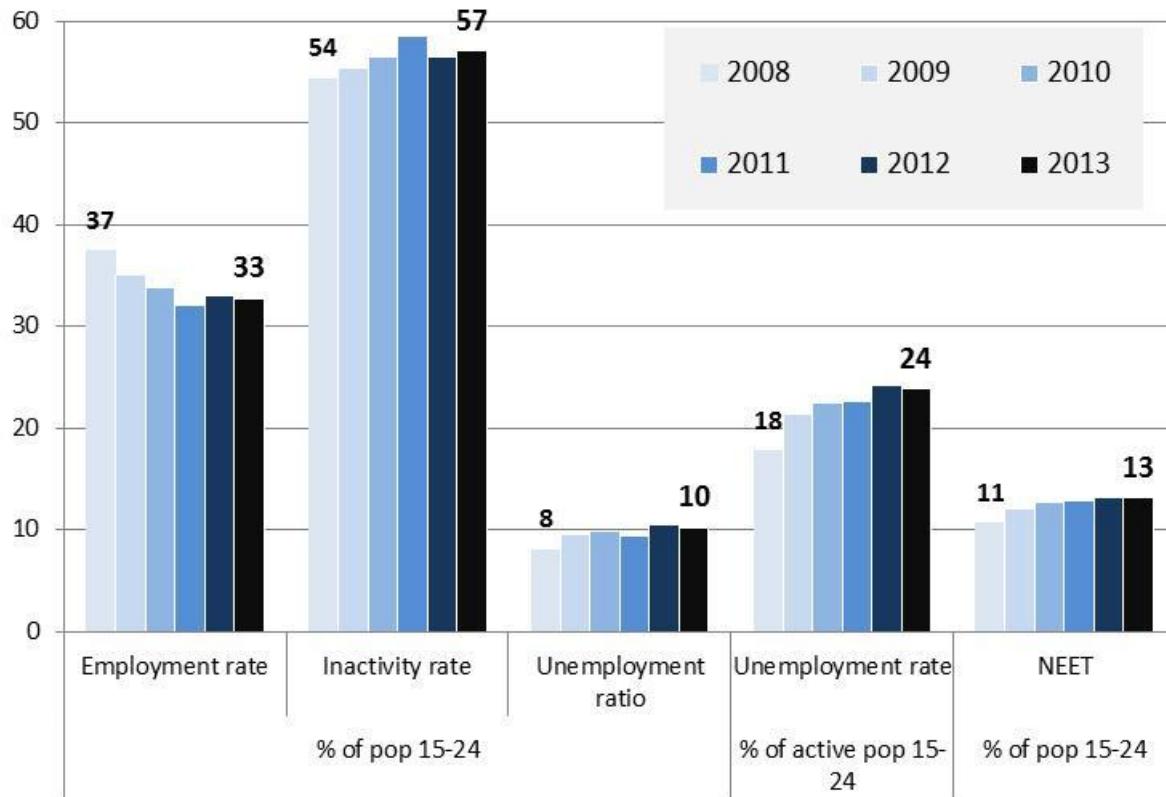


Source: European Commission, Business and Consumer Surveys

## 7. Situation for youth

**Labour markets for youth have shown signs of stabilisation, but remain challenging**

**Key indicators for labour market for youth, EU28, 2000-2013**



Source: Eurostat, LFS

- Recent trends
- Stabilisation in unemployment
- Inactivity, unemployment, NEET down over a year to 2013 Q3
- Situation of young people
- Only 1/3 in employment
- Nearly 60% inactive, among which 90% in education
- 10% in unemployment or 23.4% of labour force (January 2014) 5.5 mln
- 13% in NEET

