



Labour market

Labour market statistics are at the heart of many EU policies following the introduction of an employment chapter into the Amsterdam Treaty in 1997. The European Employment Strategy (EES) was launched at the Luxembourg jobs summit in November 1997 and was revamped in 2005 to align the employment strategy more closely to the revised Lisbon objectives. The EU has set itself the ambitious targets of a 70 % total employment rate and 60 % female employment rate by 2010, while in the spring of 2001 a 50 % target rate was added for the employment rate of persons aged between 55 and 64 years.

In July 2008, the Council decided on updated employment policy guidelines for the period 2008 to 2010. To meet the objectives of full employment, improved quality and productivity at work, and strengthening economic, social and territorial cohesion, it was decided that actions should continue to concentrate on the priorities established in the 2005 review, namely to:

- attract and retain more people in employment, increase labour supply and modernise social protection systems;
- improve adaptability of workers and enterprises;
- increase investment in human capital through better education and skills.

These guidelines for the period 2008 to 2010 ⁽¹⁾ form part of an integrated approach based on three pillars: macro-economic policies, micro-economic reforms and employment policies. The integrated employment guidelines for 2008-2010 encourage Member States to:

- work with renewed endeavour to build employment pathways for young people and reduce youth unemployment, in particular,

(1) For more information: <http://register.consilium.europa.eu/pdf/en/08/st10/st10614-re02.en08.pdf>.



through adapting education and training systems in order to raise quality, broaden supply, diversify access, ensure flexibility, respond to new occupational needs and skills requirements;

- take action to increase female participation and reduce gender gaps in employment, unemployment and pay, through better reconciliation of work and private life and the provision of accessible and affordable childcare facilities and care for other dependants;
- give support to active ageing, including initiatives for appropriate working conditions, improved health and incentives to work and discouragement of early retirement;
- develop modern social protection systems, including pensions and health-care, ensuring their social adequacy, financial sustainability and responsiveness to changing needs, so as to support participation, better retention in employment and longer working lives.

5.1 People in the labour market – employment

Introduction

EU citizens have the right to work in any Member State without the need for work permits. While some temporary restrictions apply for some workers from the Member States that joined the EU since 2004, the freedom of movement is designed to help create a single market for jobs and could potentially provide a boost to the economy while helping thousands of people to achieve their career and lifestyle aspirations.

All EU citizens that move to work in another Member State must be treated in the same way as nationals in terms of employment rights that cover work-related issues like pay and dismissal.

Flexible working conditions – for example, part-time work or work from home – are thought to stimulate employment and activity rates, by encouraging more persons into the labour force. Other initiatives that may encourage a higher proportion of persons into the labour market include improvements in the availability of childcare facilities, or providing opportunities for lifelong learning.

‘Flexicurity’ is a way of looking at flexibility and security within the labour market. Flexicurity involves policies that simultaneously address the flexibility of labour markets, work organisation and labour relations, while also taking into account employment and income security. The flexicurity model includes a strong emphasis on active labour market policies, and motivating lifelong learning and training, improving customised support to job-seekers, supporting equal opportunities for all and equality between women and men.

Definitions and data availability

The indicators presented here are derived from the EU labour force survey (LFS). Given the considerable interest in labour market policies, the LFS has grown in importance and has become a key tool for observing labour market developments. The LFS is a quarterly household sample survey carried out in the Member States of the EU, candidate countries and EFTA countries (except Liechtenstein). It is the main

source of information concerning the situation and trends within the labour market of the EU. The LFS primarily reports on the EU's population of working age (15 years and more) which is composed of persons in employment, unemployed persons and economically inactive persons. It provides comprehensive information on these three categories, describing the employment situation of employed persons by reporting on, for example, their education level, the branches in which they work, their occupations, as well as their propensity to engage in part-time work, the duration of their work contracts, and their search for new jobs. Note that coverage in terms of labour force status is restricted to those aged 16 and over in Spain and the United Kingdom. In Denmark, Estonia, Latvia, Hungary, Finland, Sweden (from 2001 onwards) and Norway, the coverage relates to those aged 15 to 74, while in Sweden (prior to 2001) and Iceland, coverage refers to those aged 16 to 74. The sample size amounts approximately to 1.5 million individuals each quarter, with quarterly sampling rates of between 0.2 % and 3.3 % in each country. During the period from 1998 to 2005, the survey underwent a transition towards a continuous quarterly survey; all Member States now provide quarterly results.

The economically **active population** (labour force) comprises employed and unemployed persons. The total **employment rate** is calculated by dividing the number of persons aged 15 to 64 in employment by the total population of the same age group. The employment rate of older workers is calculated by restricting the population to persons aged 55 to 64. **Employed persons** are defined as persons

aged 15 and over who during the reference week of the (EU labour force) survey performed some work, even for just one hour per week, for pay, profit or family gain or were not at work but had a job or business from which they were temporarily absent because of, for example, illness, holidays, industrial dispute and education or training. The data include family workers.

Self-employed persons work in their own business, farm or professional practice. A self-employed person is considered to be working if she/he meets one of the following criteria: works for the purpose of earning profit; spends time on the operation of a business, or; is in the process of setting-up a business.

Employees are defined as persons who work for a public or private employer and who receive compensation in the form of wages, salaries, payment by results or payment in kind; non-conscript members of the armed forces are also included.

Annual employment growth gives the change in percentage terms from one year to another of the total number of persons employed in resident producer units. The indicator is based on national accounts data; EU labour force survey breakdowns are applied to provide results by gender.

The population considered for atypical employment consists of persons aged 15 to 64. Persons with **temporary** contracts are those who have a job for which the employer and employee agree that its end is determined by objective conditions, such as a specific date, the completion of an assignment, or the return of an employee who was temporarily replaced; this can be contrasted with those in permanent



employment, for whom no fixed end date is foreseen. Typical cases include: persons with seasonal employment; persons engaged by an agency or employment exchange and hired to a third party to perform a specific task (unless there is a written work contract of unlimited duration); persons with specific training contracts. In the labour force survey, the distinction between **full-time** and **part-time** employment is left to the respondent, since working hours differ from one Member State to the next and between economic activities; exceptions are in Germany, Ireland and the Netherlands, where thresholds for usual hours worked are used. The indicator on **persons with a second job** refers only to persons with more than one job running in parallel; persons having changed job during the reference week are not counted as having two jobs.

The **dispersion of regional (NUTS level 2) employment rates** shows regional differences in employment within countries and groups of countries (EU-27, euro area). It is zero when the employment rates in all regions are identical, and will rise if there is an increase in the differences between employment rates among regions. The indicator is not applicable for several countries as these comprise only one or a handful of NUTS level 2 regions. However, the employment rates of these countries are used to compute the indicator at a European level.

Main findings

The employment rate among the EU-27's population aged between 15 and 64 years old was 65.9 % in 2008. Although this represented the sixth successive annual increase in the employment rate, it remains below the target of 70 % that the Lisbon European Council set for 2010. Employment rates above 70 % were achieved in eight of the Member States (Denmark, the Netherlands, Sweden, Austria, the United Kingdom, Finland, Cyprus and Germany). In contrast, employment rates were below 60 % in Poland, Romania, Italy, Hungary and Malta.

Employment rates within the Member States often varied considerably according to regional patterns (see also Chapter 13 where regional employment rates are presented), with a relatively high dispersion (16.3 %) observed across Italy (as measured by the coefficient of variation for regions at NUTS level 2). In contrast, there was relatively little divergence in employment rates across the regions of Austria, Greece, Portugal, Sweden or the Netherlands (all below 4 %). The dispersion of regional employment across the whole of the EU-27 was seen to be converging, as the coefficient of variation declined from 13.2 % to 11.1 % between 2002 and 2007.

The Lisbon European Council set a target employment rate for women of 60 %. In 2008, the employment rate for women was 59.1 % in the EU-27, a significantly higher

rate than that recorded five years earlier (54.9 %), although considerably lower than the corresponding rate for men (72.8 %). Some 15 of the Member States recorded employment rates for women above the target of 60 % in 2007, with female employment rates in Denmark, Sweden and the Netherlands exceeding 70 %.

Employment rates are generally lower among older workers and higher among persons having achieved higher levels of education. The Stockholm European Council of 2001 set a target employment rate for older workers (aged between 55 and 64 years) of 50 % by 2010. The employment rate for older workers across the EU-27 was 45.6 % in 2008, higher than the corresponding rate (40.0 %) recorded in 2003. The employment rate for older workers was higher than 50 % in 12 of the Member States, with the highest rates recorded in Sweden (70.1 %).

There were considerable differences between employment rates, according to the level of educational attainment. The employment rate of those aged 25 to 64 ⁽²⁾ who had completed tertiary education was 83.9 % across the EU-27 in 2008, much higher than the rate (48.1 %) for those who had only attained a low educational level (primary or lower secondary education).

The proportion of the workforce working part-time in the EU-27 increased from 15.9 % in 1998 to 18.2 % by 2008. The

highest proportion of people working part-time was found in the Netherlands (47.3 % in 2008), followed at some distance by Sweden, Germany, the United Kingdom and Denmark, where part-time work accounted in each case for about a quarter of those in employment. In contrast, part-time employment was relatively uncommon in Bulgaria (2.3 % of those in employment) and Slovakia (2.7 %).

A little less than one third (31.1 %) of the women employed in the EU-27 did so on a part-time basis in 2008, a much higher proportion than the corresponding figure (7.9 %) for men. Three quarters (75.3 %) of all women employed in the Netherlands worked on a part-time basis in 2008, by far the highest rate among the Member States ⁽³⁾.

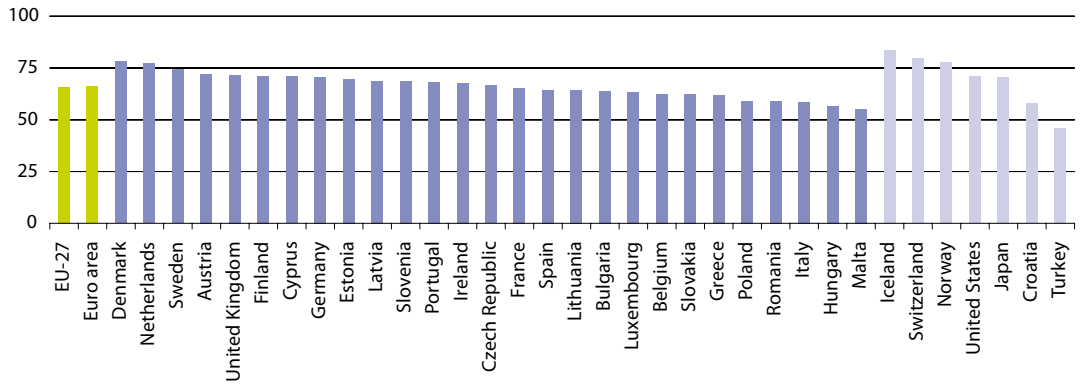
More than one quarter of employees were employed on a temporary basis in 2008 in Spain and Poland, as were more than one fifth of the workforce in Portugal. There was a considerable range in the propensity to use limited duration contracts between Member States that may, at least to some degree, reflect national practices, the supply and demand of labour and the ease with which employers can hire or fire. Among the remaining Member States, the proportion of employees working on a contract of limited duration ranged from 18.2 % in the Netherlands down to just 1.3 % in Romania.

⁽²⁾ For statistics on education level attainment, the age group 25 to 64 is used instead of 15 to 64.

⁽³⁾ Anyone working fewer than 35 hours a week is considered as working part-time in the Netherlands.



