

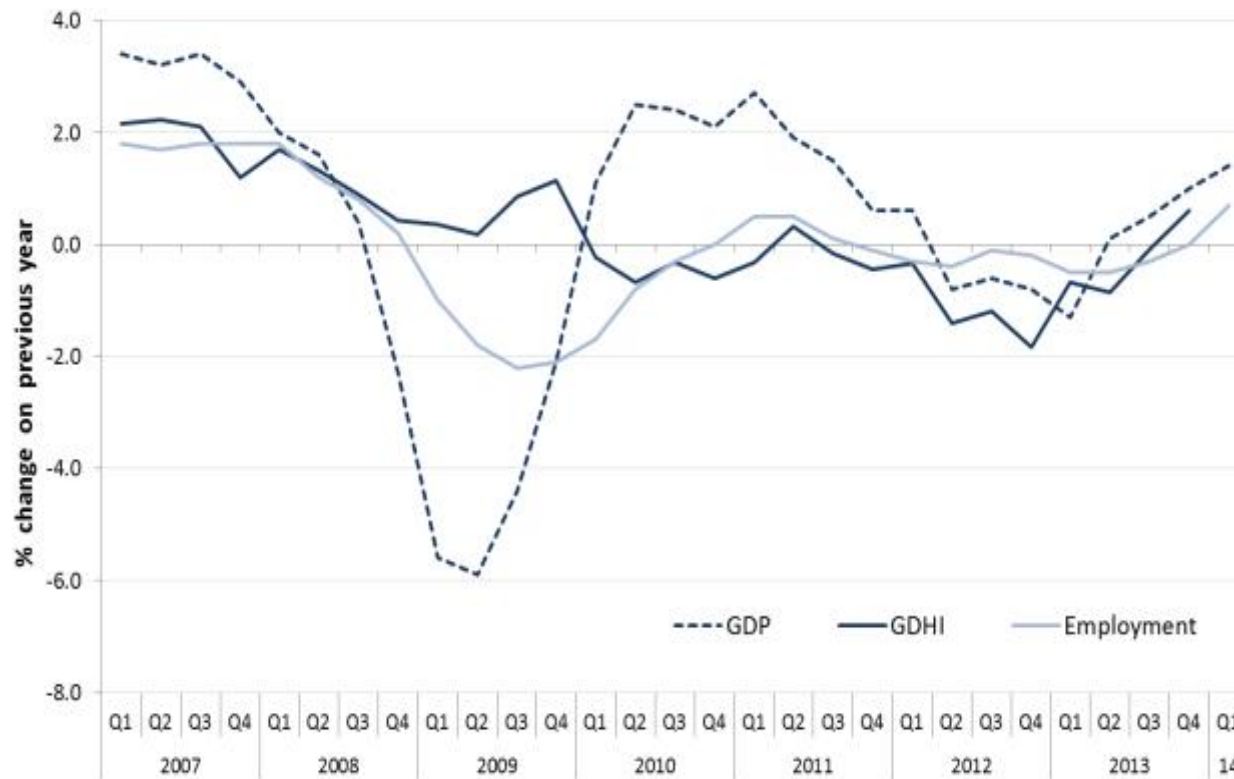
# **EU Employment and Social Situation Quarterly Review**

***June 2014***

## **Key facts and figures**

# Recovery of employment and household income?

## Real GDP, GDHI and employment growth (y-on-y), EU28



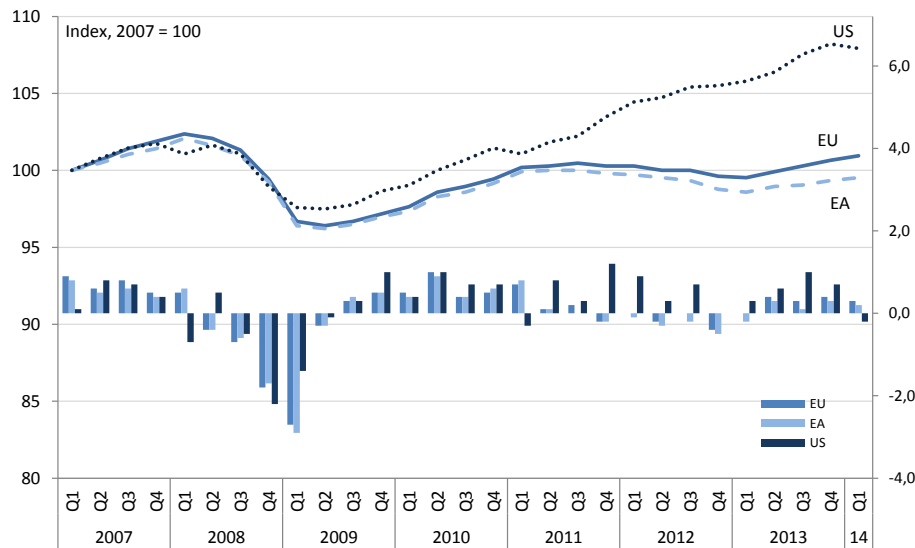
- Gradual economic recovery

- GDP, employment and household incomes together on the rise first time since 2011

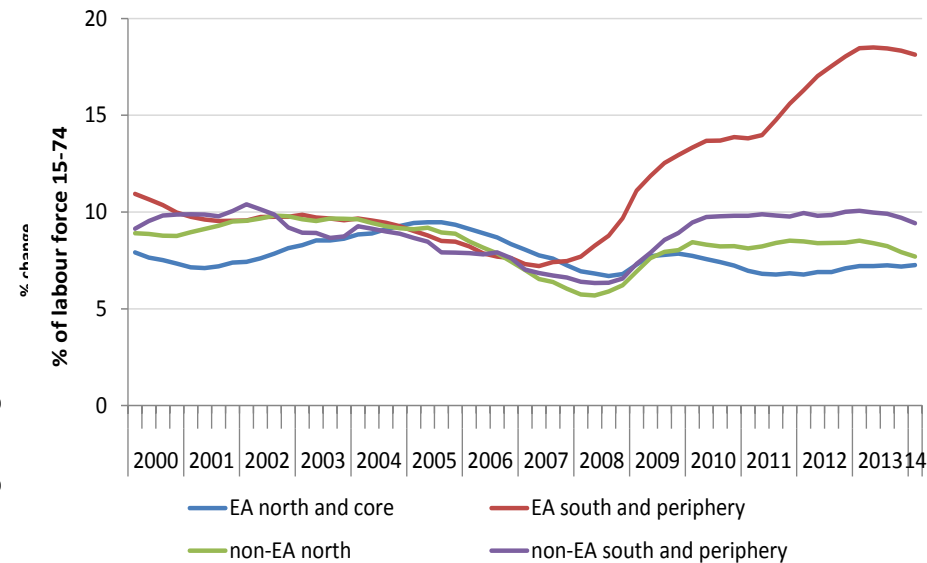
# Macroeconomic context

**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)**



**Unemployment rates in the EU and euro area**



EA north and core: AT, BE, DE, FI, FR, LU, NL;  
 EA south and periphery: EE, EL, ES, IE, IT, CY,  
 MT, PT, SI, SK, LV;  
 Non-EA north: CZ, DK, PL, SE, UK;  
 Non-EA south and periphery: BG, HR, LT, HU, RO

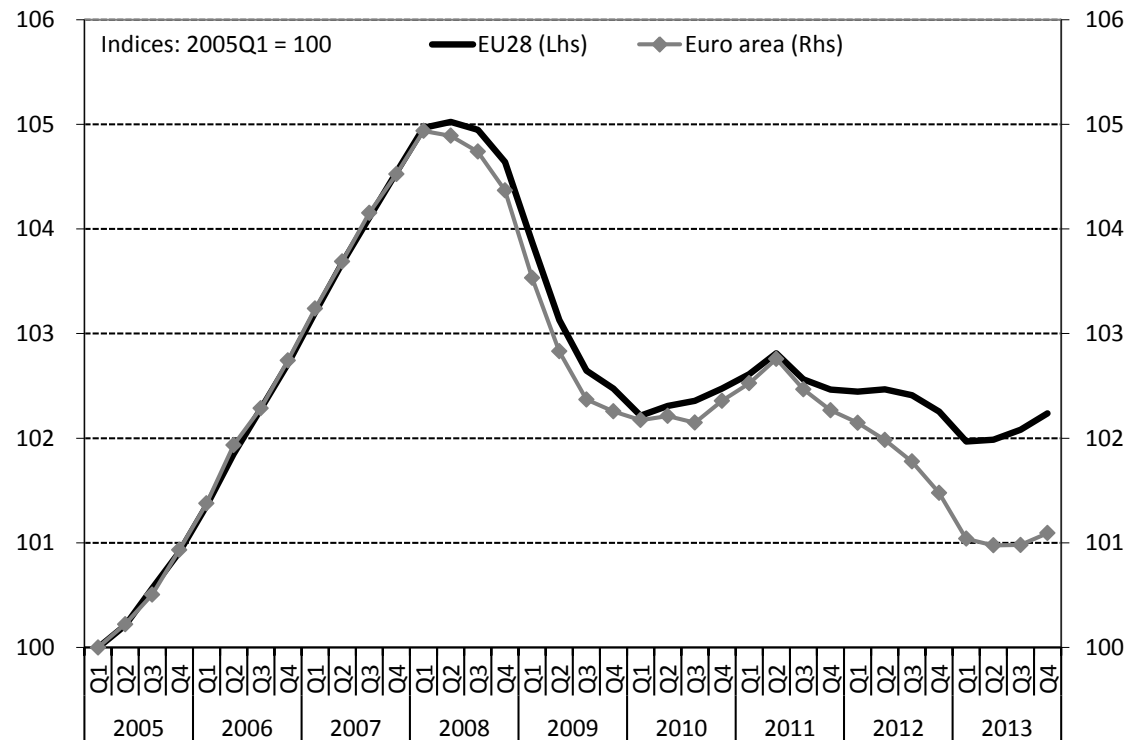
Source: Eurostat, National Accounts and LFS

# Recent labour market trends

## Moderate improvements in employment continue

- Employment moderately growing since mid-2013
- Employment in the EA has followed diverging trend since mid-2011 and is slowly recovering
- Employment level far from pre-crisis years

Employment level, EU28 (lhs) and EA18(rhs)

