5 Labour market

Introduction

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 costs – 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 and employment 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 facilitating the entry 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 the 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 sex, age and educational level attained, and there is also considerable variation across EU Member States and regions within these Member States.

Main statistical findings

Employment rates – differences by sex, age and educational attainment level

The EU-27 employment rate for persons aged 15 to 64, as measured by the EU's labour force survey (EU LFS), decreased in 2010 to 64.2 %, down from 64.6 % in 2009. This decrease of 0.4 percentage points followed on from a 1.3 percentage point fall in 2009, the first decrease recorded in the EU-27 employment rate since 2002; the EU-27 employment rate had stood at 60.7 % in 1997 (the first year data are available for this series) and peaked at 65.9 % in 2008.

Employment rates vary considerably not only across but also within the EU Member States according

to regional patterns, with a relatively high dispersion (as measured by the coefficient of variation for regions at the NUTS 2 level) observed across Italy (17.8 %) in 2010. In contrast, there was relatively little divergence in employment rates across the regions of Portugal, Austria, Greece, Sweden, the Netherlands or Denmark (all below 4 %). The dispersion of regional employment across the whole of the EU-27 was the same in 2010 as it had been five years earlier, while that of the euro area (EA-15) increased – see Figure 5.1.2.

Employment rates are generally lower among women and older workers. In 2010, the employment rate for men reached 70.1 % in the EU-27, as compared with 58.2 % for women. The rates for men and women fell in 2009 and again in 2010, such that by 2010 the rate for men was 2.7 percentage points lower than in 2008, while for women it was 0.9 percentage points lower. A longer term comparison shows that the employment rate for men was approximately the same in 2010 as it had been in 1997 (the start of the series) when it was 70.0 %, whereas for women the rate increased by 6.8 percentage points from 51.4 % in 1997.

The EU-27 employment rate for older workers (aged between 55 and 64) reached 46.3 % in 2010. In contrast to overall employment rates, the 2010 employment rate for older workers was higher than in the previous year (46.0 %), and this extended an unbroken series of increases in this rate starting in 1998 when the rate was 36.2 %. In 2010 there were eight Member States that had an employment rate for older workers in excess of 50 %, with the highest recorded in Sweden (70.5 %).

Employment rates vary considerably according to levels of educational attainment: for statistics on this issue employment rates are based on the age group 25 to 64 rather than 15 to 64. The employment rate of those who had completed a tertiary education was 83.9 % across the EU-27 in 2010, much higher than the rate (53.8 %) for those who had attained a primary or lower secondary education. The EU-27 employment rate of persons with an upper secondary or post-secondary non-tertiary education was 73.1 %. The fall in the employment rate witnessed in 2010 for persons with a primary or lower secondary education was the third successive annual reduction, down a total of 3.4 percentage points from the 57.2 % rate recorded in 2007. For persons with an upper secondary or post-secondary non-tertiary education the rate fell 1.8 percentage points between 2008 and 2010, while for persons with a tertiary education the rate fell 1.4 percentage points over the same period.

Part-time and fixed-term contracts

The proportion of the EU-27 workforce reporting that their main job was part-time increased steadily from 16.2 % in 2000 to 19.2 % by 2010. The highest proportion of part-time workers was found in the Netherlands (48.9 % in 2010), followed by the United Kingdom, Denmark, Sweden, Germany and Austria, where part-time work accounted in each case for over a quarter (25 % to 27 %) of those in employment. In contrast, part-time employment was relatively uncommon in Bulgaria (2.4 % of employment) and Slovakia (3.9 %).

The incidence of part-time work differs significantly between men and women. Just under one third (31.9 %) of women employed in the EU-27 worked on a part-time basis in 2010, a much higher proportion than the corresponding figure for men (8.7 %). Three quarters (76.5 %) of all women employed in the Netherlands worked on a part-time basis in 2010, by far the highest rate among the Member States ([3]).

Having fallen in 2008 and 2009, the share of employees with a contract of limited duration (fixed-term employment) increased to 13.9 % in the EU-27 in 2010. One in four employees had a temporary contract in Poland and Spain in 2010 and the share was close to this level in Portugal. Among the remaining Member States, the share of employees working on a contract of limited duration ranged from 18.3 % in the Netherlands down to just 1.1 % in Romania. The considerable range in the propensity to use limited duration contracts between Member States

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

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 EU's 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 potential source for information relating to 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 make data more suitable for an analysis of employment as a labour input, 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 collects 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. The labour force 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 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. These rates are typically published for the working age population, which is generally considered to be those aged between 15 and 64 years, although the age range of 16 to 64 is used in 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.

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

([4]) For Switzerland only spring LFS results (for the second quarter) are available and these are used as annual estimates in the respective tables and figures.

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.

Annual employment growth gives the change, in percentage terms, from one year to the next, in terms 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.

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 a source of household income.

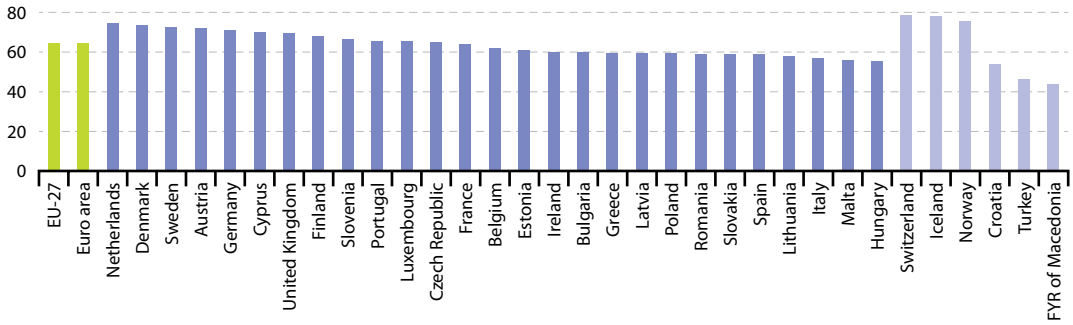
Employment is both a structural indicator and a short-term indicator. As a structural indicator, it may shed light on the structure of labour markets and economic systems, as measured through the balance of labour supply and demand, or the quality of employment. As a short-term indicator, employment 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, and in July 2008, employment policy guidelines for the period 2008 to 2010 were updated.

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 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

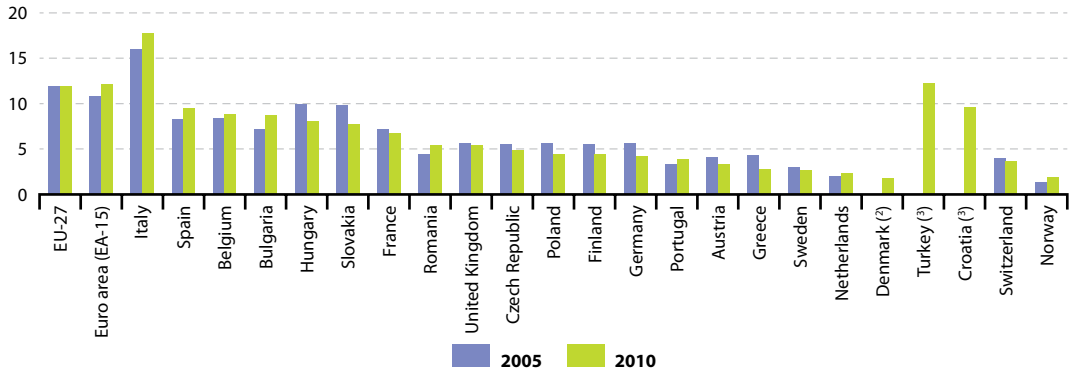
in the availability of childcare facilities, providing more opportunities for lifelong learning, or facilitating job mobility. Central to this theme is the issue of 'flexicurity': policies that simultaneously address the flexibility of labour markets, work organisation and labour relations, while taking into account the reconciliation of work and private life, employment security and social protection.

