



EU Employment and Social Situation Quarterly Review *June 2012*

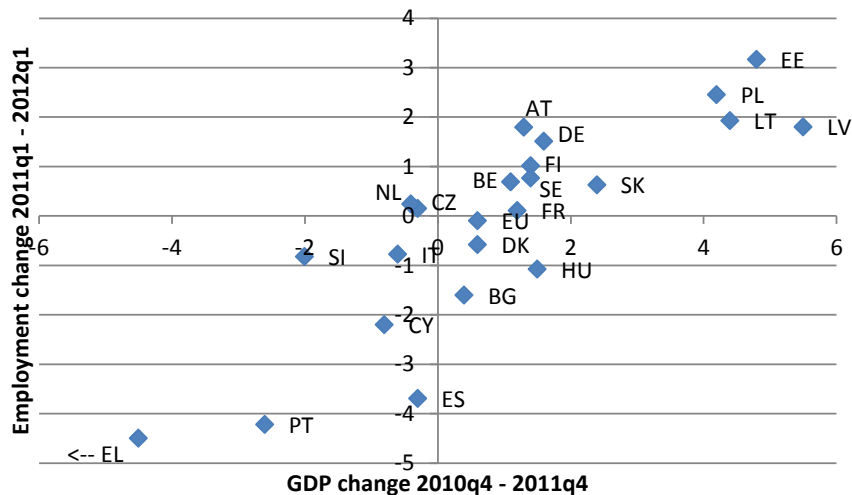
10 Key facts and figures

EMPL A1-A2

1. Mild recession, static employment

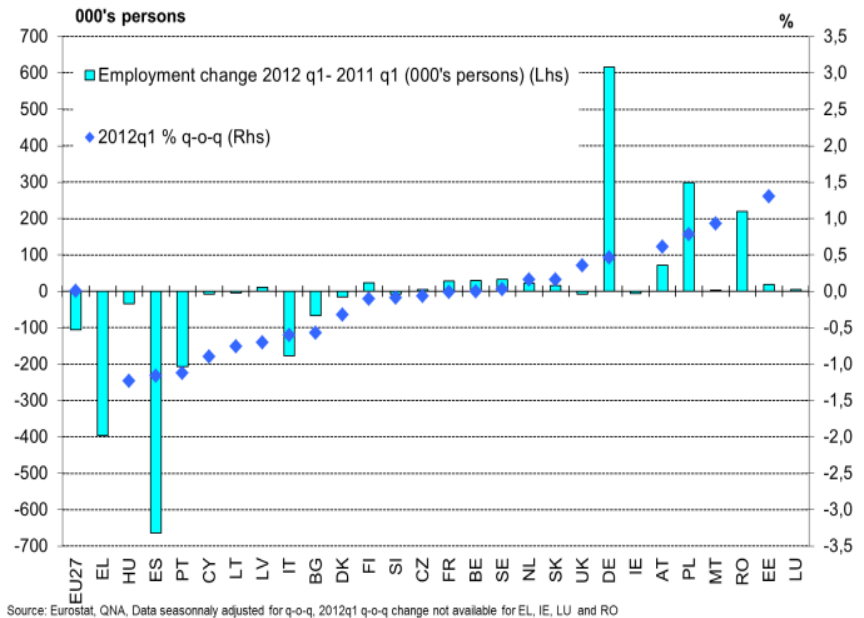
- Mild recession in the EU, weighing on employment: stuck after 2q of contraction

Chart 1: Changes in real GDP and employment –with 1 quarter time lag- in MS (y-o-y)



Source: Eurostat, National accounts.
Note: IE, RO and UK not shown.

