



Labour market

Labour market statistics measure the involvement of individuals, households and businesses in the labour market, where the former mainly appear offering their labour in return for remuneration while the latter act as employers. The market outcomes – for example employment, unemployment, vacant posts, wage levels, labour cost – heavily affect not only the economy, but directly the personal life of virtually every citizen. Eurostat statistics cover both the supply and the demand side as well as policy interventions on the labour market. Data is collected on short-term and structural aspects, in monetary and non-monetary terms.

Labour market statistics are at the heart of many European Union (EU) policies following the introduction of an employment chapter into the Amsterdam Treaty in 1997. The European employment strategy (EES) seeks to create more and better jobs throughout the EU. A central element of the EES under the Lisbon objectives was the employment policy guidelines as part of an integrated approach based on three pillars: macro-economic policies, micro-economic reforms and employment policies.

The financial and economic crisis has however reversed much of the progress achieved in Europe since 2000. The Europe 2020 strategy for smart, sustainable and inclusive growth put forward by the European Commission is the EU's growth strategy for the coming decade. As part of the flagship initiatives, 'An agenda for new skills and jobs' and 'Youth on the move', (youth) unemployment rates will be targeted through a range of policies, including proposals aimed at education and training institutions, or measures for the creation of a (work) environment conducive to higher activity rates and higher labour productivity. There are also initiatives aimed at improving the entry rate of young people into the labour market. To measure progress in meeting the Europe 2020 goals,



five headline targets to be met by 2020 have been agreed; these are to be translated into national targets in each EU Member State, reflecting different situations and circumstances. One of these

targets is that 75 % of 20 to 64 year-olds should be employed in the EU by 2020. The integrated economic and employment guidelines were also revised as part of the Europe 2020 strategy.

5.1 Employment

Labour market statistics are at the heart of many European Union (EU) policies following the introduction of an employment chapter into the Amsterdam Treaty in 1997. The employment rate, in other words the proportion of working age population in employment, is a key social indicator. This subchapter provides information on recent EU employment statistics, including an analysis based on important socio-economic dimensions: employment statistics show significant differences by gender, age and educational level attained, and there is also considerable variation across EU Member States and regions within these Member States.

Main statistical findings

Total employment rate – differences by gender, age and educational attainment level

The EU-27 employment rate for persons aged 15 to 64, as measured by the European Union labour force survey (EU LFS), decreased in 2009 to 64.6 %, down from 65.9 % in 2008. This decrease of 1.3 percentage points was the first time that the EU-27 employment rate decreased since Eurostat started to estimate this indica-

tor; the EU-27 employment rate had stood at 61.2 % in 1998 (the first year data are available for this series).

The Lisbon European Council in 2000 set a target of 70 % for the employment rate that was to be achieved by 2010. In 2009, employment rates above 70 % were recorded in five of the Member States (the Netherlands, Denmark, Sweden, Austria and Germany). In contrast, employment rates below 60 % were recorded in Malta, Hungary, Italy, Romania, Poland and Spain.

Employment rates vary considerably not only across but also within the Member States according to regional patterns, with a relatively high dispersion (17.4 %) observed across Italy (as measured by the coefficient of variation for regions at the NUTS 2 level) in 2009. In contrast, there was relatively little divergence in employment rates across the regions of Greece, Austria, Portugal, Sweden, the Netherlands or Denmark (all below 4 %). The dispersion of regional employment across the whole of the EU-27 declined, as the coefficient of variation fell from 12.1 % to 11.8 % between 2004 and 2009.

Employment rates are generally lower among women and older workers. In

2009, the employment rate for men reached 70.7 % in the EU-27, as compared with 58.6 % for women. These values may be compared with the data for 2008, when employment rates stood at 72.8 % and 59.1 % respectively. The values recorded in 2009 exceed those of 1998 (when the series starts), considerably for women (52.0 % in 1998) and marginally for men (70.3 % in 1998). The Lisbon European Council set a target for the female employment rate of 60 % by 2010. There were 14 Member States which recorded employment rates for women above this 60 % threshold in 2009, with the ratio exceeding 70 % in Denmark, Sweden and the Netherlands.

The EU-27 employment rate for older workers (aged between 55 and 64) reached 46.0 % in 2009, compared with 45.6 % in 2008; it was considerably higher than its corresponding rate for 2001 (40.0 %). The Stockholm European Council of 2001 set a target employment rate for older workers of 50 % by 2010; in 2009 there were 11 Member States that had either reached or exceeded this rate. The highest employment rates for older workers were recorded in Sweden (70.0 %) and Estonia (60.4 %).

Employment rates vary considerably according to levels of educational attainment: for statistics on education level attainment, the age group 25 to 64 is used instead of 15 to 64. The employment rate of those aged 25 to 64 who had completed a tertiary education was 84.5 % across the EU-27 in 2009, much higher than the rate (54.7 %) for those who had attained a primary or lower secondary education. The EU-27 employment rate of persons with

a medium level of educational attainment was 73.7 %.

Part-time and fixed-term contracts

The proportion of the EU-27 workforce reporting that their main job was part-time increased steadily from 15.9 % in 1998 to 18.8 % by 2009. The highest proportion of part-time workers was found in the Netherlands (48.3 % in 2009), followed by Sweden, the United Kingdom, Germany and Denmark, where part-time work accounted in each case for over a quarter (26-27 %) of those in employment. In contrast, part-time employment was relatively uncommon in Bulgaria (2.3 % of employment) and Slovakia (3.6 %).

The incidence of part-time work differs significantly between men and women. A little less than one third (31.5 %) of women employed in the EU-27 worked on a part-time basis in 2009, a much higher proportion than the corresponding figure for men (8.3 %). Three quarters (75.8 %) of all women employed in the Netherlands worked on a part-time basis in 2009, by far the highest rate among the Member States (°).

The share of employees with a contract of limited duration (fixed-term employment) was 13.4 % in the EU-27 in 2009, down from 14.0 % in 2008 and 14.5 % in 2007. More than one in four employees had a temporary contract in Spain and Poland in 2009, and the proportion was more than one in five in Portugal. Among the remaining Member States, the share of employees working on a contract of limited duration ranged from 18.0 % in the Netherlands, down to just 1.0 % in Romania. The considerable range in

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



the propensity to use limited duration contracts between Member States 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.

Data sources and availability

Source statistics

The main data source for labour market statistics is the European Union labour force survey (EU LFS); another frequently used source for employment statistics is national accounts. Both of these sources use similar employment definitions based on international standards from the International Labour Organization (ILO) and the system of national accounts, respectively. A third source for information on employment statistics is that of enterprise statistics.

The data source for all of the information presented in this subchapter is the EU LFS, except for the information on employment growth, which is based on national accounts. National accounts publish employment estimates with no age thresholds, nor socio-demographic breakdowns, which makes data more suitable for an analysis of employment as a labour input to production activities, rather than as a social phenomenon.

The EU LFS is a quarterly sample survey covering the population in private households in the EU, EFTA (except Liechtenstein) and the candidate countries. It provides annual ⁽⁴⁾ and quarterly results in relation to the labour participation of persons aged 15 and over. The EU LFS col-

lects information on labour force status (all persons being either in employment, unemployed or economically inactive), employment characteristics, working time, job search among the unemployed, levels of education, recent education and training, as well as each individuals' demographic background and family composition.

The EU LFS sample size amounts to approximately 1.5 million individuals each quarter. The quarterly sampling rates vary between 0.2 % and 3.3 % in each country. Eurostat started the collection of LFS micro data in 1983 with one reference quarter per year (usually the spring). During the period from 1998 to 2005 the survey underwent a transition to a continuous quarterly survey; all 27 Member States now provide quarterly results.

Definition of employment and main employment characteristics

The economically active population (labour force) comprises employed and unemployed persons. The EU LFS defines persons in employment as those aged 15 and over, who, during the reference week, performed some work, even for just one hour per week, for pay, profit or family gain. It also includes people who were not at work but had a job or business from which they were temporarily absent, for example, because of illness, holidays, industrial disputes, education or training.

Employment can be measured in terms of the number of persons or jobs, in full-time equivalents or in hours worked. All the estimates presented use the number of persons; the information presented for employment rates is also built on

⁽⁴⁾ For Switzerland only spring LFS results (quarter 2) are available and used as annual estimates in the respective tables and figures.

estimates for the number of persons. Employment statistics are frequently reported as employment rates to discount the changing size of countries' populations over time and to facilitate comparisons between countries of different sizes. They are typically published for the working age population, which is generally considered to be those between 15 and 64 years old within the EU-27 Member States, although the age range of 16 to 64 is used in Italy, Spain, Sweden (only until 2001) and the United Kingdom, as well as in Iceland; this age group (15 to 64 years) is also a standard used by other international statistical organisations.

Annual employment growth gives the change, in percentage terms, from one year to another of the total number of persons employed on the economic territory of the country or the geographical area; the data source for employment growth is national accounts.

Some main employment characteristics, as defined by the EU LFS, include:

- employees are defined as those 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.
- self-employed persons work in their own business, farm or professional practice. A self-employed person is considered to be working during the reference week 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 currently establishing a business.

- a full-time/part-time distinction in the main job is declared by the respondent, except in Germany, Ireland and the Netherlands, where thresholds for usual hours worked are used.
- indicators for employed persons with a second job refer only to people with more than one job at the same time; people having changed job during the reference week are not counted as having two jobs.
- an employee is considered as having a temporary job if 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 is temporarily replaced. Typical cases include: people in seasonal employment; people 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); people with specific training contracts.

The dispersion of regional (NUTS level 2) employment rates shows regional differences in employment within countries and between groups of countries. This measure is zero when employment rates across all regions are identical, and will rise as the differences between regional employment rates increase. The indicator is not applicable for several countries as these comprise only one or two NUTS level 2 regions. However, the employment rates of these countries (regions)



are used to compute the indicator at a European level.

Context

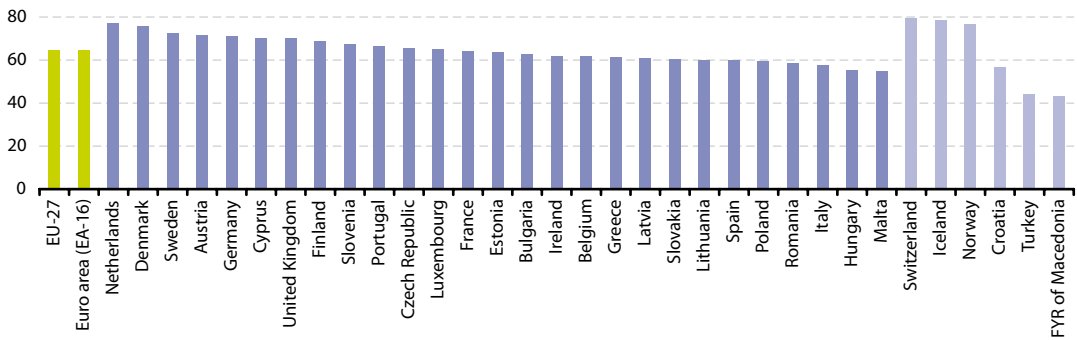
Employment statistics can be used for a number of different analyses, including macro-economic (in other words, labour as a production factor), productivity or competitiveness studies. They can also be used to study a range of social and behavioural aspects related to an individual's employment situation, such as the social integration of minorities, or employment as the source of a household's income.

Employment is both a structural indicator and a short-term indicator. As a structural indicator, it may shed light on the structure of labour markets and economic systems, as measured through the balance of labour supply and demand, or the quality of employment. As a short-term indicator, employment follows the business cycle; however, it has limits in this respect, as employment is often referred to as a lagging indicator.