Figure 5.1.1: Employment rate, age group 15-64, 2010
(%)



Source: Eurostat (online data code: lfsi_emp_a)

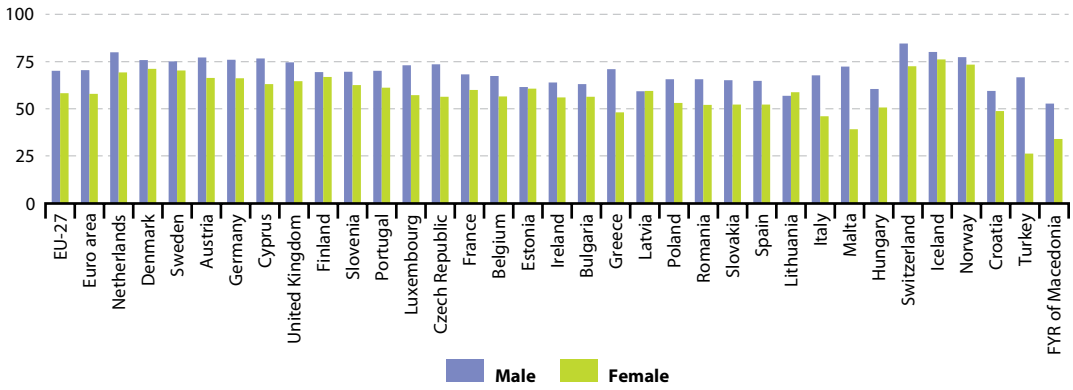
Figure 5.1.2: Dispersion of regional employment rates, 2005 and 2010 (1)
(coefficient of variation of employment rates (of the age group 15-64) across regions (NUTS 2 level))



(1) At the NUTS 2 level: Estonia, Cyprus, Latvia, Lithuania, Luxembourg and Malta are treated as one region, as was Denmark in 2005; Ireland and Slovenia have only two regions; for non-member countries statistical regions equivalent to NUTS level 2 are used.
(2) 2005, not relevant; 2009 instead of 2010.
(3) 2005, not available.

Source: Eurostat (online data code: tsisc050)

Figure 5.1.3: Employment rates by sex, 2010 ([1])
(%)



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

Source: Eurostat (online data code: lfsi_emp_a)

Table 5.1.1: Employment rate, age group 15-64, 2000-2010
(%)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EU-27	62.2	62.6	62.4	62.6	63.0	63.5	64.5	65.4	65.9	64.6	64.2
Euro area	61.4	62.1	62.3	62.6	63.1	63.7	64.7	65.6	66.0	64.7	64.2
Belgium	60.5	59.9	59.9	59.6	60.3	61.1	61.0	62.0	62.4	61.6	62.0
Bulgaria	50.4	49.7	50.6	52.5	54.2	55.8	58.6	61.7	64.0	62.6	59.7
Czech Republic	65.0	65.0	65.4	64.7	64.2	64.8	65.3	66.1	66.6	65.4	65.0
Denmark	76.3	76.2	75.9	75.1	75.7	75.9	77.4	77.1	77.9	75.7	73.4
Germany (1)	65.6	65.8	65.4	65.0	65.0	66.0	67.5	69.4	70.7	70.9	71.1
Estonia	60.4	61.0	62.0	62.9	63.0	64.4	68.1	69.4	69.8	63.5	61.0
Ireland	65.2	65.8	65.5	65.5	66.3	67.6	68.7	69.2	67.6	61.8	60.0
Greece	56.5	56.3	57.5	58.7	59.4	60.1	61.0	61.4	61.9	61.2	59.6
Spain (1)	56.3	57.8	58.5	59.8	61.1	63.3	64.8	65.6	64.3	59.8	58.6
France	62.1	62.8	63.0	64.0	63.8	63.7	63.7	64.3	64.9	64.1	64.0
Italy (2)	53.7	54.8	55.5	56.1	57.6	57.6	58.4	58.7	58.7	57.5	56.9
Cyprus	65.7	67.8	68.6	69.2	68.9	68.5	69.6	71.0	70.9	69.9	69.7
Latvia	57.5	58.6	60.4	61.8	62.3	63.3	66.3	68.3	68.6	60.9	59.3
Lithuania	59.1	57.5	59.9	61.1	61.2	62.6	63.6	64.9	64.3	60.1	57.8
Luxembourg	62.7	63.1	63.4	62.2	62.5	63.6	63.6	64.2	63.4	65.2	65.2
Hungary	56.3	56.2	56.2	57.0	56.8	56.9	57.3	57.3	56.7	55.4	55.4
Malta	54.2	54.3	54.4	54.2	54.0	53.9	53.6	54.6	55.3	54.9	56.0
Netherlands (3)	72.9	74.1	74.4	73.6	73.1	73.2	74.3	76.0	77.2	77.0	74.7
Austria (2)	68.5	68.5	68.7	68.9	67.8	68.6	70.2	71.4	72.1	71.6	71.7
Poland	55.0	53.4	51.5	51.2	51.7	52.8	54.5	57.0	59.2	59.3	59.3
Portugal	68.4	69.0	68.8	68.1	67.8	67.5	67.9	67.8	68.2	66.3	65.6
Romania (4)	63.0	62.4	57.6	57.6	57.7	57.6	58.8	58.8	59.0	58.6	58.8
Slovenia	62.8	63.8	63.4	62.6	65.3	66.0	66.6	67.8	68.6	67.5	66.2
Slovakia	56.8	56.8	56.8	57.7	57.0	57.7	59.4	60.7	62.3	60.2	58.8
Finland	67.2	68.1	68.1	67.7	67.6	68.4	69.3	70.3	71.1	68.7	68.1
Sweden (1)	73.0	74.0	73.6	72.9	72.1	72.5	73.1	74.2	74.3	72.2	72.7
United Kingdom	71.2	71.4	71.4	71.5	71.7	71.7	71.6	71.5	71.5	69.9	69.5
Iceland	:	:	:	83.3	82.3	83.8	84.6	85.1	83.6	78.3	78.2
Norway	77.5	77.2	76.8	75.5	75.1	74.8	75.4	76.8	78.0	76.4	75.3
Switzerland	78.3	79.1	78.9	77.9	77.4	77.2	77.9	78.6	79.5	79.0	78.6
Croatia	:	:	53.4	53.4	54.7	55.0	55.6	57.1	57.8	56.6	54.0
FYR of Macedonia	:	:	:	:	:	:	39.6	40.7	41.9	43.3	43.5
Turkey	:	:	:	:	:	:	44.6	44.6	44.9	44.3	46.3
Japan	68.9	68.8	68.2	68.4	68.7	69.3	70.0	70.7	70.7	70.0	70.1
United States	74.1	73.1	71.9	71.2	71.2	71.5	72.0	71.8	70.9	67.6	66.7

(1) Break in series in, 2005.
(2) Break in series in, 2004.
(3) Break in series in, 2010.
(4) Break in series in, 2002.