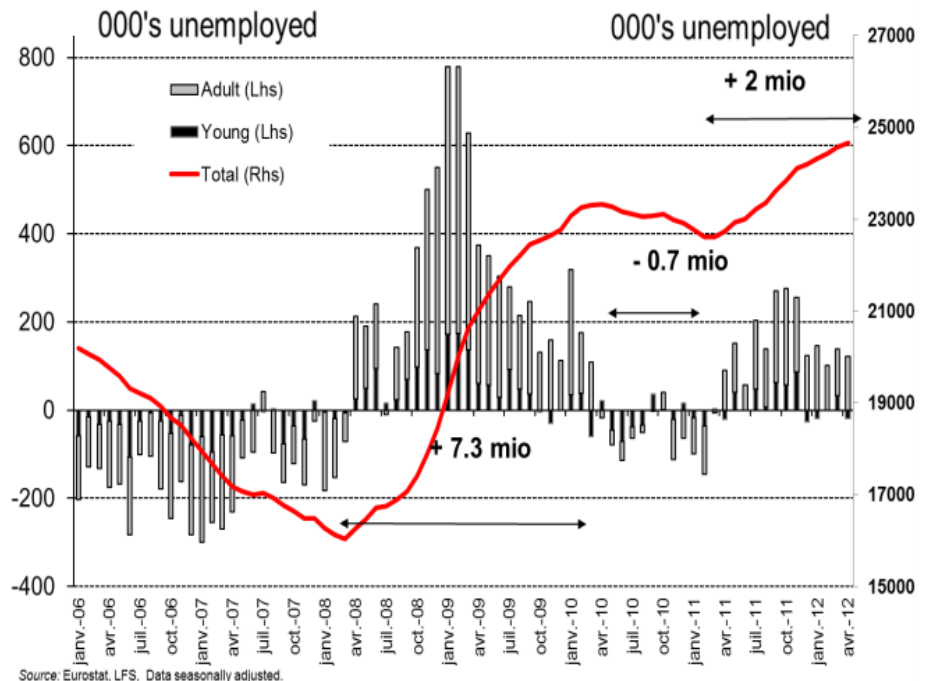
Chart 2: Employment change in 2012 Q1 (yearly change, 000's persons) and quarterly change (%, q-o-q) in the Member States



2. Rising unemployment in the EU

- Unemployment has grown continuously since March 2011: +2 million
- After a slight decrease in the March '10 – March '11 period (-0.7 million)
- Overall increase since 2008: +8.4 mio or +50%
- In the 3 months to April 2012 the rise slowed down
- Surging LTU: +72% in only three years

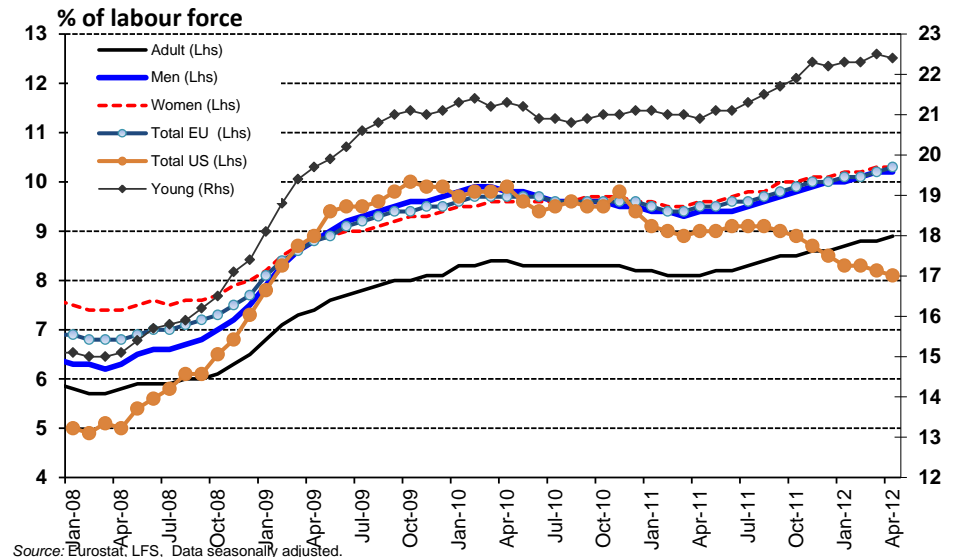
Chart 3: Monthly change in the number of unemployed young people, adults and total and monthly number of unemployed in the EU Jan 06– Apr 12



2_(cont.). Rising unemployment in the EU

- Over the past year, UR has increased constantly (9.5 > 10.3%)
- Rise in 15 MS
- Youth hit hardest by the increase (20.9 > 22.4%)
- Female and male UR now at same level
- Conversely in the US the UR declined steadily over the past year