Employment statistics are at the heart of many EU policies. The European employment strategy (EES) was launched at the Luxembourg jobs summit in November 1997 and was revamped in 2005 to align the EU's employment strategy more closely to a set of revised Lisbon objectives. In July 2008, the European Council updated its employment policy guidelines for the period 2008 to 2010; these guidelines included the aims of achieving full employment, improving quality and productivity at work, and

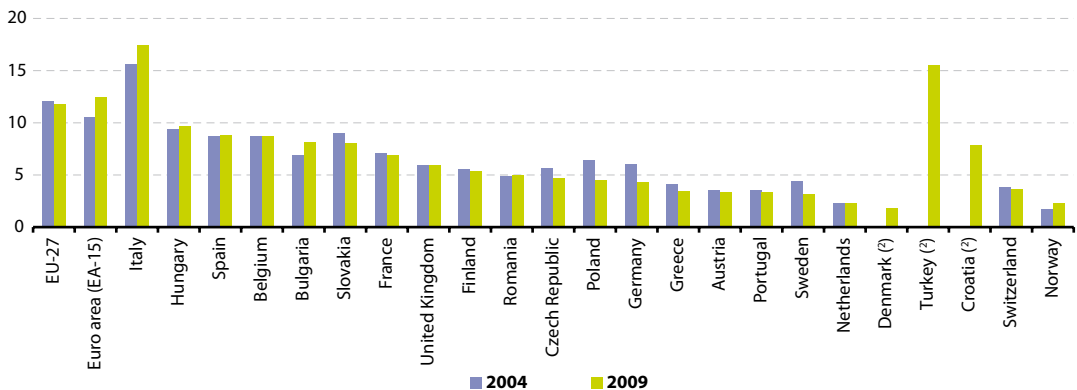
strengthening economic, social and territorial cohesion. In March 2010, the European Commission launched the Europe 2020 strategy for smart, sustainable and inclusive growth; this was formally adopted by the European Council in June 2010. The European Council agreed on five headline targets, the first being to raise the employment rate for women and men aged 20 to 64 years old to 75 % by 2020. Member States may set their own national targets in the light of these headline targets and will draw up national reform programmes that will include the actions they aim to undertake in order to implement the strategy. The European Commission will further develop and submit to the European Council a range of actions that it proposes to take for the EU as a whole, notably through a series of flagship initiatives. The implementation of the strategy might be achieved, at least in part, through the promotion of flexible working conditions – for example, part-time work or work from home – which are thought to stimulate labour participation. Other initiatives that may encourage more people to enter the labour market include improvements in the availability of childcare facilities, providing more opportunities for lifelong learning, or facilitating job mobility within the EU. Central to this theme is the issue of 'flexicurity': policies that simultaneously address the flexibility of labour markets, work organisation and labour relations, while taking into account the reconciliation of work and private life, employment security and social protection.

Figure 5.1: Employment rate, age group 15-64, 2009
(%)



Source: Eurostat (lfsi_emp_a)

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, as was Denmark in 2004; Ireland and Slovenia have only two regions; for non-member countries statistical regions equivalent to NUTS level 2 are used.

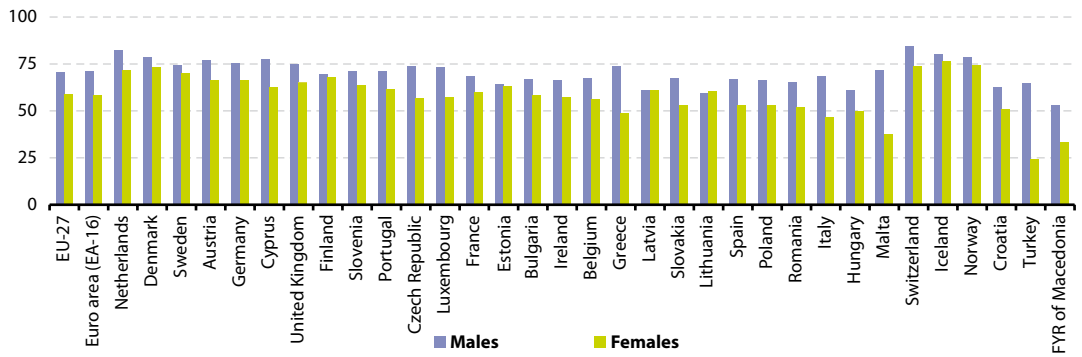
(2) 2004, not available.

Source: Eurostat (tsisc050)



Figure 5.3: Employment rates by gender, 2009 ⁽¹⁾

(%)



⁽¹⁾ The figure is ranked on the average of employment rates for males and females.

Source: Eurostat ([lfsi_emp_a](#))

Table 5.1: Employment rate, age group 15-64
(%)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
EU-27	61.8	62.2	62.6	62.4	62.6	63.0	63.5	64.5	65.4	65.9	64.6
Euro area (EA-16)	60.4	61.4	62.1	62.3	62.6	63.1	63.7	64.6	65.6	66.0	64.7
Belgium	59.3	60.5	59.9	59.9	59.6	60.3	61.1	61.0	62.0	62.4	61.6
Bulgaria	:	50.4	49.7	50.6	52.5	54.2	55.8	58.6	61.7	64.0	62.6
Czech Republic	65.6	65.0	65.0	65.4	64.7	64.2	64.8	65.3	66.1	66.6	65.4
Denmark	76.0	76.3	76.2	75.9	75.1	75.7	75.9	77.4	77.1	78.1	75.7
Germany ⁽¹⁾	65.2	65.6	65.8	65.4	65.0	65.0	66.0	67.5	69.4	70.7	70.9
Estonia	61.5	60.4	61.0	62.0	62.9	63.0	64.4	68.1	69.4	69.8	63.5
Ireland	63.3	65.2	65.8	65.5	65.5	66.3	67.6	68.7	69.2	67.6	61.8
Greece	55.9	56.5	56.3	57.5	58.7	59.4	60.1	61.0	61.4	61.9	61.2
Spain ⁽¹⁾	53.8	56.3	57.8	58.5	59.8	61.1	63.3	64.8	65.6	64.3	59.8
France	60.9	62.1	62.8	63.0	64.0	63.8	63.7	63.7	64.3	64.9	64.2
Italy ⁽²⁾	52.7	53.7	54.8	55.5	56.1	57.6	57.6	58.4	58.7	58.7	57.5
Cyprus	:	65.7	67.8	68.6	69.2	68.9	68.5	69.6	71.0	70.9	69.9
Latvia	58.8	57.5	58.6	60.4	61.8	62.3	63.3	66.3	68.3	68.6	60.9
Lithuania	61.7	59.1	57.5	59.9	61.1	61.2	62.6	63.6	64.9	64.3	60.1
Luxembourg	61.7	62.7	63.1	63.4	62.2	62.5	63.6	63.6	64.2	63.4	65.2
Hungary	55.6	56.3	56.2	56.2	57.0	56.8	56.9	57.3	57.3	56.7	55.4
Malta	:	54.2	54.3	54.4	54.2	54.0	53.9	53.6	54.6	55.3	54.9
Netherlands	71.7	72.9	74.1	74.4	73.6	73.1	73.2	74.3	76.0	77.2	77.0
Austria ⁽²⁾	68.6	68.5	68.5	68.7	68.9	67.8	68.6	70.2	71.4	72.1	71.6
Poland	57.6	55.0	53.4	51.5	51.2	51.7	52.8	54.5	57.0	59.2	59.3
Portugal	67.4	68.4	69.0	68.8	68.1	67.8	67.5	67.9	67.8	68.2	66.3
Romania ⁽³⁾	63.2	63.0	62.4	57.6	57.6	57.7	57.6	58.8	58.8	59.0	58.6
Slovenia	62.2	62.8	63.8	63.4	62.6	65.3	66.0	66.6	67.8	68.6	67.5
Slovakia	58.1	56.8	56.8	56.8	57.7	57.0	57.7	59.4	60.7	62.3	60.2
Finland	66.4	67.2	68.1	68.1	67.7	67.6	68.4	69.3	70.3	71.1	68.7
Sweden ⁽¹⁾	71.7	73.0	74.0	73.6	72.9	72.1	72.5	73.1	74.2	74.3	72.2
United Kingdom	71.0	71.2	71.4	71.4	71.5	71.7	71.7	71.6	71.5	71.5	69.9
Iceland	:	:	:	:	83.3	82.3	83.8	84.6	85.1	83.6	78.3
Norway	:	77.5	77.2	76.8	75.5	75.1	74.8	75.4	76.8	78.0	76.4
Switzerland	78.4	78.3	79.1	78.9	77.9	77.4	77.2	77.9	78.6	79.5	79.2
Croatia	:	:	:	53.4	53.4	54.7	55.0	55.6	57.1	57.8	56.6
FYR of Macedonia	:	:	:	:	:	:	:	39.6	40.7	41.9	43.3
Turkey	:	:	:	:	:	:	:	44.6	44.6	44.9	44.3
Japan	68.9	68.9	68.8	68.2	68.4	68.7	69.3	70.0	70.7	70.7	70.0
United States	73.9	74.1	73.1	71.9	71.2	71.2	71.5	72.0	71.8	70.9	67.6

⁽¹⁾ Break in series in, 2005.

⁽²⁾ Break in series in, 2004.

⁽³⁾ Break in series in, 2002.

Source: Eurostat (lfsi_emp_a)



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

	Males			Females			Older workers (55-64)		
	1999	2004	2009	1999	2004	2009	1999	2004	2009
EU-27	70.7	70.4	70.7	53.0	55.6	58.6	36.5	40.7	46.0
Euro area (EA-16)	70.7	71.5	71.2	50.2	54.6	58.3	33.7	38.5	45.1
Belgium	68.1	67.9	67.2	50.4	52.6	56.0	24.6	30.0	35.3
Bulgaria	:	57.9	66.9	:	50.6	58.3	:	32.5	46.1
Czech Republic	74.0	72.3	73.8	57.4	56.0	56.7	37.5	42.7	46.8
Denmark	80.8	79.7	78.3	71.1	71.6	73.1	54.5	60.3	57.5
Germany	72.8	70.8	75.6	57.4	59.2	66.2	37.8	41.8	56.2
Estonia	65.8	66.4	64.1	57.8	60.0	63.0	47.5	52.4	60.4
Ireland	74.5	75.9	66.3	52.0	56.5	57.4	43.7	49.5	51.0
Greece	71.1	73.7	73.5	41.0	45.2	48.9	39.3	39.4	42.2
Spain	69.3	73.8	66.6	38.5	48.3	52.8	35.0	41.3	44.1
France	68.0	69.5	68.5	54.0	58.3	60.1	28.8	37.8	38.9
Italy ⁽¹⁾	67.3	70.1	68.6	38.3	45.2	46.4	27.6	30.5	35.7
Cyprus	:	79.8	77.6	:	58.7	62.5	:	49.9	56.0
Latvia	64.1	66.4	61.0	53.9	58.5	60.9	36.6	47.9	53.2
Lithuania	64.3	64.7	59.5	59.4	57.8	60.7	40.9	47.1	51.6
Luxembourg	74.5	72.8	73.2	48.6	51.9	57.0	26.4	30.4	38.2
Hungary	62.4	63.1	61.1	49.0	50.7	49.9	19.4	31.1	32.8
Malta	:	75.1	71.5	:	32.7	37.7	:	31.5	28.1
Netherlands	80.9	80.2	82.4	62.3	65.8	71.5	36.4	45.2	55.1
Austria ⁽¹⁾	77.6	74.9	76.9	59.6	60.7	66.4	29.7	28.8	41.1
Poland	64.2	57.2	66.1	51.2	46.2	52.8	31.9	26.2	32.3
Portugal	75.8	74.2	71.1	59.4	61.7	61.6	50.1	50.3	49.7
Romania	69.0	63.4	65.2	57.5	52.1	52.0	49.6	36.9	42.6
Slovenia	66.5	70.0	71.0	57.7	60.5	63.8	22.0	29.0	35.6
Slovakia	64.3	63.2	67.6	52.1	50.9	52.8	22.3	26.8	39.5
Finland	69.2	69.7	69.5	63.4	65.6	67.9	39.0	50.9	55.5
Sweden	74.0	73.6	74.2	69.4	70.5	70.2	63.9	69.1	70.0
United Kingdom	77.7	77.9	74.8	64.2	65.6	65.0	49.6	56.2	57.5
Iceland	:	85.8	80.0	:	78.8	76.5	:	81.8	80.2
Norway	:	77.9	78.3	:	72.2	74.4	:	65.8	68.7
Switzerland	87.2	84.4	84.5	69.6	70.3	73.8	64.7	65.2	68.4
Croatia	:	61.8	62.4	:	47.8	51.0	:	30.1	38.4
FYR of Macedonia	:	:	52.8	:	:	33.5	:	:	34.6
Turkey	:	:	64.5	:	:	24.2	:	:	28.2
Japan	81.0	80.0	80.2	56.7	57.4	59.8	63.4	63.0	65.5
United States	80.5	77.2	72.0	67.6	65.4	63.4	57.7	59.9	60.6

⁽¹⁾ Break in series, 2004.