Source: Eurostat (online data code: lfsi_emp_a)

Table 5.1.2: Employment rates for selected population groups, 2000-2010
(%)

	Male			Female			Older workers (55-64)		
	2000	2005	2010	2000	2005	2010	2000	2005	2010
EU-27	70.8	70.8	70.1	53.7	56.3	58.2	36.9	42.3	46.3
Euro area	71.4	71.8	70.4	51.4	55.6	57.9	34.2	40.4	45.8
Belgium	69.5	68.3	67.4	51.5	53.8	56.5	26.3	31.8	37.3
Bulgaria	54.7	60.0	63.0	46.3	51.7	56.4	20.8	34.7	43.5
Czech Republic	73.2	73.3	73.5	56.9	56.3	56.3	36.3	44.5	46.5
Denmark	80.8	79.8	75.8	71.6	71.9	71.1	55.7	59.5	57.6
Germany (1)	72.9	71.3	76.0	58.1	60.6	66.1	37.6	45.4	57.7
Estonia	64.3	67.0	61.5	56.9	62.1	60.6	46.3	56.1	53.8
Ireland	76.3	76.9	63.9	53.9	58.3	56.0	45.3	51.6	50.0
Greece	71.5	74.2	70.9	41.7	46.1	48.1	39.0	41.6	42.3
Spain (1)	71.2	75.2	64.7	41.3	51.2	52.3	37.0	43.1	43.6
France	69.2	69.2	68.3	55.2	58.4	59.9	29.9	38.5	39.7
Italy (1)	68.0	69.9	67.7	39.6	45.3	46.1	27.7	31.4	36.6
Cyprus	78.7	79.2	76.6	53.5	58.4	63.0	49.4	50.6	56.8
Latvia	61.5	67.6	59.2	53.8	59.3	59.4	36.0	49.5	48.2
Lithuania	60.5	66.1	56.8	57.7	59.4	58.7	40.4	49.2	48.6
Luxembourg	75.0	73.3	73.1	50.1	53.7	57.2	26.7	31.7	39.6
Hungary	63.1	63.1	60.4	49.7	51.0	50.6	22.2	33.0	34.4
Malta	75.0	73.8	72.3	33.1	33.7	39.2	28.5	30.8	30.2
Netherlands (2)	82.1	79.9	80.0	63.5	66.4	69.3	38.2	46.1	53.7
Austria (1)	77.3	75.4	77.1	59.6	62.0	66.4	28.8	31.8	42.4
Poland	61.2	58.9	65.6	48.9	46.8	53.0	28.4	27.2	34.0
Portugal	76.5	73.4	70.1	60.5	61.7	61.1	50.7	50.5	49.2
Romania (1)	68.6	63.7	65.7	57.5	51.5	52.0	49.5	39.4	41.1
Slovenia	67.2	70.4	69.6	58.4	61.3	62.6	22.7	30.7	35.0
Slovakia	62.2	64.6	65.2	51.5	50.9	52.3	21.3	30.3	40.5
Finland	70.1	70.3	69.4	64.2	66.5	66.9	41.6	52.7	56.2
Sweden (1)	75.1	74.4	75.1	70.9	70.4	70.3	64.9	69.4	70.5
United Kingdom	77.8	77.7	74.5	64.7	65.8	64.6	50.7	56.8	57.1
Iceland	:	86.9	80.1	:	80.5	76.2	:	84.3	79.8
Norway	81.3	77.8	77.3	73.6	71.7	73.3	65.2	65.5	68.6
Switzerland	87.3	83.9	84.6	69.3	70.4	72.5	63.3	65.1	68.0
Croatia	:	61.7	59.4	:	48.6	48.8	:	32.6	37.6
FYR of Macedonia	:	:	52.8	:	:	34.0	:	:	34.2
Turkey	:	:	66.7	:	:	26.2	:	:	29.6
Japan	80.9	80.4	80.0	56.7	58.1	60.1	62.8	63.9	65.2
United States	80.6	77.6	71.1	67.8	65.6	62.4	57.8	60.8	60.3

(1) Break in series, 2000 to 2005.
(2) Break in series, 2005 to 2010.

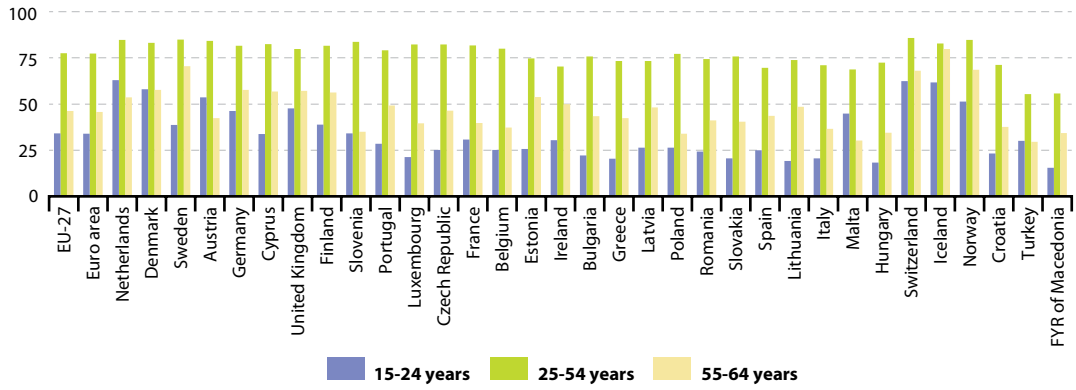
Source: Eurostat (online data code: lfsi_emp_a)

Table 5.1.3: Employment rate by highest level of education, age group 25-64, 2010
(%)

	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	53.8	73.1	83.9
Euro area	54.4	74.3	83.4
Belgium	48.9	74.5	84.0
Bulgaria	41.2	71.5	83.8
Czech Republic	43.2	74.5	83.3
Denmark	62.6	79.1	86.3
Germany	55.3	76.3	86.9
Estonia	45.2	68.7	79.9
Ireland	46.8	66.4	81.1
Greece	58.1	66.5	80.0
Spain	52.9	68.9	79.7
France	55.5	74.4	83.7
Italy	50.4	72.6	78.3
Cyprus	66.4	77.6	84.9
Latvia	48.5	66.1	81.1
Lithuania	32.4	63.8	86.9
Luxembourg	61.9	72.1	85.0
Hungary	37.6	66.2	78.6
Malta	49.1	81.0	85.7
Netherlands	61.4	80.3	87.2
Austria	56.1	77.9	85.7
Poland	39.9	65.6	84.8
Portugal	68.2	79.9	85.4
Romania	54.8	68.5	85.3
Slovenia	51.1	73.0	87.3
Slovakia	29.7	69.9	82.2
Finland	55.0	74.1	84.1
Sweden	65.1	83.3	88.1
United Kingdom	56.0	76.8	85.1
Iceland	76.5	82.0	89.1
Norway	63.8	81.4	90.2
Switzerland	69.3	81.2	88.4
Croatia	43.3	62.7	79.0
FYR of Macedonia	33.4	58.4	73.9
Turkey	45.6	60.0	75.7