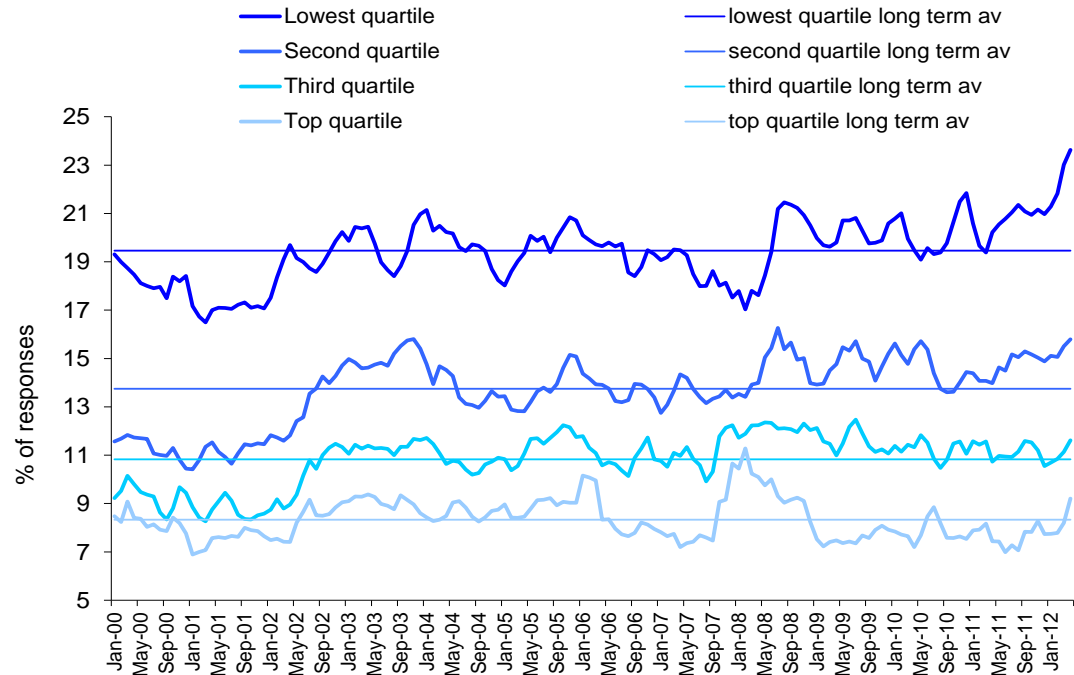
Chart 4: Monthly unemployment rate (%) for young people (15-24), adults (25-74), male, female and total Jan 06–Apr 12 in the EU



3. Increase in financial distress in the EU

- *Sharp rise in households experiencing financial distress (exceeding 2008 level and representing new all-time high in series)*
- *Particularly marked worsening in lowest income quartile*

Chart 5: Reported financial distress in households across EU by income quartile of household (2000-2012)

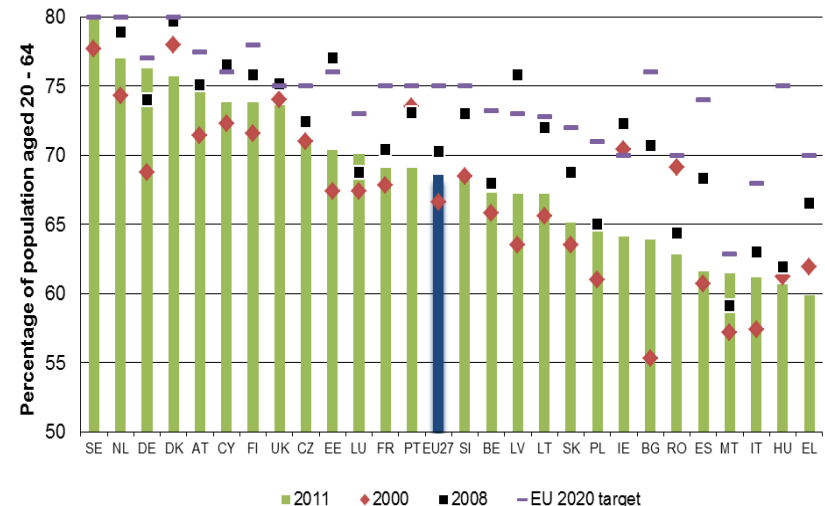


Source: Commission Services, Business and Consumer Surveys.