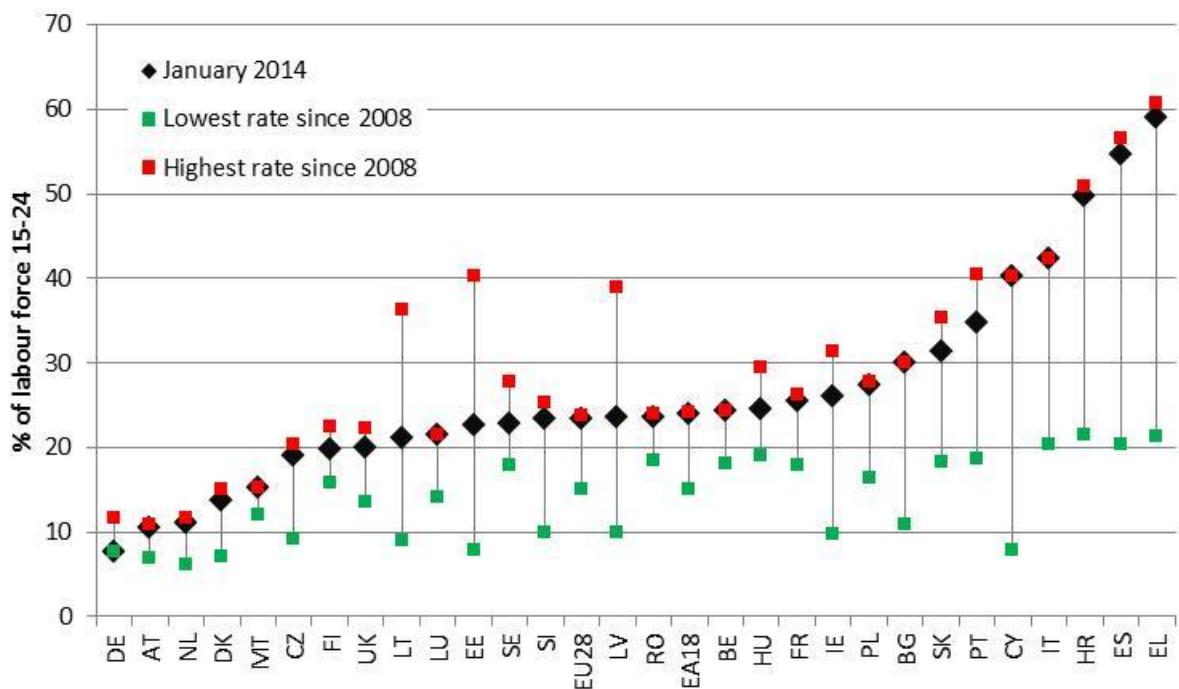
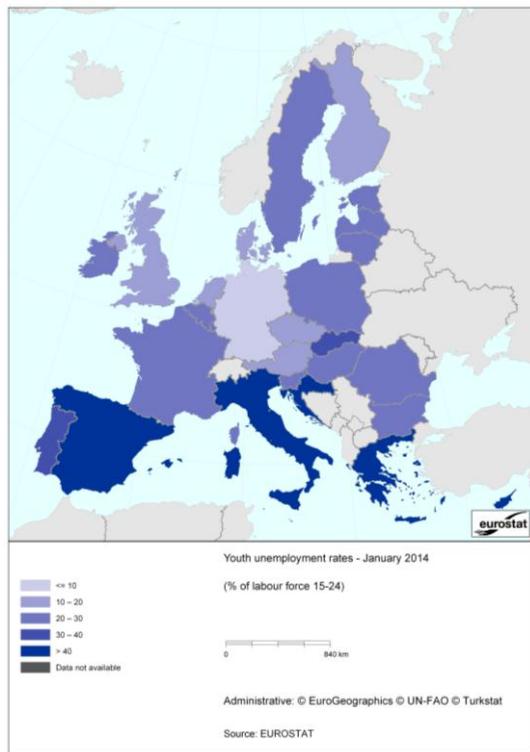
## 7. Situation for youth