Source: Eurostat (online data code: lfsa_ergaed)

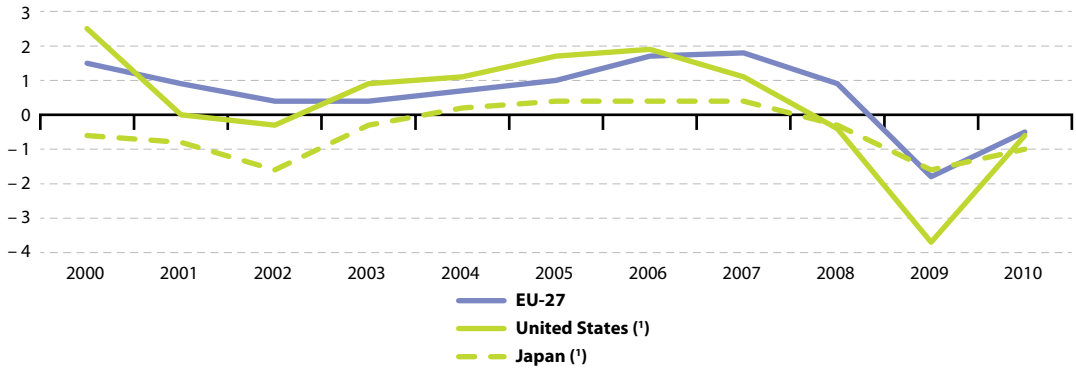
Figure 5.1.4: Employment rates by age group, 2010 (1)
(%)



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

Source: Eurostat (online data code: lfsi_emp_a)

Figure 5.1.5: Annual employment growth, 2000-2010
(% change in the number of employed persons)



(1) 2009 and 2010, forecasts.

Source: Eurostat (online data code: lfsi_grt_a)

Table 5.1.4: Annual employment growth by sex, 2000-2010
(% change in the number of employed persons)

	Total			Male			Female		
	2000	2005 (1)	2010 (2)	2000	2005 (3)	2010 (2)	2000	2005 (3)	2010 (2)
EU-27	1.5	1.0	−0.5	1.0	0.7	−0.6	2.2	1.3	−0.3
Euro area	2.3	1.0	−0.5	1.9	0.4	−0.7	3.0	1.8	−0.2
Belgium	2.0	1.4	0.7	1.9	0.5	0.3	2.2	2.6	1.1
Bulgaria	−2.4	2.7	−5.9	:	3.4	−6.9	:	1.9	−4.8
Czech Republic	−0.2	1.0	−0.8	−0.2	1.7	−0.7	−0.1	0.2	−0.9
Denmark	0.5	1.0	−2.1	0.0	0.9	−2.3	1.1	1.2	−1.8
Germany	1.9	−0.1	0.5	1.4	−1.1	0.9	2.6	1.1	0.2
Estonia	−1.5	2.0	−4.8	−1.1	0.5	−5.1	−1.9	3.6	−4.5
Ireland	4.5	4.9	−4.1	3.9	4.3	−5.2	5.3	5.8	−2.9
Greece	0.5	*0.8*	*−2.1*	0.1	0.5	−2.8	1.2	1.3	−1.1
Spain	5.1	4.1	−2.3	3.6	2.7	−3.3	7.7	6.3	−0.9
France	2.6	0.7	*0.2*	2.5	0.2	0.2	2.7	1.2	0.1
Italy	1.9	0.6	−0.7	1.3	0.7	−1.2	3.1	0.3	0.0
Cyprus	1.7	3.6	0.1	:	3.8	−0.7	:	3.3	1.0
Latvia	−3.2	1.6	−4.8	−4.8	2.3	−5.3	−1.5	0.8	−4.3
Lithuania	−4.0	2.5	−5.1	:	2.2	−5.9	:	2.7	−4.4
Luxembourg	5.6	2.9	1.5	5.3	1.5	0.6	6.1	4.8	2.8
Hungary	1.0	−0.2	0.2	0.9	−0.3	−0.9	1.1	−0.1	1.5
Malta	:	1.5	2.0	:	0.3	0.9	:	4.2	4.2
Netherlands	2.2	0.5	−0.5	2.0	−0.3	−0.5	2.5	1.4	−0.5
Austria	0.9	1.5	1.0	0.9	1.0	1.1	1.0	2.1	0.9
Poland	−1.6	2.2	0.4	−1.5	3.1	0.1	−1.7	1.1	0.8
Portugal	2.1	−0.3	−1.5	1.9	−1.0	−1.6	2.3	0.5	−1.4
Romania	−0.8	−1.5	−1.8	−1.0	−0.6	−1.5	−0.5	−2.6	−2.1
Slovenia	1.5	−0.5	−2.0	1.4	−0.6	−1.9	1.7	−0.3	−2.2
Slovakia	−2.0	1.6	−1.4	−2.8	2.9	−2.5	−0.9	0.1	0.0
Finland	2.1	1.4	−1.4	2.2	1.0	−0.7	1.9	1.8	−2.2
Sweden	2.5	0.3	1.1	2.3	1.0	1.9	2.6	−0.5	0.3
United Kingdom (4)	1.3	1.3	−0.7	−0.6	1.1	−0.5	3.6	1.6	−0.9
Iceland	2.0	3.3	*−0.3*	:	3.7	−1.2	:	2.8	0.7
Norway	0.6	1.2	−0.2	:	1.5	0.1	:	0.9	−0.6
Croatia	4.0	*0.8*	*−4.0*	:	0.2	−4.5	:	1.5	−3.4
Turkey	*−0.4*	*1.4*	*6.2*	:	:	5.0	:	:	9.5
Japan	−0.6	0.4	*−1.0*	:	:	:	:	:	:
United States	2.5	1.7	*−0.6*	:	:	:	:	:	:

(1) Austria, break in series.
(2) The Netherlands, break in series.
(3) Germany, Spain, Italy, Austria, Romania and Sweden, break in series.
(4) Eurostat estimates of persons employed are based on the estimates of jobs transmitted by the United Kingdom.

Source: Eurostat (online data code: lfsi_grt_a)

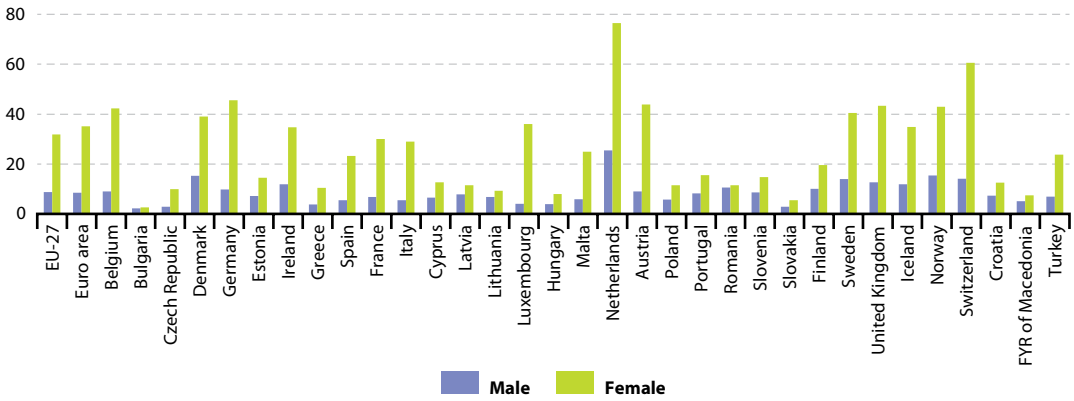
Table 5.1.5: Persons working part-time or with a second job, 2000-2010
(% of total employment)