Source: Eurostat (lfsi_emp_a)

Table 5.3: Employment rate by highest level of education, age group 25-64, 2009
(%)

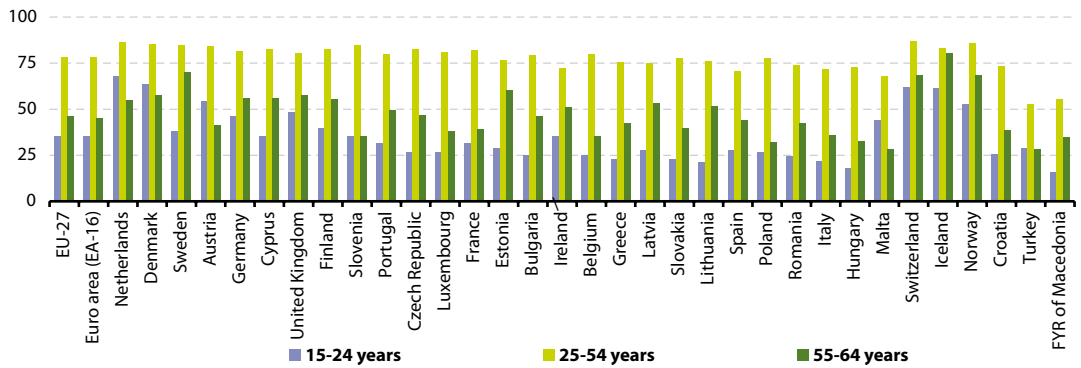
	Pre-primary, primary & lower secondary - ISCED levels 0-2	Upper secondary & post- secondary non-tertiary - ISCED levels 3-4	Tertiary - ISCED levels 5-6
EU-27	54.7	73.7	84.5
Euro area (EA-16)	55.2	74.8	84.1
Belgium	48.0	74.0	84.2
Bulgaria	46.4	75.4	85.8
Czech Republic	43.9	75.1	84.3
Denmark	64.6	79.7	87.4
Germany	55.3	76.2	87.1
Estonia	47.4	71.6	82.8
Ireland	50.0	69.1	82.0
Greece	59.7	68.4	82.5
Spain	54.0	70.7	81.1
France	56.2	74.8	83.6
Italy	51.2	73.1	79.2
Cyprus	64.7	78.2	86.4
Latvia	49.3	69.2	83.3
Lithuania	38.6	68.3	86.9
Luxembourg	61.6	70.2	85.1
Hungary	37.4	67.0	78.8
Malta	47.8	82.0	84.9
Netherlands	63.6	81.7	88.1
Austria	55.6	77.6	86.7
Poland	41.6	66.3	85.3
Portugal	69.0	80.1	86.7
Romania	54.7	68.5	86.0
Slovenia	53.7	74.6	88.4
Slovakia	30.3	72.0	83.2
Finland	56.8	74.8	84.4
Sweden	65.2	82.6	88.1
United Kingdom	57.8	77.4	85.3
Iceland	77.1	82.6	88.3
Norway	66.2	82.7	90.4
Switzerland	67.9	81.9	89.8
Croatia	45.9	65.6	81.8
FYR of Macedonia	33.6	58.7	74.3
Turkey	43.3	58.3	73.5

Source: Eurostat (lfsa_ergaed)



Figure 5.4: Employment rates by age group, 2009⁽¹⁾

(%)

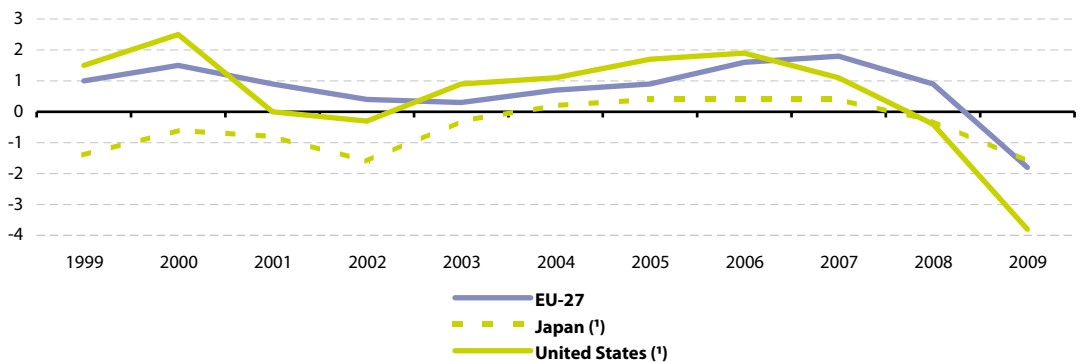


(¹) The figure is ranked on the overall employment rate.

Source: Eurostat ([lfsi_emp_a](#))

Figure 5.5: Annual employment change

(% change compared with previous year)



(¹) 2009, forecasts.

Source: Eurostat ([lfsi_grt_a](#))

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

	Total			Males			Females		
	1999	2004	2009	1999	2004 (¹)	2009	1999	2004 (¹)	2009
EU-27	1.0	0.7	-1.8	0.4	0.3	-2.7	1.9	1.2	-0.7
Euro area (EA-16)	1.9	0.8	-1.9	1.2	0.2	-2.9	2.8	1.6	-0.6
Belgium	1.4	0.9	-0.4	-0.2	0.8	-1.1	3.7	1.0	0.5
Bulgaria	-4.3	2.6	-2.7	:	2.8	-2.9	:	2.4	-2.5
Czech Republic	-3.4	0.3	-1.2	-3.7	0.3	-1.2	-3.0	0.4	-1.2
Denmark	0.8	-0.6	-3.4	0.6	-1.2	-4.5	1.1	0.1	-2.1
Germany	1.4	0.4	0.0	0.6	0.3	-0.8	2.3	0.6	0.9
Estonia	-4.4	0.0	-10.0	-5.2	-1.4	-13.6	-3.6	1.3	-6.2
Ireland	6.5	3.4	-8.2	5.4	3.2	-11.5	8.1	3.6	-3.8
Greece	0.3	2.2	-1.2	-0.4	1.6	-2.1	1.5	3.2	0.3
Spain	4.6	3.5	-6.6	3.4	2.3	-9.1	6.8	5.5	-3.3
France	2.0	0.1	-1.3	1.9	-0.2	-1.8	2.2	0.5	-0.7
Italy	1.1	0.4	-1.7	0.4	-1.6	-2.0	2.4	3.8	-1.2
Cyprus	1.9	3.8	-0.7	:	5.6	-1.2	:	1.5	0.0
Latvia	-1.8	1.2	-13.2	-1.4	1.0	-17.1	-2.2	1.4	-9.1
Lithuania	-2.2	0.0	-6.8	:	1.1	-11.5	:	-1.2	-2.0
Luxembourg	5.0	2.2	1.0	5.4	1.4	1.1	4.2	3.4	0.8
Hungary	2.7	-1.4	-2.8	2.5	-1.3	-3.4	3.1	-1.6	-2.1
Malta	:	-0.6	-0.5	:	0.3	-0.9	:	-2.9	0.2
Netherlands	2.6	-0.9	-1.1	1.2	-1.2	-1.8	4.5	-0.5	-0.4
Austria	1.5	1.4	-0.9	1.1	1.2	-2.2	2.0	1.7	0.7
Poland	-3.9	1.2	0.4	-4.8	1.7	0.0	-2.8	0.6	0.9
Portugal	1.4	-0.1	-2.6	0.6	-0.3	-3.7	2.4	0.2	-1.2
Romania	:	-1.7	-2.0	:	-2.4	-1.8	:	-0.8	-2.3
Slovenia	1.4	0.3	-1.9	:	-0.1	-2.6	:	0.8	-1.0
Slovakia	-2.5	-0.2	-2.4	-3.4	0.9	-2.3	-1.5	-1.6	-2.4
Finland	2.5	0.4	-2.8	1.6	0.5	-4.5	3.4	0.3	-1.0
Sweden	2.1	-0.7	-2.0	1.9	-0.6	-2.6	2.3	-0.8	-1.4
United Kingdom (²)	1.3	1.0	-2.2	1.2	0.8	-3.2	1.5	1.1	-1.1
Iceland	3.7	-0.4	-6.0	:	0.1	-9.1	:	-1.1	-2.3
Norway	0.9	0.5	-0.4	:	0.5	-0.9	:	0.4	0.1
Croatia	-3.3	1.7	-2.5	:	1.8	-4.6	:	1.5	0.1
Turkey	2.1	3.0	0.4	:	:	-1.2	:	:	4.9
Japan	-1.4	0.2	-1.6	:	:	:	:	:	:
United States	1.5	1.1	-3.8	:	:	:	:	:	:

(¹) Italy and Austria, break in series.

(²) Eurostat estimates of persons employed are based on the estimates of jobs transmitted by the United Kingdom.

Source: Eurostat (lfsi_grt_a)



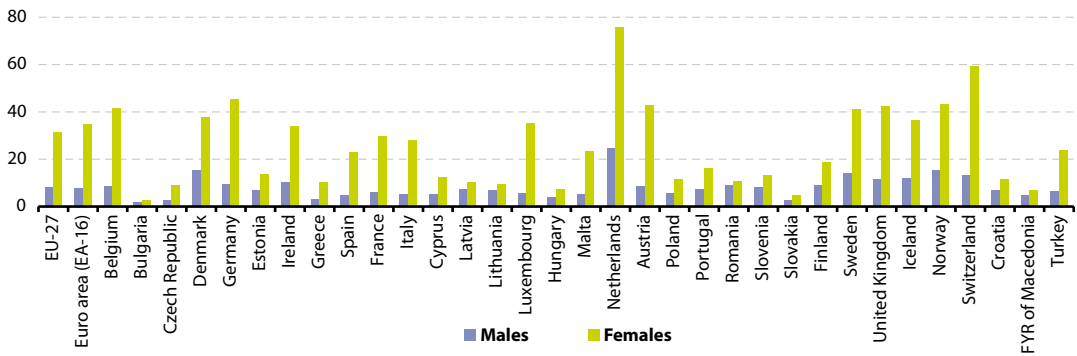
Table 5.5: Persons working part-time or with a second job as a proportion of total employment (% of total employment)

	Persons working part-time			Persons with a second job		
	1999	2004	2009	1999	2004	2009
EU-27	15.9	17.2	18.8	:	3.6	3.8
Euro area (EA-16)	15.5	17.5	20.0	:	3.0	3.4
Belgium	18.4	21.4	23.4	3.9	3.8	4.0
Bulgaria	:	2.4	2.3	:	0.9	0.6
Czech Republic	5.6	4.9	5.5	2.9	2.5	1.9
Denmark	21.6	22.2	26.0	7.0	11.4	9.3
Germany	19.0	22.3	26.1	2.5	2.7	3.7
Estonia	8.1	8.0	10.5	7.2	3.7	4.2
Ireland	16.4	16.8	21.2	1.7	2.0	2.3
Greece	5.8	4.6	6.0	4.5	2.4	3.4
Spain	8.0	8.7	12.8	1.7	2.1	2.3
France	17.1	16.8	17.3	3.3	2.9	3.4
Italy	7.9	12.7	14.3	1.4	2.1	1.5
Cyprus	6.5	8.6	8.4	:	6.8	3.9
Latvia	12.1	10.4	8.9	4.7	6.6	4.6
Lithuania	:	8.4	8.3	9.1	5.2	5.0
Luxembourg	9.8	16.4	18.2	1.3	1.5	3.2
Hungary	3.8	4.7	5.6	2.2	1.8	1.8
Malta	:	8.7	11.3	:	4.6	5.1
Netherlands	39.7	45.5	48.3	5.6	6.1	7.3
Austria	16.4	19.8	24.6	4.4	5.1	4.1
Poland	10.5	10.8	8.4	7.4	7.7	7.4
Portugal	11.0	11.3	11.6	5.6	6.3	6.5
Romania (1)	15.9	10.6	9.8	5.8	3.4	3.0
Slovenia	6.1	9.3	10.6	1.8	3.1	3.5
Slovakia	2.1	2.7	3.6	1.0	0.9	1.0
Finland	12.1	13.5	14.0	3.7	4.1	4.4
Sweden	19.7	23.6	27.0	8.9	9.3	8.2
United Kingdom	24.6	25.7	26.1	4.6	3.8	3.9
Iceland	:	:	11.3	:	11.9	9.1
Norway	:	29.2	28.6	:	7.7	8.8
Switzerland	30.3	33.0	34.6	6.1	6.4	7.4
Croatia	:	8.5	9.0	:	3.2	2.9
FYR of Macedonia	:	:	5.6	:	:	2.3
Turkey	:	:	11.3	:	:	2.7

(1) Break in series, 2002.

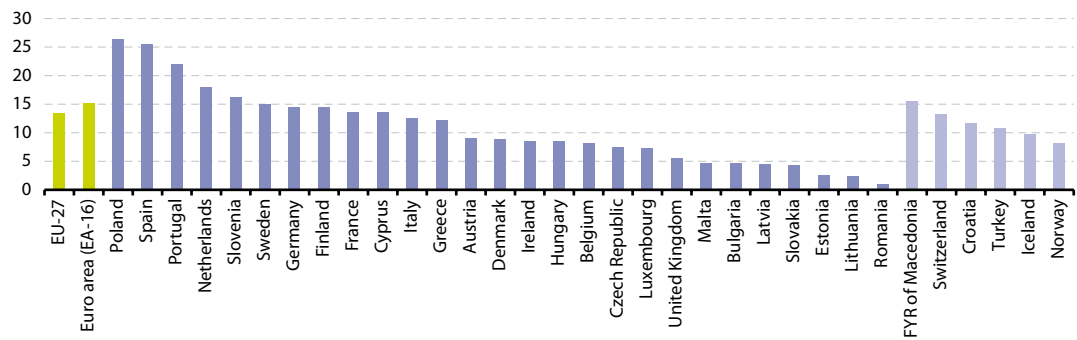
Source: Eurostat ([tps00159](#), [lfsa_e2gis](#) and [lfsa_egan](#))

Figure 5.6: Persons employed part-time, 2009
(% of total employment)



Source: Eurostat (tps00159)

Figure 5.7: Proportion of employees with a contract of limited duration, age group 15-64, 2009
(% of total employees)



Source: Eurostat (lfsa_etpga)



5.2 Unemployment

Unemployment levels and rates move in a cyclical way, largely related to the general business cycle. However, other factors such as labour market policies and demographic changes may influence the short and long-term development of unemployment. This subchapter gives an overview of statistical information for unemployment in the European Union (EU).