Figure 5.1: Employment rate, 2008
(%)



Source: Eurostat (tsiem010)

Table 5.1: Employment rate
(%)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU-27	61.2	61.8	62.2	62.6	62.4	62.6	63.0	63.6	64.5	65.4	65.9
Euro area	59.3	60.4	61.4	62.1	62.3	62.6	63.1	63.7	64.7	65.6	66.1
Belgium	57.4	59.3	60.5	59.9	59.9	59.6	60.3	61.1	61.0	62.0	62.4
Bulgaria	:	:	50.4	49.7	50.6	52.5	54.2	55.8	58.6	61.7	64.0
Czech Republic	67.3	65.6	65.0	65.0	65.4	64.7	64.2	64.8	65.3	66.1	66.6
Denmark	75.1	76.0	76.3	76.2	75.9	75.1	75.7	75.9	77.4	77.1	78.1
Germany ⁽¹⁾	63.9	65.2	65.6	65.8	65.4	65.0	65.0	66.0	67.5	69.4	70.7
Estonia	64.6	61.5	60.4	61.0	62.0	62.9	63.0	64.4	68.1	69.4	69.8
Ireland	60.6	63.3	65.2	65.8	65.5	65.5	66.3	67.6	68.6	69.1	67.6
Greece	56.0	55.9	56.5	56.3	57.5	58.7	59.4	60.1	61.0	61.4	61.9
Spain ⁽¹⁾	51.3	53.8	56.3	57.8	58.5	59.8	61.1	63.3	64.8	65.6	64.3
France	60.2	60.9	62.1	62.8	63.0	64.0	63.7	63.9	63.8	64.6	65.2
Italy ⁽²⁾	51.9	52.7	53.7	54.8	55.5	56.1	57.6	57.6	58.4	58.7	58.7
Cyprus	:	:	65.7	67.8	68.6	69.2	68.9	68.5	69.6	71.0	70.9
Latvia	59.9	58.8	57.5	58.6	60.4	61.8	62.3	63.3	66.3	68.3	68.6
Lithuania	62.3	61.7	59.1	57.5	59.9	61.1	61.2	62.6	63.6	64.9	64.3
Luxembourg	60.5	61.7	62.7	63.1	63.4	62.2	62.5	63.6	63.6	64.2	63.4
Hungary	53.7	55.6	56.3	56.2	56.2	57.0	56.8	56.9	57.3	57.3	56.7
Malta	:	:	54.2	54.3	54.4	54.2	54.0	53.9	53.6	54.6	55.2
Netherlands	70.2	71.7	72.9	74.1	74.4	73.6	73.1	73.2	74.3	76.0	77.2
Austria ⁽²⁾	67.9	68.6	68.5	68.5	68.7	68.9	67.8	68.6	70.2	71.4	72.1
Poland	59.0	57.6	55.0	53.4	51.5	51.2	51.7	52.8	54.5	57.0	59.2
Portugal	66.8	67.4	68.4	69.0	68.8	68.1	67.8	67.5	67.9	67.8	68.2
Romania ⁽³⁾	64.2	63.2	63.0	62.4	57.6	57.6	57.7	57.6	58.8	58.8	59.0
Slovenia	62.9	62.2	62.8	63.8	63.4	62.6	65.3	66.0	66.6	67.8	68.6
Slovakia	60.6	58.1	56.8	56.8	56.8	57.7	57.0	57.7	59.4	60.7	62.3
Finland	64.6	66.4	67.2	68.1	68.1	67.7	67.6	68.4	69.3	70.3	71.1
Sweden ⁽¹⁾	70.3	71.7	73.0	74.0	73.6	72.9	72.1	72.5	73.1	74.2	74.3
United Kingdom ⁽⁴⁾	70.5	71.0	71.2	71.4	71.4	71.5	71.7	71.7	71.6	71.5	71.5
Croatia	:	:	:	:	53.4	53.4	54.7	55.0	55.6	57.1	57.8
Turkey	:	:	:	:	:	:	:	:	45.9	45.8	45.9
Iceland	:	:	:	:	:	83.3	82.3	83.8	84.6	85.1	83.6
Norway	:	:	77.5	77.2	76.8	75.5	75.1	74.8	75.4	76.8	78.0
Switzerland	78.0	78.4	78.3	79.1	78.9	77.9	77.4	77.2	77.9	78.6	79.5
Japan	69.5	68.9	68.9	68.8	68.2	68.4	68.7	69.3	70.0	70.7	70.7
United States	73.8	73.9	74.1	73.1	71.9	71.2	71.2	71.5	72.0	71.8	70.9

⁽¹⁾ Break in series, 2005.⁽²⁾ Break in series, 2004.⁽³⁾ Break in series, 2002.⁽⁴⁾ Break in series, 1999.

Source: Eurostat (tsieb090)



Table 5.2: Employment rates for selected population groups (%)

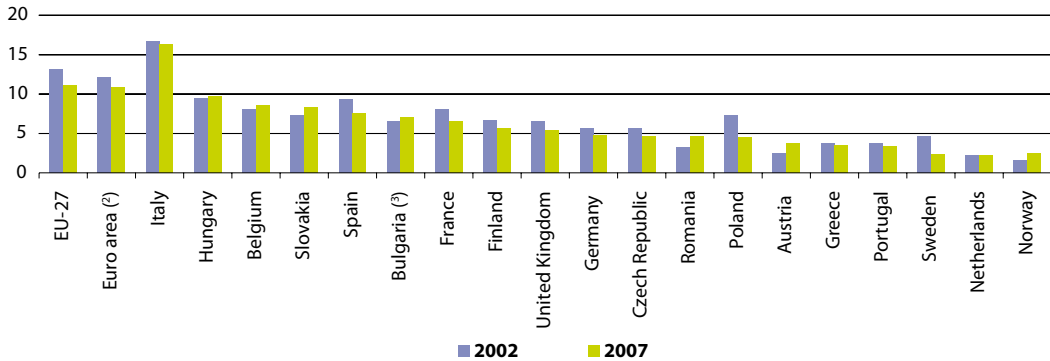
	Male			Female			Older workers (55-64)		
	1998	2003	2008	1998	2003	2008	1998	2003	2008
EU-27	70.3	70.3	72.8	52.0	54.9	59.1	36.2	40.0	45.6
Euro area	69.8	71.5	73.3	48.7	53.8	58.8	33.3	37.7	44.3
Belgium	67.1	67.3	68.6	47.6	51.8	56.2	22.9	28.1	34.5
Bulgaria	:	56.0	68.5	:	49.0	59.5	:	30.0	46.0
Czech Republic	76.0	73.1	75.4	58.7	56.3	57.6	37.1	42.3	47.6
Denmark	79.9	79.6	81.9	70.2	70.5	74.3	52.0	60.2	57.0
Germany	71.9	70.9	75.9	55.8	58.9	65.4	37.7	39.9	53.8
Estonia	69.6	67.2	73.6	60.3	59.0	66.3	50.2	52.3	62.4
Ireland	72.1	75.2	74.9	49.0	55.7	60.2	41.7	49.0	53.6
Greece	71.7	73.4	75.0	40.5	44.3	48.7	39.0	41.3	42.8
Spain	66.8	73.2	73.5	35.8	46.3	54.9	35.1	40.7	45.6
France	67.4	69.9	69.8	53.1	58.2	60.7	28.3	37.0	38.3
Italy	66.8	69.6	70.3	37.3	42.7	47.2	27.7	30.3	34.4
Cyprus	:	78.8	79.2	:	60.4	62.9	:	50.4	54.8
Latvia	65.1	66.1	72.1	55.1	57.9	65.4	36.3	44.1	59.4
Lithuania	66.2	64.0	67.1	58.6	58.4	61.8	39.5	44.7	53.1
Luxembourg	74.5	73.3	71.5	46.2	50.9	55.1	25.1	30.3	34.1
Hungary	60.5	63.5	63.0	47.2	50.9	50.6	17.3	28.9	31.4
Malta	:	74.5	72.5	:	33.6	37.4	:	32.5	29.1
Netherlands	80.2	81.1	83.2	60.1	66.0	71.1	33.9	44.3	53.0
Austria	77.0	76.4	78.5	58.8	61.6	65.8	28.4	30.3	41.0
Poland	66.5	56.5	66.3	51.7	46.0	52.4	32.1	26.9	31.6
Portugal	75.9	75.0	74.0	58.2	61.4	62.5	49.6	51.6	50.8
Romania (¹)	70.4	63.8	65.7	58.2	51.5	52.5	51.5	38.1	43.1
Slovenia	67.2	67.4	72.7	58.6	57.6	64.2	23.9	23.5	32.8
Slovakia	67.8	63.3	70.0	53.5	52.2	54.6	22.8	24.6	39.2
Finland	67.8	69.7	73.1	61.2	65.7	69.0	36.2	49.6	56.5
Sweden	72.8	74.2	76.7	67.9	71.5	71.8	63.0	68.6	70.1
United Kingdom	77.3	77.8	77.3	63.6	65.3	65.8	49.0	55.4	58.0
Croatia	:	60.3	64.9	:	46.7	50.7	:	28.4	36.6
FYR of Macedonia	:	:	:	:	:	:	:	:	:
Turkey	:	:	67.7	:	:	24.3	:	:	29.5
Iceland	:	86.3	87.3	:	80.1	79.6	:	83.0	82.9
Norway	:	78.3	80.5	:	72.6	75.4	:	66.9	69.2
Switzerland	87.2	85.1	85.4	68.8	70.7	73.5	64.5	65.8	68.4
Japan	81.7	79.8	81.6	57.2	56.8	59.7	63.8	62.1	66.3
United States	80.5	76.9	76.4	67.4	65.7	65.5	57.7	59.9	62.1

(¹) Break in series, 2002.

Source: Eurostat ([tsiem010](#) and [tsiem020](#))



Figure 5.2: Dispersion of regional employment rates ⁽¹⁾
(coefficient of variation of employment rates (of the age group 15-64) across regions
(NUTS 2 level))



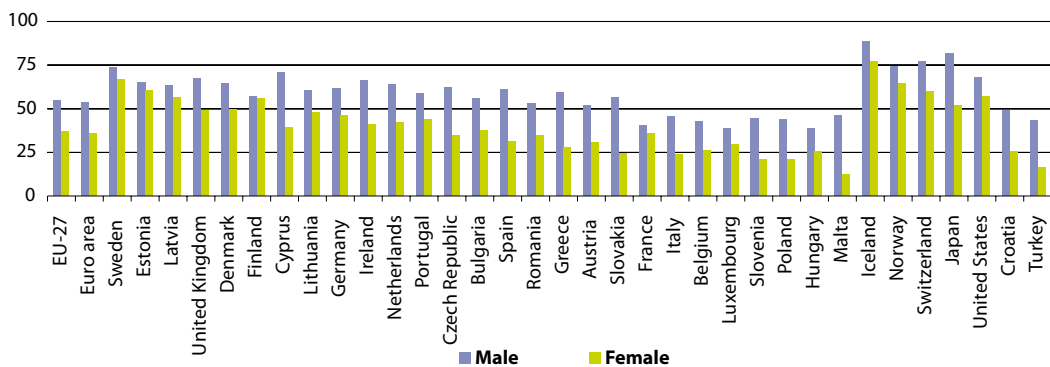
⁽¹⁾ At the NUTS 2 level: Estonia, Cyprus, Latvia, Lithuania, Luxembourg and Malta are treated as one region.

⁽²⁾ EA-13 instead of EA-16.

⁽³⁾ 2003 instead of 2002.

Source: Eurostat (tsisc050)

Figure 5.3: Employment rate of older workers (55-64 years), 2008 ⁽¹⁾
(%)



⁽¹⁾ The figure is ranked on the average of male and female.