	Persons working part-time			Persons with a second job		
	2000	2005	2010	2000	2005	2010
EU-27	16.2	17.8	19.2	3.9	3.7	3.7
Euro area	15.6	18.6	20.4	2.9	3.1	3.3
Belgium	18.9	22.0	24.0	3.8	3.9	4.1
Bulgaria	:	2.1	2.4	2.6	0.6	0.5
Czech Republic	5.3	4.9	5.9	2.7	2.4	2.2
Denmark	21.3	22.1	26.5	10.9	11.0	8.4
Germany (1)	19.4	24.0	26.2	2.4	3.3	3.6
Estonia	8.1	7.8	11.0	6.3	3.3	5.0
Ireland	16.4	:	22.4	1.8	2.1	2.1
Greece	4.5	5.0	6.4	3.8	2.8	3.1
Spain (2)	7.9	12.4	13.3	1.8	2.6	2.2
France	16.7	17.2	17.8	3.5	2.9	3.4
Italy (2)	8.4	12.8	15.0	1.4	1.6	1.5
Cyprus	8.4	8.9	9.3	5.7	6.1	3.3
Latvia	11.3	8.3	9.7	4.7	5.9	4.3
Lithuania	10.2	7.1	8.1	6.9	5.7	5.1
Luxembourg	10.4	17.4	17.9	1.1	1.8	3.0
Hungary	3.5	4.1	5.8	2.0	1.9	1.8
Malta	6.8	9.6	12.4	4.4	4.5	4.9
Netherlands (3)	41.5	46.1	48.9	5.9	6.2	7.2
Austria (2)	16.3	21.1	25.2	5.5	4.0	4.0
Poland	10.5	10.8	8.3	8.5	7.8	7.3
Portugal	10.9	11.2	11.6	6.2	6.4	6.0
Romania (2)	16.5	10.2	11.0	5.3	3.1	2.7
Slovenia	6.5	9.0	11.4	2.7	3.4	3.7
Slovakia	2.1	2.5	3.9	1.0	1.4	1.2
Finland	12.3	13.7	14.6	3.8	4.0	4.5
Sweden (2)	19.5	24.7	26.4	8.8	7.3	8.4
United Kingdom	25.1	25.2	26.9	4.4	3.7	3.8
Iceland	:	22.2	22.9	17.6	10.8	8.7
Norway	25.8	28.2	28.4	8.0	5.9	8.4
Switzerland	30.5	33.1	35.3	5.9	6.4	6.7
Croatia	:	10.1	9.7	:	3.4	2.7
FYR of Macedonia	:	:	5.9	:	:	2.1
Turkey	:	:	11.7	:	:	2.8

(1) Persons working part-time. break in series between 2000 and 2005.
(2) Break in series between 2000 and 2005.
(3) Break in series between 2005 and 2010.

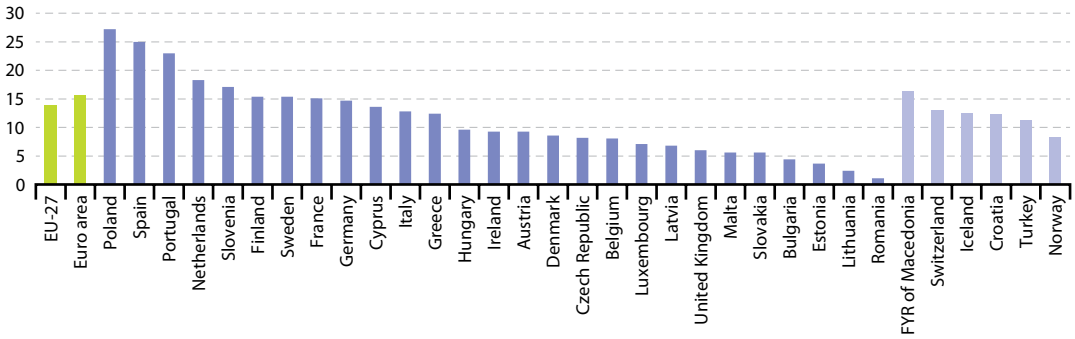
Source: Eurostat (online data codes: tps00159, lfsa_e2gis and lfsa_egan)

Figure 5.1.6: Persons employed part-time, 2010
(% of total employment)



Source: Eurostat (online data code: tps00159)

Figure 5.1.7: Proportion of employees with a contract of limited duration, age group 15-64, 2010
(% of total employees)



Source: Eurostat (online data code: lfsa_etpga)

5.2 Unemployment

This subchapter gives an overview of statistical information on unemployment in the European Union (EU). 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.

Main statistical findings

Unemployment trends

In 2000, there were, on average, 19.5 million persons unemployed in the EU-27, equivalent to 8.7 % of the total labour force. This figure fell slightly in 2001, before rising slowly to 21.0 million persons by 2004. There followed a period of steadily declining unemployment within the EU-27 and the number of unemployed persons reached a low point in 2008 when 16.8 million were without a job (equivalent to 7.1 % of the labour force). In the wake of the financial and economic crisis the level of unemployment climbed rapidly, increasing by 6.3 million persons between 2008 and 2010 to reach 23.2 million persons. As such, the impact of the economic crisis on unemployment more than wiped out the steady contraction in unemployment during the period from 2004 to 2008.

The unemployment rate in the euro area followed roughly the same trend as in the EU-27. Between 2000 and 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 in the EU Member States outside of the euro area between 2005 and 2008. The overall impact of the financial and economic crisis on the unemployment rate in the EU-27 and the euro area was identical, as both areas reported unemployment rates rising by 2.5 percentage points between 2008 and 2010.

In 2000, the unemployment rate in the United States was 4.0 %, considerably lower than in the EU-27. It remained much lower until 2008, when unemployment in the United States started to increase rapidly. In 2009, the unemployment rate for the United States was higher (at 9.3 %) than in the EU-27 (9.0 %), although identical rates of 9.6 % were recorded for the EU-27 and the United States in 2010. Unemployment in Japan was much lower than in the EU-27; this was the case throughout the last decade, with the most recent unemployment rate – 5.1 % in 2010 – almost half that recorded in the EU-27 or the United States.

Youth unemployment trends

Youth unemployment rates are generally much higher than unemployment rates for other age groups. High youth unemployment rates reflect the difficulties faced by young people in finding jobs. However, this does not necessarily mean that the group of unemployed persons aged between 15 and 24 is large because 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).

Youth unemployment ratios use a slightly different concept: the unemployment ratio is calculated as the number of unemployed persons aged 15 to 24 divided by the total population of the same age. Table 5.2.4 shows that youth unemployment ratios in the EU-27 were much lower than youth unemployment rates; they did however rise considerably from 2008 onwards following the onset of the financial and economic crisis.

The youth unemployment rate in the EU-27 was more than double the unemployment rate for the whole population throughout the last decade. The EU-27 youth unemployment rate was systematically higher than in the euro area between 2000 and 2007; since this date, these two rates were almost identical (see Table 5.2.4).