**Unemployment rate stabilised at high 23.4%, considerable differences across the EU prevailed**

Youth unemployment rates, EU Member States,

January 2014,

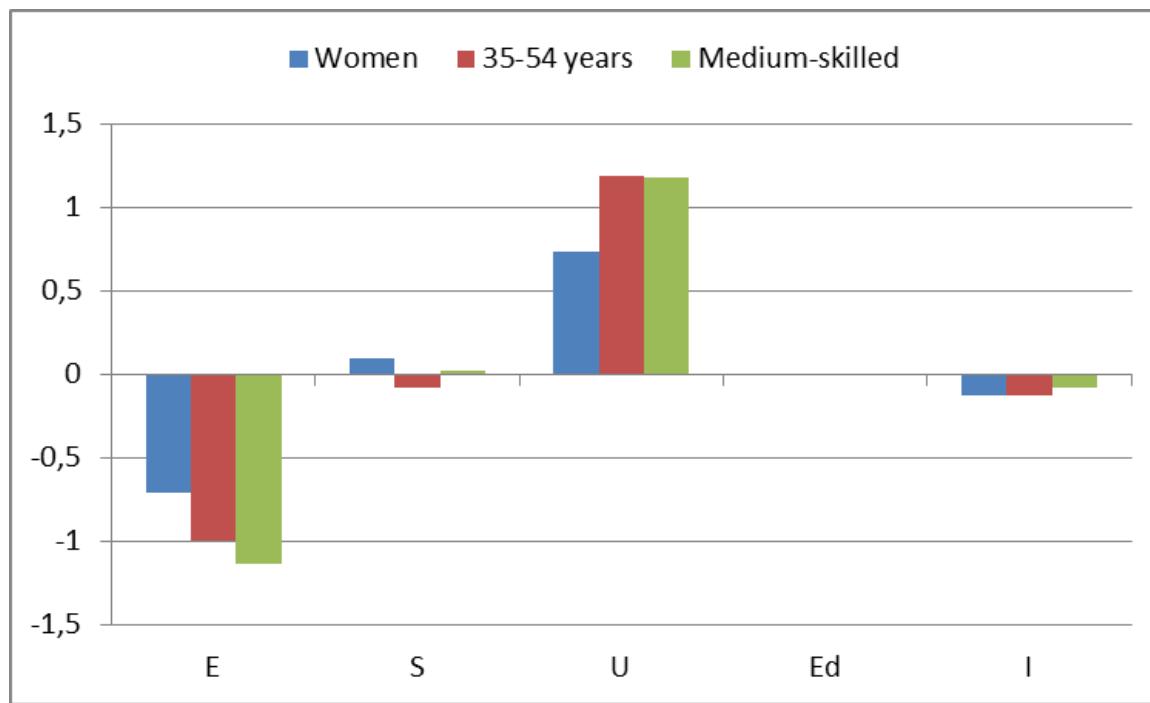
January 2014 lowest and highest rates since 2008