Source: Eurostat (tsiem020)



Table 5.3: Employment rate, by highest level of education, 2008
(% of age group 25-64 years)

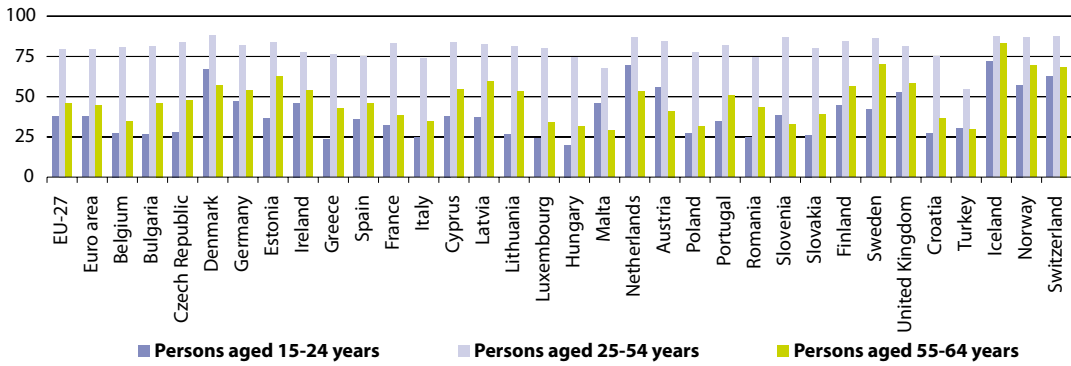
	Pre-primary, primary & lower secondary - ISCED levels 0-2	Upper secondary & post- secondary non-tertiary - ISCED levels 3-4	Tertiary - ISCED levels 5-6
EU-27	48.1	70.6	83.9
Belgium	39.7	67.0	83.0
Bulgaria	32.9	72.7	86.1
Czech Republic	24.1	73.1	83.2
Denmark	64.6	81.5	88.8
Germany	45.9	74.7	86.4
Estonia	34.9	75.4	85.2
Ireland	46.9	71.9	84.4
Greece	52.4	61.2	82.1
Spain	55.5	67.4	81.7
France	47.2	69.6	81.0
Italy	46.0	67.9	78.5
Cyprus	50.9	74.0	86.5
Latvia	37.1	74.5	86.9
Lithuania	20.7	68.1	87.7
Luxembourg	48.4	65.3	83.6
Hungary	27.2	63.3	79.5
Malta	46.0	72.5	85.6
Netherlands	62.8	80.9	87.9
Austria	51.0	77.1	86.1
Poland	25.5	63.3	83.7
Portugal	65.8	65.8	84.7
Romania	41.0	63.5	85.7
Slovenia	42.9	72.0	87.5
Slovakia	15.9	70.1	83.8
Finland	46.4	75.1	85.6
Sweden	52.6	80.7	88.1
United Kingdom	56.2	75.1	85.3
Croatia	35.1	62.3	81.9
FYR of Macedonia (!)	24.8	47.4	69.8
Turkey	41.2	50.8	72.4
Iceland	79.2	84.1	90.9
Norway	60.6	82.0	90.4
Switzerland	61.7	80.8	89.9

(!) 2007.

Source: Eurostat (tsdec430)

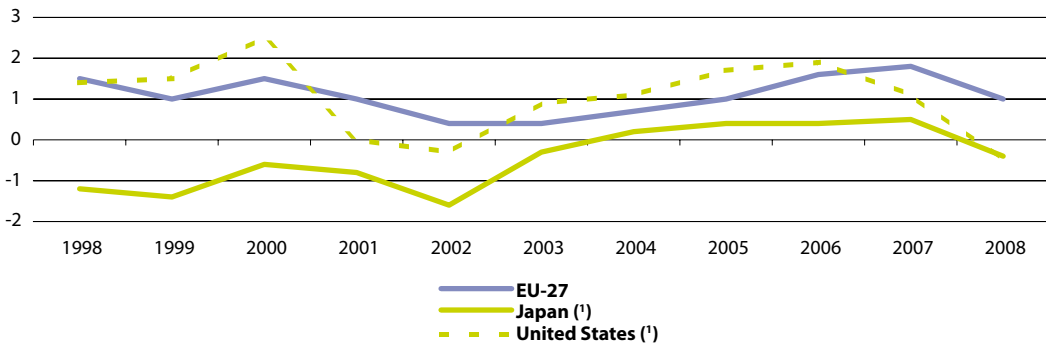


Figure 5.4: Employment rate by age group, 2008 (%)



Source: Eurostat ([lfsi_emp_a](#))

Figure 5.5: Annual employment growth (% change compared with previous year)



(¹) Forecast, 2007 and 2008.

Source: Eurostat ([tsieb050](#))



Table 5.4: Annual employment growth
(% change compared with previous year)

	Total			Male			Female		
	1998	2003	2008	1998	2003	2008	1998	2003	2008
EU-27	1.5	0.4	1.0	1.0	0.1	0.6	2.1	0.7	1.5
Euro area	1.9	0.4	0.8	1.2	-0.1	0.2	2.8	1.2	1.6
Belgium	1.6	0.0	1.6	0.6	-0.9	0.8	3.0	1.3	2.7
Bulgaria	-1.0	3.0	3.3	:	3.7	3.5	:	2.1	3.0
Czech Republic	-1.5	-1.3	1.5	:	-1.2	1.9	:	-1.6	1.0
Denmark	1.4	-1.1	0.9	0.6	-0.4	0.6	2.4	-1.9	1.1
Germany	1.2	-0.9	1.4	0.8	-1.4	1.2	1.8	-0.3	1.7
Estonia	-1.9	1.4	0.2	:	1.6	0.3	:	1.2	0.1
Ireland	8.6	2.0	-0.8	7.5	1.5	-2.2	10.3	2.7	1.0
Greece	2.9	1.0	1.2	3.6	0.5	0.7	1.8	1.8	2.1
Spain	4.5	3.1	-0.5	4.0	1.9	-2.2	5.4	5.1	2.0
France	1.5	0.1	0.5	1.1	-0.7	0.3	2.0	1.2	0.8
Italy	1.0	1.5	0.3	0.4	1.2	-0.4	2.0	2.0	1.4
Cyprus	1.6	3.8	2.6	:	2.8	2.6	:	5.1	2.6
Latvia	-0.3	1.0	0.8	:	1.6	0.1	:	0.5	1.6
Lithuania	-0.8	2.2	-0.5	:	2.5	-0.7	:	1.9	-0.2
Luxembourg	4.5	1.8	4.7	3.0	-2.7	6.6	7.1	9.2	2.2
Hungary	1.8	1.3	-1.2	0.8	0.6	-1.5	2.9	2.1	-0.8
Malta	:	1.0	2.5	:	1.0	0.6	:	1.0	6.6
Netherlands	2.6	-0.5	1.5	1.8	-1.2	0.9	3.7	0.4	2.2
Austria	1.0	0.3	1.9	0.8	0.6	0.9	1.3	0.0	3.0
Poland	1.3	-1.2	4.0	0.9	-1.3	4.1	1.9	-1.1	3.9
Portugal	2.8	-0.6	0.4	2.3	-1.3	0.2	3.5	0.2	0.7
Romania	:	0.0	0.3	:	1.0	0.9	:	-1.3	-0.5
Slovenia	-0.2	-0.4	2.9	:	0.1	2.4	:	-1.0	3.5
Slovakia	-0.5	1.1	2.8	:	1.1	2.7	:	1.1	2.8
Finland	2.0	0.1	1.6	2.4	0.3	2.0	1.5	-0.1	1.2
Sweden	1.7	-0.6	0.9	2.0	-0.6	1.1	1.4	-0.5	0.7
United Kingdom	0.9	1.0	0.1	1.0	1.1	-0.2	0.8	0.9	0.4
Croatia	-3.0	0.6	1.1	:	0.9	0.6	:	0.2	1.7
Turkey	2.8	-1.0	1.8	:	:	1.1	:	:	3.7
Norway	2.7	-1.0	3.1	:	-1.3	3.1	:	-0.7	3.1
Japan	-1.2	-0.3	-0.4	:	:	:	:	:	:
United States	1.4	0.9	-0.5	:	:	:	:	:	:

Source: Eurostat (tsieb050)



Table 5.5: Persons working part-time and persons with a second job
(% of total employment)

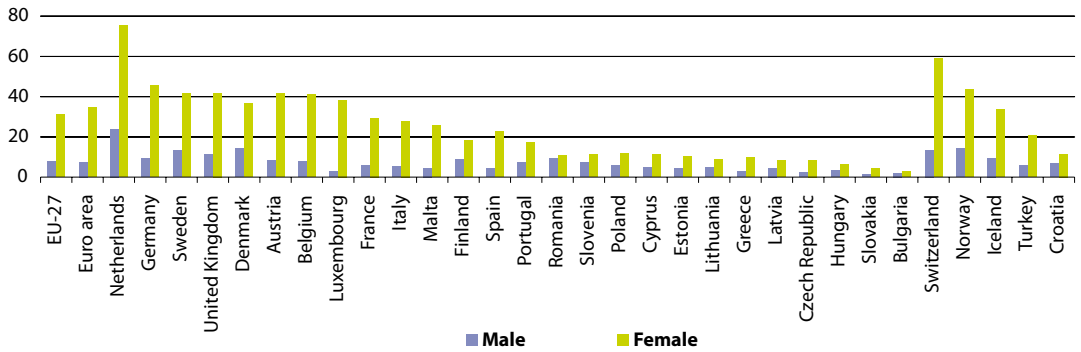
	Persons employed working part-time			Persons in employment with second job		
	1998	2003	2008	1998	2003	2008
EU-27	15.9	16.5	18.2	:	3.5	3.8
Euro area	15.1	16.4	19.5	:	2.7	3.4
Belgium	16.5	20.5	22.6	2.9	3.7	3.8
Bulgaria	:	2.3	2.3	:	0.7	0.8
Czech Republic	5.7	5.0	4.9	3.4	2.6	1.8
Denmark	22.3	21.3	24.6	7.3	10.1	9.5
Germany	18.4	21.7	25.9	2.8	2.5	3.7
Estonia	8.6	8.5	7.2	8.3	4.1	3.3
Ireland	16.5	16.9	:	0.8	1.8	2.6
Greece	5.6	4.3	5.6	4.8	2.9	3.4
Spain	7.8	8.2	12.0	1.6	1.8	2.5
France	17.3	16.5	16.9	3.5	2.7	3.2
Italy	7.3	8.5	14.3	1.3	1.2	1.9
Cyprus	:	8.9	7.8	:	6.9	4.2
Latvia	12.8	10.3	6.3	5.0	7.5	6.0
Lithuania	:	9.6	6.7	6.0	7.4	5.1
Luxembourg	9.1	13.4	18.0	1.2	1.1	2.1
Hungary	3.8	4.4	4.6	2.3	1.9	1.6
Malta	:	9.2	11.5	:	4.9	5.1
Netherlands	38.9	45.0	47.3	5.9	5.9	7.3
Austria	15.7	18.7	23.3	5.5	3.6	4.4
Poland	10.4	10.5	8.5	8.6	7.4	7.5
Portugal	11.0	11.7	11.9	6.0	6.7	6.5
Romania (!)	15.8	11.5	9.9	6.2	4.1	3.1
Slovenia	:	6.2	9.0	2.7	1.8	3.7
Slovakia	2.3	2.4	2.7	1.1	0.9	1.1
Finland	11.4	13.0	13.3	4.5	3.7	4.4
Sweden	19.8	22.9	26.6	8.7	9.4	8.2
United Kingdom	24.5	25.6	25.3	4.5	4.1	3.8
Croatia	:	8.5	8.9	:	3.0	3.1
Turkey	:	:	9.6	:	:	2.9
Iceland	:	22.1	20.5	16.6	11.8	9.6
Norway	:	28.8	28.2	8.2	8.4	8.5
Switzerland	29.6	32.7	34.3	5.2	6.0	7.4

(!) 2002, break in series.

Source: Eurostat (tps00159, tps00074 and lfsi_emp_a)



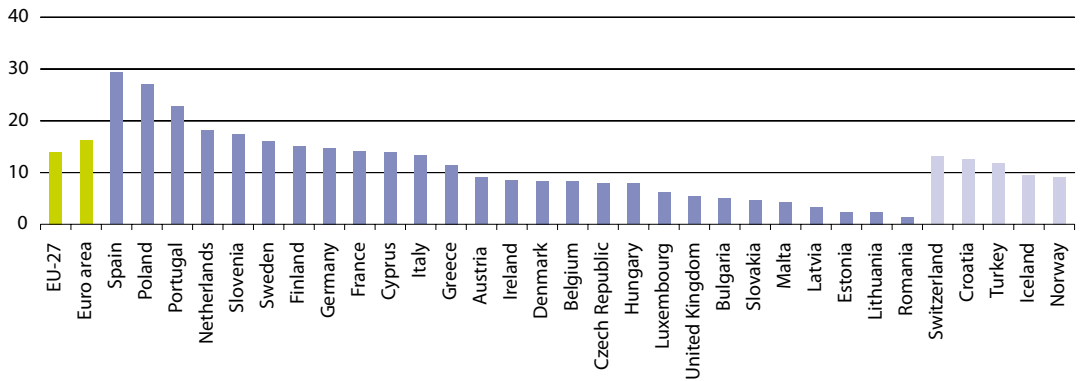
Figure 5.6: Persons employed part-time, 2008 ⁽¹⁾
(% of total employment)



⁽¹⁾ The figure is ranked on the average of male and female; Ireland, not available.