Main statistical findings

Unemployment trends

In early 2000, just less than 20 million persons were unemployed in the EU-27, slightly below 9 % of the total labour force. This figure fell to around 19 million (or 8.5 %) in early 2001 before rising back to around 21 million persons by the middle of 2002, where it remained through until the middle of 2005. From mid-2005 there was a period of several years of steadily declining unemployment within the EU-27. By the first quarter of 2008, EU-27 unemployment had hit a low of 16 million persons (equivalent to a rate of 6.7 %) before rising sharply in the wake of the financial and economic crisis.

The unemployment rate in the euro area followed roughly the same trend as in the EU-27. However, between 2000 and the middle of 2004 the unemployment rate in the euro area was below that recorded in the EU-27. This pattern was subsequently reversed as unemployment declined more rapidly between 2005 and 2008 in the EU Member States outside of the euro area.

In 2000, the unemployment rate in the United States was around 4 %, considerably lower than in the EU-27. It remained much lower until early 2008, when unemployment started to increase rapidly in the United States. By mid-2009, the unemployment rate in the United States had reached the same level as in the EU-27. Unemployment rates in Japan were much lower than in the EU-27, and this was the case throughout the last ten years for which data are available.

Youth unemployment trends

Youth unemployment rates are generally much higher than unemployment rates for the whole of the population. This does not necessarily mean that the group of unemployed persons aged between 15 and 24 is large. Many young people are studying full-time and are therefore neither working, nor looking for a job, so they are not part of the labour force (which is used as the denominator for calculating the unemployment rate). However, high youth unemployment rates do reflect the difficulties faced by young people in finding jobs.

Throughout the last decade the youth unemployment rate in the EU-27 was about twice as high as the unemployment rate for the total population. The EU-27 youth unemployment rate was systematically higher than the equivalent rate in the euro area between 2000 and early 2008; since this date, these two rates have been almost identical.

Male and female unemployment trends

Historically, women have been more likely to be unemployed than men. In 2000,

the unemployment rate for women in the EU-27 was around 10 %, while the rate for men was around 8 %. By the end of 2002, this gender gap had narrowed to around 1.3 percentage points and between 2002 and early 2007 the gap remained more or less constant. In recent years, most markedly since the first quarter of 2008, male and female unemployment rates in the EU-27 have converged and by the second quarter of 2009 the male unemployment rate was higher.

A detailed look at 2009

The overall unemployment rate in the EU-27 reached 8.9 % in 2009. After four consecutive years of declining unemployment, there was a steep rise in the unemployment rate, which gained 1.9 percentage points compared with 2008. The impact of the financial and economic crisis on unemployment almost wiped out the reduction experienced in the EU-27 unemployment rate between 2004 and 2008. In the United States, where the unemployment rate grew from 5.8 % to 9.3 % between 2008 and 2009, the increase in unemployment associated with the crisis was even more marked.

The unemployment rate rose in all 27 EU Member States between 2008 and 2009. The smallest increase was recorded in Germany, where the impact of the crisis was limited to a 0.2 percentage point increase, while in the three countries forming the Benelux the impact of the crisis did not have an impact of more than 1.0 percentage point. With an increase of just below 10 percentage points, Latvia recorded the largest annual increase in unemployment between 2008 and 2009, followed by the other two Baltic states of

Estonia and Lithuania. Spain remained the Member State with the highest overall unemployment rate in 2009, at 18.0 %. The dispersion of unemployment across the EU-27 increased because those countries with relatively low unemployment rates in 2008 saw smaller increases, on average, than those countries with already relatively high unemployment rates.

Long-term unemployment is one of the main concerns of policymakers. Apart from its financial and social effects on personal life, long-term unemployment negatively affects social cohesion and, ultimately, may hinder economic growth. Some 3.0 % of the labour force in the EU-27 in 2009 had been unemployed for more than one year; half of these, 1.5 % of the labour force, had been unemployed for more than two years.

For the first time since the calculation of EU-27 unemployment statistics started (in 2000), the unemployment rate for women was lower than that for men in 2009. Male unemployment rates were higher than the corresponding rates for women in 14 out of 27 Member States. In the euro area, the unemployment rate for women remained higher than the corresponding rate for men. The gender gap between male and female unemployment rates varied from -6.3 percentage points in Greece to +6.9 percentage points in Ireland.

The youth unemployment rate in the EU-27 was more than double the overall unemployment rate in 2009. At 19.6 %, almost one out of every five young persons (under 25 years of age) in the labour force was not employed, but looking and available for a job. In the euro area, the youth unemployment rate was marginally



lower at 19.4 %. The unemployment rate among young persons was higher than the rate among those aged between 25 and 74 in all of the Member States. In Spain (37.8 %), Latvia (33.6 %) and Lithuania (29.2 %), youth unemployment rates were particularly high. The Netherlands (6.6 %) was the only Member State with a youth unemployment rate below 10 %.

Educational qualifications would appear to help job-seekers, as unemployment rates tend to decrease the higher the level of education attained. This characteristic was noted in almost every Member State in 2009. The average unemployment rate in the EU-27 for those having attained at most a lower secondary education was 12.8 %, much higher than the rate for those that had obtained a tertiary education qualification (4.5 %); note that during periods of recession it is common for well-educated persons to accept jobs for which they would generally be considered as over-qualified.

Data sources and availability

The main source used by Eurostat for unemployment figures is the EU's labour force survey (LFS). This household survey is carried out in all of the Member States in accordance with European legislation; it provides figures at least each quarter.

Quarterly and annual unemployment figures from the LFS are published with detailed breakdowns – for example, a wider range of age groups, by nationality, or by educational attainment; there are also figures available on long-term unemployment.

There is currently no legal basis for producing and disseminating monthly un-

employment data. For many countries, Eurostat calculates monthly data by using additional monthly figures from unemployment registers. The quarterly LFS results are always used as a benchmark to ensure international comparability. Few countries actually supply monthly unemployment figures directly from the LFS.

Monthly unemployment figures are published by Eurostat as rates (as a percentage of the labour force) or levels (in thousands), by gender and for two age groups (persons aged 15 to 24, and those aged 25 to 74). The figures are available as unadjusted, seasonally adjusted and trend series. There are monthly estimates for all EU-27 Member States except for Estonia, Greece, Latvia, Lithuania and Romania. Data for the EU-27 aggregate start in 2000 and for the euro area in 1995; the starting point for individual Member States varies.

Context

The unemployment rate is an important indicator with both social and economic dimensions. Rising unemployment results in a loss of income for those individuals affected, increased pressure with respect to government spending on social benefits, and a reduction in tax revenue. From an economic perspective, unemployment may be viewed as unused labour capacity.

The International Labour Organization (ILO) definition of the unemployment rate is the most widely used labour market indicator because of its international comparability and relatively timely availability. Besides the unemployment rate, indicators such as employment and job vacancies also give useful insights into labour market developments.

Time series on unemployment are used by the European Commission, other public institutions, and the media as an economic indicator; banks may use the data for business cycle analysis. Finally, the general public may also be interested in changes in unemployment.

The unemployment rate is considered to be a lagging indicator. When there is an economic downturn, it usually takes several months before the unemployment rate begins to rise. Once the economy starts to pick up again, employers usually remain cautious about hiring new staff and it may take several months before unemployment rates start to fall.

Male, youth and long-term unemployment appear to be more susceptible to cyclical economic changes than overall unemployment. Indeed, social policy-makers often face the challenge of remedying these situations by designing ways to increase employment opportunities for various 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 daily life, and the demand for different types of labour and skills is changing at a rapid pace. While enterprises try to improve their productivity and become more competitive and innovative, they may well seek to pass on risk to the labour force through greater flexibility – both in relation to those already in employment, as well as those searching for a new job. Within the context of the European employment strategy (EES), 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 life-cycle 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 encouraged Member States, among others, to:

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

The guidelines also set a number of additional benchmarks, whereby Member States were encouraged:

- to ensure that by 2010 every unemployed person is offered a job, apprenticeship, additional training or another employability measure (for young persons leaving school within four months, and for adults within no more than 12 months), and;
- to work towards 25 % of the long-term unemployed participating in training, retraining, work practice, or other employability measures by 2010.

The financial and economic crisis has however reversed much of the progress achieved in Europe since 2000. The Europe 2020



strategy sets out a vision of Europe's social market economy for the 21st century; flagship initiatives include 'an agenda for new skills and jobs' and 'youth on the move'. These are designed to lower (youth) unemployment rates through a range of policies, including proposals aimed at education

and training institutions, or measures for the creation of a (work) environment conducive to higher activity rates and higher labour productivity; there are also initiatives aimed at improving the entry rate of young people into the labour market.

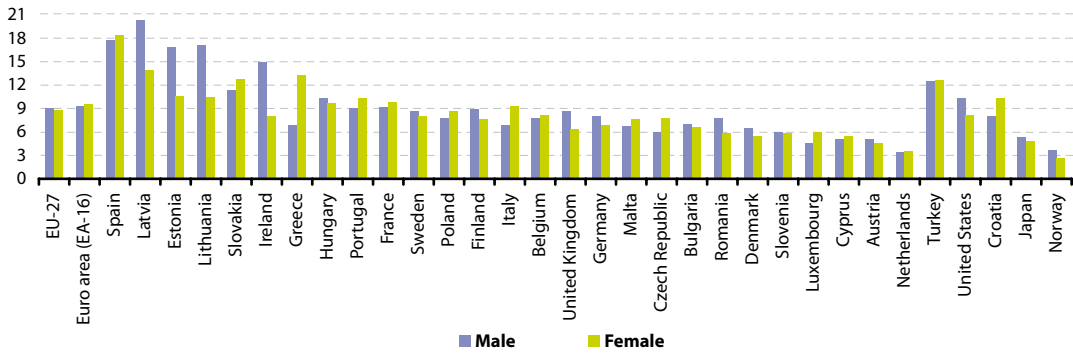
Table 5.6: Unemployment rate
(%)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
EU-27	:	8.7	8.5	8.9	9.0	9.1	8.9	8.2	7.1	7.0	8.9
Euro area (EA-16)	9.3	8.4	8.0	8.4	8.8	9.0	9.0	8.3	7.5	7.5	9.4
Belgium	8.5	6.9	6.6	7.5	8.2	8.4	8.5	8.3	7.5	7.0	7.9
Bulgaria	:	16.4	19.5	18.2	13.7	12.1	10.1	9.0	6.9	5.6	6.8
Czech Republic	8.6	8.7	8.0	7.3	7.8	8.3	7.9	7.2	5.3	4.4	6.7
Denmark	5.2	4.3	4.5	4.6	5.4	5.5	4.8	3.9	3.8	3.3	6.0
Germany	8.2	7.5	7.6	8.4	9.3	9.8	10.7	9.8	8.4	7.3	7.5
Estonia	:	13.6	12.6	10.3	10.0	9.7	7.9	5.9	4.7	5.5	13.8
Ireland	5.6	4.2	3.9	4.5	4.6	4.5	4.4	4.5	4.6	6.3	11.9
Greece	12.0	11.2	10.7	10.3	9.7	10.5	9.9	8.9	8.3	7.7	9.5
Spain	12.5	11.1	10.3	11.1	11.1	10.6	9.2	8.5	8.3	11.3	18.0
France	10.4	9.0	8.3	8.6	9.0	9.3	9.3	9.2	8.4	7.8	9.5
Italy	10.9	10.1	9.1	8.6	8.4	8.0	7.7	6.8	6.1	6.7	7.8
Cyprus	:	4.9	3.8	3.6	4.1	4.7	5.3	4.6	4.0	3.6	5.3
Latvia	14.0	13.7	12.9	12.2	10.5	10.4	8.9	6.8	6.0	7.5	17.1
Lithuania	13.7	16.4	16.5	13.5	12.5	11.4	8.3	5.6	4.3	5.8	13.7
Luxembourg	2.4	2.2	1.9	2.6	3.8	5.0	4.6	4.6	4.2	4.9	5.2
Hungary	6.9	6.4	5.7	5.8	5.9	6.1	7.2	7.5	7.4	7.8	10.0
Malta	:	6.7	7.6	7.5	7.6	7.4	7.2	7.1	6.4	5.9	7.0
Netherlands	3.2	2.8	2.2	2.8	3.7	4.6	4.7	3.9	3.2	2.8	3.4
Austria	3.9	3.6	3.6	4.2	4.3	4.9	5.2	4.8	4.4	3.8	4.8
Poland	13.4	16.1	18.3	20.0	19.7	19.0	17.8	13.9	9.6	7.1	8.2
Portugal	4.5	4.0	4.1	5.1	6.4	6.7	7.7	7.8	8.1	7.7	9.6
Romania	7.1	7.3	6.8	8.6	7.0	8.1	7.2	7.3	6.4	5.8	6.9
Slovenia	7.3	6.7	6.2	6.3	6.7	6.3	6.5	6.0	4.9	4.4	5.9
Slovakia	16.4	18.8	19.3	18.7	17.6	18.2	16.3	13.4	11.1	9.5	12.0
Finland	10.2	9.8	9.1	9.1	9.0	8.8	8.4	7.7	6.9	6.4	8.2
Sweden (1)	6.7	5.6	5.8	6.0	6.6	7.4	7.6	7.0	6.1	6.2	8.3
United Kingdom	5.9	5.4	5.0	5.1	5.0	4.7	4.8	5.4	5.3	5.6	7.6
Norway	3.0	3.2	3.4	3.7	4.2	4.3	4.5	3.4	2.5	2.5	3.1
Croatia	:	:	:	14.8	14.2	13.7	12.7	11.2	9.6	8.4	9.1
Turkey	:	:	:	:	:	:	9.2	8.7	8.8	9.7	12.5
Japan	4.7	4.7	5.0	5.4	5.3	4.7	4.4	4.1	3.9	4.0	5.1
United States	4.2	4.0	4.8	5.8	6.0	5.5	5.1	4.6	4.6	5.8	9.3

(1) Break in series, 2001.