Source: Eurostat, series on unemployment

## 8. Labour market transitions

**Change in transition probability from employment for reference categories between 2006 and 2010**



**E: employed**

**Ed: education**

**S: self-employed**

**I: inactive**

**U: unemployed**

Source: Eurostat, EU SILC

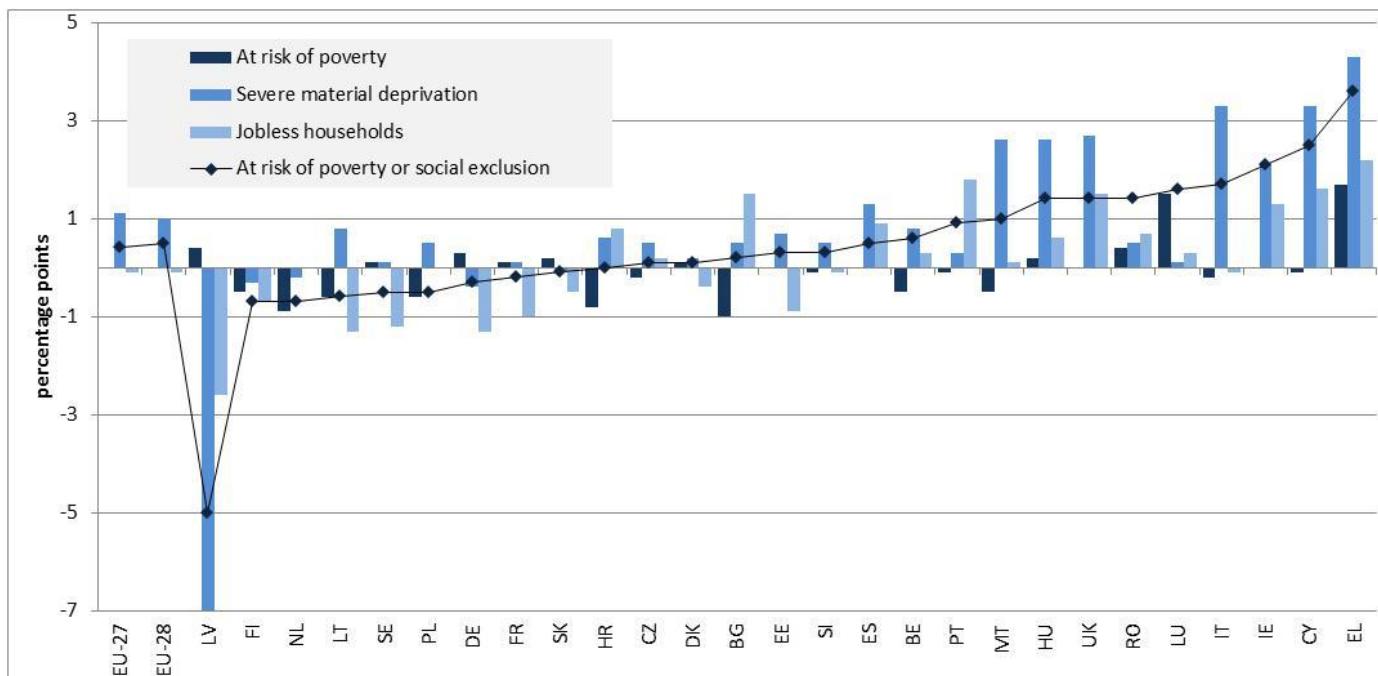
### **Main findings:**

- **Employment stability declined significantly in 2010.**
- **Transition to unemployment was the most important destination on leaving employment.**
- **Transitions of men and young people were most strongly affected.**
- **Stepping-stone function of temporary employment reduced notably.**

## 9. Poverty or social exclusion

**Poverty or social exclusion increased in one third of the Member States, severe material deprivation rose & the share of people living in jobless households stabilized**