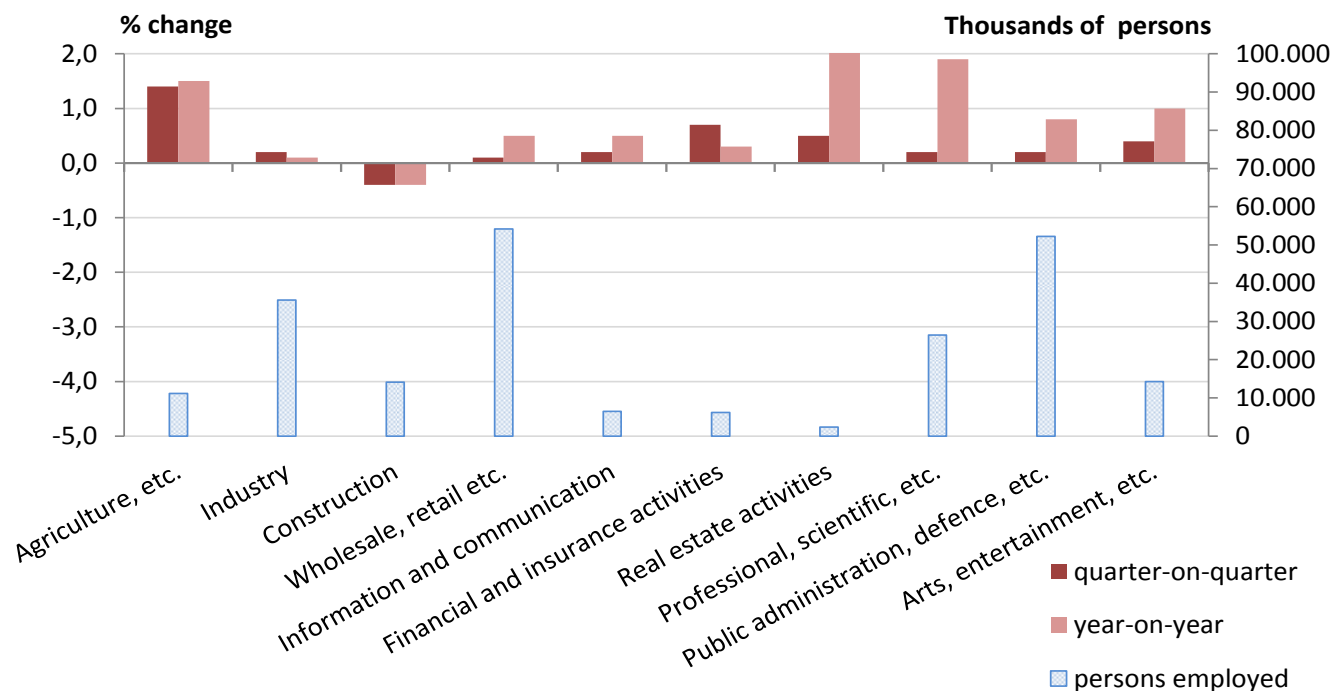


Source: Eurostat, National Accounts

# Recent labour market trends

## Employment growth driven by knowledge-intensive services

Employment change q-on-q and y-on-y to 2014Q1 (lhs)  
and number of persons employed (rhs), EU28

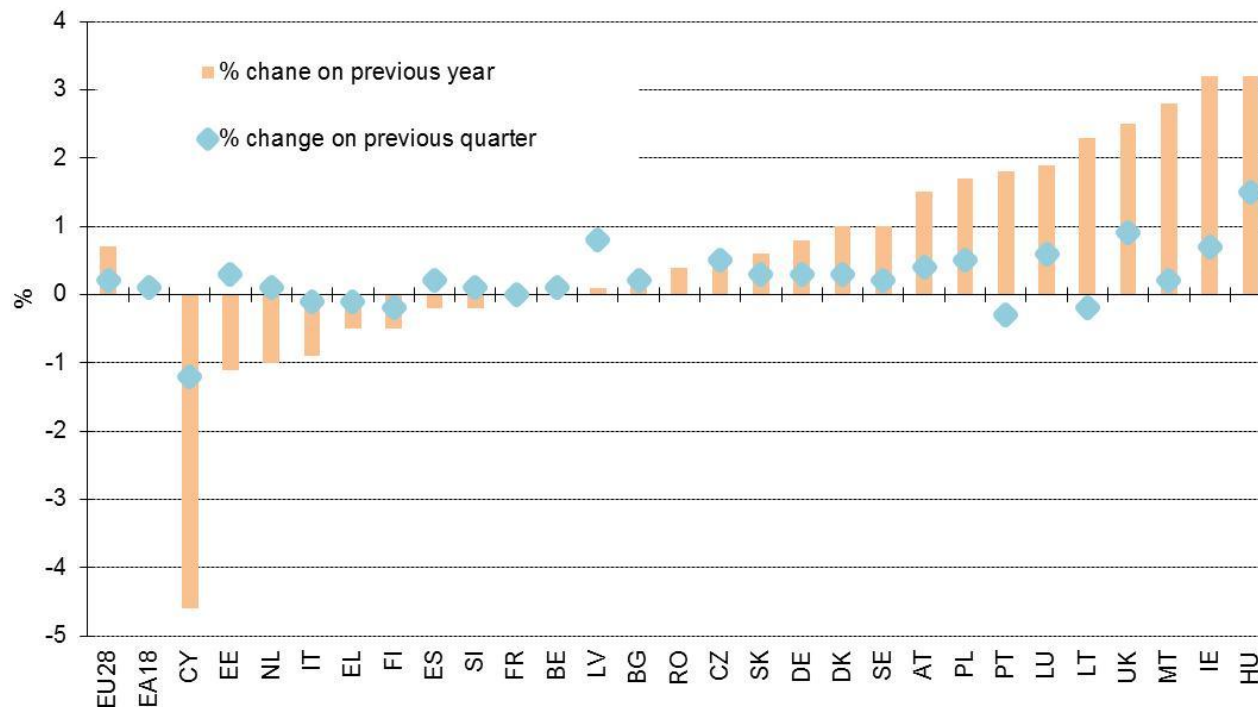


Source: Eurostat, National Accounts, seasonally-adjusted data for q-o-q change

# Recent labour market trends

## Employment improves in most Member States

Employment growth q-on-q and y-on-y to 2014Q1,  
EU28, EA18 and Member States

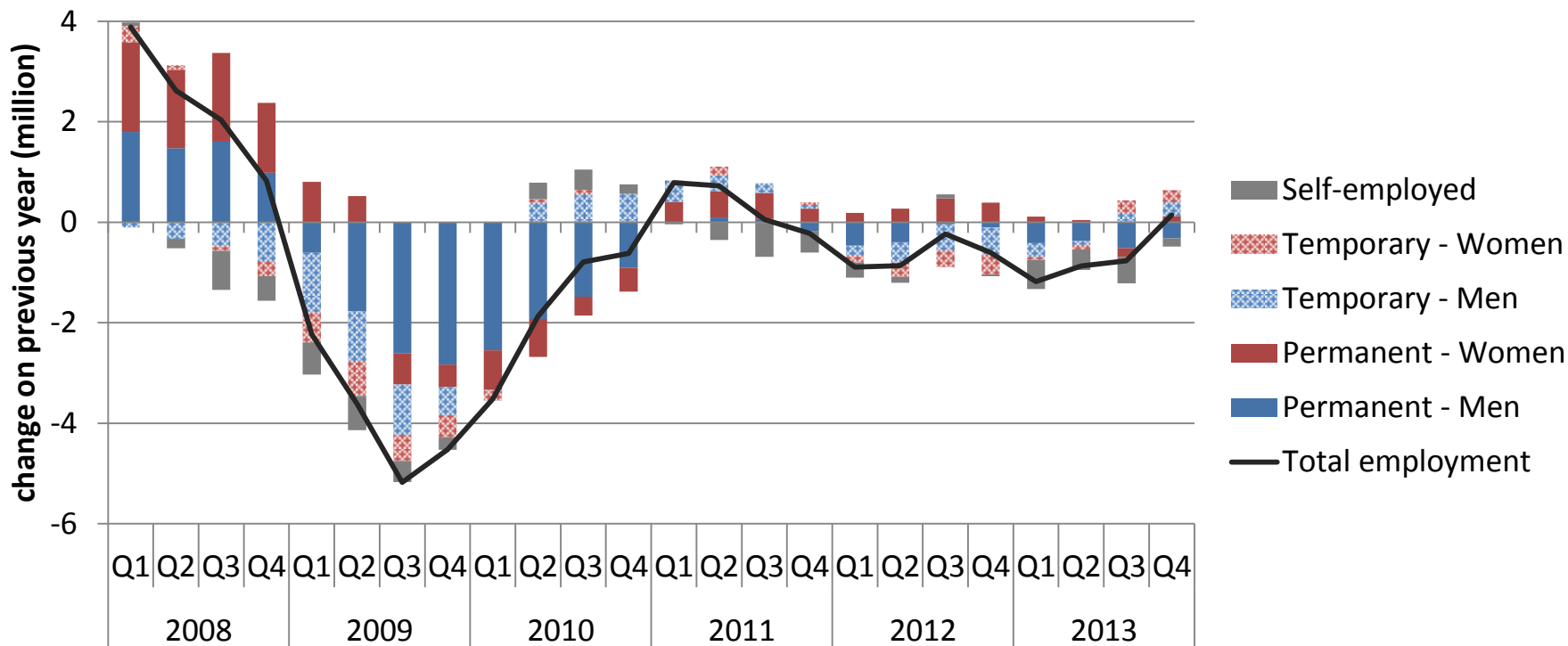


Source: Eurostat, National Accounts, seasonally-adjusted data for q-on-q change, IE and LU 2013Q4, seasonally-adjusted q-on-q data not available for RO