Source: Eurostat (tps00159)

Figure 5.7: Proportion of employees with a contract of limited duration, 2008
(% of total employees)



Source: Eurostat (tps00073)

5.2 People in the labour market - unemployment

Introduction

Male, youth and long-term unemployment appear to be more susceptible to cyclical economic changes than overall unemployment. Indeed, social policymakers are challenged to remedy these situations by designing ways to increase the employment opportunities open to various (disadvantaged) groups of society, those working in particular economic activities, or those living in specific regions.

Globalisation and technological progress have an ever-increasing effect on many daily lives, and the demand for different types of labour and skills is evolving at a rapid pace. While enterprises need to be increasingly innovative and productive, some of their risk may be passed on to the labour force, as increased flexibility is demanded both from those in employment as well as those searching for a new job.

Within the context of the European Employment Strategy, there are a number of measures that are designed to help encourage people to remain in work or find a new job, including: the promotion of a lifecycle approach to work, encouraging lifelong learning, improving support to those seeking a job, as well as ensuring equal opportunities.

The integrated employment guidelines for 2008-2010 set a number of additional benchmarks, whereby Member States are encouraged:

- to ensure that by 2010 every unemployed person is offered a job, appren-

ticeship, additional training or another employability measure (for young persons leaving school within four months, and for adults within no more than 12 months);

- to work towards 25 % of the long-term unemployed participating in training, retraining, work practice, or other employability measures by 2010;
- to guarantee that job-seekers throughout the EU are able to consult all job vacancies advertised in the national employment services of each Member State.

Definitions and data availability

Unemployed persons are defined as those persons aged 15-74 ^(*) who were not employed during the reference week of the labour force survey, were available for work and were either actively seeking work in the four weeks prior to the survey, or had already found a job to start within the next three months. For the purposes of this final point, the following are considered as specific steps in the search for a job: having been in contact with a public employment office to find work, whoever took the initiative (renewing registration for administrative reasons only is not an active step); having been in contact with a private agency (temporary work agency, firm specialising in recruitment, etc.) to find work; applying to employers directly; asking among friends, relatives, unions, etc., to find work; placing or answering job advertisements; studying job advertisements; taking a recruitment test or

(*) In Spain and the United Kingdom this is restricted to persons aged 16 to 74 years old.



examination or being interviewed; looking for land, premises or equipment; applying for permits, licences or financial resources. This definition is in accordance with the International Labour Organisation (ILO) standards and Commission Regulation (EC) No 1897/2000.

Unemployment data are generally presented as rates. The **unemployment rate** is the share of unemployed persons over the total number of active persons in the labour market; active persons are those who are either employed or unemployed. Please note that at the end of this publication, Chapter 13 presents regional data for unemployment rates.

The unemployment rate can be broken down into a number of more detailed groups – for example, **unemployment according to educational attainment**, where the indicator provides a measure of the difficulties that people with different levels of education face in the labour market, offering some information on the impact of education on the chances of being unemployed.

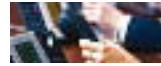
The duration of unemployment is defined as the duration of a search for a job, or as the period since the last job was held (if this period is shorter than the duration of the search for a job). The **long-term unemployment rate** is the proportion of active persons in the labour market who have been unemployed for 12 months or more; the **very long-term unemployment rate** represents the number of persons who have been unemployed for at least 24 months, again expressed as a share of the total number of active persons in the labour market.

Main findings

The unemployment rate is considered to be a lagging indicator. When there is a downturn in the economy, it usually takes several months before the unemployment rate begins to rise. Once the economy starts picking up again, employers are usually cautious and it can take several months before the unemployment rate starts to fall again.

The average unemployment rate across the EU-27 in 2008 was 7.0 %, which represented a further fall from the relative peak of 9.0 % that was recorded in 2003 and 2004. This latest annual figure represented a reduction of just 0.1 percentage points in comparison with 2007, which was a marked slowdown when compared with the 1.1 and 0.7 percentage point reductions for the two previous years.

There remain considerable differences in unemployment rates between Member States. Spain's rate of 11.3 % in 2008 was the only double-digit unemployment rate, with Slovakia (9.5 %) recording the next highest share of persons out of work. Most of the remaining Member States recorded unemployment rates in the range of 7.8 % (France and Hungary) to 3.7 % (Cyprus), with Denmark (3.3 %) and the Netherlands (2.8 %) below this. The distribution of unemployment rates across the EU narrowed considerably between 2001 and 2007, as the range between the highest and lowest unemployment rates across the Member States fell from 17.6 percentage points to 7.9 percentage points; in 2008 the range rose to 8.5 percentage points as the Spanish unemployment rate reversed its declining trend, while the Dutch unemployment rate continued to fall.



Long-term unemployment is one of the main concerns of governments and social planners/policymakers. Besides its effects on personal life, long-term unemployment limits social cohesion and, ultimately, hinders economic growth. Some 2.6 % of the labour force in the EU-27 in 2008 had been unemployed for more than one year; slightly more than half of these, 1.5 % of the labour force, had been unemployed for more than two years.

The unemployment rate for women (7.5 %) in the EU-27 in 2008 remained higher than that for men (6.6 %); this pattern was reflected in the majority of Member States, with exceptions limited to the Baltic Member States, Romania, Ireland, the United Kingdom and Germany. Higher unemployment rates for women were particularly marked in Greece, Italy and Spain.

Unemployment rates by age group show that persons under the age of 25 tend to face the most difficulty in securing a job. The average unemployment rate among

15 to 24 year olds was 15.4 % across the EU-27 in 2008. The highest youth unemployment rates among the Member States were in Spain (24.6 %), Greece (22.1 %), Italy (21.3 %) and Sweden (20.0 %) and the same countries reported the largest difference between unemployment rates for those aged 25 or more and those aged less than 25. In contrast, youth unemployment rates were closest to (but not lower than) the overall unemployment rate in Germany and the Netherlands.

A lack of qualifications can be another discriminating factor for job-seekers, as unemployment rates tend to decrease according to the level of education attained. This was a characteristic noted in almost every Member State in 2008, as the average unemployment rate in the EU-27 for those having attained at most a lower secondary education was 9.8 % in 2008, almost three times the rate of unemployment (3.4 %) for those that had a tertiary education.



Table 5.6: Unemployment rate
(%)

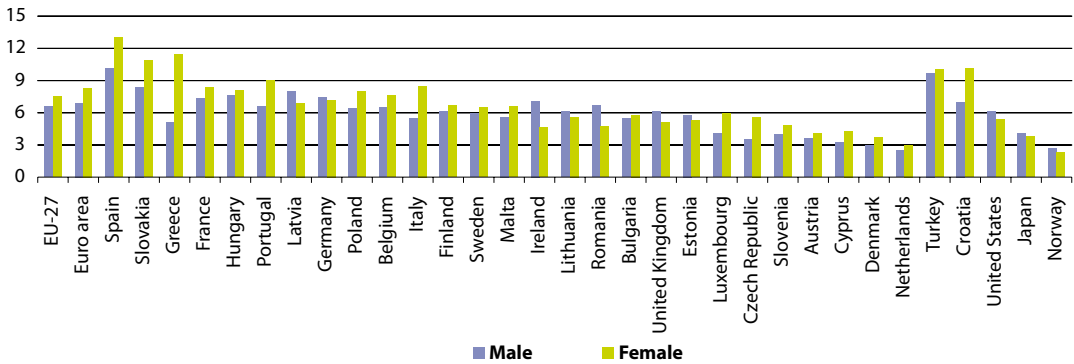
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU-27	:	:	8.7	8.5	8.9	9.0	9.0	8.9	8.2	7.1	7.0
Euro area	10.1	9.3	8.5	8.0	8.4	8.8	9.0	9.0	8.3	7.5	7.5
Belgium	9.3	8.5	6.9	6.6	7.5	8.2	8.4	8.5	8.3	7.5	7.0
Bulgaria	:	:	16.4	19.5	18.2	13.7	12.1	10.1	9.0	6.9	5.6
Czech Republic	6.4	8.6	8.7	8.0	7.3	7.8	8.3	7.9	7.2	5.3	4.4
Denmark	4.9	5.2	4.3	4.5	4.6	5.4	5.5	4.8	3.9	3.8	3.3
Germany	9.1	8.2	7.5	7.6	8.4	9.3	9.8	10.7	9.8	8.4	7.3
Estonia	9.2	11.3	12.8	12.4	10.3	10.0	9.7	7.9	5.9	4.7	5.5
Ireland	7.5	5.7	4.3	3.9	4.5	4.8	4.6	4.4	4.5	4.6	6.0
Greece	10.8	12.0	11.2	10.7	10.3	9.7	10.5	9.9	8.9	8.3	7.7
Spain	15.0	12.5	11.1	10.3	11.1	11.1	10.6	9.2	8.5	8.3	11.3
France	11.0	10.4	9.0	8.3	8.6	9.0	9.3	9.3	9.2	8.4	7.8
Italy	11.4	11.0	10.1	9.1	8.6	8.5	8.1	7.7	6.8	6.1	6.8
Cyprus	:	:	4.9	3.8	3.6	4.1	4.7	5.3	4.6	4.0	3.7
Latvia	14.3	14.0	13.7	12.9	12.2	10.5	10.4	8.9	6.8	6.0	7.5
Lithuania	13.2	13.7	16.4	16.5	13.5	12.5	11.4	8.3	5.6	4.3	5.8
Luxembourg	2.7	2.4	2.2	1.9	2.6	3.8	5.0	4.6	4.6	4.2	4.9
Hungary	8.4	6.9	6.4	5.7	5.8	5.9	6.1	7.2	7.5	7.4	7.8
Malta	:	:	6.7	7.6	7.5	7.6	7.4	7.2	7.1	6.4	6.0
Netherlands	3.8	3.2	2.8	2.2	2.8	3.7	4.6	4.7	3.9	3.2	2.8
Austria	4.5	3.9	3.6	3.6	4.2	4.3	4.9	5.2	4.8	4.4	3.8
Poland	10.2	13.4	16.1	18.3	20.0	19.7	19.0	17.8	13.9	9.6	7.1
Portugal	5.0	4.5	4.0	4.1	5.1	6.4	6.7	7.7	7.8	8.1	7.7
Romania	:	7.1	7.3	6.8	8.6	7.0	8.1	7.2	7.3	6.4	5.8
Slovenia	7.4	7.3	6.7	6.2	6.3	6.7	6.3	6.5	6.0	4.9	4.4
Slovakia	12.6	16.4	18.8	19.3	18.7	17.6	18.2	16.3	13.4	11.1	9.5
Finland	11.4	10.2	9.8	9.1	9.1	9.0	8.8	8.4	7.7	6.9	6.4
Sweden (¹)	8.2	6.7	5.6	4.9	4.9	5.6	6.3	7.4	7.0	6.1	6.2
United Kingdom	6.1	5.9	5.4	5.0	5.1	5.0	4.7	4.8	5.4	5.3	5.6
Croatia	:	:	:	:	14.8	14.2	13.7	12.7	11.2	9.6	8.4
Turkey	:	:	:	:	:	:	:	:	8.4	8.5	9.8
Norway	3.1	3.0	3.2	3.4	3.7	4.2	4.3	4.5	3.4	2.5	2.5
Japan	4.1	4.7	4.7	5.0	5.4	5.3	4.7	4.4	4.1	3.9	4.0
United States	4.5	4.2	4.0	4.8	5.8	6.0	5.5	5.1	4.6	4.6	5.8

(¹) Break in series, 2005.