**Changes in components of at risk of poverty or social exclusion, EA28, EA17 and Member States, 2011-2012**



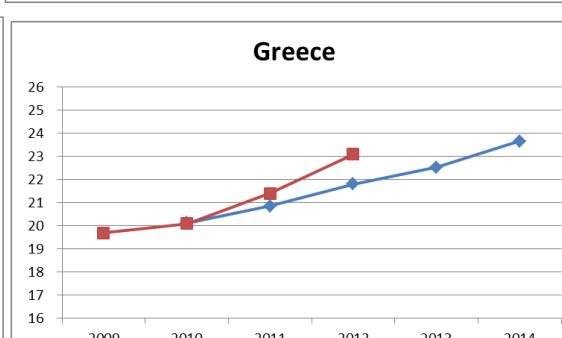
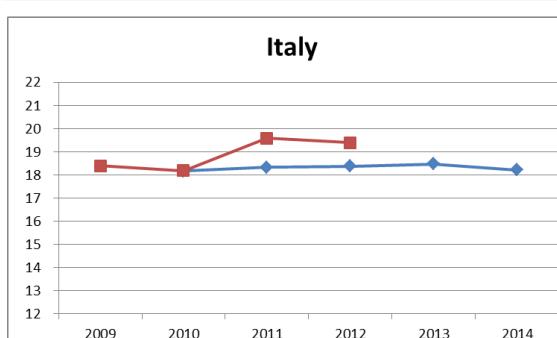
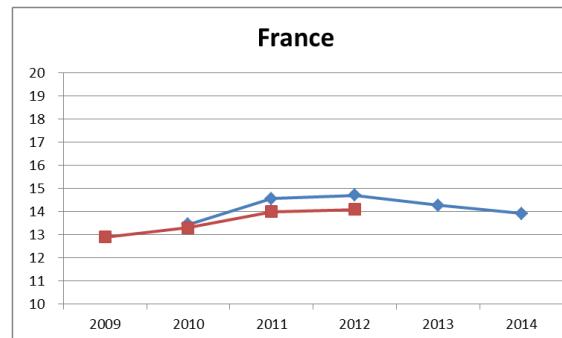
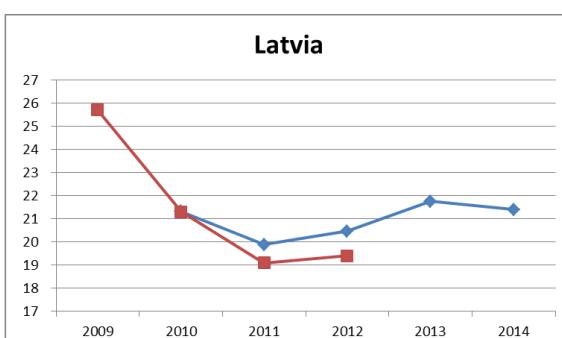
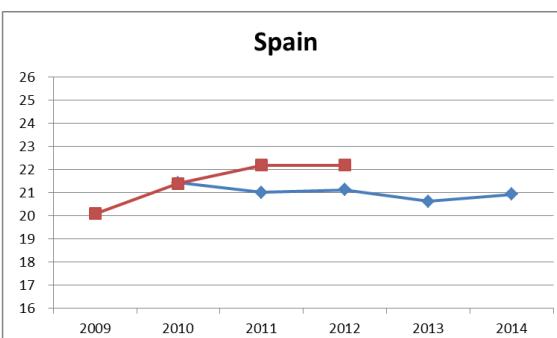
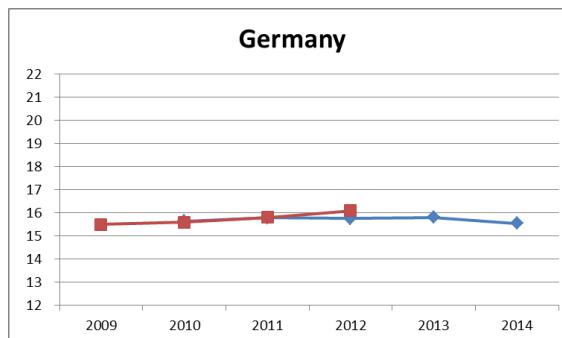