4. Drifting away from Europe 2020 ER target (75%)

- ER at EU level for 20-64 fell in 2009-10 (-1.7 pps on 2008) and remained stuck at 68.6% in 2011, 6.4 pps short of target
- Gap increased in 11 MS, fell in 14 and didn't change in 2
- 17 million jobs should be created by 2020, i.e. an increase by 0.9% p.a. on avg
- Very challenging (min. +1% p.a. needed) for ES, EL, HU, IT, but also BE, LU, CY, IE, SK

Chart 6: Employment rate developments in Member States between 2000 and 2011 with respect to EU 2020 national targets

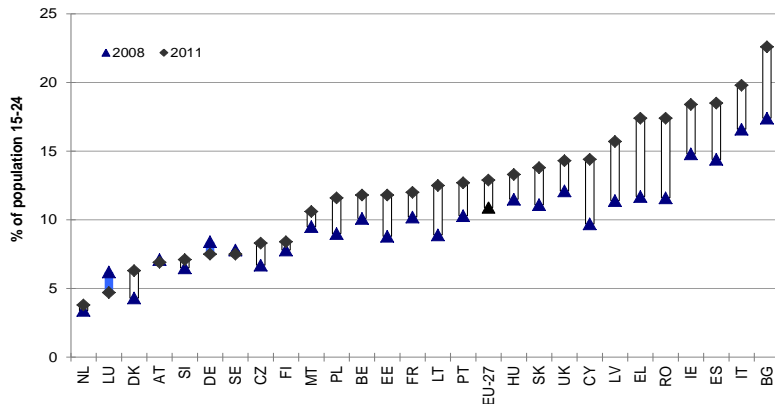


Source: Eurostat, Labour Force Survey.

5. One bright spot: falling inactivity

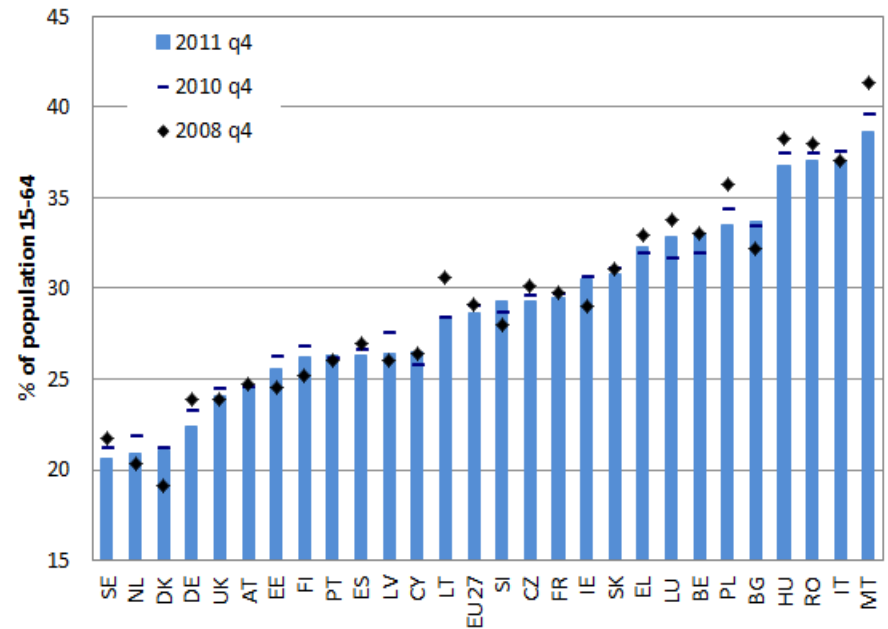
- Inactivity in the EU has decreased, due to women
- Trends vary across MS
- But discouragement and NEETs on the rise

Chart 8: NEETs in the EU Member States, 2008-2011



Source: Eurostat, Labour Force Survey.

Chart 7: Inactivity rates for EU Member States, 2008q4, 2010q4 and 2011q4



Source: Eurostat, Labour Force Survey. Data non-seasonally adjusted.

6. South-north labour mobility taking off but numbers still relatively small

- Mobility intentions in South countries are high (Eurobarometer, CVs in EURES)
- Labour mobility from South has increased recently, (except from PT) contrary to overall decline in EU
- but flows remain limited, compared to those from Eastern Europe and in % of labour force
- At current rate, intra-EU mobility can relieve only a minor part of the labour market pressures

Table 1: Number of recently arrived (less than 3 years) economically active EU mobile citizens, by nationality, in thousands

Nationality	2008	2011	Change in %
Spanish	29	31	7
Greek	14	18	25
Italian	66	68	3
Portuguese	52	36	-32
South Europe MS	162	152	-6
Irish	21	25	15
Polish	445	169	-62
Romanian	263	168	-36
Others	573	459	-20
All EU citizens	1464	973	-34

Source: Eurostat, Labour Force Survey.