Source: Eurostat ([tsiem110](#))



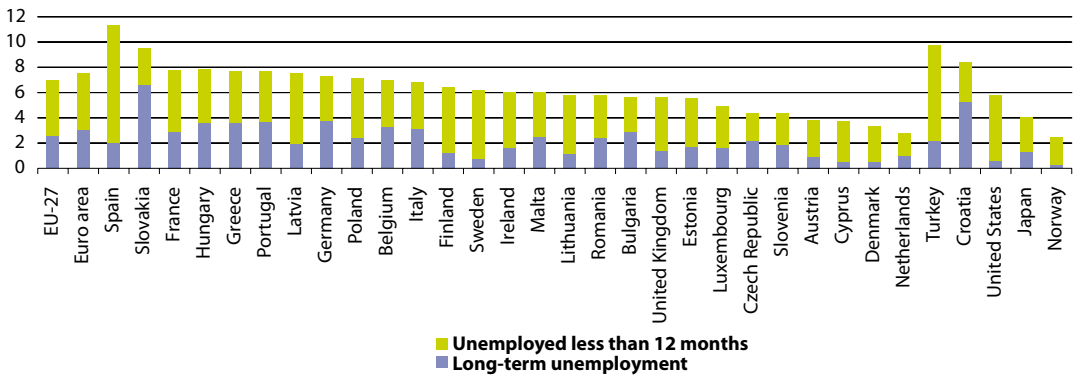
Figure 5.8: Unemployment rate, 2008 (¹)
(%)



(¹) The figure is ranked on the average of male and female.

Source: Eurostat (tsiem110)

Figure 5.9: Unemployment rate by duration, 2008
(%)



Source: Eurostat (tsiem110 and tsisc070)



Table 5.7: Unemployment rate by gender and by age (%)

	Male		Female		< 25 years	25-74 years
	2003	2008	2003	2008	2008	2008
EU-27	8.4	6.6	9.7	7.5	15.4	5.9
Euro area	7.9	6.9	10.0	8.3	15.4	6.6
Belgium	7.7	6.5	8.9	7.6	18.0	5.9
Bulgaria	14.1	5.5	13.2	5.8	12.7	5.0
Czech Republic	6.2	3.5	9.9	5.6	9.9	3.9
Denmark	4.8	3.0	6.1	3.7	7.6	2.5
Germany	9.8	7.4	8.7	7.2	9.9	6.9
Estonia	10.2	5.8	9.9	5.3	12.0	4.6
Ireland	5.0	7.1	4.4	4.6	12.6	4.9
Greece	6.2	5.1	15.0	11.4	22.1	6.6
Spain	8.2	10.1	15.3	13.0	24.6	9.8
France	8.1	7.3	9.9	8.4	19.1	6.5
Italy	6.5	5.5	11.4	8.5	21.3	5.6
Cyprus	3.6	3.2	4.8	4.3	9.0	3.1
Latvia	10.6	8.0	10.4	6.9	13.1	6.6
Lithuania	12.7	6.1	12.2	5.6	13.4	5.0
Luxembourg	3.0	4.1	4.9	5.9	16.9	4.0
Hungary	6.1	7.6	5.6	8.1	19.9	6.9
Malta	6.9	5.6	9.1	6.6	11.9	4.7
Netherlands	3.5	2.5	3.9	3.0	5.3	2.3
Austria	4.0	3.6	4.7	4.1	8.0	3.1
Poland	19.0	6.4	20.5	8.0	17.3	5.9
Portugal	5.6	6.6	7.3	9.0	16.4	6.8
Romania	7.6	6.7	6.4	4.7	18.6	4.4
Slovenia	6.3	4.0	7.1	4.8	10.4	3.7
Slovakia	17.4	8.4	17.8	10.9	19.0	8.4
Finland	9.2	6.1	8.9	6.7	16.5	4.9
Sweden	6.0	5.9	5.2	6.5	20.0	4.1
United Kingdom	5.5	6.1	4.3	5.1	15.0	3.9
Croatia	12.9	7.0	15.8	10.1	21.9	6.9
Turkey	:	9.7	:	10.0	18.5	7.8
Norway	4.5	2.7	3.9	2.3	7.2	1.7
Japan	5.5	4.1	4.9	3.8	7.3	3.7
United States	6.3	6.1	5.7	5.4	12.8	4.6

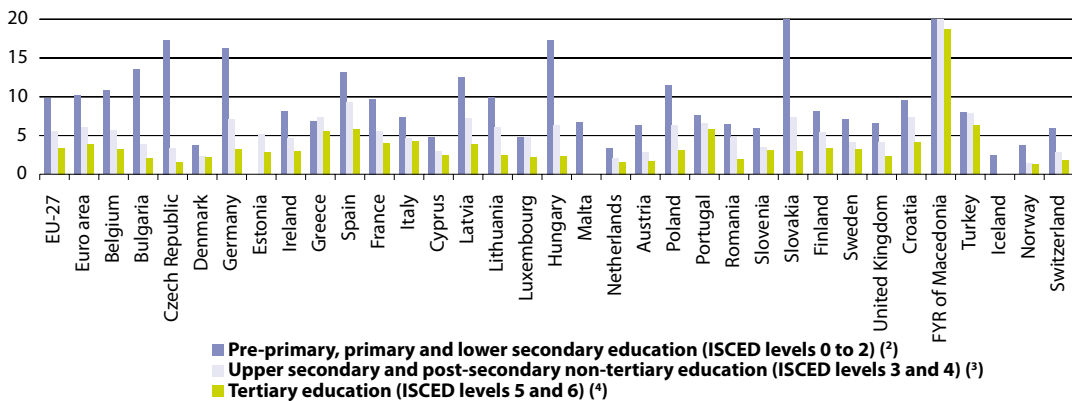
Source: Eurostat ([tsiem110](#) and [une_rt_a](#))

Table 5.8: Unemployment rate, EU-27 (%)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Male	7.8	7.7	8.3	8.4	8.5	8.3	7.6	6.6	6.6
Female	9.8	9.4	9.7	9.7	9.8	9.6	8.9	7.8	7.5
Less than 25 years	17.4	17.3	17.9	18.0	18.4	18.3	17.1	15.3	15.4
Between 25 and 74 years	7.4	7.2	7.6	7.7	7.8	7.6	7.0	6.1	5.9
Long-term unemployment rate	4.0	3.9	4.0	4.1	4.2	:	3.7	3.0	2.6
Male	3.5	3.5	3.6	3.8	3.8	:	3.5	2.8	2.4
Female	4.6	4.4	4.5	4.5	4.6	:	4.0	3.3	2.8
Very long-term unemployment rate	2.4	2.3	2.3	2.3	2.4	:	2.2	1.8	1.5

Source: Eurostat (tsiem110, une_rt_a, tsisc070 and une_ltu_a)

Figure 5.10: Unemployment rate (among persons aged 25-64 years) by level of educational attainment, 2008 (1) (%)



(1) Former Yugoslav Republic of Macedonia, 2007.

(2) Estonia, not available; Lithuania, Slovenia and Croatia, unreliable data; Slovakia, y-axis has been cut, 35.9%; former Yugoslav Republic of Macedonia, y-axis has been cut, 41.2 %.

(3) Malta and Iceland, not available; former Yugoslav Republic of Macedonia, y-axis has been cut, 31.2 %.

(4) Malta and Iceland, not available; Estonia, Lithuania, Slovenia and Croatia, unreliable data.

Source: Eurostat (tps00066)



5.3 Wages and labour costs

Introduction

The structure and evolution of earnings are important features of any labour market, reflecting labour supply from individuals and labour demand by enterprises. At the same time, the level and structure of earnings and labour costs are among the key macro-economic indicators used by policymakers, employers and trade unions.

The European employment guidelines include two that are related to wages and labour cost, namely to ensure:

- that wage developments contribute to macro-economic stability and growth;
- employment-friendly labour cost developments and wage-setting mechanisms by encouraging social partners within their own responsibilities to set the right framework for wage-bargaining in order to reflect productivity and labour market challenges at all relevant levels and to avoid gender pay gaps, by reviewing the impact on employment of non-wage labour costs and where appropriate adjust their structure and level, especially to reduce the tax burden on the low-paid.

Article 141(1) of the EC Treaty sets out the principle of equal pay for male and

female workers for equal work or work of equal value, and Article 141(3) provides the legal basis for legislation on the equal treatment of men and women in employment matters. The European Commission in March 2006 set a roadmap ⁽⁵⁾ for equality between women and men during the period 2006-2010, which was subject to a mid-term progress report in 2008 ⁽⁶⁾. Particular attention is given to the gender pay gap, the difference between male and female pay, which is a multidimensional phenomenon: some underlying factors that may, in part, explain gender pay gaps include sectoral and occupational segregation, education and training, awareness and transparency. The EU seeks to promote equal opportunities implying progressive elimination of the gender pay gap.

Gender differences are not restricted to pay, and the principle of equal treatment has been extended to cover a range of employment aspects, including equal access to self-employment, working conditions and vocational training. Policy measures within this area are designed to take account of differences in male and female labour market participation rates and career structures, wage structures, promotion policies, as well as the concentration of women in low pay sectors and occupations.

⁽⁵⁾ COM(2006) 92 final; for more information: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2006:0092:FIN:EN:PDF>.

⁽⁶⁾ COM(2008) 760 final; for more information: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0760:FIN:EN:PDF>.

Definitions and data availability

Labour costs refer to the expenditure incurred by employers in order to employ personnel. They include employee compensation (including wages, salaries in cash and in kind, employers' social security contributions), vocational training costs, other expenditure such as recruitment costs, spending on working clothes and employment taxes regarded as labour costs minus any subsidies received. These labour cost components and their elements are defined in Commission Regulation (EC) 1737/2005 of 21 October 2005 amending Regulation (EC) No 1726/1999 as regards the definition and transmission of information on labour costs implementing Council Regulation (EC) No 530/1999 concerning structural statistics on earnings and labour costs. Data relate to three core indicators:

- **average monthly labour costs**, defined as total labour costs per month divided by the corresponding number of employees, expressed as full-time units;
- **average hourly labour costs**, defined as total labour costs divided by the corresponding number of hours worked;
- the **structure of labour costs** (wages and salaries; employers' social security contributions; other labour costs), expressed as a percentage of total labour costs.

Gross earnings are the most important part of labour costs – information is pro-

vided on average annual gross earnings. The main definitions relating to earnings are detailed in a European Commission Regulation ⁽⁷⁾ concerning structural statistics on earnings and labour costs. Gross earnings cover remuneration in cash paid directly by the employer, before tax deductions and social security contributions payable by wage earners and retained by the employer. All bonuses, whether or not regularly paid, are included (13th or 14th month, holiday bonuses, profit-sharing, allowances for leave not taken, occasional commissions, etc.). The information is presented for full-time employees working in industry and services (as covered by NACE Rev. 1.1 Sections C to K). The statistical unit is the enterprise or local unit. The population consists of all units having employees, although it is at present still confined to enterprises with at least 10 employees in most countries.

Information on **median earnings** are based on gross annual earnings, and represent the median earnings of full-time employees in enterprises with 10 or more employees. **Low wage earners** are full-time employees that earn less than two thirds of the median gross annual earnings.

Net earnings are derived from gross earnings and represent the part of remuneration that employees can actually spend. Compared with gross earnings, net earnings do not include social security contributions and taxes, but do include family allowances.

⁽⁷⁾ European Commission Regulation (EC) 1738/2005 of 21 October 2005 amending Regulation (EC) No 1916/2000 as regards the definition and transmission of information on the structure of earnings implementing Council Regulation (EC) No 530/1999 concerning structural statistics on earnings and labour costs.



Minimum wages are enforced by law and apply nationwide to the majority of full-time employees in each country. Minimum wages are expressed as gross amounts, that is, before the deduction of income tax and social security contributions. For most countries, the minimum wage is agreed in terms of an hourly or monthly rate, with the following exceptions for those countries where the minimum wage is fixed at an hourly rate:

- France: minimum wage per hour * 35 hours per week * 52/12;
- Ireland: minimum wage per hour * 39 hours per week * 52/12;
- United Kingdom: minimum wage per hour * 38.1 hours per week * 52.14/12;
- In the case of Greece, Spain and Portugal, where 14 monthly minimum wages are paid per year, the minimum monthly wage is multiplied by 14/12;
- United States: minimum wage per hour * 40 hours per week * 52/12.