Source: Eurostat ([une_rt_a](#))

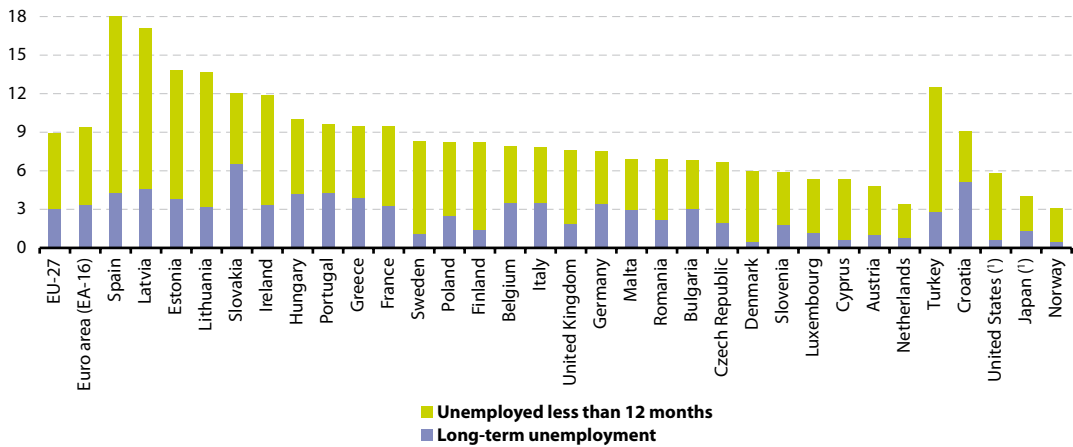
Figure 5.8: Unemployment rate, 2009 (¹)
(%)



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

Source: Eurostat ([une_rt_a](#))

Figure 5.9: Unemployment rate by duration, 2009
(%)



(¹) 2008.

Source: Eurostat ([tsiem110](#) and [tsisc070](#))



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

	Male		Female		< 25 years	25-74 years
	2004	2009	2004	2009	2009	2009
EU-27	8.5	9.0	9.8	8.8	19.6	7.6
Euro area (EA-16)	8.1	9.3	10.1	9.6	19.4	8.2
Belgium	7.5	7.8	9.5	8.1	21.9	6.6
Bulgaria	12.6	7.0	11.5	6.6	16.2	6.0
Czech Republic	7.1	5.9	9.9	7.7	16.6	5.8
Denmark	5.1	6.5	6.0	5.4	11.2	5.0
Germany	10.3	8.0	9.1	6.9	10.4	7.1
Estonia	10.4	16.9	8.9	10.6	27.5	12.0
Ireland	4.8	14.9	4.0	8.0	24.4	10.1
Greece	6.6	6.9	16.2	13.2	25.8	8.3
Spain	8.0	17.7	14.3	18.4	37.8	15.9
France	8.4	9.2	10.3	9.8	23.3	7.8
Italy	6.4	6.8	10.5	9.3	25.3	6.4
Cyprus	3.6	5.2	6.0	5.5	14.0	4.4
Latvia	10.6	20.3	10.2	13.9	33.6	14.9
Lithuania	11.0	17.1	11.8	10.4	29.2	12.1
Luxembourg	3.6	4.6	6.8	6.0	16.9	4.2
Hungary	6.1	10.3	6.1	9.7	26.5	8.7
Malta	6.6	6.7	9.0	7.6	14.3	5.4
Netherlands	4.3	3.4	4.8	3.5	6.6	2.8
Austria	4.5	5.0	5.4	4.6	10.0	3.9
Poland	18.2	7.8	20.0	8.7	20.6	6.8
Portugal	5.9	9.0	7.7	10.3	20.0	8.7
Romania	9.1	7.7	6.9	5.8	20.8	5.4
Slovenia	5.9	5.9	6.9	5.8	13.6	5.1
Slovakia	17.4	11.4	19.2	12.8	27.3	10.4
Finland	8.7	8.9	8.9	7.6	21.5	6.4
Sweden	7.6	8.6	7.1	8.0	25.0	5.9
United Kingdom	5.1	8.6	4.2	6.4	19.1	5.5
Norway	4.6	3.6	3.9	2.6	8.9	2.2
Croatia	12.1	8.0	15.7	10.3	25.0	7.3
Turkey	:	12.5	:	12.6	22.7	10.3
Japan	4.9	5.3	4.4	4.8	9.1	4.7
United States	5.6	10.3	5.4	8.1	17.6	7.9

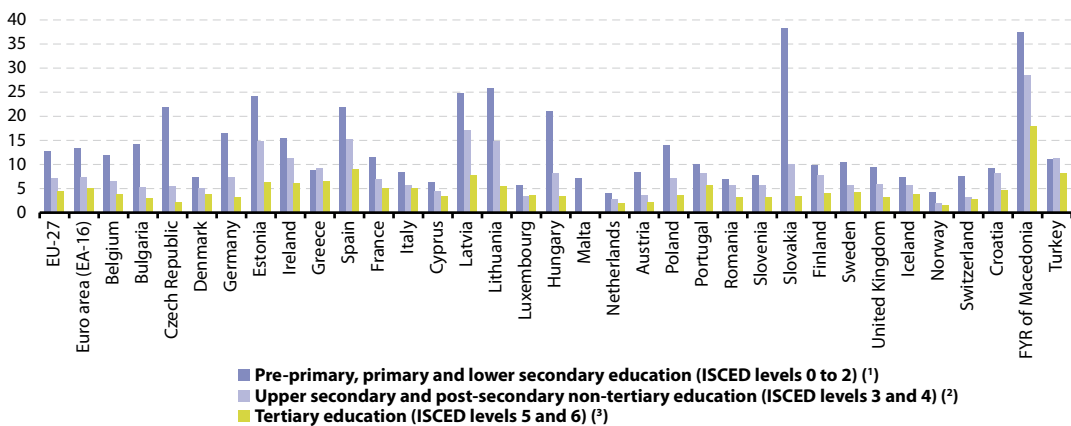
Source: Eurostat (une_rt_a)

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Male	7.8	8.3	8.4	8.5	8.3	7.6	6.6	6.6	9.0
Female	9.4	9.7	9.7	9.8	9.6	8.9	7.8	7.5	8.9
Less than 25 years	17.4	18.0	18.2	18.6	18.4	17.2	15.4	15.5	19.7
Between 25 and 74 years	7.2	7.6	7.7	7.8	7.6	7.0	6.1	5.9	7.6
Long-term unemployment rate	3.9	4.0	4.1	4.2	4.0	3.7	3.1	2.6	3.0
Male	3.5	3.6	3.8	3.9	3.7	3.4	2.8	2.4	2.9
Female	4.4	4.5	4.5	4.6	4.4	4.0	3.3	2.8	3.1
Very long-term unemployment rate	2.3	2.3	2.3	2.4	2.3	2.2	1.8	1.5	1.5

Source: Eurostat (une_rt_a, lfsa_ugad and une_ltu_a)

Figure 5.10: Unemployment rate (among persons aged 25-64 years) by level of educational attainment, 2009 (%)



⁽¹⁾ Estonia, Luxembourg, Slovenia and Croatia, unreliable data.

⁽²⁾ Malta, not available; Luxembourg, unreliable data.

⁽³⁾ Malta, not available; Slovenia and Croatia, unreliable data.

Source: Eurostat (tps00066)



5.3 Wages and labour costs

The level and structure of wages and labour costs are important macro-economic indicators used by policymakers, employers and trade unions to assess labour market supply and demand conditions. This subchapter compares and contrasts figures on wages and labour costs in the European Union (EU), the latter being generally defined as employers' expenditure on personnel.

Main statistical findings

Gross earnings

Among EU Member States, the mean (average) gross annual earnings of full-time employees in enterprises with ten or more employees were highest in Denmark (EUR 55 001) in 2008, followed by Luxembourg, the United Kingdom (2007 data), Germany and Belgium – all above EUR 40 000 – while earnings were lowest in Romania (EUR 5 464) and Bulgaria (EUR 3 328). In 2006, median annual earnings showed a broadly similar ranking of countries (see Figure 5.11), 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 received low wages in Lithuania, Bulgaria and Romania.

Gender pay gap

Despite some progress, there remains an important gap between the aver-

age earnings of men and women in the EU-27. Women were paid, on average, 17.5 % less than men in 2008. The smallest differences in average pay between the sexes were found in Italy, Slovenia, Belgium, Romania, Malta, Portugal and Poland (less than 10 %), the biggest in Estonia (2007 data), the Czech Republic and Austria (more than 25 %). 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.

Minimum wages

In July 2010, a total of 20 of the 27 EU Member States (all except Denmark, Germany, Italy, Cyprus, Austria, Finland and Sweden) and two candidate countries (Croatia and Turkey) had national legislation setting a minimum wage by statute or by national inter-sectoral agreement.

Monthly minimum wages varied considerably in July 2010 (see Figure 5.14). The differences reflect, at least to some degree, the price levels in each economy, with the highest minimum wage being recorded in Luxembourg (EUR 1 725 per month) and the lowest in Bulgaria and Romania (EUR 123 and EUR 137 respectively).

Net earnings and tax rates

Tax wedge data for 2003 and 2008 show a slight reduction in the overall figure for the EU-27 between these two periods. Indeed, the tax wedge fell in 18 of the Member States and remained unchanged in three others. Consequently, the tax wedge only increased between these two years in six of the Member States, by 1 to 4 percentage points in Ireland, Greece, Hungary, Italy, the Netherlands and Austria.

Labour costs

Average hourly labour costs (see Figure 5.16) and the structure of labour costs (see Figure 5.17) varied widely across the Member States in 2009. The relative importance of wages and salaries in total labour costs was 66 % in Sweden and was also less than 70 % in Belgium and France (2008), while it was 85 % or more in the United Kingdom, Slovenia, Luxembourg and Malta (2008).

Data sources and availability

Gross earnings

Gross earnings are the largest part of labour costs – information is provided on average annual gross earnings. The main definitions on earnings are provided in European Commission Regulation 1738/2005 of 21 October 2005. 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, regardless of whether they are regularly paid, are included (13th or 14th month, holiday bo-

nuses, profit-sharing, allowances for leave not taken, occasional commissions, etc.). The information is presented for full-time employees working in industry, construction and services (as covered by NACE Rev. 1.1 Sections C to K up to and including 2007 and by NACE Rev. 2 Sections B to N for 2008). The statistical unit is the enterprise or local unit. The population consists of all units with employees, although it is limited to enterprises with at least ten employees in most countries.

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

Gender pay gap

The gender pay gap (in its unadjusted form) is defined as the difference between average gross hourly earnings of male paid employees and female paid employees, expressed as a percentage of average gross hourly earnings of male paid employees. The methodology for the compilation of this indicator has recently changed and is now based on data collected from the structure of earnings survey (SES), rather than on non-harmonised sources (as was previously the case).

According to the new methodology the unadjusted gender pay gap indicator covers all employees (there are no restrictions for age and hours worked) of enterprises (with at least ten employees) belonging to industry, construction and services (as covered by NACE Rev. 2 Sections B to N and P to S).



Minimum wages

Minimum wage statistics published by Eurostat refer to monthly national minimum wages; data are published showing the wage on the 1 January and the 1 July of each year.