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 9.8 %, while the

rate for men was 2 percentage points lower. By 2002, this sex gap had narrowed to 1.4 percentage points and between 2003 and 2007 the gap remained more or less constant. Since the start 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 than that for women. This small difference between unemployment rates by sex continued in 2010, when the rate for men was 9.7 % – just 0.1 percentage points higher than for women.

A detailed look at 2010

The overall unemployment rate in the EU-27 reached 9.6 % in 2010. In comparison to the rate during 2009, the unemployment rate rose by 0.6 percentage points; this was less than the increase in unemployment recorded between 2008 and 2009, when the unemployment rate rose by 1.9 percentage points.

In the United States, a similar pattern was observed, as the unemployment rate grew rapidly between 2008 and 2009 (climbing by 3.5 percentage points), while the rate continued to grow – albeit at a much slower pace – between 2009 and 2010, rising from 9.3 % to 9.6 %. In Japan the unemployment rate stood at 5.1 % in 2010, marking a 1.2 percentage point increase since the most recent low was recorded in 2007; as such the effect of the financial and economic crisis on Japanese unemployment levels was far less than in either the EU-27 or the United States.

The unemployment rate rose in all 27 EU Member States between 2009 and 2010, apart from Germany, Luxembourg, Malta and Austria; the biggest decrease in unemployment was recorded in Germany, where the unemployment rate dropped by 0.7 percentage points. Outside of the EU, the unemployment rate also fell in Turkey between 2009 and 2010 (down by 1.8 percentage points).

Belgium, France, Romania, Finland, Sweden and the United Kingdom each reported modest increases (below 0.5 percentage points) in their respective unemployment rates between 2009 and 2010. However, the highest increases in unemployment rates were registered in Estonia, Greece, Spain, Lithuania and Slovakia – where rates rose by in excess of 2 percentage points between 2009 and 2010.

Spain remained the Member State with the highest overall unemployment rate in the EU-27 in 2010, at 20.1 %. The dispersion of unemployment across the EU-27 continued to increase during 2010.

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. In total, 3.8 % of the labour force in the EU-27 in 2010 had been unemployed for more than one year; almost half of these, 1.8 % 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, and this remained the case in 2010. Male unemployment rates were higher than the corresponding rates for women in 2010 in 14 out of the 27 EU Member States. In the euro area, the unemployment rate for women (10.3 %) remained higher than the rate for men (9.9 %). The gap between male and female unemployment rates varied from – 6.3 percentage points in Greece to + 7.2 percentage points in Ireland.

The youth unemployment rate in the EU-27 was more than double the overall unemployment rate in 2010. At 20.9 %, more than one out of every five young persons in the labour force was unemployed, but looking and available for work. In the euro area, the youth unemployment rate was marginally lower at 20.7 %. In Spain (41.6 %), Lithuania (35.1 %), Latvia (34.5 %), Slovakia (33.6 %), Greece and Estonia (both 32.9 %), youth unemployment rates were particularly high. The Netherlands (8.7 %), Austria (8.8 %) and Germany (9.9 %) were the only Member States to record youth unemployment rates in single digits in 2010.

Educational qualifications were seen to be a good insurance against unemployment, as the chances of finding a job clearly increased for those who had attained a higher level of education. This characteristic was noted in almost every Member State in 2010, as the average unemployment rate in the EU-27 for those having attained a tertiary education qualification (4.9 %) was considerably

lower than the corresponding rate for those who had obtained at most a lower secondary education (14.2 %).

Data sources and availability

The main source used by Eurostat for unemployment figures is the European Union Labour force survey (EU LFS). This household survey is carried out in all EU-27 Member States in accordance with European legislation; it provides figures at least each quarter.

There is currently no legal basis for producing and disseminating monthly unemployment data and few countries actually supply monthly unemployment figures directly from the LFS. Nevertheless, 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.

Monthly unemployment figures are published by Eurostat as rates (as a percentage of the labour force) or levels (in thousands), by sex and for two age groups (persons aged 15-24, and those aged 25-74). The figures are available as unadjusted, seasonally adjusted and trend series. There are monthly estimates for all EU-27 Member States except for Estonia, Latvia and Lithuania. Data for the EU-27 aggregate start in 2000 and for the euro area (EA-17) in 1995; the starting point for individual Member States varies.

Quarterly and annual unemployment figures from the LFS are also published, with more 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 (more than 12 months) and very long-term unemployment (more than 24 months).

Context

The unemployment rate is an important indicator with both social and economic dimensions. Rising unemployment results in a loss of income for affected individuals, 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 policymakers 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 evolving 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 EES is in line with the Europe 2020 strategy, which sets out a vision of Europe's social market economy for the 21st century. In order to achieve the goals of the Europe 2020 strategy a number of flagship initiatives have been enacted; these include 'an agenda for new skills and jobs' and 'youth on the move' – both of which are relevant to the promotion of job creation (especially among the younger generations). These initiatives 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. It is hoped that these actions will help Europe move towards three headline targets by 2020 – as part of the EES, namely, that:

- 75 % of people aged 20-64 in the EU-27 are in work;
- school drop-out rates for the EU-27 are below 10 %, and at least 40 % of those aged 30-34 have completed a third level of education;
- at least 20 million fewer people are in or at-risk-of poverty and social exclusion.