Data on minimum wages are transmitted by national ministries responsible for areas such as social affairs, labour or employment.

The **gender pay gap** in unadjusted form is defined as the difference between average gross hourly earnings of male and female paid employees, and is shown as a percentage of men's earnings. Gross earnings are remuneration (wages and salaries) paid directly to an employee, before any deductions for income tax and social security contributions paid by employees. The population consists of all paid employees in enterprises with 10 or more employees in NACE Rev. 1.1 Sections C to K and M to O, in other words, excluding agriculture, fishing, public administration, private households

and extra-territorial organisations. The methodology for the compilation of the indicator has recently changed and is now based on data collected from the structure of earnings survey rather than on non-harmonised sources (as was previously the case).

The **tax wedge** on labour costs is defined as income tax plus the employee and the employer's social security contributions, expressed as a percentage of the total labour costs (gross earnings plus the employer's social security contributions plus payroll taxes where applicable). This indicator is for single persons without children, earning 67 % of the earnings of an average worker (AW) in NACE Rev. 1.1 Sections C to K (the business economy).

The **unemployment trap** measures the percentage of gross earnings which is taxed away through higher tax and social security contributions and the withdrawal of unemployment and other benefits when an unemployed person returns to employment; it is defined as the difference between gross earnings and the increase of the net income when moving from unemployment to employment, expressed as percentage of the gross earnings. This indicator is also available for single persons without children, earning 67 % of the earnings of an AW when in work.

The **low wage trap** measures the percentage of gross earnings which is taxed away through the combined effects of income taxes, social security contributions and any withdrawal of benefits when gross earnings increase from 33 % to 67 % of the earnings of an AW. This indicator is available for single persons without children and for one-earner couples with two children between 6 and 11 years old.

Main findings

The mean (average) gross annual earnings of full-time employees in enterprises with 10 or more employees was EUR 31 302 in the EU-27 in 2006. Among the Member States, mean earnings were highest in Denmark (EUR 53 165) in 2007, followed by the United Kingdom, Luxembourg, Germany (2006) and Ireland (2005) – all above EUR 40 000 – and lowest in Romania (EUR 4 828) and Bulgaria (EUR 2 626). Median earnings, as opposed to mean earnings, show a broadly similar ranking of countries, with mean earnings higher than median earnings in all countries except Malta. The proportion of employees considered to be low wage earners in 2006 was highest in Latvia, at 30.9 %, while more than one in four employees were also on low wages in Lithuania, Bulgaria and Romania.

Statutory minimum wages also vary considerably between Member States, and reflect to some degree the price levels in each economy, with the highest minimum wage in 2009 being recorded in Luxembourg (EUR 1 642 per month) and the lowest in Bulgaria and Romania (EUR 123 and EUR 153 respectively).

Despite some progress, there remains an important gap between the earnings of men and women in the EU-27. Women were paid, on average, 17.5 % less than men in 2007. The pay gap was below 10 %

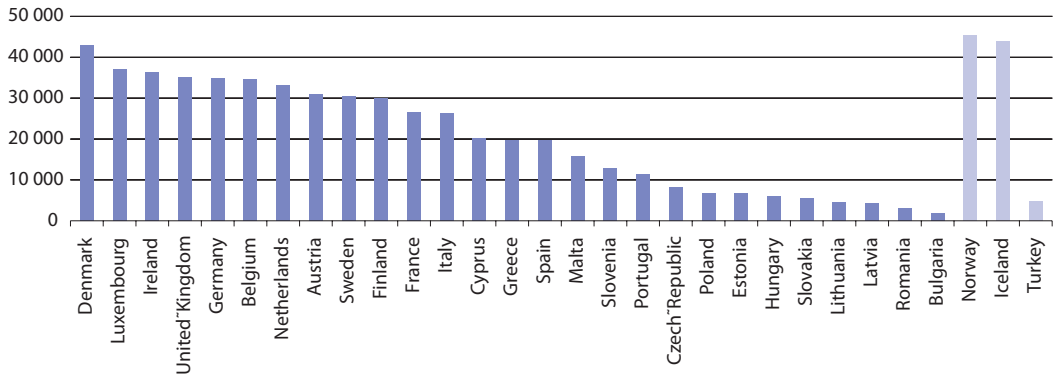
in Belgium, Portugal, Slovenia, Poland, Malta and Italy (where it was 4.4 %), but was wider than 25 % in Estonia and Austria. Various effects may contribute to these gender pay gaps, such as: differences in labour force participation rates, differences in the occupations and activities that tend to be male or female dominated, differences in the degrees to which men and women work on a part-time basis, as well as the attitudes of personnel departments within private and public bodies towards career development and unpaid/maternity leave.

Tax wedge data for 2002 and 2007 show little overall change in the EU-27, however the tax wedge has fallen in 18 of the Member States and remained unchanged in Spain. The tax wedge only increased between these two years in eight of the Member States, most notably by 2.0 percentage points in the United Kingdom, although the tax wedge there remained below the EU-27 average.

There were quite large differences in the structure of labour costs within the Member States in 2007; the relative importance of wages and salaries ranged from less than 70 % of total labour costs in Belgium, France and Sweden to more than 85 % in Denmark and Malta (2006).



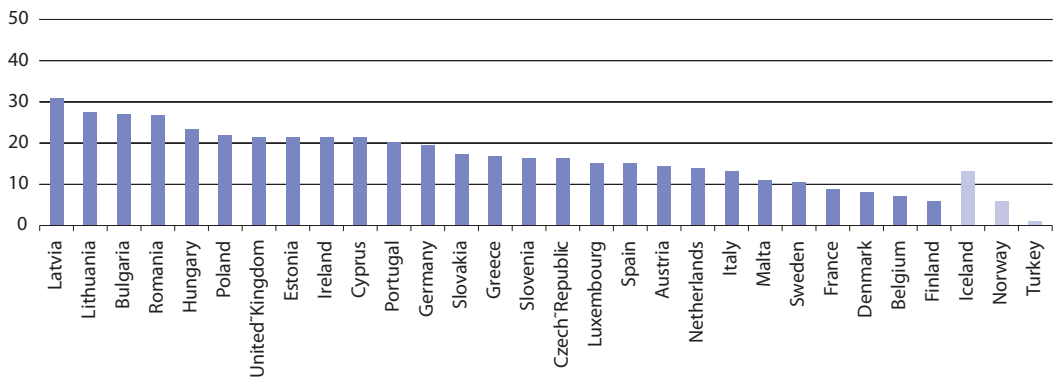
Figure 5.11: Median earnings, 2006⁽¹⁾
(median gross annual earnings of full-time employees, EUR)



⁽¹⁾ Enterprises employing 10 or more employees; excluding agriculture, fishing, public administration, private households and extra-territorial organizations.

Source: Eurostat ([earn_ses_adeqi](#))

Figure 5.12: Low wage earners - full-time employees earning less than two thirds of the median gross annual earnings, 2006⁽¹⁾
(% of employees)



⁽¹⁾ Enterprises employing 10 or more employees; excluding agriculture, fishing, public administration, private households and extra-territorial organizations.

Source: Eurostat ([earn_ses_adeqi](#))



Table 5.9: Earnings in industry and services (average gross annual earnings full-time employees) ⁽¹⁾ (EUR)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	:	27 947	30 140	30 347	28 226	29 114	31 302	:
Belgium	28 901	29 616	30 701	31 644	33 109	34 330	34 643	35 704	36 673	37 674	:
Bulgaria	896	1 216	1 330	1 436	1 518	1 588	1 678	1 784	1 978	2 195	2 626
Czech Republic	:	:	:	:	:	6 016	6 137	6 569	7 405	8 284	:
Denmark	36 235	37 209	39 515	40 962	41 661	43 577	44 692	46 122	47 529	48 307	53 165
Germany	35 093	35 432	36 228	37 319	38 204	39 153	40 056	40 954	41 694	42 382	:
Estonia	:	:	:	:	:	:	:	:	:	:	:
Ireland	:	:	:	:	:	:	:	:	40 462	:	:
Greece	12 605	13 210	13 926	14 721	15 431	16 278	16 739	:	:	:	:
Spain	16 192	16 528	17 038	17 432	17 768	18 462	19 220	19 828	20 439	21 150	:
France	25 545	25 777	26 339	26 712	27 418	28 185	28 847	29 608	30 521	31 369	:
Italy	:	:	:	:	:	:	:	:	:	:	:
Cyprus	14 021	14 709	15 161	16 335	16 948	17 740	18 406	19 290	20 549	21 310	:
Latvia	:	:	:	:	:	:	:	3 806	4 246	5 211	6 690
Lithuania	2 286	2 799	3 017	:	:	:	:	:	:	:	:
Luxembourg	32 600	33 337	34 462	35 875	37 745	38 442	39 587	40 575	42 135	43 621	45 284
Hungary	3 543	3 686	3 770	4 173	4 898	5 846	6 196	7 100	7 798	7 840	8 952
Malta ⁽²⁾	10 144	10 745	11 608	11 658	11 974	12 096	11 886	11 926	11 180	11 669	:
Netherlands	28 061	29 189	30 426	31 901	33 900	35 200	36 600	37 900	38 700	:	:
Austria	:	:	:	:	:	:	:	34 995	36 032	36 673	:
Poland	:	4 156	5 310	:	7 510	:	:	6 230	6 270	:	:
Portugal	:	:	:	12 620	13 338	13 322	13 871	14 253	14 715	15 930	:
Romania	:	:	:	:	:	:	:	2 414	3 155	3 713	4 828
Slovenia	:	:	:	:	:	:	:	:	:	:	:
Slovakia	3 179	3 292	3 125	3 583	3 837	4 582	4 945	5 706	6 374	7 040	8 400
Finland	24 005	24 944	25 739	27 398	28 555	29 916	30 978	31 988	33 290	34 080	36 126
Sweden	:	:	:	31 621	30 467	31 164	32 177	33 620	34 049	35 084	36 871
United Kingdom	:	29 370	32 269	37 677	39 233	40 553	38 793	41 253	42 866	44 496	46 051
Croatia	:	:	:	:	:	:	8 491	9 036	9 634	:	:
Iceland	:	:	32 311	37 639	34 101	36 764	:	:	:	:	:
Norway	:	31 456	33 741	36 202	38 604	43 736	42 882	42 224	45 485	47 221	:
Switzerland	:	40 727	:	43 683	:	48 498	:	45 760	:	46 058	:

⁽¹⁾ Enterprises employing 10 or more employees; excluding agriculture, fishing, public administration, private households and extra-territorial organisations.

⁽²⁾ Break in series, 2000.