# Recent labour market trends

**Temporary employment leads the recovery started in mid-2013, and warns about the quality of the jobs created**

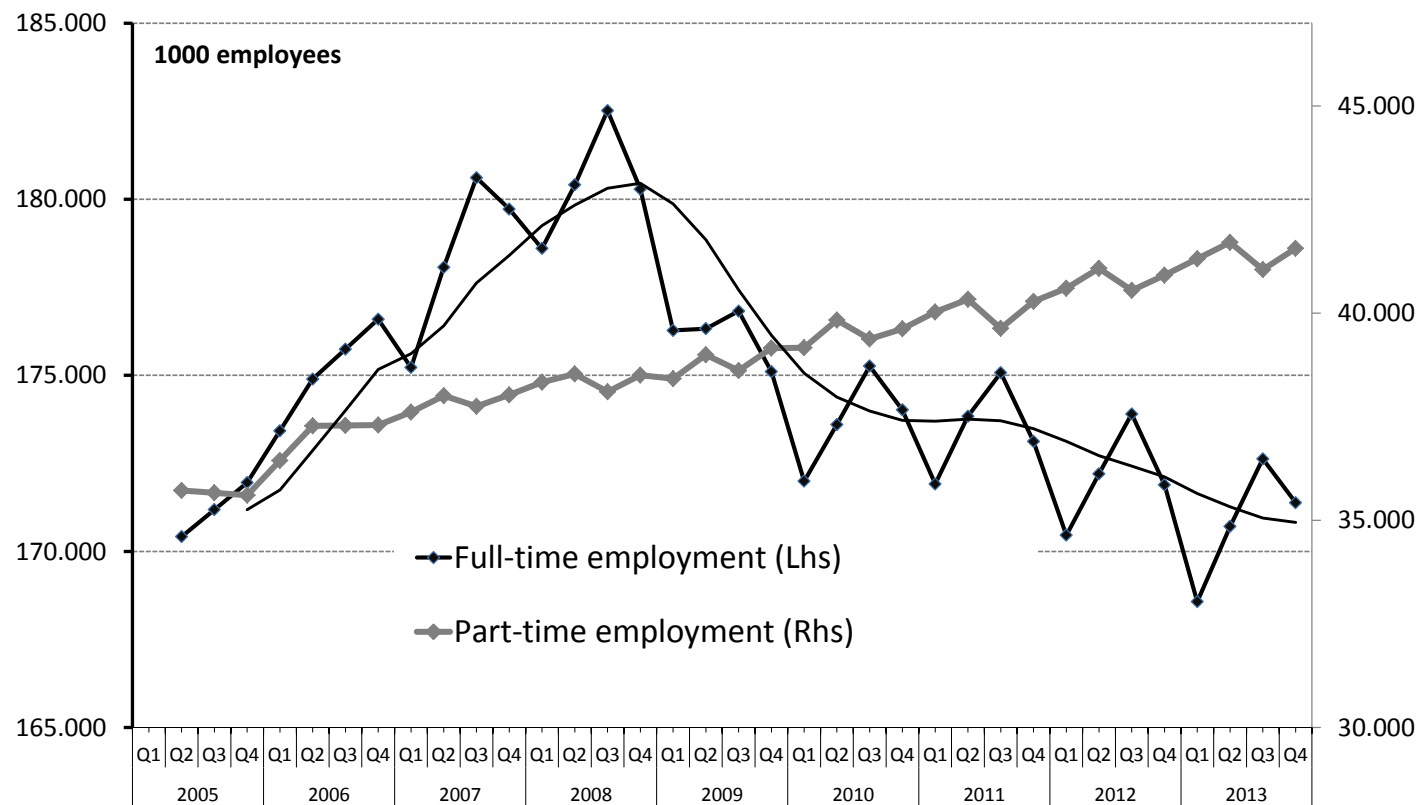
**Change in number of permanent and temporary employees by gender, EU28**



# Recent labour market trends

## Part-time employment continues to drive recovery

Full-time (lhs) and part-time (rhs) employment (1 000 employees), EU28

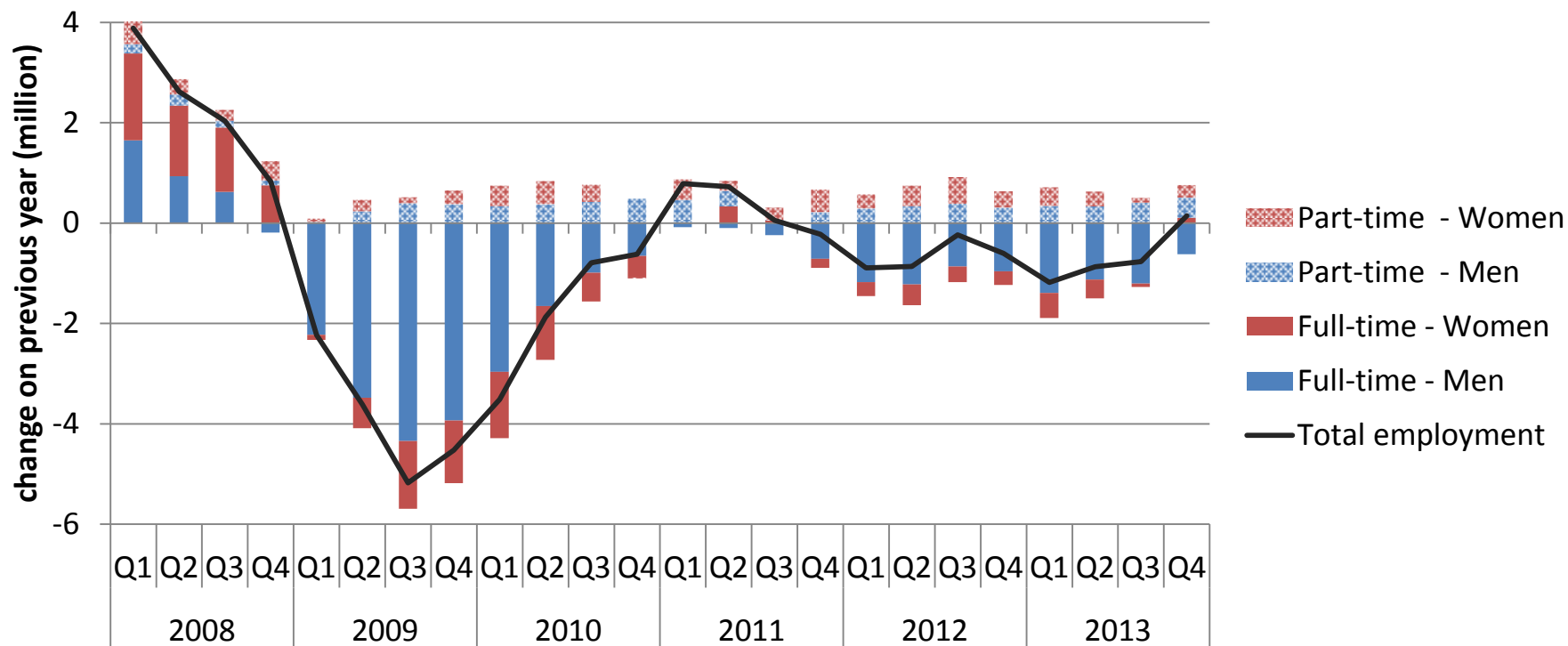




# Recent labour market trends

**Part-time employment never ceased to expand,  
while cuts in male full-time employment continue**

**Change in full-time and part-time employment by gender, EU28**

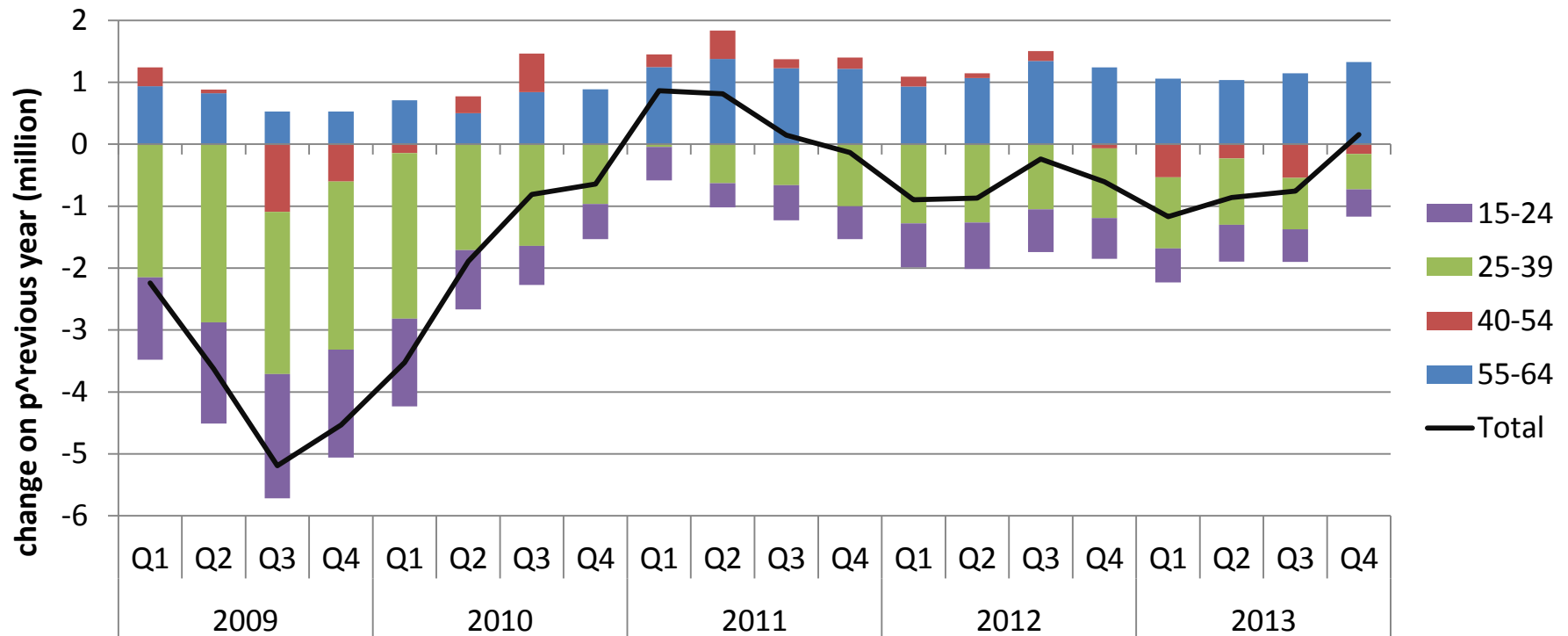


Source: Eurostat, LFS

# Recent labour market trends

**Older workers are sole contributors to employment growth so far, while 25-39 year olds remain most affected by decline in employment**