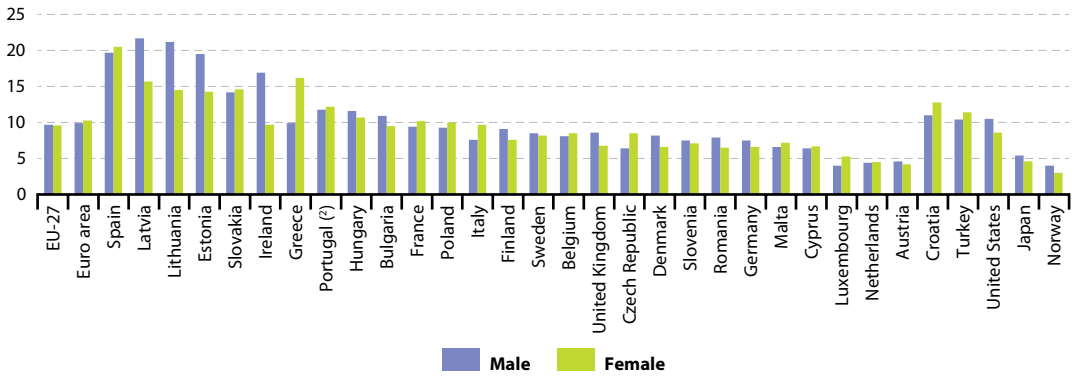
Table 5.2.1: Unemployment rate, 2000-2010
(%)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EU-27	8.7	8.5	8.9	9.0	9.1	9.0	8.2	7.2	7.1	9.0	9.6
Euro area	8.5	8.1	8.4	8.8	9.0	9.1	8.5	7.6	7.6	9.6	10.1
Belgium	6.9	6.6	7.5	8.2	8.4	8.5	8.3	7.5	7.0	7.9	8.3
Bulgaria	16.4	19.5	18.2	13.7	12.1	10.1	9.0	6.9	5.6	6.8	10.2
Czech Republic	8.7	8.0	7.3	7.8	8.3	7.9	7.2	5.3	4.4	6.7	7.3
Denmark	4.3	4.5	4.6	5.4	5.5	4.8	3.9	3.8	3.3	6.0	7.4
Germany	7.5	7.6	8.4	9.3	9.8	11.2	10.3	8.7	7.5	7.8	7.1
Estonia	13.6	12.6	10.3	10.0	9.7	7.9	5.9	4.7	5.5	13.8	16.9
Ireland	4.2	3.9	4.5	4.6	4.5	4.4	4.5	4.6	6.3	11.9	13.7
Greece	11.2	10.7	10.3	9.7	10.5	9.9	8.9	8.3	7.7	9.5	12.6
Spain	11.1	10.3	11.1	11.1	10.6	9.2	8.5	8.3	11.3	18.0	20.1
France	9.0	8.3	8.6	9.0	9.3	9.3	9.2	8.4	7.8	9.5	9.7
Italy	10.1	9.1	8.6	8.4	8.0	7.7	6.8	6.1	6.7	7.8	8.4
Cyprus	4.9	3.8	3.6	4.1	4.7	5.3	4.6	4.0	3.6	5.3	6.5
Latvia	13.7	12.9	12.2	10.5	10.4	8.9	6.8	6.0	7.5	17.1	18.7
Lithuania	16.4	16.5	13.5	12.5	11.4	8.3	5.6	4.3	5.8	13.7	17.8
Luxembourg	2.2	1.9	2.6	3.8	5.0	4.6	4.6	4.2	4.9	5.1	4.5
Hungary	6.4	5.7	5.8	5.9	6.1	7.2	7.5	7.4	7.8	10.0	11.2
Malta	6.7	7.6	7.5	7.6	7.4	7.2	7.1	6.4	5.9	7.0	6.8
Netherlands	3.1	2.5	3.1	4.2	5.1	5.3	4.4	3.6	3.1	3.7	4.5
Austria	3.6	3.6	4.2	4.3	4.9	5.2	4.8	4.4	3.8	4.8	4.4
Poland	16.1	18.3	20.0	19.7	19.0	17.8	13.9	9.6	7.1	8.2	9.6
Portugal	*4.5*	*4.6*	*5.7*	*7.1*	*7.5*	*8.6*	*8.6*	*8.9*	*8.5*	*10.6*	*12.0*
Romania	7.3	6.8	8.6	7.0	8.1	7.2	7.3	6.4	5.8	6.9	7.3
Slovenia	6.7	6.2	6.3	6.7	6.3	6.5	6.0	4.9	4.4	5.9	7.3
Slovakia	18.8	19.3	18.7	17.6	18.2	16.3	13.4	11.1	9.5	12.0	14.4
Finland	9.8	9.1	9.1	9.0	8.8	8.4	7.7	6.9	6.4	8.2	8.4
Sweden (1)	5.6	5.8	6.0	6.6	7.4	7.7	7.1	6.1	6.2	8.3	8.4
United Kingdom	5.4	5.0	5.1	5.0	4.7	4.8	5.4	5.3	5.6	7.6	7.8
Norway	3.2	3.4	3.7	4.2	4.3	4.5	3.4	2.5	2.5	3.1	3.5
Croatia	:	:	14.8	14.2	13.7	12.7	11.2	9.6	8.4	9.1	11.8
Turkey (2)	:	:	:	:	:	9.2	8.7	8.8	9.7	12.5	10.7
Japan	4.7	5.0	5.4	5.3	4.7	4.4	4.1	3.9	4.0	5.1	5.1
United States	4.0	4.8	5.8	6.0	5.5	5.1	4.6	4.6	5.8	9.3	9.6

(1) Break in series, 2001.
(2) Break in series, 2007.

Source: Eurostat (online data code: une_rt_a)

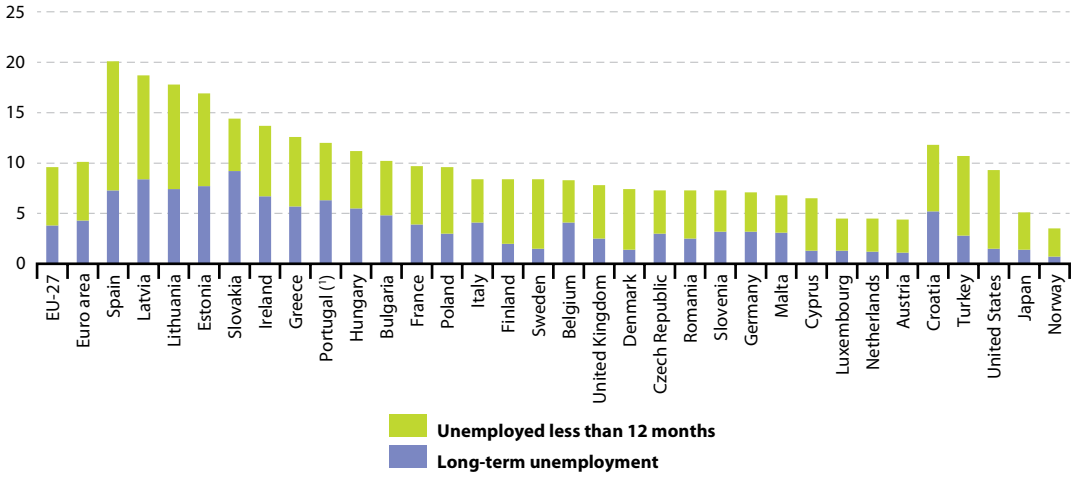
Figure 5.2.1: Unemployment rate, 2010 (1)
(%)



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

Source: Eurostat (online data code: une_rt_a)

Figure 5.2.2: Unemployment rate by duration, 2010
(%)



(1) Estimates.

Source: Eurostat (online data codes: tsiem110 and tsisc070)

Table 5.2.2: Unemployment rate by sex and by age, 2005 and 2010
(%)

	Male		Female		< 25 years	25-74 years
	2005	2010	2005	2010	2010	2010
EU-27	8.3	9.7	9.8	9.6	20.9	8.3
Euro area	8.2	9.9	10.3	10.3	20.7	8.9
Belgium	7.6	8.1	9.5	8.5	22.4	7.0
Bulgaria	10.3	10.9	9.8	9.5	23.2	9.1
Czech Republic	6.5	6.4	9.8	8.5	18.3	6.4
Denmark	4.4	8.2	5.3	6.6	13.8	6.2
Germany	11.4	7.5	10.9	6.6	9.9	6.7
Estonia	8.8	19.5	7.1	14.3	32.9	15.0
Ireland	4.6	16.9	4.1	9.7	27.8	11.9
Greece	6.1	9.9	15.3	16.2	32.9	11.1
Spain	7.1	19.7	12.2	20.5	41.6	18.0
France	8.4	9.4	10.3	10.2	23.3	8.2
Italy	6.2	7.6	10.1	9.7	27.8	7.0
Cyprus	4.3	6.4	6.5	6.7	17.8	5.3
Latvia	9.1	21.7	8.7	15.7	34.5	16.6
Lithuania	8.2	21.2	8.3	14.5	35.1	16.1
Luxembourg	3.6	4.0	6.0	5.3	16.1	3.8
Hungary	7.0	11.6	7.4	10.7	26.6	10.0
Malta	6.4	6.6	8.9	7.2	12.9	5.6
Netherlands	4.9	4.4	5.8	4.5	8.7	3.7
Austria	4.9	4.6	5.5	4.2	8.8	3.7
Poland	16.6	9.3	19.2	10.0	23.7	8.1
Portugal	*8.1*	*11.8*	*9.1*	*12.2*	*27.7*	*10.6*
Romania	7.8	7.9	6.4	6.5	22.1	5.8
Slovenia	6.1	7.5	7.1	7.1	14.7	6.5
Slovakia	15.5	14.2	17.2	14.6	33.6	12.5
Finland	8.2	9.1	8.6	7.6	21.4	6.6
Sweden	7.7	8.5	7.6	8.2	25.2	5.9
United Kingdom	5.2	8.6	4.3	6.8	19.6	5.8
Norway	4.7	4.0	4.3	3.0	8.9	2.6
Croatia	11.6	11.0	13.9	12.8	30.7	9.4
Turkey	9.1	10.4	9.3	11.4	19.7	8.8
Japan	4.6	5.4	4.2	4.6	9.3	4.7
United States	5.1	10.5	5.1	8.6	18.4	8.2