Source: Eurostat (tps00175)



Table 5.10: Minimum wage
(per month, as of 1 January)

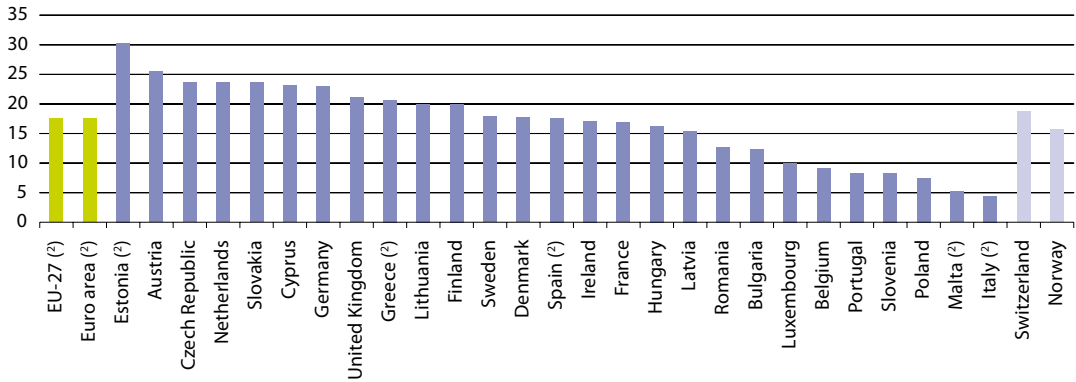
	National currency (¹)			EUR			PPS
	1999	2004	2009	1999	2004	2009	2009
Belgium	1 074	1 186	1 388	1 074	1 186	1 388	1 254
Bulgaria	64	120	240	33	61	123	240
Czech Republic	3 250	6 700	8 000	93	207	306	443
Denmark	-	-	-	-	-	-	-
Germany	-	-	-	-	-	-	-
Estonia	:	2 480	4 350	:	159	278	362
Ireland	:	1 037	1 462	:	1 073	1 462	1 153
Greece	505	631	:	505	631	:	:
Spain	416	537	728	416	537	728	760
France	1 036	1 113	1 321	1 036	1 113	1 321	1 189
Italy	-	-	-	-	-	-	-
Cyprus	-	-	-	-	-	-	-
Latvia	50	80	180	75	121	254	343
Lithuania	430	430	800	92	125	232	347
Luxembourg	1 162	1 403	1 642	1 162	1 403	1 642	1 413
Hungary	22 500	53 000	71 500	89	200	270	408
Malta	475	543	635	462	541	635	810
Netherlands	1 064	1 265	1 382	1 064	1 265	1 382	1 336
Austria	-	-	-	-	-	-	-
Poland	650	824	1 126	159	177	281	468
Portugal	357	426	525	357	426	525	606
Romania	35	280	600	28	69	153	263
Slovenia	285	465	589	363	471	589	710
Slovakia	:	202	296	:	148	296	409
Finland	-	-	-	-	-	-	-
Sweden	-	-	-	-	-	-	-
United Kingdom	608	761	914	866	1 084	1 010	1 154
Turkey	78	423	666	217	240	319	480
United States	893	893	1 135	762	727	844	961

(¹) Including 'euro fixed' series for euro area countries.

Source: Eurostat ([earn_minw_cur](#))

Figure 5.13: Gender pay gap, 2007 (1)

(% difference between average gross hourly earnings of male and female employees, as % of male gross earnings, unadjusted form)



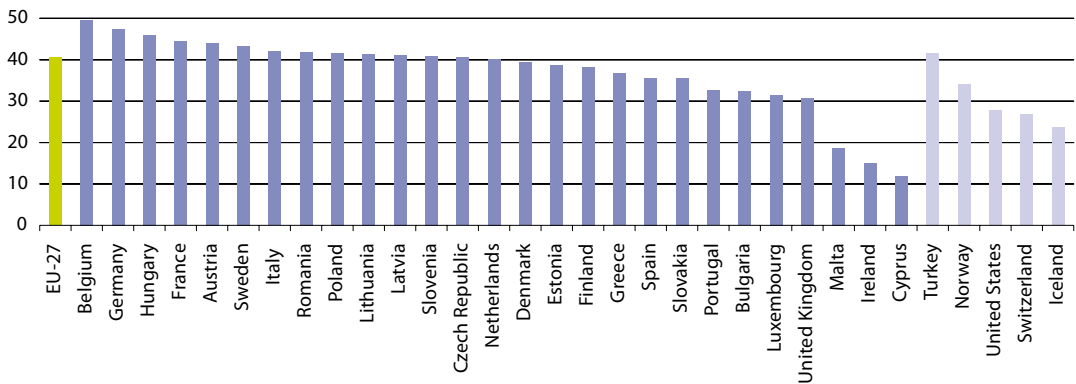
(1) Enterprises employing 10 or more employees; excluding agriculture, fishing, public administration, private households and extra-territorial organisations.

(2) Provisional.

Source: Eurostat (tsiem040)

Figure 5.14: Tax rate on low wage earners: tax wedge on labour cost, 2007

(%)



Source: Eurostat (tsiem050), OECD, Commission services



Table 5.11: Tax rate indicators on low wage earners (%)

	Tax wedge on labour cost		Unemployment trap		Low wage trap - single person without children		Low wage trap - one earner couple with two children	
	2002	2007	2002	2007	2002	2007	2002	2007
EU-27	42.2	42.0	75	77	46	48	56	58
Belgium	50.5	50.0	87	85	57	59	48	48
Bulgaria	36.2	32.3	76	76	21	19	54	19
Czech Republic	41.5	40.6	67	67	38	37	72	44
Denmark	39.9	39.3	91	90	83	81	105	102
Germany	48.1	47.8	75	74	53	57	66	84
Estonia	40.2	38.7	50	63	28	24	74	11
Ireland	16.7	15.0	71	74	42	49	74	85
Greece	35.7	36.8	56	59	20	22	16	16
Spain	35.7	35.7	80	82	26	26	16	14
France	47.4	45.4	80	78	37	44	59	61
Italy	43.0	42.6	61	73	32	36	-11	-10
Cyprus	17.3	11.9	55	61	7	6	74	115
Latvia	42.2	41.2	87	87	32	32	100	73
Lithuania	43.1	41.2	59	80	36	30	94	58
Luxembourg	29.0	29.9	86	87	51	53	108	108
Hungary	48.2	46.0	68	81	39	37	60	55
Malta	17.7	17.9	59	61	17	20	11	30
Netherlands	39.1	40.7	70	81	64	68	77	81
Austria	43.1	44.1	67	68	36	38	83	65
Poland	41.4	41.8	82	78	65	63	79	68
Portugal	32.3	33.0	81	82	21	23	66	61
Romania	44.6	41.8	61	71	30	30	29	24
Slovenia	43.2	40.9	84	81	43	51	96	67
Slovakia	40.8	35.6	71	44	32	24	124	30
Finland	40.9	38.2	82	75	65	57	100	100
Sweden	46.8	43.3	87	82	58	47	94	81
United Kingdom	28.7	30.7	68	68	58	57	61	85
Turkey	41.5	41.8	:	:	:	:	:	:
Iceland	22.6	23.4	71	82	37	39	79	57
Norway	35.2	34.2	75	76	39	35	91	93
Switzerland	27.3	27.0	:	:	:	:	:	:
Japan	23.2	:	58	58	20	21	140	136
United States	28.0	27.5	71	70	28	28	59	50

Source: Eurostat (tsiem050, earn_nt_unemtrp and earn_nt_lowwtrp)

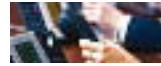
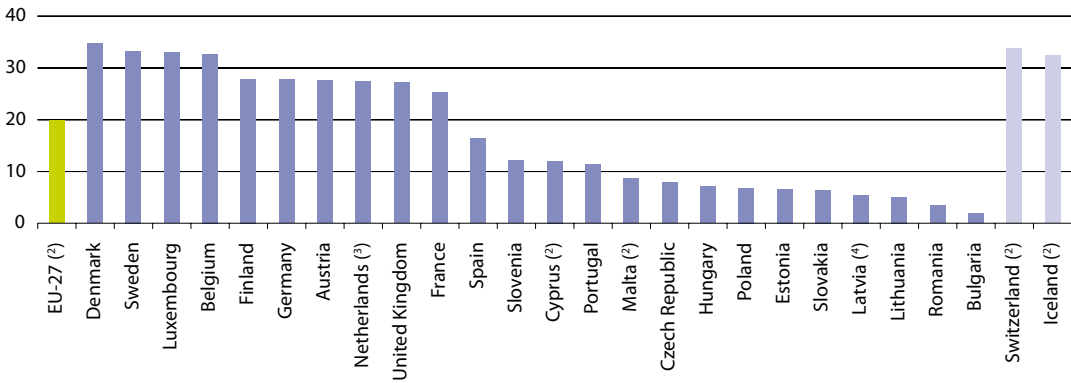


Figure 5.15: Average hourly labour costs in industry and services of full-time employees, 2007 ⁽¹⁾ (EUR)



⁽¹⁾ Enterprises employing 10 or more employees; excluding agriculture, fishing, public administration, private households and extra-territorial organisations; Ireland, Greece and Italy, not available.

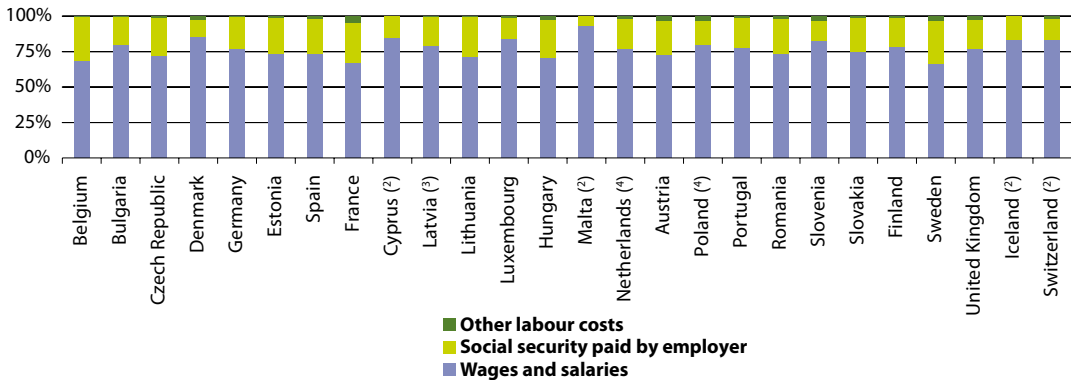
⁽²⁾ 2006.

⁽³⁾ 2005.

⁽⁴⁾ 2008.

Source: Eurostat (tps00173)

Figure 5.16: Breakdown of labour costs in industry and services, 2007 ⁽¹⁾ (% share of total labour costs)



⁽¹⁾ Enterprises employing 10 or more employees; excluding agriculture, fishing, public administration, private households and extra-territorial organisations; Ireland, Greece and Italy, not available.

⁽²⁾ 2006.

⁽³⁾ 2008.

⁽⁴⁾ 2005.

Source: Eurostat (tps00115, tps00114 and tps00113)



5.4 Job vacancies

Introduction

Policy developments in this area have principally focused on trying to improve the labour market by more closely matching supply and demand, through: the modernisation and strengthening of labour market institutions, notably employment services; removing obstacles to mobility for workers across Europe; better anticipating skill needs, labour market shortages and bottlenecks; providing appropriate management of economic migration; and improving the adaptability of workers and enterprises so that there is a greater capacity to anticipate, trigger and absorb economic and social change.

Job-seekers throughout the EU should be able to consult all job vacancies advertised in each of the Member States' employment services. With this goal in mind, the EU set up EURES, the European jobs and mobility portal, which can be found at: www.eures.europa.eu. This website provides access to a range of job vacancies for 31 European countries (each of the Member States, as well as Iceland, Liechtenstein, Norway and Switzerland).

Definitions and data availability

A **job vacancy** is defined as a post (newly created, unoccupied or about to become vacant):

- for which the employer is taking active steps to find a suitable candidate from outside the enterprise concerned and is prepared to take more steps; and

- which the employer intends to fill either immediately or in the near future.

A vacant post that is open only to internal candidates should not be treated as a job vacancy. The **job vacancy rate (JVR)** measures the percentage of posts that are vacant. It is calculated as the proportion of the number of job vacancies relative to the total number of posts, where the latter is composed of the number of occupied posts plus the number of job vacancies. It is expressed as follows: $JVR = \frac{\text{number of job vacancies}}{\text{number of occupied posts} + \text{number of job vacancies}} \times 100$. An occupied post is a post within an organisation to which an employee has been assigned.

Eurostat publishes quarterly and annual data on job vacancies. Quarterly data is broken down by economic activity and enterprise size while annual data is additionally broken down by region and occupation making it more suitable for structural analysis. The national institutions responsible for compiling job vacancy statistics send aggregated statistics to Eurostat. These data are then used to compile the job vacancy rate for the EU-27 and the euro area. At present, job vacancy statistics of the Member States do not provide complete coverage and as a result there are currently no EU totals for the absolute numbers of job vacancies or occupied posts. The EU job vacancy rate is calculated simply on the basis of the information available; no estimates are made for any country not participating in the data collection exercise.