Change in employment by age, EU28

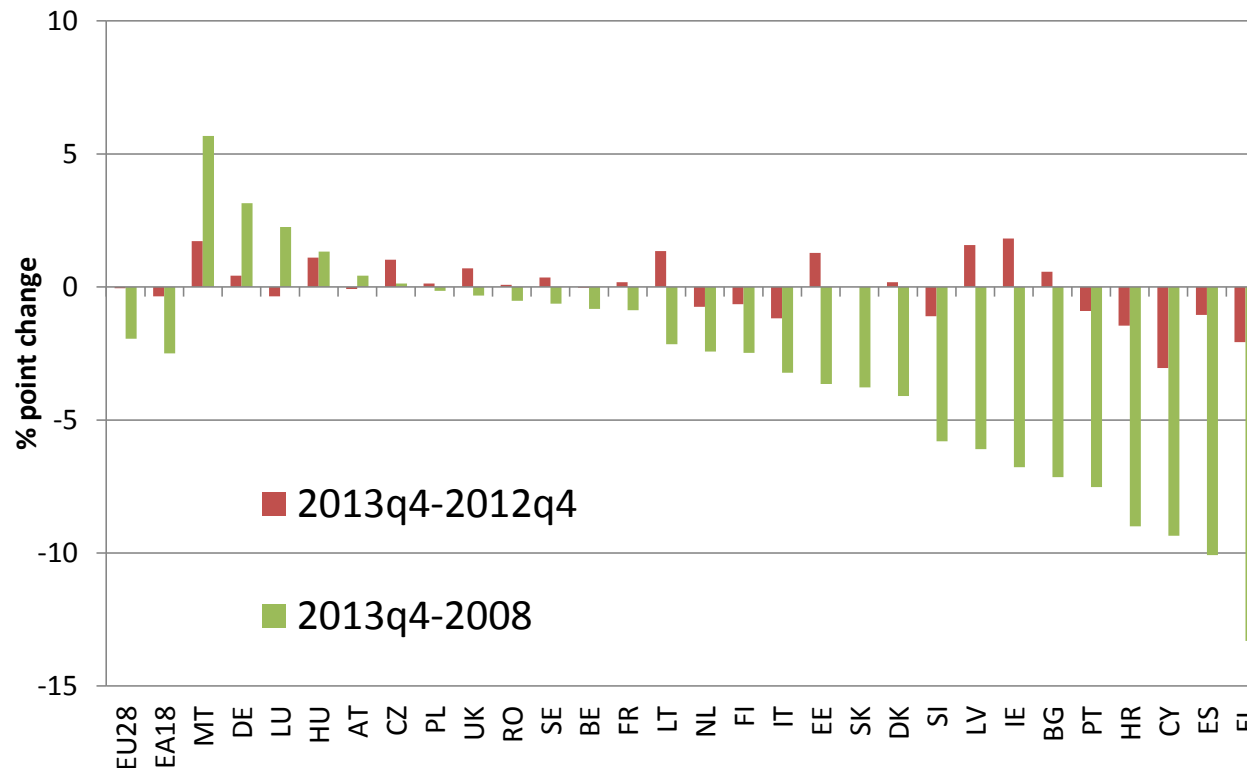


Source: Eurostat, LFS

# Recent labour market trends

## Employment rates remain stable in a year to the end of 2013

Change in employment rates 20-64 to 2013Q4: y-on-y and on 2008  
EU, EA and Member States