6(cont.). South-north labour mobility : the example of Germany

- In 2011, highest level of net migration since 1996, mainly from other EU MS.
- Compared with 2010, largest increases from South-Europe (+26%), EU-2 (+33%) and from EU-8 (+75%) due to end of transitional arrgts period in May 2011
- Recent social security data enable to follow number of workers by nationality and confirm these trends :

Table 2: Employees in Germany, by nationality (in thousand)

Workers having the nationality of :	Feb. 2011	Feb 2012	Changes in :	
			thousand	%
Portugal	50.1	52.3	2.3	4.5
Spain	39.8	43.5	3.7	9.4
Greece	104.4	112.8	8.4	8.1
Italy	214.9	222.9	8	3.7
Total South Europe	409.2	431.5	22.3	5.5
EU-8 countries	195.1	283.1	88	45.1
Total	33010.2	33570.0	559.8	1.7

- Strong rise in workers from South-Europe, especially from ES and EL
- But rise in absolute numbers limited (+22 th) compared to overall labour force and to increase from EU-8 (+88 th).

Source: BA für Arbeit. Employees include mini-jobs but not civil servants (nor self-employed persons)

6_(cont.). Mobility to non-EU countries in 2011 - the cases of US and Australia

- Eurostat data indicate (for 2010) limited migration (among 'nationals') to non-EU countries, except from IE
- US data : overall migration to US from EU lower than last decade due to crisis – decline less pronounced for IE and South-Europe (but absolute figures are low)
- Australian data: increase of economic migration from most EU MS, in particular from IE (multiplied by 3) Rise also from South Europe, but overall low figures

Table 3 : Economic EU migrants to Australia, by nationality

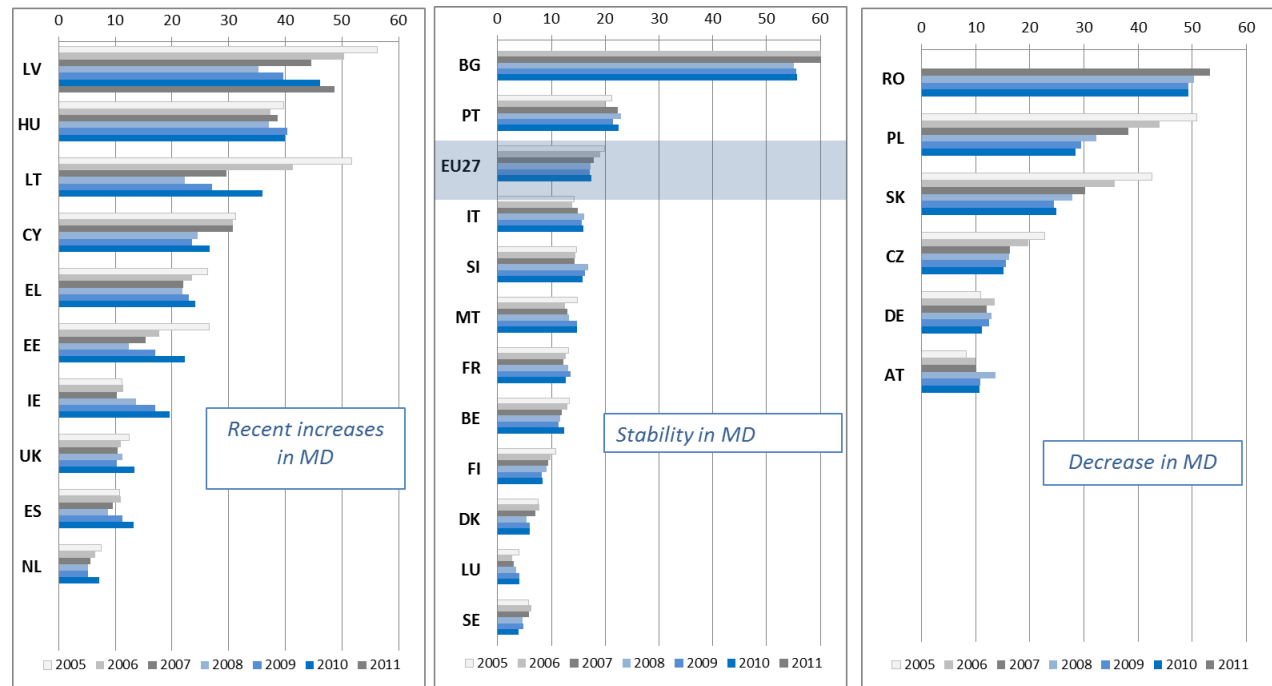
Nationality	Permanent		Temporary	
	Avg 2001-08	2010-11	Avg 2001-08	2010-11
UK	13,003	12,947	16,562	21,883
Ireland	808	2,425	2,142	5,835
Germany	596	925	1,901	2,167
France	267	620	1,299	2,121
South Europe MS	277	639	852	1,697
Other EU MS	1,250	1,417	2,915	3,920
All EU MS	16,201	18,973	25,671	37,623