The national minimum wage is enforced by law, often after consultation with social partners, or directly by national inter-sectoral agreement (this is the case in Belgium and Greece). The national minimum wage is usually applicable for all employees, or at least for a large majority of employees in the country. Minimum wages are gross amounts, that is, before the deduction of income tax and social security contributions; such deductions vary from country to country. In some countries the basic national minimum wage is not fixed at a monthly rate but at an hourly or weekly rate. For these countries the hourly or weekly rates are converted into monthly rates according to conversion factors directly supplied by the countries:

- Ireland: hourly rate x 39 hours x 52 weeks / 12 months;
- France for data from January 1999 to January 2005: hourly rate x 39 hours x 52 weeks / 12 months; for data from July 2005: hourly rate x 35 hours x 52 weeks / 12 months;
- Malta: weekly rate x 52 weeks / 12 months;
- United Kingdom: (hourly rate x mean basic paid hours per week for full-time employees in all sectors x 52.18 weeks) / 12 months;
- United States: hourly rate x 40 hours x 52 weeks / 12 months.

In addition, when the minimum wage is paid for more than 12 months per year (as in Greece, Spain and Portugal, where it is paid for 14 months a year), data have been adjusted to take these payments into account.

Net earnings and tax rates

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

The tax rate indicators (tax wedge on labour costs, unemployment trap and low wage trap) aim to monitor work attractiveness. The tax wedge on labour costs is defined as income tax on gross wage earnings plus employee and employer social security contributions, expressed as a percentage of total labour costs. This indicator is compiled for single people without children earning 67 % of the average earnings of a worker in industry, construction and services (NACE Rev. 1.1 Sections C to K).

The unemployment trap measures the proportion of gross earnings taxed away by 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 net income when moving from unemployment to employment, expressed as a percentage of the gross earnings. This indicator is compiled for single persons without children earning 67 % of the av-

average earnings of a worker in industry, construction or services (NACE Rev. 1.1 Sections C to K).

The low wage trap measures the proportion (as a 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 average earnings of a worker in industry, construction or services (NACE Rev. 1.1 Sections C to K). This indicator is compiled for single people without children and also for single-earner couples with two children between 6 and 11 years old.

Labour costs

Labour costs are defined as employer's expenditure that is related to employing personnel. They encompass employee compensation (including wages, salaries in cash and in kind, employers' social security contributions); vocational training costs; and other expenditure (such as recruitment costs, expenditure on work clothes, and employment taxes regarded as labour costs minus any subsidies received). These labour cost components and their elements are defined in Regulation 1737/2005 of 21 October 2005.

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 equivalent 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.

Context

The structure and development of labour costs and earnings are important features of any labour market, reflecting labour supply from individuals and labour demand by enterprises.

Article 157(1) of the Treaty on the functioning of the European Union (TFEU) sets out the principle of equal pay for male and female workers for equal work or work of equal value, and Article 157(3) provides the legal basis for legislation on the equal treatment of men and women in employment matters. The strategy for equality between women and men (2010-2015) was adopted by the European Commission in September 2010. This builds on the experience of a roadmap that was developed for the period 2006-2010 and aims to be a comprehensive framework which will commit the European Commission to promote gender equality in all of its policies. The strategy highlights the contribution of gender equality to economic growth and sustainable development, and supports the implementation of the gender equality dimension in the Europe 2020 strategy. One of the six thematic priorities is the area of equal pay for work of equal value.

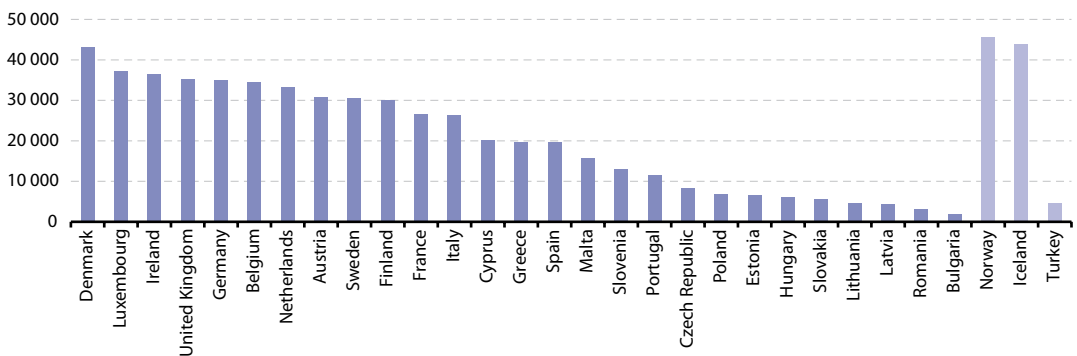
Some underlying factors that may, at least in part, explain gender pay gaps include sectoral and occupational segregation, education and training, awareness and transparency, as well as direct discrimi-



nation. Gender pay gaps also reflect other inequalities – in particular, women's disproportionate share of family responsibilities and associated difficulties of reconciling work with private life. Many women work part-time or under atypical contracts: although this permits them

to remain in the labour market while managing family responsibilities, it can have a negative impact on their pay, career development, promotion prospects and pensions. The EU seeks to promote equal opportunities implying progressive elimination of the gender pay gap.

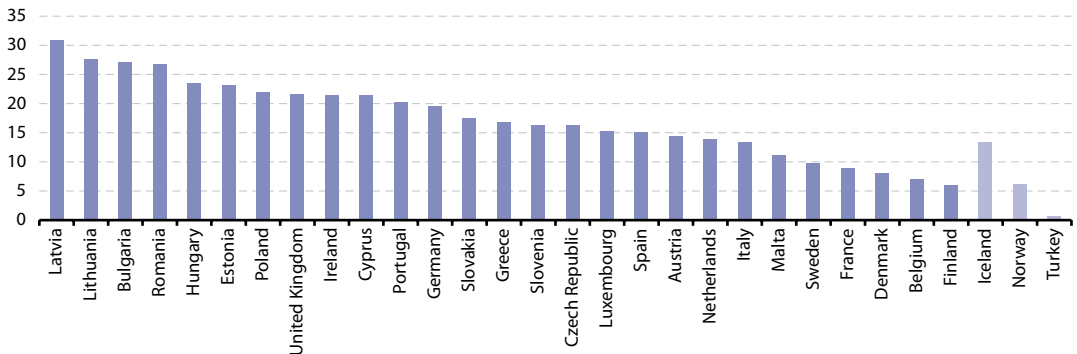
Figure 5.11: Median gross annual earnings of full-time employees, 2006 ⁽¹⁾
(EUR)



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

Source: Eurostat ([earn_ses_adecl](#))

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 ten or more employees; excluding agriculture, fishing, public administration, private households and extra-territorial organizations.

Source: Eurostat ([earn_ses_adecl](#))

Table 5.9: Earnings in the business economy (average gross annual earnings full-time employees) ⁽¹⁾ (EUR)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU-27	:	27 947	30 140	30 347	28 226	29 114	31 302	:	:
Belgium ⁽²⁾	31 644	33 109	34 330	34 643	35 704	36 673	37 674	38 659	40 698
Bulgaria	1 430	1 514	1 588	1 678	1 784	1 978	2 195	2 626	3 328
Czech Republic	:	:	6 016	6 137	6 569	7 405	8 284	:	:
Denmark	40 962	41 661	43 577	44 692	46 122	47 529	48 307	53 165	55 001
Germany	34 400	35 200	36 400	37 200	38 100	38 700	39 364	40 200	41 400
Estonia	:	:	:	:	:	:	:	:	:
Ireland	:	:	:	:	:	40 462	:	39 858	:
Greece	14 723	15 431	16 278	16 739	:	:	:	:	25 915
Spain	17 432	17 874	18 462	19 220	19 931	20 333	21 402	21 891	25 208
France ⁽²⁾	26 712	27 418	28 185	28 847	29 608	30 521	31 369	32 413	33 574
Italy	:	:	:	:	:	:	:	:	:
Cyprus	16 086	16 736	17 431	18 165	19 290	20 549	21 310	:	:
Latvia ⁽³⁾	:	:	:	:	3 806	4 246	5 211	6 690	8 109
Lithuania ⁽⁴⁾	:	:	:	:	:	:	:	:	7 398
Luxembourg	35 875	37 745	38 442	39 587	40 575	42 135	43 621	45 284	51 392
Hungary	4 173	4 898	5 846	6 447	7 119	7 798	7 866	8 952	9 805
Malta ⁽²⁾	13 461	13 791	14 068	14 096	14 116	14 706	15 278	15 679	16 158
Netherlands	31 901	33 900	35 200	36 600	37 900	38 700	40 800	42 000	43 146
Austria	:	:	:	:	34 995	36 032	36 673	37 716	39 061
Poland ⁽⁴⁾	:	7 510	:	:	6 230	6 270	8 178	:	10 787
Portugal	12 620	13 338	13 322	13 350	13 700	14 042	14 893	15 345	16 691
Romania	:	:	:	:	2 414	3 155	3 713	4 825	5 464
Slovenia ⁽⁴⁾	:	:	:	:	:	:	:	:	15 997
Slovakia	3 583	3 837	4 582	4 945	5 706	6 374	7 040	8 400	9 677
Finland ⁽²⁾	27 398	28 555	29 916	30 978	31 988	33 290	34 080	36 114	37 946
Sweden	31 621	30 467	31 164	32 177	33 344	34 027	35 084	36 871	37 597
United Kingdom	37 676	39 233	40 553	38 793	41 286	42 866	44 496	46 051	:
Iceland	37 641	34 100	:	:	:	:	:	:	:
Norway	36 202	38 604	43 750	40 883	42 152	45 560	47 221	:	52 632
Switzerland ⁽³⁾	43 682	:	48 499	:	45 760	:	46 058	:	47 096
Croatia	:	:	:	8 491	9 036	9 634	:	:	:

⁽¹⁾ Enterprises employing ten or more employees; 2000-2007, NACE Rev. 1.1 Sections C to K; 2008, NACE Rev. 2 Sections B to N.

⁽²⁾ 2008: all enterprises.

⁽³⁾ 2008: NACE Rev. 1.1.

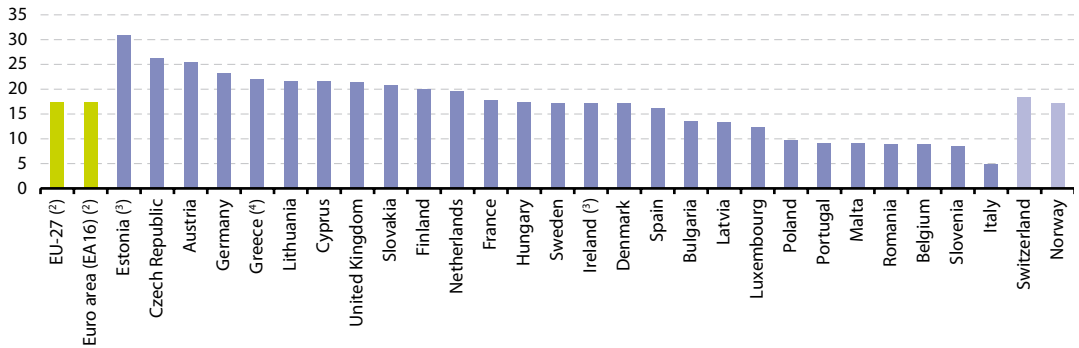
⁽⁴⁾ 2008: full-time units.

Source: Eurostat ([earn_gr_nace2](#), [earn_gr_nace](#))



Figure 5.13: Gender pay gap, 2008⁽¹⁾

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



⁽¹⁾ Enterprises employing ten or more employees; NACE Rev. 2 Sections B to N and P to S.

⁽²⁾ Provisional.

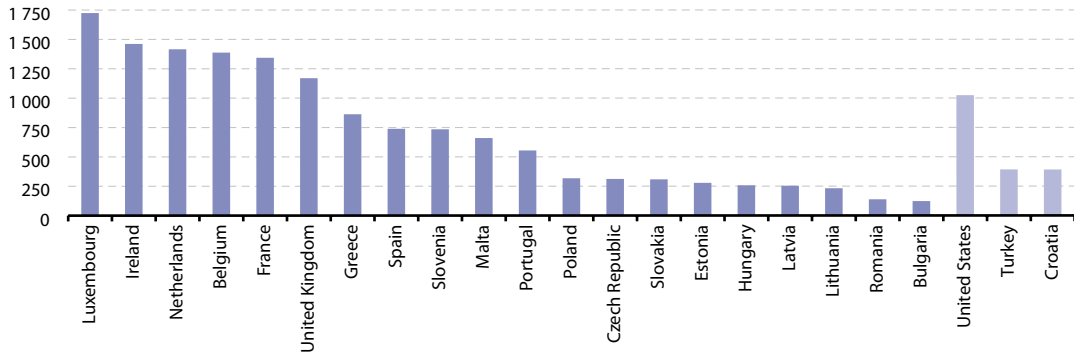
⁽³⁾ 2007 data; NACE Rev. 1.1 Sections C to K and M to O.

⁽⁴⁾ NACE Rev. 1.1 Sections C to K and M to O.