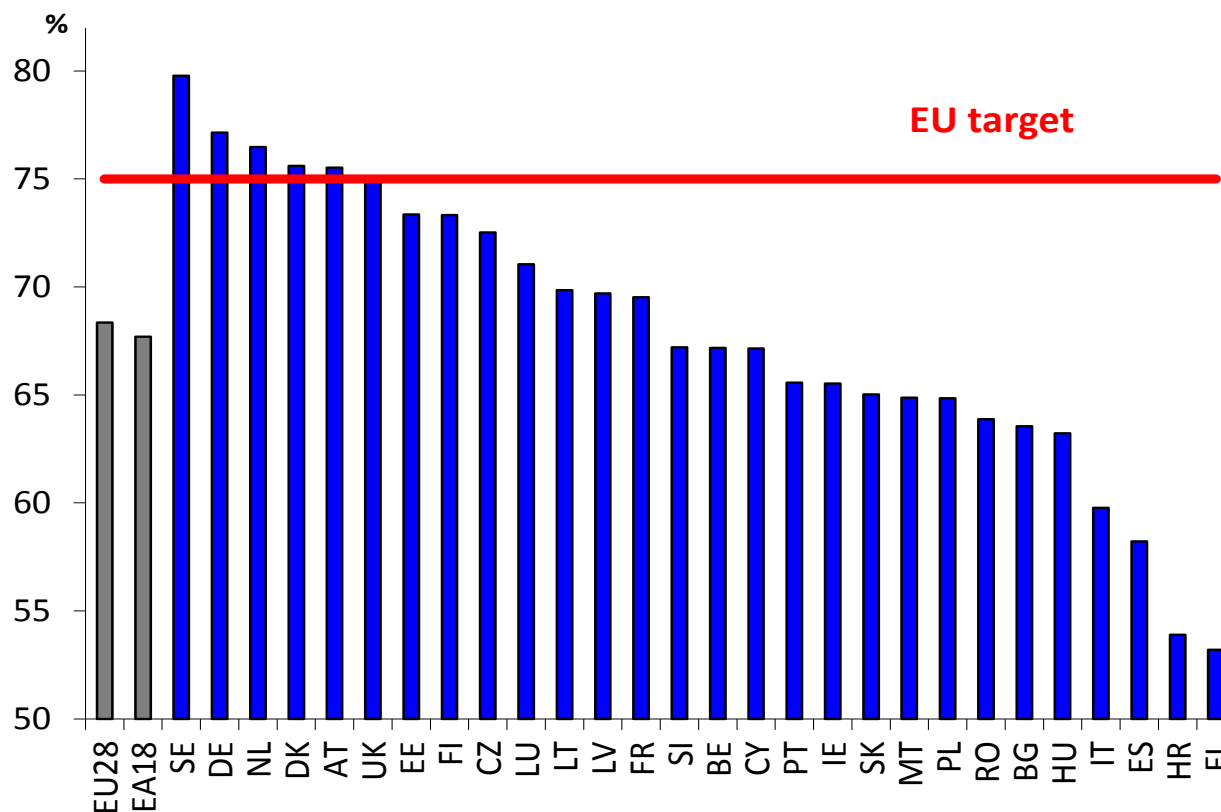


Source: Eurostat, LFS

# Recent labour market trends

## Employment rates far from targets in some Member States

Employment rate 20-64, EU28, EA18 and Member States, 2013Q4

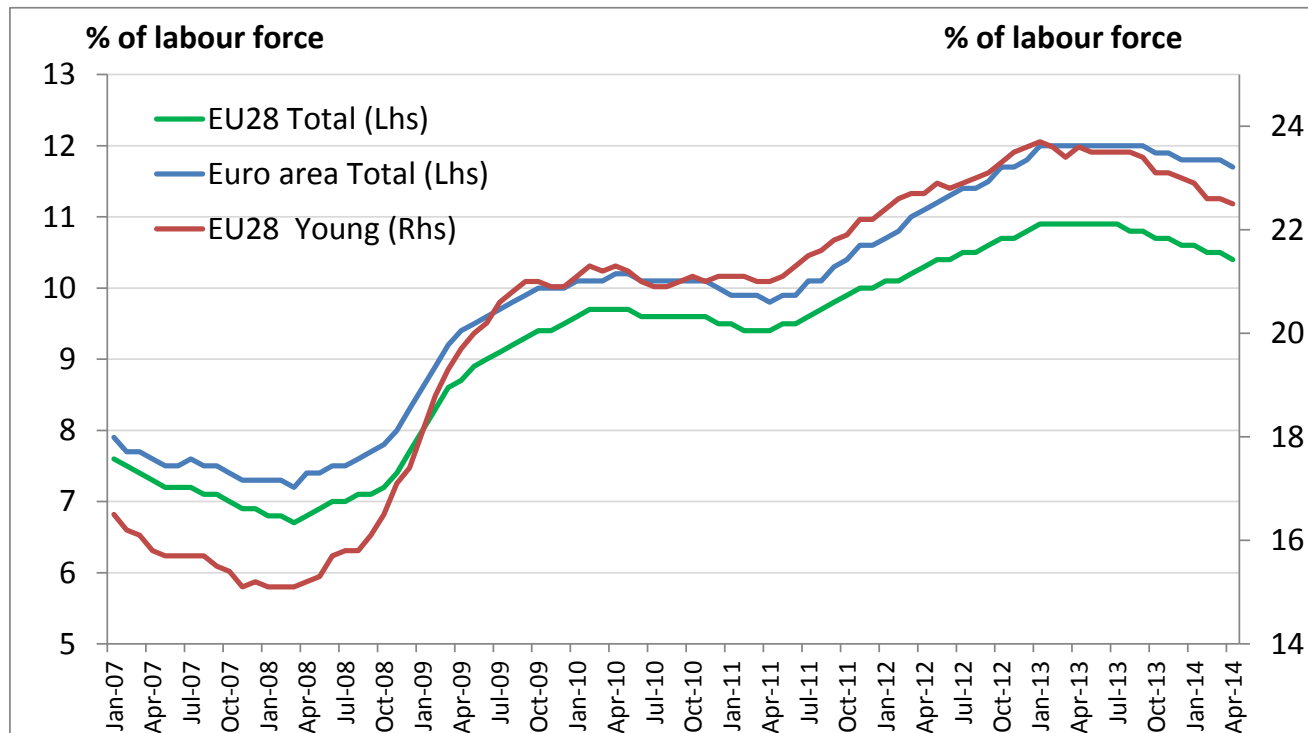


Source: Eurostat, LFS

# Unemployment

Unemployment rate gradually falls, but from high levels

Unemployment rates - total (lhs) and youth (rhs), EU28 and EA18

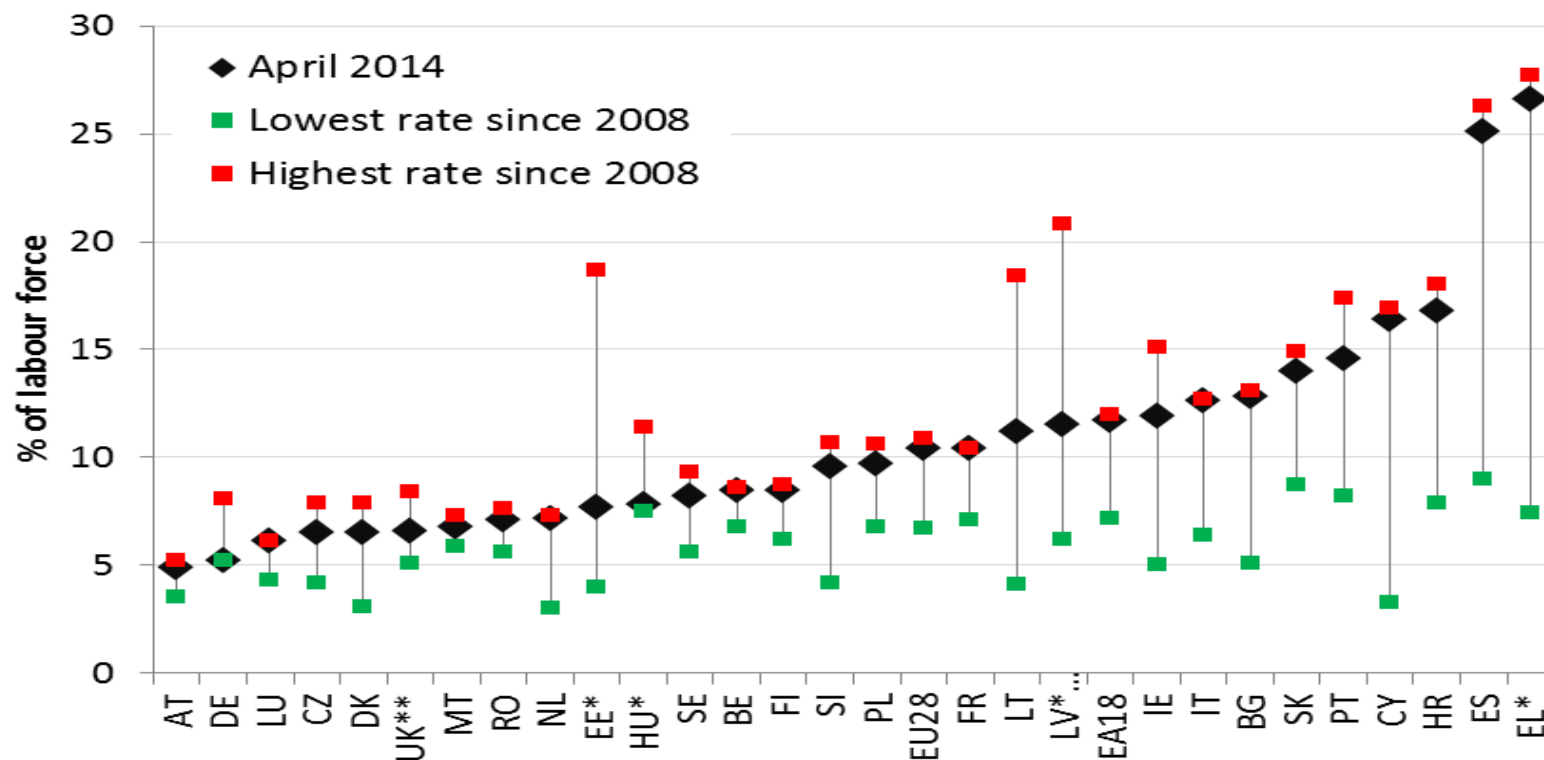


Source: Eurostat, series on unemployment, seasonally-adjusted data

# Unemployment

**Unemployment rates, which started to decrease in most Members States, remain close to historic highs**

**Unemployment rates, EU28, EA18 and Member States, April 2014 and the highest and lowest rates since 2008**

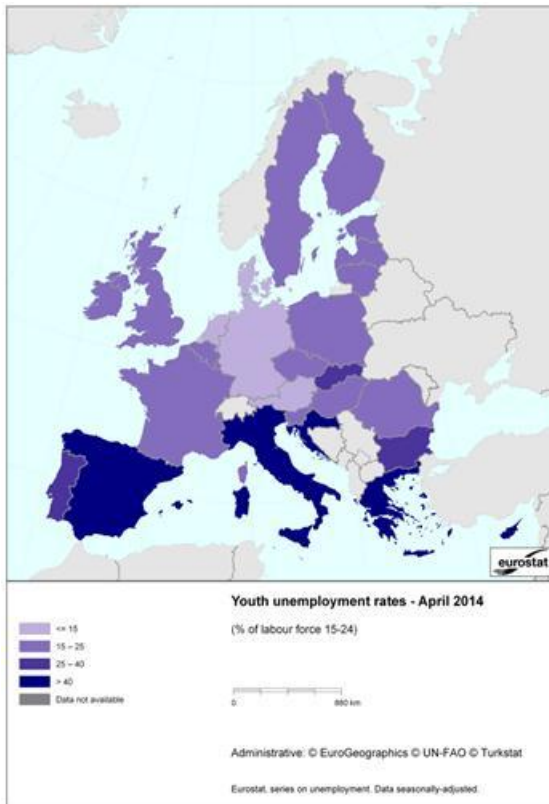


Source: Eurostat, series on unemployment, seasonally-adjusted data

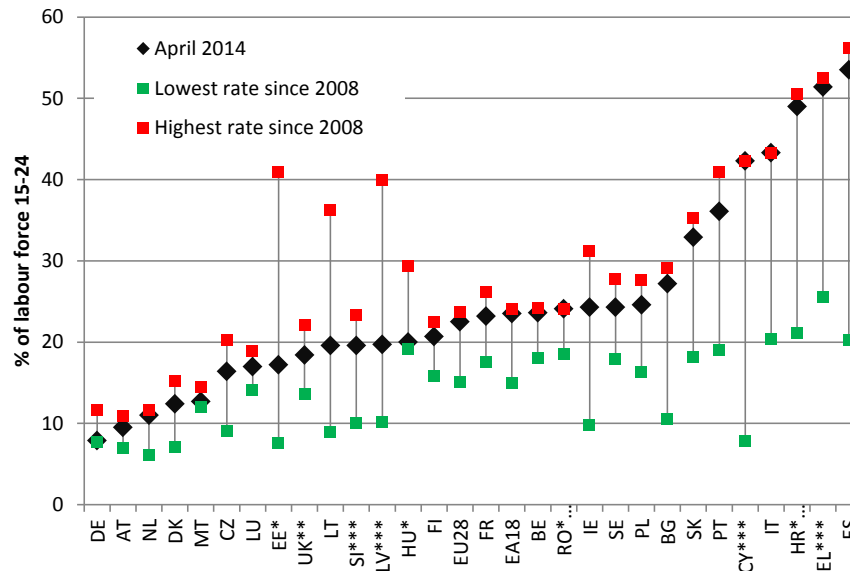
# Situation for youth

Unemployment declined, but remains high,  
considerable differences across the EU prevail

Youth unemployment rate,  
EU Member States, April 2014



Youth unemployment rate,  
April 2014 and lowest and highest rates since 2008



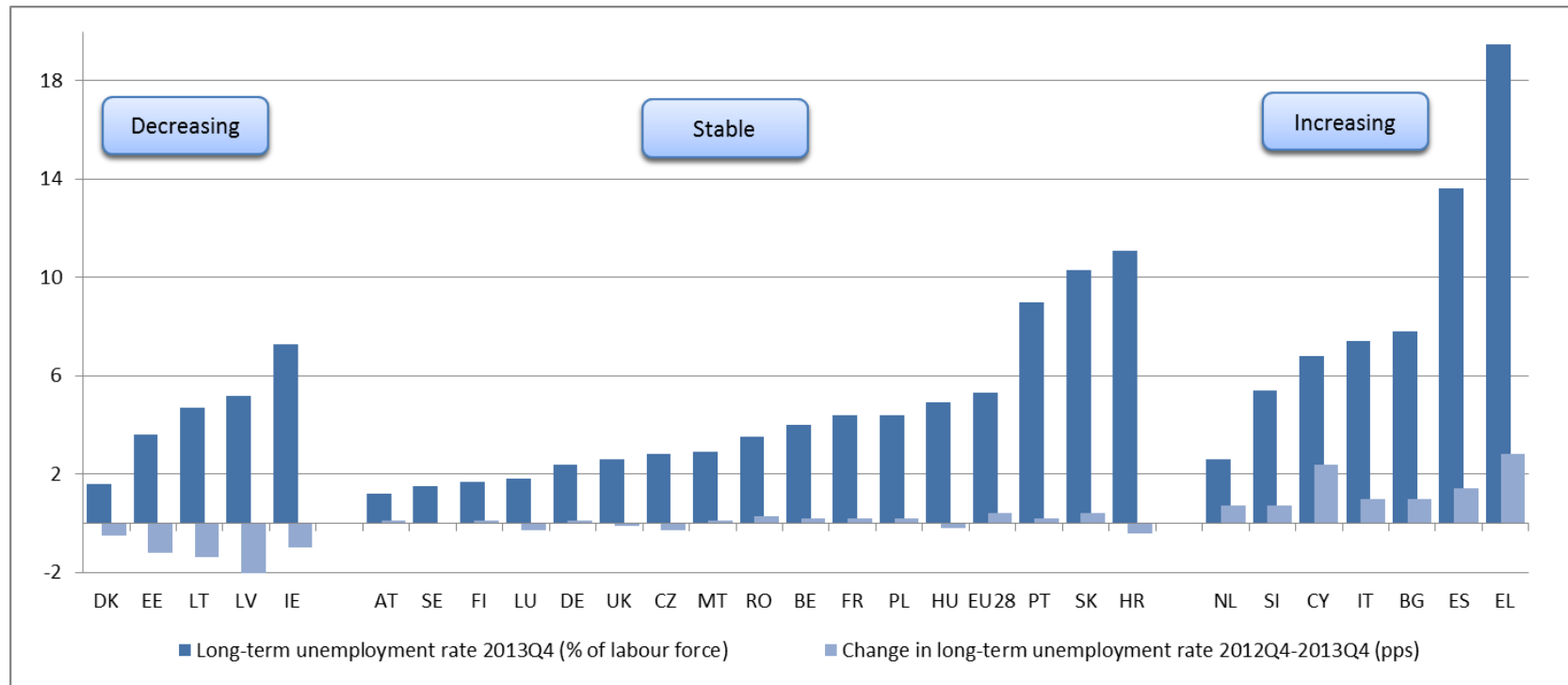
Source: Eurostat, series on unemployment, seasonally-adjusted data

➤ **Largest group among the EU population that is underemployed or discouraged.**