## 9. Poverty or social exclusion

### Nowcasting at-risk of poverty to 2013 – rise in some Member States

**Nowcast estimates of at risk of poverty rates, selected Member States, 2011-13**

**RED:** Eurostat      **BLUE:** Euromod nowcasts

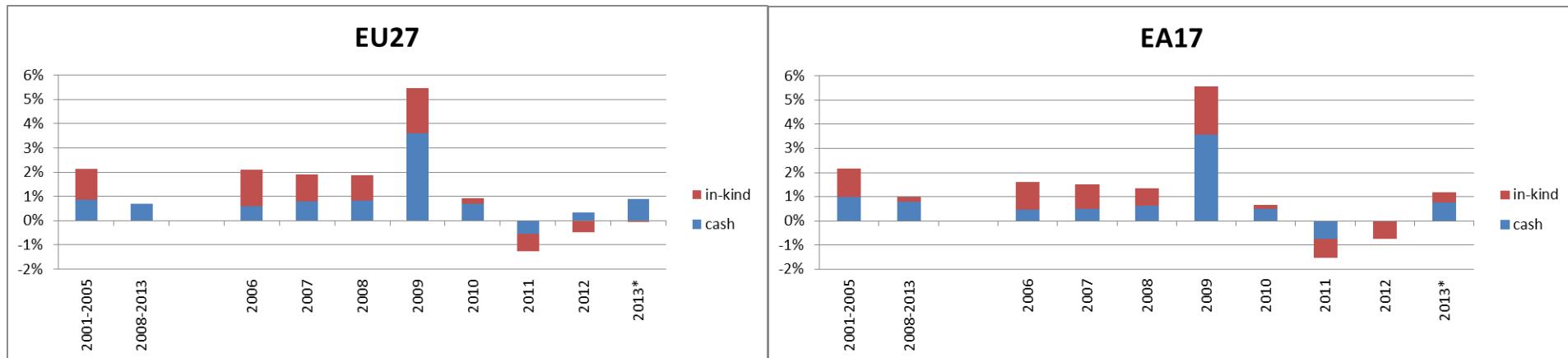


Source: Euromod

## 10. Impact of social protection expenditure

**Stabilising impact of social protection expenditure remained very weak in 2013 despite a slight improvement**

**Breakdown of annual change in real public social expenditure between contributions from in-cash and in-kind benefits, EU27 and EA17, 2001–13**