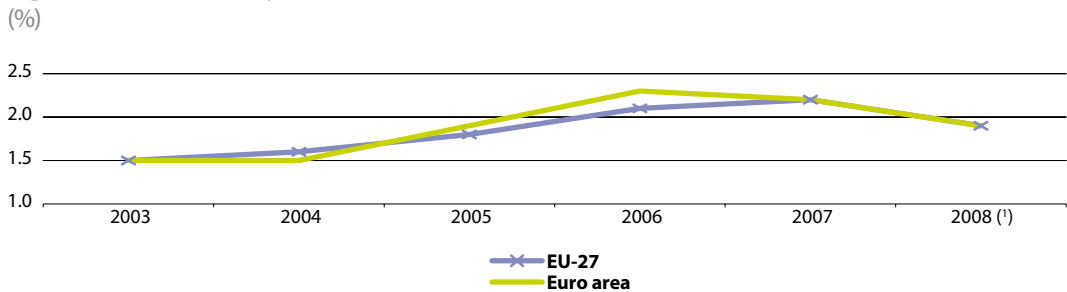
Main findings

The job vacancy rate, in part, reflects the unmet demand for labour, as well as a potential mismatch between the skills and availability of those who are unemployed and those sought by employers. Job vacancy statistics are used by the European Commission and the European Central Bank (ECB) to analyse and monitor the evolution of the labour market at national and European level. These statistics are also a key indicator used for the assess-

ment of the business cycle and for structural analysis.

There was a broad upward development in the job vacancy rate in the EU, reaching 2.2 % in 2007, before falling back to 1.9 % in 2008. Among the Member States for which data are available, the job vacancy rate in 2008 was highest in Cyprus (4.1 %) and lowest in Spain, Luxembourg and Portugal (0.6 %), while the remaining Member States recorded rates within the range of 0.9 % to 3.2 %.

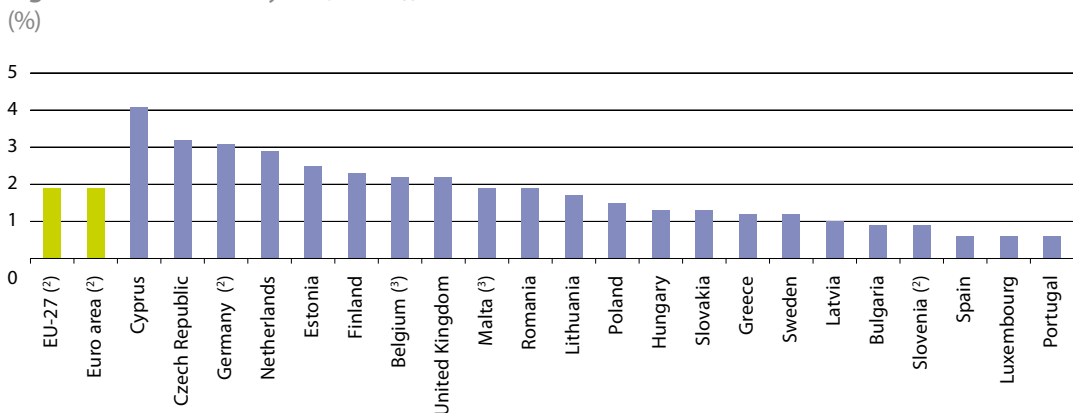
Figure 5.17: Job vacancy rate



(¹) Provisional.

Source: Eurostat ([jvs_a_nace1](#))

Figure 5.18: Job vacancy rate, 2008⁽¹⁾



(¹) Denmark, Ireland, France, Italy and Austria, not available.

(²) Provisional.

(³) 2007.

Source: Eurostat ([jvs_a_nace1](#))



5.5 Labour market policy interventions

Introduction

Labour market policy (LMP) interventions are generally targeted at providing assistance to the unemployed and other groups of people with particular difficulties to enter the labour market. The primary target groups in most countries remain those people that are registered as unemployed by national public employment services (PES). However, policy objectives are increasingly focused on a broader range of inactive persons within society. As such, LMP interventions are increasingly being targeted at women, the young, the elderly, or other groups of society that may face disadvantages and barriers that prevent them from joining the labour force.

Definitions and data availability

The **LMP methodology** provides guidelines for the collection of data on labour market policy interventions: which interventions to cover and how to classify interventions by type of action, how to measure expenditure associated with each intervention and how to calculate the numbers of participants in these interventions (stocks, entrants and exits).

LMP statistics cover all labour market interventions which can be described as ‘public interventions in the labour market aimed at reaching its efficient functioning and correcting disequilibria and which can be distinguished from other general employment policy interventions in that they act selectively to favour particular groups in the labour market’.

The scope of LMP statistics is limited to public interventions which are explicitly targeted at groups of persons with difficulties in the labour market: the unemployed, persons employed but at risk of involuntary job loss and inactive persons who would like to enter the labour market.

LMP interventions are classified into three main types:

- **LMP services** refer to labour market interventions where the main activity of participants is job-search related and where participation usually does not result in a change of labour market status.
- **LMP measures** refer to labour market interventions where the main activity of participants is other than job-search related and where participation usually results in a change in labour market status. An activity that does not result in a change of labour market status may still be considered as a measure if the intervention fulfils the following criteria: 1) the activities undertaken are not job-search related, are supervised and constitute a full-time or significant part-time activity of participants during a significant period of time, and 2) the aim is to improve the vocational qualifications of participants, or 3) the intervention provides incentives to take-up or to provide employment (including self-employment).
- **LMP supports** refer to interventions that provide financial assistance, directly or indirectly, to individuals for labour market reasons, or which compensate individuals for disadvantage caused by labour market circumstances.



These main types are further broken down into nine detailed categories according to the type of action.

- **LMP services:** labour market services.
- **LMP measures:** training; job rotation and job sharing; employment incentives; supported employment and rehabilitation; direct job creation; start-up incentives.
- **LMP supports** out-of-work income maintenance and support; early retirement.

Main findings

The breakdown of expenditure and participants for different labour market policy interventions across the Member States varies greatly, reflecting the different characteristics and problems faced within individual labour markets, as well as the political convictions of different governments. Within the EU-27, the highest level of relative expenditure on labour market policy interventions in 2007 was reported in Belgium (over 3 % of GDP), while the lowest shares were recorded in the United Kingdom, the Czech Republic, Latvia, Lithuania, Romania and

Estonia (all below 0.5 % of GDP). There was also a wide range of expenditure patterns in terms of spending on labour market policy services, with the Netherlands reporting the highest relative expenditure (more than twice the EU-27 average).

The largest share of expenditure in 2007 on active labour market policy measures in the EU-27 went on training (38.3 %) to improve the employability of the unemployed and other target groups. Over one quarter (25.8 %) of the EU-27's expenditure was accounted for by employment incentives, with a slightly larger share (28.1 %) being relatively equally shared between programmes developed to promote labour market integration among persons with reduced working capacity and programmes to create additional jobs.

An estimate of the participation in labour market policy initiatives suggests that an average of 11.5 million persons were engaged in different types of action across the EU-27 at any point of time throughout 2007. Of these, the most common were employment incentives (5.6 million persons) and training (3.4 million persons).



Table 5.12: Labour market policy measures, participants by type of action, 2007
(annual average stock in 1 000)

	Training ⁽¹⁾	Job rotation & job sharing	Employment incentives ⁽²⁾	Supported employment & rehabilitation ⁽³⁾	Direct job creation ⁽⁴⁾	Start-up incentives ⁽⁵⁾
EU-27	3 446.8	111.5	5 617.3	830.6	822.3	703.9
Belgium	106.9	-	207.7	41.9	126.6	0.7
Bulgaria	8.5	-	16.3	2.1	48.8	4.2
Czech Republic	7.3	-	13.2	26.5	7.4	3.9
Denmark	53.8	-	22.3	62.7	-	-
Germany	1 240.0	0.4	126.8	23.2	372.9	279.8
Estonia	1.1	-	0.2	0.0	0.1	0.0
Ireland	33.2	-	5.5	3.0	23.7	4.8
Greece	42.3	-	14.2	0.1	:	5.2
Spain	227.7	79.4	3 538.1	50.0	222.8	258.9
France	570.6	-	525.0	139.7	358.9	101.9
Italy	:	19.7	610.3	-	26.8	8.2
Cyprus	1.0	-	1.6	0.2	-	0.1
Latvia	2.3	-	4.5	0.0	1.3	-
Lithuania	8.1	0.0	:	6.4	3.7	0.2
Luxembourg	2.1	-	9.4	0.0	1.0	-
Hungary	13.6	-	32.2	-	16.5	1.9
Malta	1.5	-	0.0	-	0.0	0.0
Netherlands	118.5	-	36.0	154.5	-	-
Austria	96.6	0.1	52.7	2.0	8.0	2.5
Poland	90.7	:	105.7	:	10.4	4.1
Portugal	45.5	:	78.0	6.0	22.7	4.4
Romania	14.7	-	47.1	-	21.2	:
Slovenia	4.6	-	1.8	-	5.6	0.3
Slovakia	0.6	-	8.5	1.2	65.2	18.3
Finland	50.2	7.8	16.1	8.4	13.8	4.5
Sweden	37.9	4.1	97.6	34.9	-	3.0
United Kingdom	20.5	-	41.8	17.7	7.2	-
Norway	31.7	-	4.8	13.7	6.8	0.4

⁽¹⁾ Greece and Malta, 2006.

⁽²⁾ Germany and Greece, 2006.

⁽³⁾ Greece, 2006.

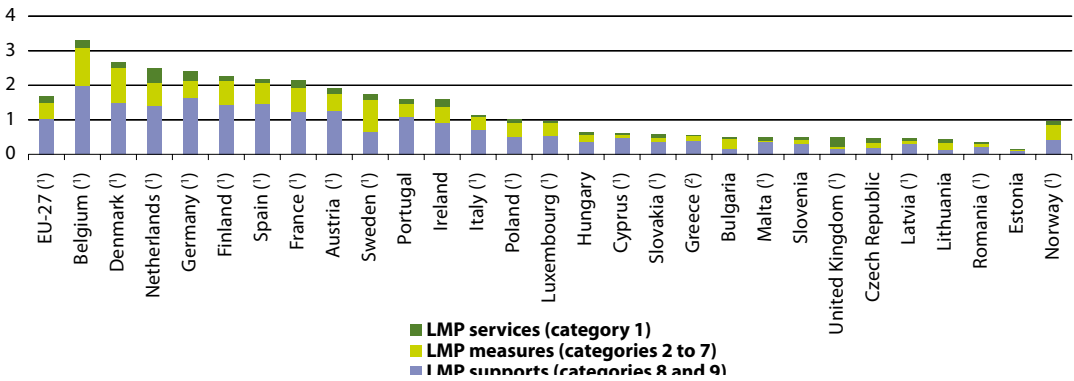
⁽⁴⁾ Germany and Spain, 2006.

⁽⁵⁾ Greece, Italy and Lithuania, 2006.

Source: Eurostat ([lmp_partsumm](#))



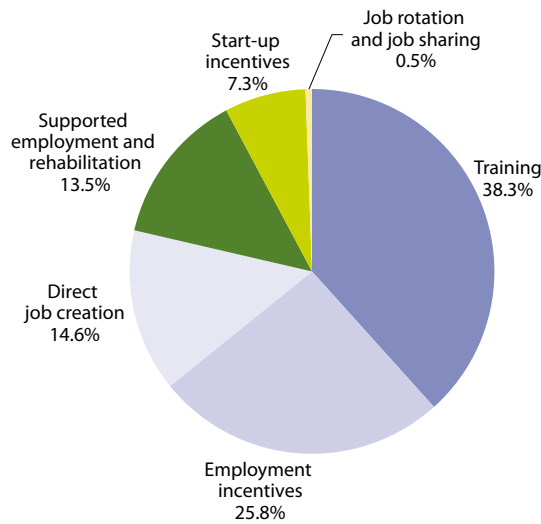
Figure 5.19: Public expenditure on labour market policy interventions, 2007
(% of GDP)



(¹) Includes estimates.
(²) 2006; includes estimates.

Source: Eurostat ([Imp_expsumm](#))

Figure 5.20: Public expenditure on labour market policy measures, EU-27, 2007 (¹)
(% of total)



(¹) Estimates.

Source: Eurostat ([tps00077](#))