# Labour market detachment

**Long-term unemployment stabilises in many Member States, but will be a main challenge in the EU**

**Long-term unemployment rates and changes, EU28 and Member States, 2013Q4**



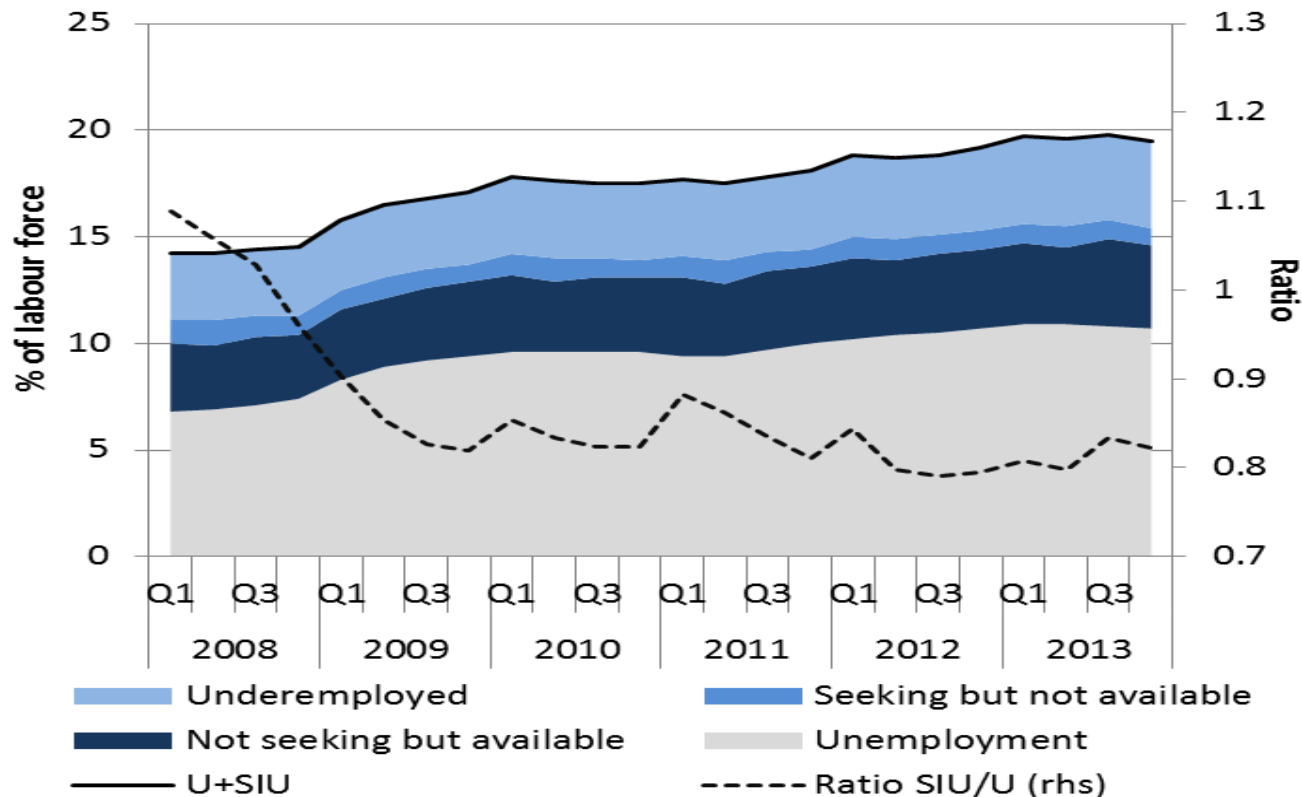
Source: Eurostat, LFS



# Labour market detachment

## Underemployment and potential labour force stabilise

Underemployment and additional potential labour force, EU28



Source: Eurostat, LFS

# Labour market detachment

## Underemployment and discouragement prevail in Member States to different degree

### Underemployment and potential labour force, EU28 and Member States, 2013Q4

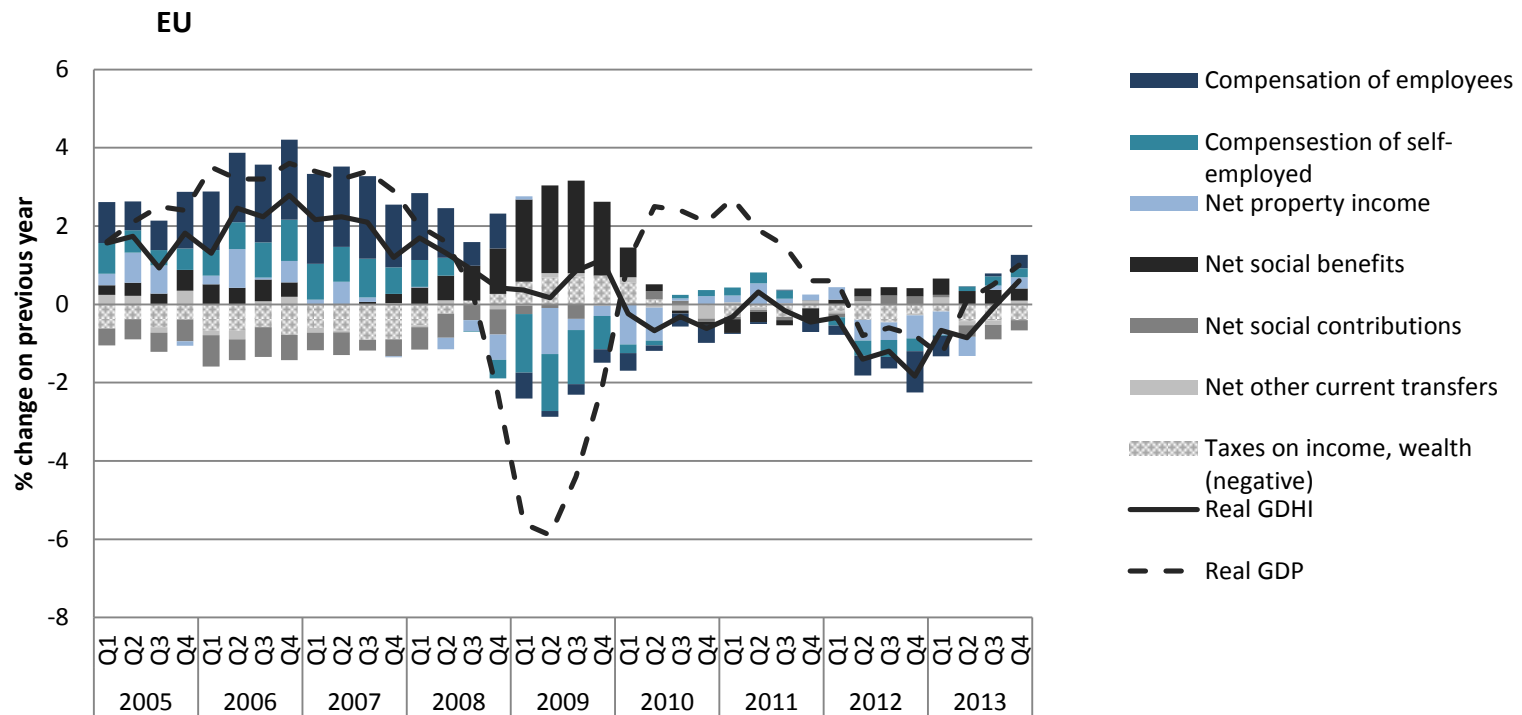


Source: Eurostat, LFS

# Situation at the household level - GDHI

**Households' income finally improved due to higher market incomes and social benefits, but growth is still weak**

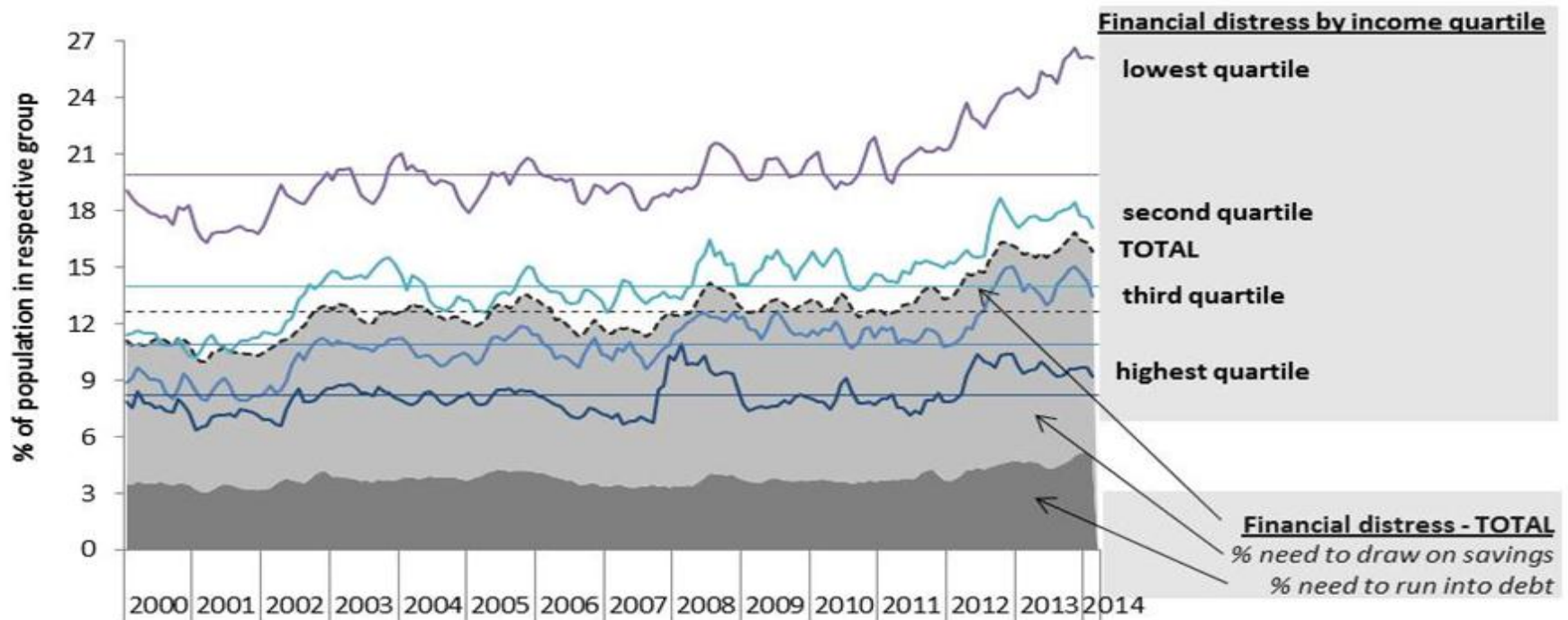
## GDP growth, GDHI growth and its components, EU