Source: Number of visa grants (Australian Dptmt of Immigration)

7. Worsening of material deprivation in some Member States

- MD stable in the EU
- Rise in periphery (Baltic States, ES and IE)
- While decline in some MSs (CZ, SK, PL)
- Specific aspects of deprivation 'more responsive to the crisis' on the rise in some MS: meal with meat, utility bills...

Chart 9: Material deprivation



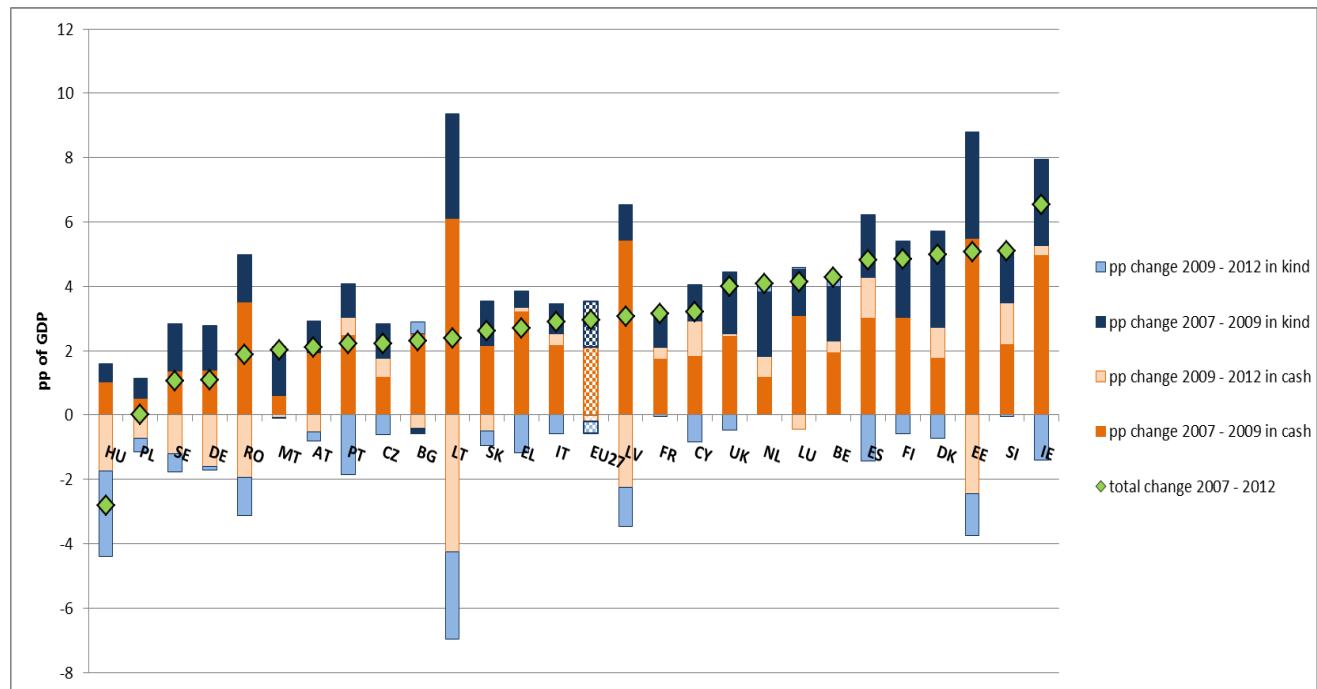
Source: Eurostat, EU SILC.