Source: Eurostat ([tsiem040](#))

Figure 5.14: Minimum wage⁽¹⁾

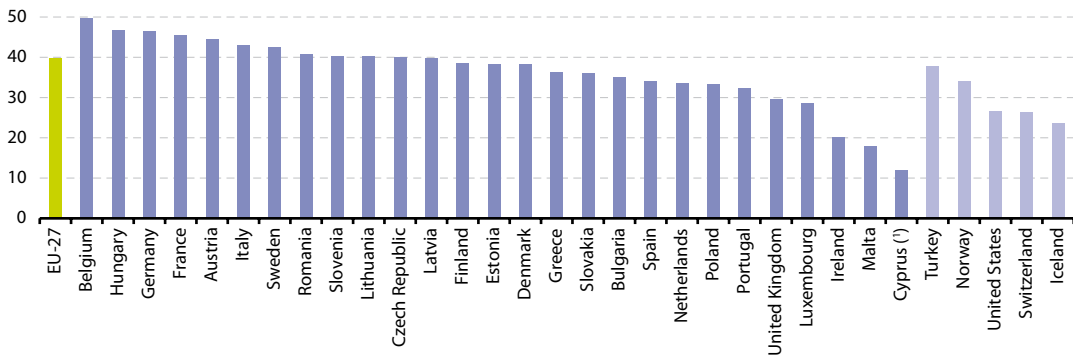
(EUR per month, as of 1 July 2010)



⁽¹⁾ Member States not shown: not applicable.

Source: Eurostat ([earn_mw_cur](#))

Figure 5.15: Tax rate on low wage earners - tax wedge on labour cost, 2008
(%)



(¹) 2007.

Source: Eurostat (tsiem050), OECD, Commission services



Table 5.10: Tax rate indicators on low wage earners
(%)

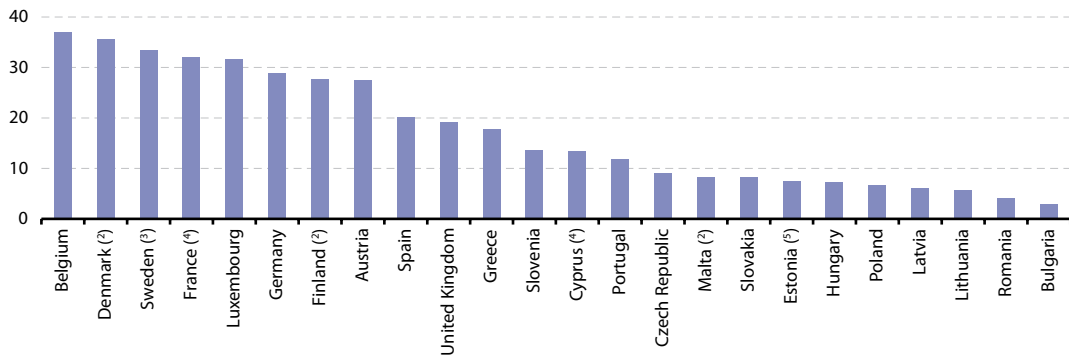
	Tax wedge on labour cost ⁽¹⁾		Unemployment trap ⁽²⁾		Low wage trap - single person without children ⁽²⁾		Low wage trap - one earner couple with two children ⁽²⁾	
	2003	2008	2003	2008	2003	2008	2003	2008
EU-27	41	40	74	75	48	50	61	63
Belgium	50	50	87	85	58	59	49	48
Bulgaria	36	35	75	80	20	22	46	22
Czech Republic	42	40	66	68	36	41	65	45
Denmark	40	38	91	89	84	79	106	95
Germany	49	47	75	74	53	56	68	84
Estonia	41	38	50	63	28	23	85	3
Ireland	16	20	71	74	43	50	77	88
Greece	34	36	62	61	16	24	16	18
Spain	35	34	80	80	23	21	15	14
France	45	45	79	78	37	47	59	60
Italy	42	43	59	80	29	37	-12	-5
Cyprus	19	12	54	61	-10	6	57	115
Latvia	41	40	88	85	32	32	100	50
Lithuania	41	40	56	81	36	27	86	79
Luxembourg	29	29	86	86	51	52	108	107
Hungary	45	47	66	80	37	39	53	54
Malta	17	18	60	58	17	19	11	27
Netherlands	40	34	83	82	68	84	80	116
Austria	44	44	67	68	37	41	80	65
Poland	42	33	82	75	65	62	74	53
Portugal	32	32	81	82	22	23	68	60
Romania	43	41	65	71	30	30	17	24
Slovenia	43	40	86	83	46	53	95	68
Slovakia	41	36	70	44	30	25	100	25
Finland	40	39	80	74	63	56	100	100
Sweden	47	43	87	79	59	45	96	79
United Kingdom	30	30	69	65	59	52	84	84
Iceland	24	24	71	82	41	39	72	48
Norway	35	34	75	76	39	34	88	90
Switzerland	27	26	:	:	:	:	:	:
Turkey	41	38	:	:	:	:	:	:
Japan	:	:	57	58	19	21	137	132
United States	28	27	71	71	28	28	54	51

(1) Cyprus, 2007 instead of 2008.

(2) EU-27, Cyprus and Romania, 2007 instead of 2008.

Source: Eurostat (tsiem050, earn_nt_unemtrp and earn_nt_lowwtrp)

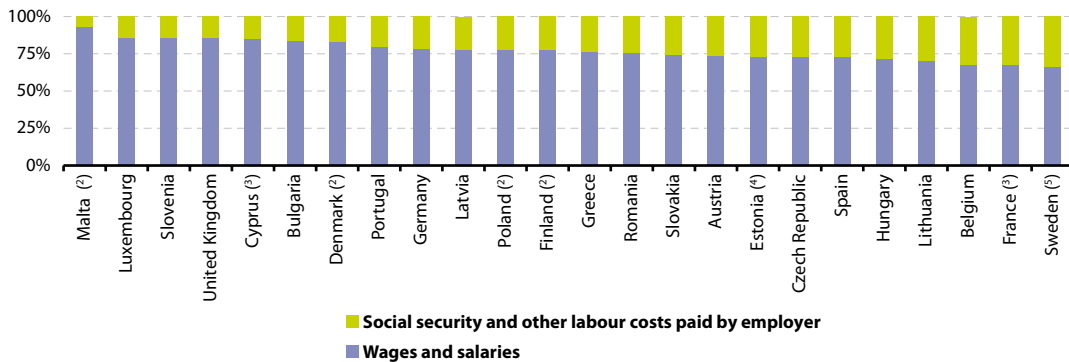
Figure 5.16: Average hourly labour costs in the business economy of full-time employees, 2009 ⁽¹⁾ (EUR)



⁽¹⁾ Enterprises employing ten or more employees; NACE Rev. 2 Sections B to N; Ireland, Italy and Netherlands not available.
⁽²⁾ 2008, NACE Rev. 2 Sections B to N.
⁽³⁾ 2007, NACE Rev. 1.1 Sections C to K.
⁽⁴⁾ 2008, NACE Rev. 1.1 Sections C to K.
⁽⁵⁾ All enterprises.

Source: Eurostat (lc_an_costh_r2 and lc_an_costh)

Figure 5.17: Breakdown of labour costs in the business economy, 2009 ⁽¹⁾ (% share of total labour costs)



⁽¹⁾ Enterprises employing ten or more employees; NACE Rev. 2 Sections B to N; Ireland, Italy and Netherlands not available.
⁽²⁾ 2008, NACE Rev. 2 Sections B to N.
⁽³⁾ 2008, NACE Rev. 1.1 Sections C to K.
⁽⁴⁾ All enterprises.
⁽⁵⁾ 2007, NACE Rev. 1.1 Sections C to K.

Source: Eurostat (lc_an_struct_r2 and lc_an_struct)



5.4 Job vacancies

This subchapter gives an overview of annual job vacancy statistics in the European Union (EU), notably the job vacancy rate. Eurostat also collects quarterly job vacancy statistics.

EU policies in the area of job vacancies aim to improve the functioning of the labour market by trying to match more closely supply and demand. In order to enable job seekers to consult all vacancies publicised in each of the Member State's employment services, the European jobs and mobility portal (EURES) was set up.

Main statistical findings

There was an upward development in the job vacancy rate in the EU-27, with the rate rising during four consecutive years through to a relative peak of 2.2 % in 2007. The EU-27 job vacancy rate then fell to an historic low of 1.4 % in 2009; the time series for this indicator is available from 2003 onwards.

Among the Member States for which data are available, the job vacancy rate in 2009 was highest in Germany (2.5 %), Malta (1.8 %) and the United Kingdom (1.7 %); the rate was lowest in France and Latvia (both 0.3 %).

Data sources and availability

Data on job vacancies and occupied posts may be presented broken down by economic activity, occupation, size of enterprise and region. The national statistical authorities responsible for compiling job vacancy statistics send these statistics to Eurostat.

Their data are used to compile the job vacancy rate for the EU and the euro area.

Some of the data provided by the Member States fails to match common criteria and there may be differences in the coverage of the data between countries; as a result, there are currently no EU-27 totals for the actual numbers of job vacancies or occupied posts. The EU-27 and euro area job vacancy rates are calculated on the basis of the information that is available; no estimates are made for missing or incomplete data. It is therefore not possible, at present, to present EU-27 or euro area job vacancy rates broken down by economic activity, occupation or size of enterprise.

Context

The job vacancy rate, in part, reflects the unmet demand for labour, as well as potential mismatches 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 an assessment of the business cycle and for a structural analysis of the economy.

Policy developments in this area have mainly focused on trying to improve the labour market by more closely matching supply and demand, through:

- modernising and strengthening labour market institutions, notably employment services;

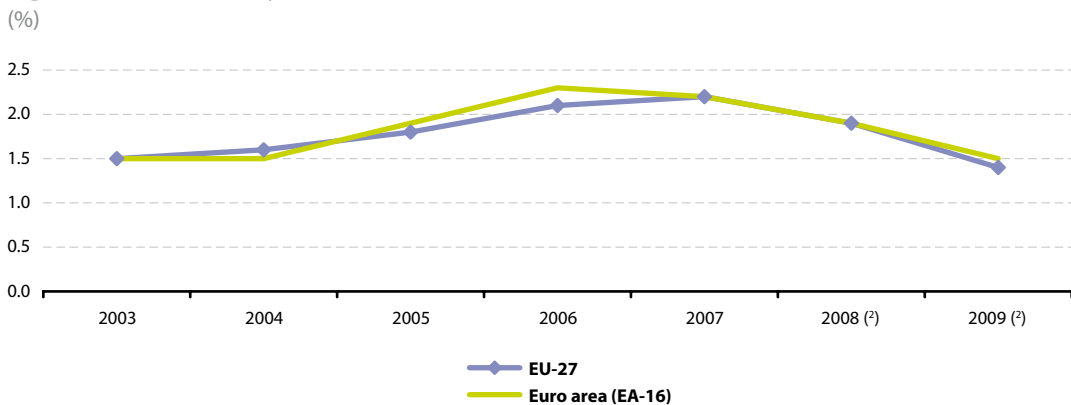
- removing obstacles to worker mobility across Europe;
- better anticipating skill needs, labour market shortages and bottlenecks;
- managing economic migration;
- improving the adaptability of workers and enterprises so that there is a greater capacity to anticipate, trigger and absorb economic and social change.

The European jobs and mobility portal (EURES) was set-up with the aim of providing job seekers in the EU with the opportunity to consult all job vacancies publicised in each of the Member State's employment services. The website provides access to a range of job vacancies from 31 European countries (the 27 EU Member States, as well as Iceland,

Liechtenstein, Norway and Switzerland). In autumn 2010, there were around one million job vacancies advertised by over 22 000 registered employers on the website, while more than 500 000 people had posted their CVs on the website.

European job days are another EU initiative in this domain and 2010 was the fourth edition of this programme of activities: during September and October 2010, a wide range of events (around 500) took place all over Europe with the aim of raising awareness about the opportunities and practicalities of living and working in another European country. The events typically include job fairs, seminars, lectures, workshops and cultural events, all aimed at improving labour mobility.