# Situation at the household level – Financial distress

## Households' financial distress shows signs of easing, but not yet for low-income households

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

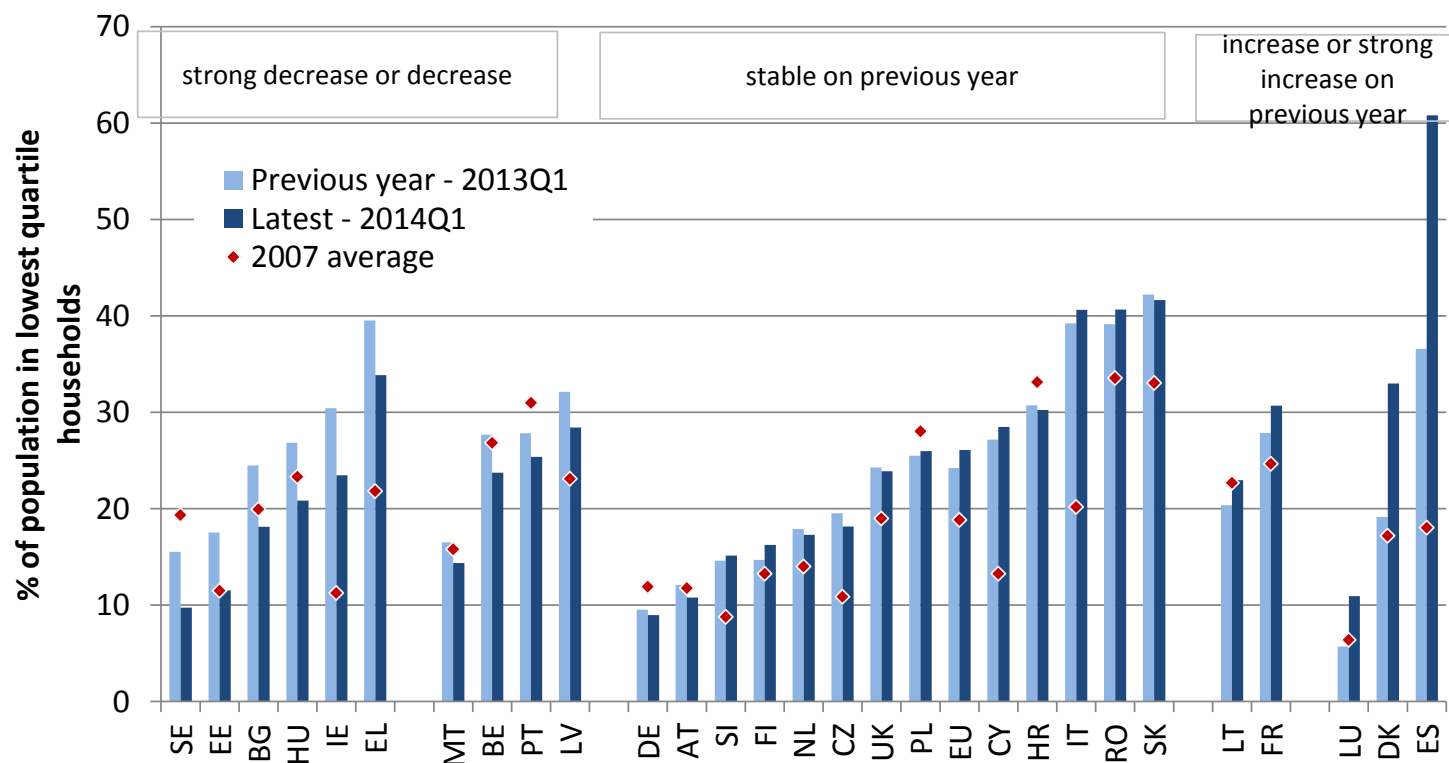


Source: European Commission, Business and Consumer Surveys

# Situation at the household level - Financial distress

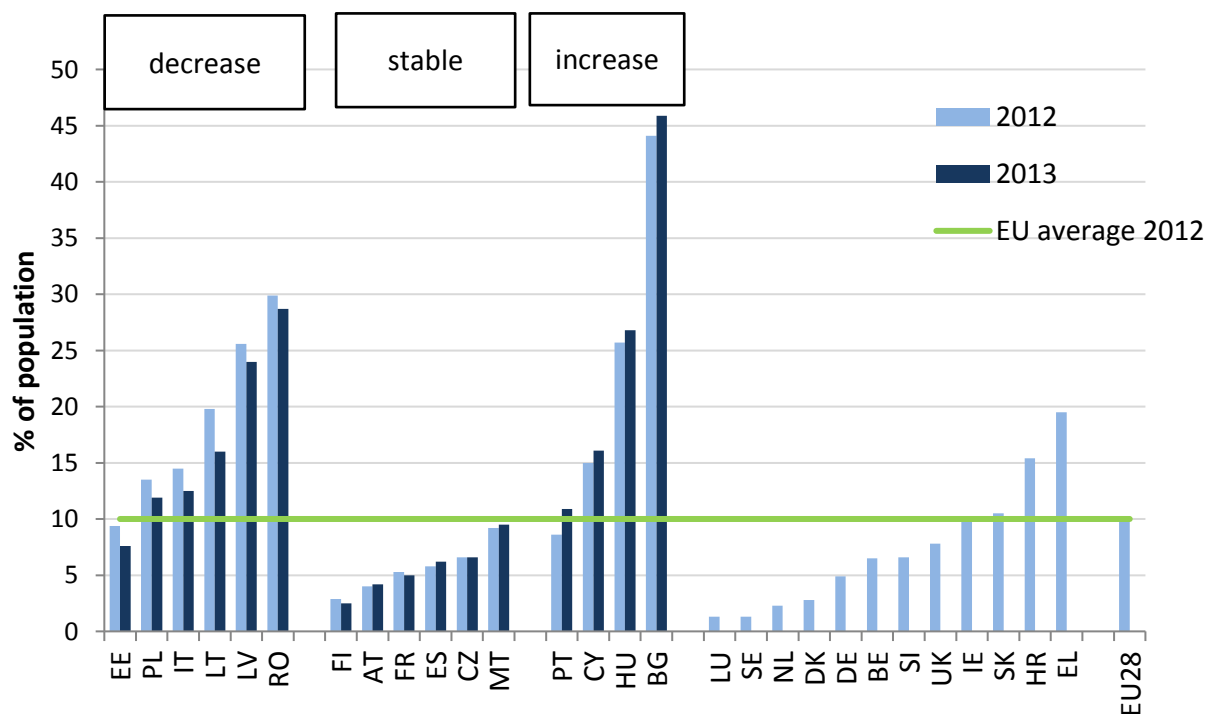
## Financial distress is particularly high among low-income households, and the varied across the EU

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



# Severe material deprivation

**Living standards stabilised or improved in most Member States, but in several countries, severe material deprivation continued to increase (early results for 16 EU MS).**

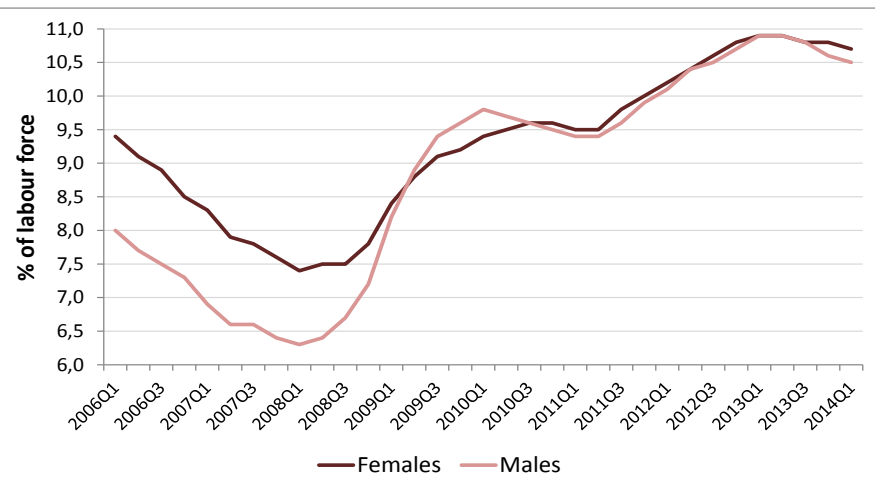


Source: Eurostat, EU-SILC.

# Situation for women

## Labour market for women still a challenge

**Unemployment rates in the EU2 by gender, 2006Q1 to 2014Q1**



Source: Eurostat, LFS

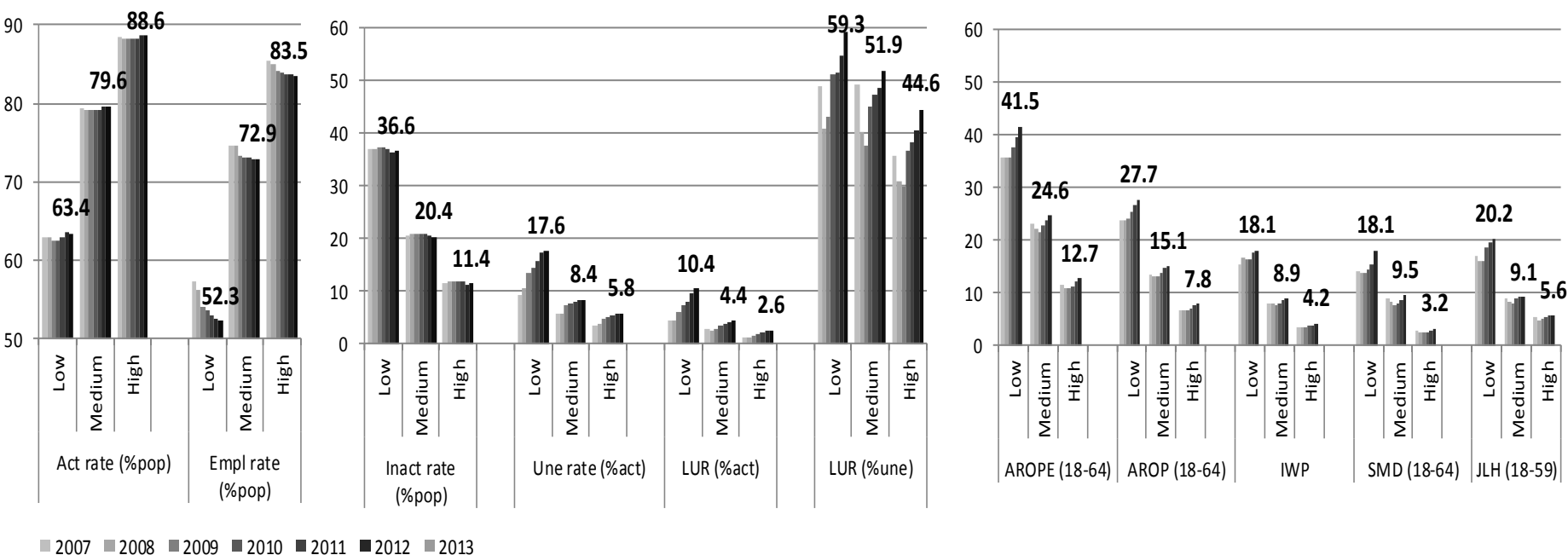
### Main findings:

- Unemployment falling faster for men than for women;
- Women largely more underemployed than men (5.9 % vs. 2.6%);
- Data suggest that women might delay (in terms of age) their participation to the labour market in MS with less flexible working regimes.