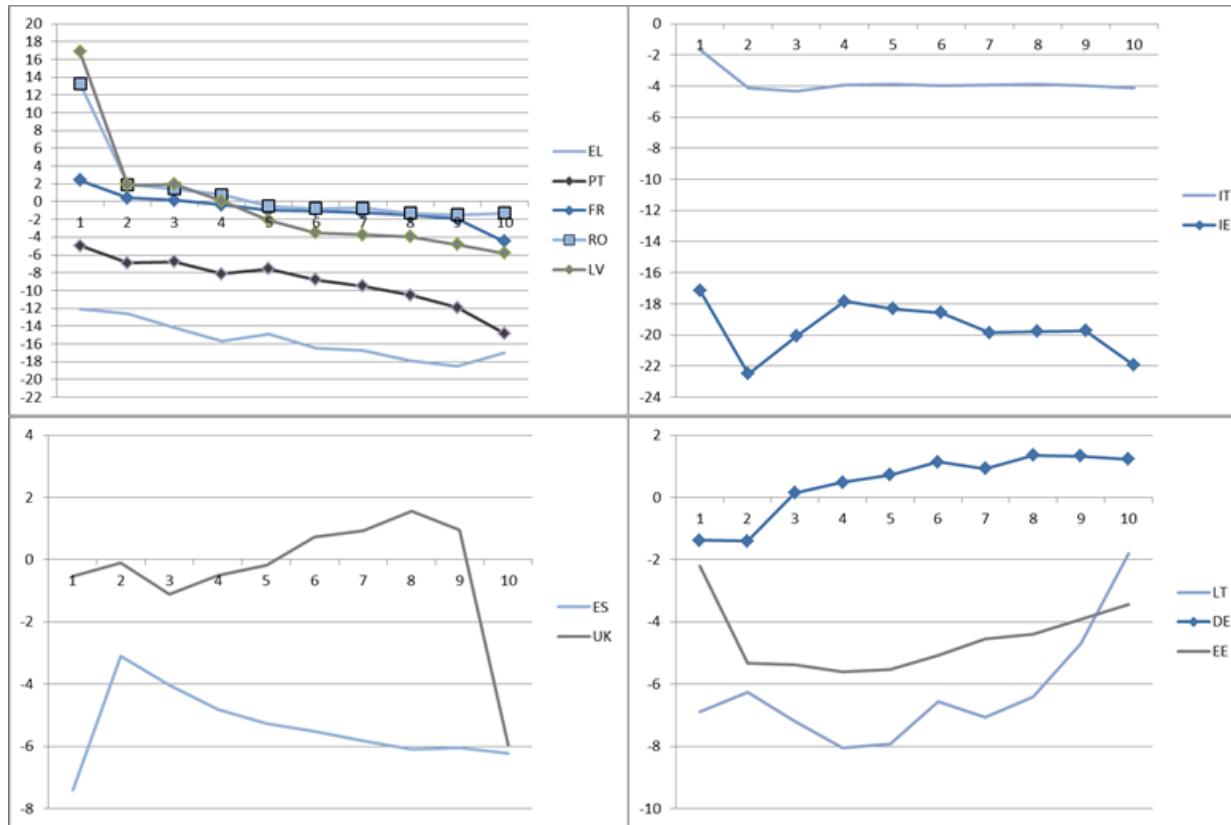


Note : Source: Eurostat, National Accounts, DG EMPL calculations. Note: the values for 2013 are generally an estimate based on national accounts based on the first three quarters.

# 10. Impact of social protection expenditure

## Impact on household incomes of changes in taxes and benefits

**Contribution of changes in tax benefit systems to change in households incomes,  
selected Member States, 2008-2013**





# Bonus. Latest labour markets trends in the EU-28...

	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4
<b>Real GDP</b>					
(% change on previous quarter, SAWA)	-0.4	-0.1	0.4	0.3	0.4
(% change on previous year, SAWA)	-0.9	-1.4	0.0	0.5	1.1
<b>Employment growth</b>					
(% change on previous quarter, SAWA)	-0.2	-0.3	0.0	0.1	0.1
(% change on previous year, SAWA)	-0.3	-0.5	-0.5	-0.3	-0.1
<b>Employment rate (15-64)</b>					
(% of working-age population, NSA)	64.1	63.3	64.1	64.5	NA
<b>Employment rate (20-64)</b>					
(% of working-age population, NSA)	68.4	67.6	68.4	68.8	NA
<b>Job vacancy rate (EU27)</b>					
(% of vacant and occupied posts, NSA)	1.4	1.5	1.5	1.4	1.6
<b>Labour productivity</b>					
(% change on previous year, SAWA)	-0.5	-0.3	0.3	0.5	1.1
<b>Nominal unit labour cost</b>					
(% change on previous year, SAWA)	3.2	1.5	0.8	-0.1	-0.1
<b>Long-term unemployment rate</b>					
(% labour force, NSA)	4.9	5.2	5.1	5.1	NA

	2013 Jan	2013 Oct	2013 Nov	2013 Dec	Jan 2014
<b>Unemployment rate (SA)</b>					
<b>Total</b> (% labour force)	11.0	10.8	10.8	10.8	10.8
<b>Men</b>	10.9	10.7	10.7	10.7	10.7
<b>Women</b>	11.0	10.9	10.9	10.8	10.9
<b>Youth</b> (% labour force aged 15-24)	23.7	23.3	23.4	23.3	23.4

Source: Eurostat

# ... and outlook for EU-27 and EA

	Institute	date	gr.'14	gr. '15	UR '14	UR '15
EU-27	IMF	21-Jan	NA	NA	NA	NA
	Commission	25-Feb	1.5	2.0	10.7	10.4
	ECB	06-Mar	NA	NA	NA	NA
Euro area	IMF	21-Jan	1.0	1.4	NA	NA
	Commission	25-Feb	1.2	1.8	12.0	11.7
	ECB	06-Mar	1.2	1.5	11.9	11.7

"gr." is real GDP growth in %; "UR" is the unemployment rate, in % of the active population.



# Thank you for your attention!



Please consult our [website](#) to download the [report](#), the [press release](#) and the Special Supplements on [labour market transitions](#), [trends in poverty and social exclusion](#) and [trends in social expenditure](#).

(URL:  
<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=2054&furtherNews=yes>)

**Any further questions?** Please contact  
[EMPL-ANALYSIS@ec.europa.eu](mailto:EMPL-ANALYSIS@ec.europa.eu)