Figure 5.18: Job vacancy rate ⁽¹⁾



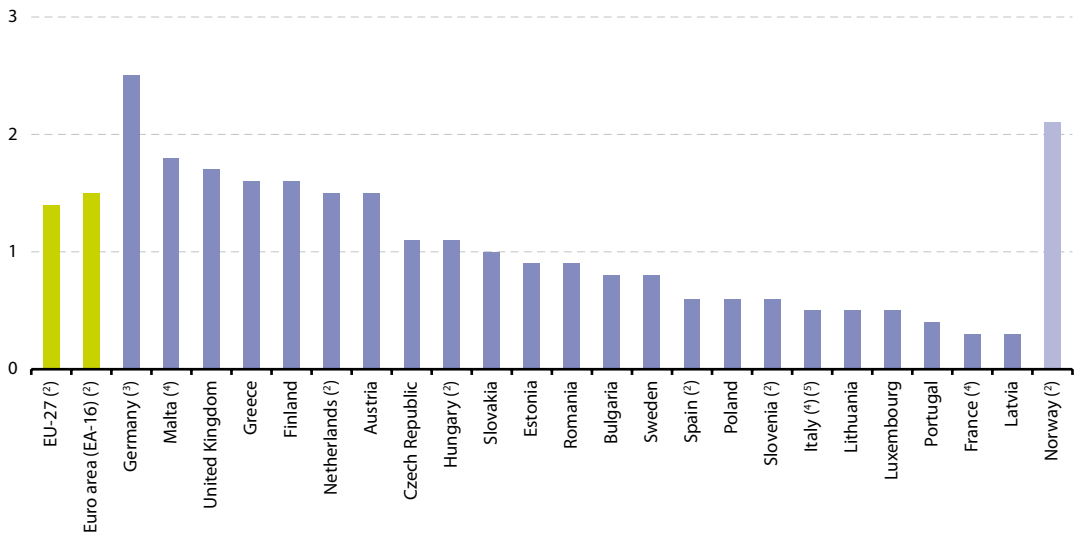
⁽¹⁾ Data from 2003 to 2008 cover NACE Rev. 1.1 Sections A to O; data for 2009 cover NACE Rev. 2 Sections B to S.

⁽²⁾ Provisional.

Source: Eurostat ([jvs_a_nace1](#) and [jvs_a_nace2](#))



Figure 5.19: Job vacancy rate, 2009⁽¹⁾
(%)



⁽¹⁾ NACE Rev. 2 Sections B to S; Belgium, Denmark and Ireland, not available; Cyprus, confidential.

⁽²⁾ Provisional.

⁽³⁾ NACE Rev. 1.1 Sections A to O.

⁽⁴⁾ Job vacancy rate for enterprises with 10 or more employees.

⁽⁵⁾ NACE Rev. 2 Sections B to N.

Source: Eurostat ([jvs_a_nace1](#), [jvs_a_nace2](#), [jvs_q_nace1](#) and [jvs_q_nace2](#))

5.5 Labour market policy interventions

Labour market policy (LMP) interventions are generally targeted at providing assistance to the unemployed and other groups of people who face particular difficulties to enter the labour market. In most European Union (EU) Member States the primary target group is people registered as unemployed by national public employment services. However, policy objectives aimed at increasing participation in the labour market are increasingly focused on a broader range of persons who are not formally unemployed but are often receiving some other form of social benefit and are believed to be capable of working given the right support and opportunities. As a result, the types of intervention used, and the groups that are targeted, vary between Member States depending on national circumstances and priorities.

Main statistical findings

Across the EU-27, a total of 1.6 % of gross domestic product (GDP) was spent on LMP interventions in 2008. Approximately 60 % of this expenditure was directed to LMP supports, 28 % to LMP measures and 12 % to LMP services. However, the level of expenditure and the breakdown of both expenditure and participants between the different types of LMP intervention varied considerably between Member States, reflecting the diverse characteristics and problems within national labour markets, as well as the different political convictions of their respective governments.

Within the EU Member States, the highest level of relative expenditure on LMP interventions in 2008 was reported in Belgium (3.3 % of GDP), followed by Spain, Denmark, the Netherlands, Finland, Ireland and France, which all spent between 2.0 % and 2.5 % of their GDP on such interventions (see Figure 5.20). At the other end of the scale, ten Member States spent 0.5 % of GDP or less on these interventions: Malta, the United Kingdom, Cyprus, Latvia, Bulgaria, Slovenia, the Czech Republic, Lithuania, Estonia and Romania. Relative to GDP, Belgium spent the most on both LMP measures and LMP supports, being the only Member State to spend more than 1.0 % and more than 2.0 % of GDP respectively, while the Netherlands reported the highest relative expenditure on LMP services – at just over 0.3 % of GDP.

LMP measures (see Figure 5.21) mostly support the transition from unemployment or inactivity into employment, either: by improving employability through training or work experience; by providing incentives for employers to take on people from selected target groups; or by encouraging individuals to become self-employed. Total public expenditure on LMP measures across the EU-27 in 2008 was equivalent to 0.45 % of GDP. The largest part of this expenditure went on training (39.0 %), just less than a quarter (24.0 %) on employment incentives, while 16.1 % was accounted for by supported employment and rehabilitation (measures that promote labour market integration of people with reduced working capacity) and 13.4 % by direct job creation (which covers



the provision of temporary jobs that are additional to normal market supply).

Across the EU-27 there was an average of 10.3 million people participating in LMP measures at any point during 2008. Of these, just less than 4 million received employment incentives, which mostly involve the use of public funds to provide a fixed-term subsidy to employers who take on people from selected target groups, either into a regular job or into a specially arranged placement for work experience. A further 3.2 million people were engaged in some form of labour market training (see Table 5.11).

Data sources and availability

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 that explicitly target groups with difficulties in the labour market. This includes the unemployed, those employed but at risk of involuntary job loss, and people who are currently inactive in the labour market but would like to work.

Three types of interventions

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 in labour market status.
- **LMP measures** refer to labour market interventions where the main activity of participants is not job-search related and where participation usually results in a change of labour market status. In other words, a person who is unemployed typically ceases to be considered as such when participating in an LMP measure because they are temporarily in training or work and therefore not both actively seeking and immediately available for work. 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.

Additional category breakdowns

The three main types of intervention are further broken down into nine detailed categories according to the type of action:

- **LMP services**
- 1. Labour market services;
- **LMP measures**
- 2. Training;
- 3. Job rotation and job sharing;
- 4. Employment incentives;
- 5. Supported employment and rehabilitation;
- 6. Direct job creation;
- 7. Start-up incentives;
- **LMP supports**
- 8. Out-of-work income maintenance and support;
- 9. Early retirement.

The LMP methodology provides guidelines for the collection of data on LMP interventions: which interventions to cover; how to classify interventions by type of action; how to measure the expenditure associated with each intervention; and how to measure the number of participants in each intervention using observations of stocks and flows (entrants and exits).

Context

LMP interventions provide assistance to the unemployed and other groups facing difficulties entering the labour market. The LMP data collection was developed by the European Commission (EC) as an instrument to monitor the implementation and development of targeted employment policies across the EU in response to two

agreements of the European Council in 1997. The first, held in Amsterdam in June 1997, confirmed that whilst employment policy should be a national responsibility, it was also an issue of common concern and that there should be a coordinated strategy at a European level. The second, held in November 1997 in Luxembourg – the so-called ‘Jobs Summit’ – launched the European employment strategy (EES) in which LMPs had a key role in relation to employability. Since that time, LMP statistics have been used to monitor both active and passive interventions in the labour market and, in particular, relevant areas of the employment guidelines as set out under the Lisbon strategy.

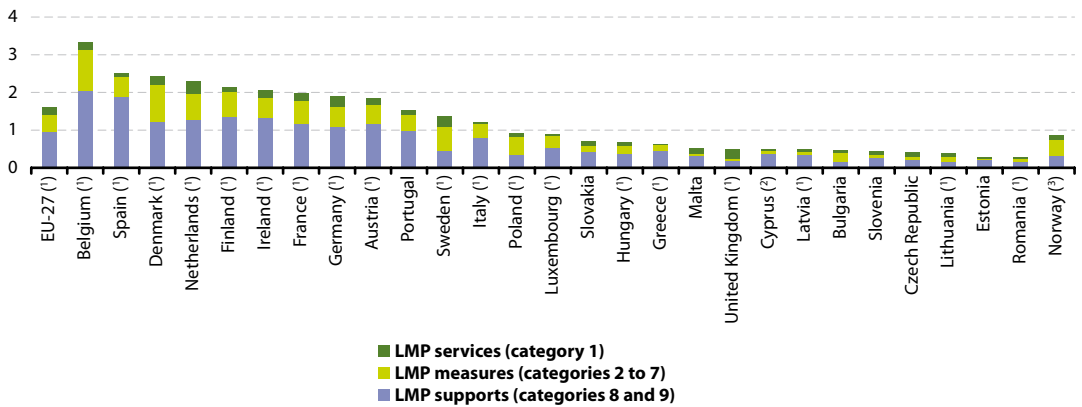
Within the new Europe 2020 strategy, the flexicurity approach aims to result in the provision and implementation of active LMPs while ensuring adequate benefits for those out of work. The concept of flexicurity came to the forefront of the EU’s employment agenda in 2007 when the European Commission released a Communication titled ‘Towards common principles of flexicurity – more and better jobs through flexibility and security’ (COM 2007/359), which highlighted the idea of reconciling flexibility in the labour market with security for workers. Within this modern flexicurity approach, security refers not only to security of income (for example, through the provision of adequate unemployment benefits) but also to securing people’s capacity to work by ensuring lifelong access to opportunities to develop and adapt their skills to meet new demands in the labour



market. Hence, the Europe 2020 strategy specifically refers to the provision of active LMPs, which cover LMP measures and LMP services, and modern social security systems, which include LMP sup-

ports. These policies for labour market are, therefore, key instruments within the Europe 2020 strategy and a series of indicators based on LMP data continue to be used for monitoring progress.

Figure 5.20: Public expenditure on labour market policy interventions, 2008
(% of GDP)



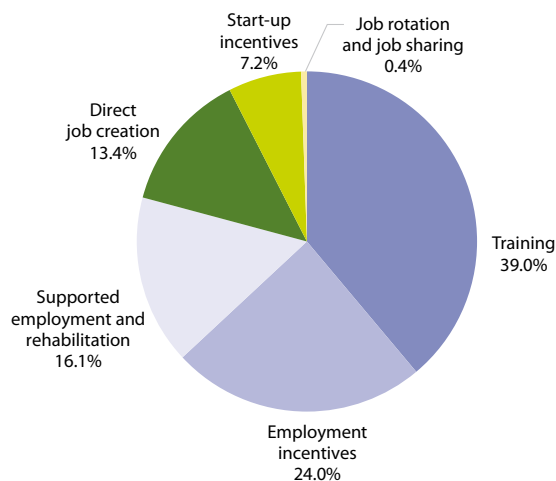
(1) Includes estimates.

(2) Includes provisional data and estimates.

(3) Services data 2007; includes estimates.

Source: Eurostat ([lmp_expsumm](#))

Figure 5.21: Public expenditure on labour market policy measures, EU-27, 2008 (1)
(% of total)



(1) Estimates; figures do not sum to 100% due to rounding.

Source: Eurostat ([tps00077](#))

Table 5.11: Labour market policy measures, participants by type of action, 2008
(annual average stock in 1 000)

	Training	Job rotation & job sharing	Employment incentives	Supported employment & rehabilitation	Direct job creation	Start-up incentives
EU-27 (¹)	3 181.9	122.5	3 986.1	1 220.3	983.6	772.5
Belgium (²)	109.4	-	216.3	37.7	152.1	1.3
Bulgaria (²)	8.2	-	10.6	1.4	65.8	3.9
Czech Republic	4.8	-	7.4	28.8	4.3	3.4
Denmark (²)	61.4	0.0	22.9	65.7	-	-
Germany	828.5	0.4	187.3	45.1	331.1	180.5
Estonia	1.0	-	0.0	0.0	0.0	0.2
Ireland (²)	34.5	-	4.5	3.2	24.4	4.6
Greece (²)	14.5	-	22.7	0.0	0.9	4.7
Spain (¹)	199.3	93.8	1,976.8	54.5	:	392.0
France (¹)	587.6	-	:	134.4	233.1	130.0
Italy (¹)	799.8	20.0	612.7	-	23.2	5.1
Cyprus (¹)	0.3	-	1.0	0.3	-	0.1
Latvia	1.5	-	2.3	0.0	1.6	:
Lithuania	4.1	0.3	:	4.5	2.4	0.1
Luxembourg (¹)	0.8	-	12.0	0.1	0.7	-
Hungary	16.4	-	35.3	-	13.6	3.0
Malta (¹)	0.4	-	0.1	-	0.0	:
Netherlands (²)	142.8	-	32.2	150.9	-	-
Austria (²)	103.9	0.2	63.3	2.0	6.8	2.6
Poland (¹)	95.7	-	45.5	620.9	11.3	6.1
Portugal	50.0	-	83.1	6.1	21.1	6.1
Romania	34.6	-	39.0	-	11.9	:
Slovenia	3.4	-	0.6	-	2.3	0.8
Slovakia (²)	1.3	-	10.1	2.0	57.2	21.0
Finland (²)	45.7	7.9	13.8	8.2	11.7	4.4
Sweden	10.4	-	83.4	38.4	-	2.7
United Kingdom (¹)	21.7	-	46.7	16.2	8.3	-
Norway	29.5	-	5.0	13.9	6.7	0.3

(¹) Includes some values that are incomplete (participant data available for >80 % but <100 % of expenditure).

(²) Includes estimates.

Source: Eurostat ([Imp_partsum](#))