# Situation for low-skilled

Labour market for low-skilled continued to deteriorate, and remain a challenge

Key labour market and social indicators by education level, EU28

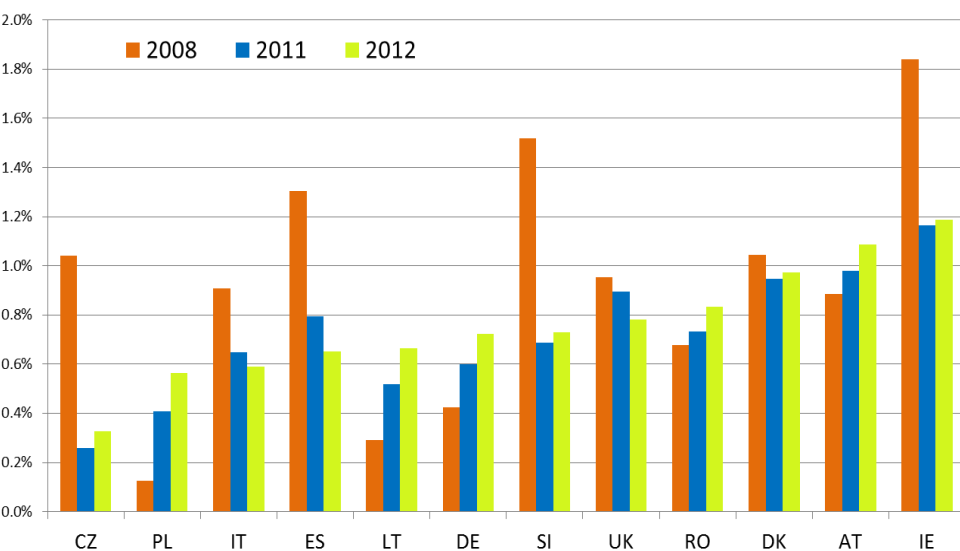




# Recent trends in the geographical mobility

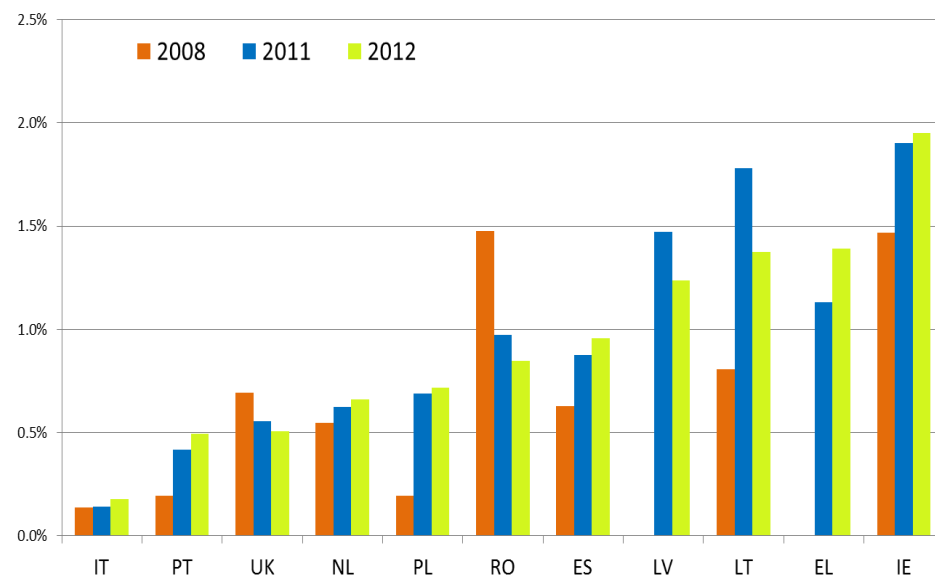
Changes in emigration and immigration flows reflecting largely labour market developments

**Immigration rate (in % of total pop.)**



Source: Eurostat, Migration statistics

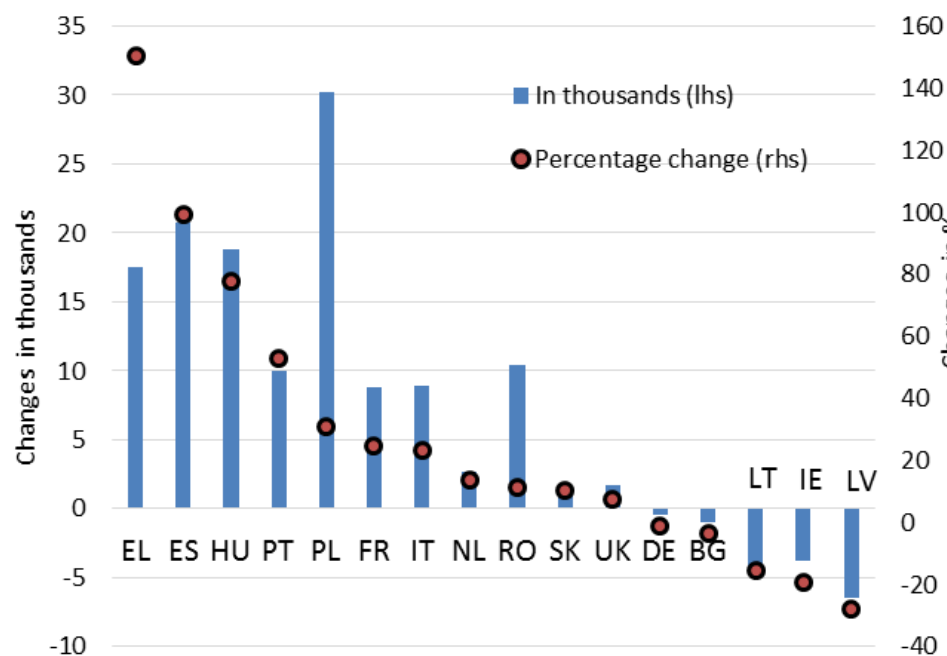
**Emigration rate (in % of total pop.)**



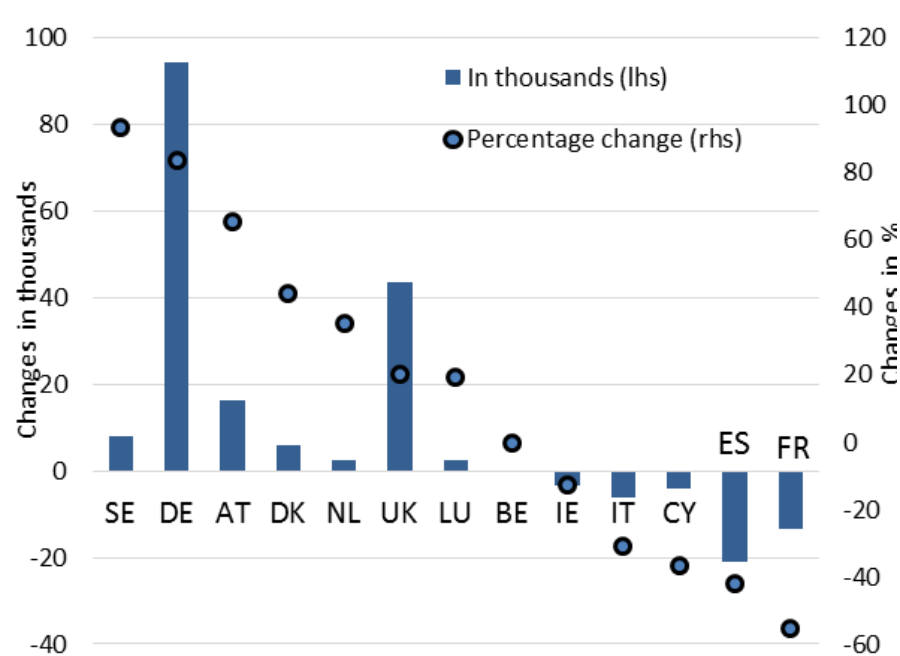
# Recent trends in the geographical mobility

## Changes between 2011 and 2013 in the number of recent (<2 years) intra-EU movers (economically active)

### By origin country



### By destination country



# **Recent trends in the geographical mobility**

**Changing characteristics of intra-EU movers since the onset of the crisis (2009-13) compared to the previous five year period (2004-08)**

- **Increase in the share of southern movers (from 11 to 18%) while most intra-EU movers still originate in central and eastern Member States (58%), despite a decline (65% before)**
- **For destination countries, increase in the share of Germany, Belgium, Austria and Nordic countries – and drop in the share of Spain and Ireland**
- **Recent intra-EU movers are young (41% are aged 15-29) but less than before (48% in 2004-08)**
- **Recent intra-EU movers are more highly educated (41% are tertiary graduates) than before (27% in 2004-08)**

# Latest labour markets trends in the EU28...

# ... and outlook for the EU and EA

	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1
<b>Real GDP</b> (% change on previous quarter, SA) (% change on previous year, NSA)	0.0 -1.3	0.4 0.1	0.3 0.5	0.4 1.0	0.3 1.4
<b>Employment growth</b> (% change on previous quarter, SA) (% change on previous year, NSA)	-0,3 -0.5	0.0 -0.5	0.1 -0.3	0.2 0.0	0.2 0.7
<b>Employment rate (15-64)</b> (% of working-age population, NSA)	63.3	64.1	64.5	64.3	NA
<b>Employment rate (20-64)</b> (% of working-age population, NSA)	67.6	68.4	68.8	68.6	NA
<b>Gross disposable households income</b> (% change on previous year, NSA)	-0.7	-0.9	-0.1	0.6	NA
<b>Labour productivity</b> (% change on previous year, SA)	-0.2	0.4	0.5	1.1	0.9
<b>Nominal unit labour cost</b> (% change on previous year, SA)	1.4	0.7	-0.2	-0.1	0.9
<b>Long-term unemployment rate</b> (% labour force, NSA)	5.2	5.2	5.1	5.3	NA

	2013 Apr	2014 Jan	2014 Feb	2014 Mar	2014 Apr
<b>Unemployment rate (SA)</b>					
<b>Total</b> (% labour force)	10.9	10.6	10.5	10.5	10.4
<b>Men</b>	10.9	10.5	10.5	10.4	10.4
<b>Women</b>	11.0	10.7	10.6	10.5	10.5
<b>Youth</b> (% labour force aged 15-24)	23.6	22.9	22.6	22.6	22.5

Commission		EU-28				Euro area			
Institute	date	gr. '14	gr. '15	UR '14	UR '15	gr. '14	gr. '15	UR '14	UR '15
IMF	8-avr	1,6	1,8	NA	NA	1,2	1,5	11,9	11,6
Commission	5-mai	1,6	2,0	10,5	10,1	1,2	1,7	11,8	11,4
OECD	5-mai	NA	NA	NA	NA	1,2	1,7	11,7	11,4
ECB	5-juin	NA	NA	NA	NA	1	1,7	11,8	11,5

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

Source: Eurostat

European Commission

# EU Employment and Social Situation

## Quarterly Review

June 2014

with supplement on:  
Recent trends in the geographical mobility of workers in the EU

Helsinki Paris Rome Dublin Vienna Berlin London

Accu Europe

**Any further question?** Please contact  
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