8. Two phases of evolution in social spending - 2007-2012

Chart 10: Developments in social protection expenditure relative to GDP (2007 – 2012, cash / in-kind benefits)

- Social protection expenditure is expected to have grown relative to GDP between 2007 and 2012 in most MSs

- But 2007-2009 period of increase
- 2009-2012 period of decline, in particular in kind benefits

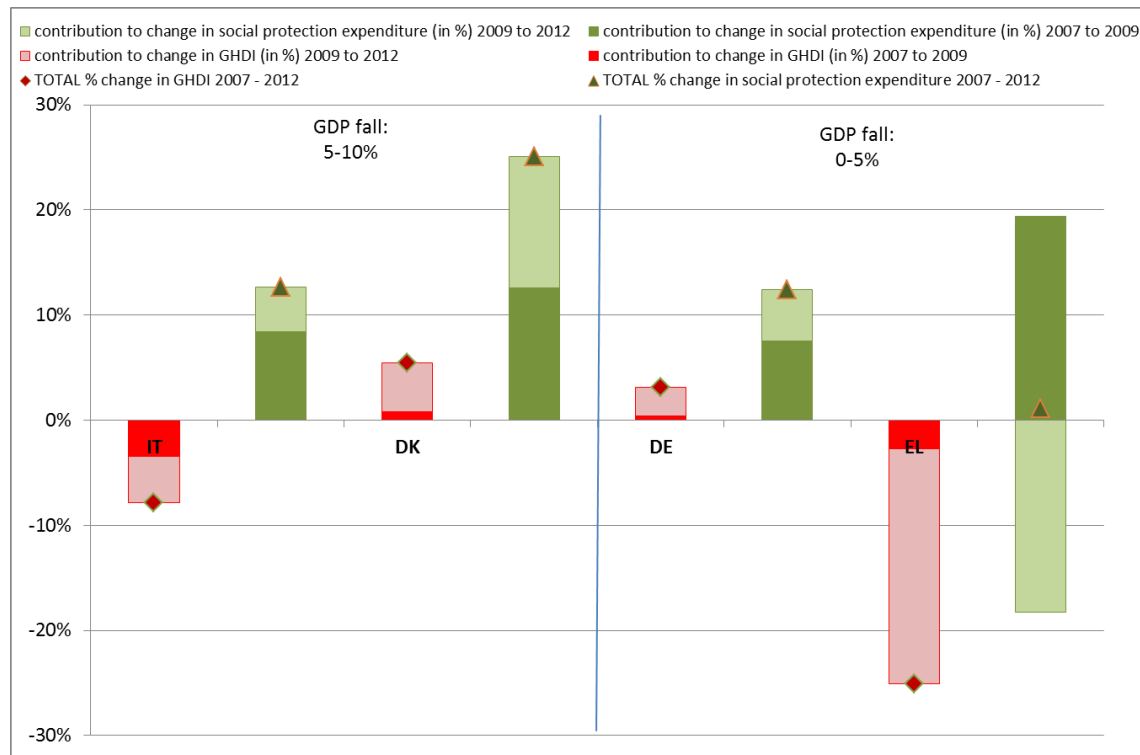


Source: Eurostat, National accounts and European Commission Economic Forecast — Spring 2012.

8_(cont.). ... and household income not stabilised in all countries

Chart 11: Percentage change in gross household disposable income and social protection expenditure (national currencies, 2007 – 2012) in chosen Member States (grouped according to GDP shock in the period 2007 – 2009)

- More developed welfare states (e.g. DK, DE) managed to sustain households' incomes
- States with weaker/badly designed welfare states (IT, EL) did not always manage to sustain households' incomes



Source: Eurostat, National accounts and European Commission Economic Forecast — Spring 2012.

9. Homelessness intensified across the EU

- *because sudden job loss or income drop in recession by many people*
- *with large group of new entrants into homelessness*
- *young people and foreign nationals disproportionately affected*
- *BUT some countries, e.g. UK, Ireland and Estonia managed to contain the spread of homelessness through effective assistance schemes*

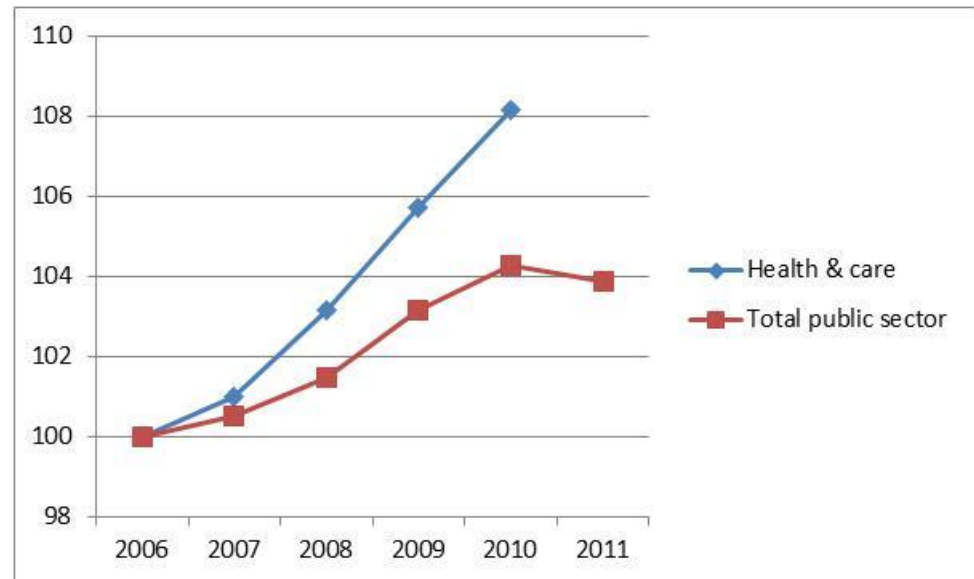
10. Diverse but rather gloomy labour market outlook...

- Sentiment indicators remain at low levels
 - While consumers are less pessimistic about unemployment trend in the coming months at EU level,
 - EU firms' employment expectations have deteriorated.
- Recent forecasts paint a very similar outlook for the economy and the labour market in 2012 and 2013:
 - euro-area GDP would shrink a little in 2012 and recover to about 1% growth in 2013. EU GDP would be somewhat stronger (stable in '12; +1¼ % in '13).
- The Euro area unemployment rate would reach annual averages of about 11% in 2012-2013 (already seen in May 2012).
 - In these forecasts, Member States' economies would continue to diverge.

... while public sector jobs being cut but white jobs growing (10 continued)

- public sector employment declining recently,
- employment in health and care growing rapidly

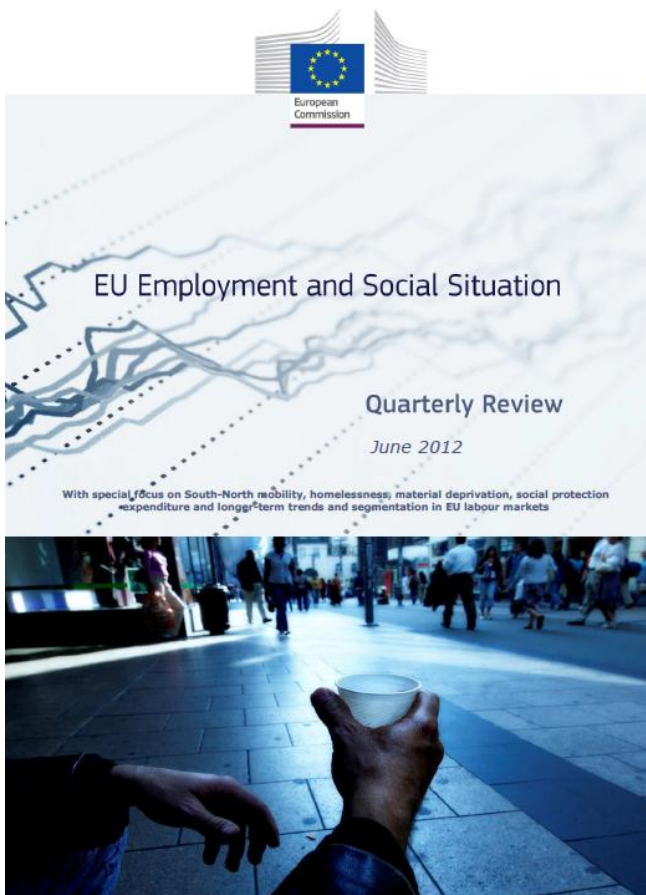
Chart 12: Changes in employment in public sector and health & care sector, 2006 – 2011; index 2006 = 100



Source: Eurostat, National accounts.

Note: data for 2011 not yet available for health and care sector.

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