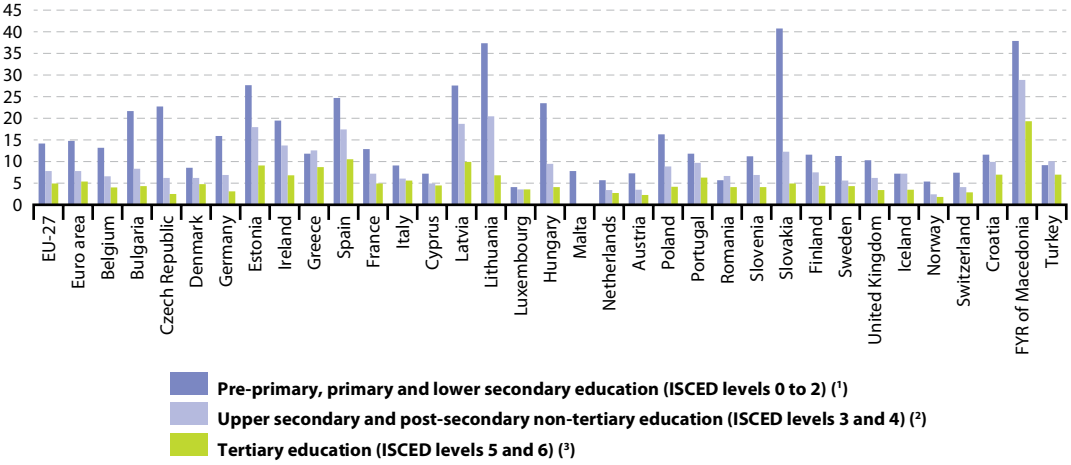
Source: Eurostat (online data code: une_rt_a)

Table 5.2.3: Unemployment rate, EU-27, 2000-2010
(%)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Male	7.8	7.8	8.3	8.4	8.5	8.3	7.6	6.6	6.6	9.0	9.7
Female	9.8	9.4	9.7	9.7	9.8	9.8	9.0	7.9	7.6	8.9	9.6
Less than 25 years	17.3	17.4	18.0	18.2	18.6	18.7	17.4	15.6	15.7	20.0	20.9
Between 25 and 74 years	7.4	7.2	7.6	7.7	7.8	7.7	7.1	6.1	6.0	7.6	8.3
Long-term unemployment rate	4.0	3.9	4.0	4.1	4.2	4.1	3.7	3.1	2.6	3.0	3.8
Male	3.5	3.5	3.6	3.8	3.9	3.8	3.5	2.8	2.4	2.9	3.9
Female	4.6	4.4	4.5	4.5	4.6	4.5	4.0	3.3	2.8	3.1	3.7
Very long-term unemployment rate	2.4	2.3	2.3	2.4	2.4	2.4	2.2	1.8	1.5	1.5	1.8

Source: Eurostat (online data codes: une_rt_a and une_ltu_a)

Figure 5.2.3: Unemployment rate (among persons aged 25-64 years) by level of educational attainment, 2010
(%)



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

Source: Eurostat (online data code: tps00066)

Table 5.2.4: Youth unemployment rates, 2008-2011
(%)

	Youth unemployment rate				Youth unemployment ratio		
	2008	2009	2010	Q1-2011 (1)	2008	2009	2010
EU-27	15.8	20.1	21.1	21.0	6.9	8.7	9.0
Euro area	16.0	20.2	20.9	20.6	6.9	8.7	8.7
Belgium	18.0	21.9	22.4	19.0	6.0	7.1	7.3
Bulgaria	12.7	16.2	23.2	26.8	3.8	4.8	6.7
Czech Republic	9.9	16.6	18.3	17.1	3.1	5.3	5.7
Denmark	7.6	11.2	13.8	13.5	5.5	8.0	9.3
Germany	10.6	11.2	9.9	9.0	5.5	5.8	5.1
Estonia	12.0	27.5	32.9	20.4	5.0	11.0	12.6
Ireland	13.3	24.4	27.8	28.9	6.7	11.3	11.6
Greece	22.1	25.8	32.9	38.5	6.7	8.0	10.0
Spain	24.6	37.8	41.6	44.1	11.7	17.1	17.8
France	19.3	23.9	23.7	23.4	7.2	9.2	8.9
Italy	21.3	25.4	27.8	28.6	6.6	7.4	7.9
Cyprus	8.8	14.0	17.2	19.3	3.8	5.7	6.8
Latvia	13.1	33.6	34.5	29.7	5.6	14.0	13.9
Lithuania	13.4	29.2	35.1	32.6	4.1	8.9	10.4
Luxembourg	17.3	16.5	15.6	12.8	5.2	5.5	3.5
Hungary	19.9	26.5	26.6	26.0	5.0	6.5	6.6
Malta	11.8	14.4	13.1	12.3	6.4	7.4	6.7
Netherlands (2)	6.3	7.7	8.7	7.4	3.9	4.8	6.0
Austria	8.0	10.0	8.8	9.1	4.9	6.0	5.2
Poland	17.3	20.6	23.7	24.9	5.7	7.0	8.2
Portugal	*20.2*	*24.8*	*27.7*	26.9	*6.8*	*7.9*	*8.2*
Romania	18.6	20.8	22.1	22.8	5.7	6.4	6.9
Slovenia	10.4	13.6	14.7	16.9	4.5	5.6	5.9
Slovakia	19.0	27.3	33.6	33.2	6.2	8.6	10.4
Finland	16.5	21.5	21.4	20.5	8.8	10.9	10.6
Sweden	20.2	25.0	25.2	23.2	10.7	12.8	13.0
United Kingdom	15.0	19.1	19.6	20.0	9.2	11.4	11.6
Norway	7.2	8.9	8.9	8.9	4.6	5.3	5.3
Croatia	21.9	25.0	32.5	39.3	7.6	8.6	11.2
Turkey	18.4	22.7	19.7	17.3	6.9	8.5	7.4
Japan	7.3	9.1	9.3	:	:	:	:
United States	12.8	17.6	18.4	17.8	:	:	:

(1) The quarterly youth unemployment rate is seasonally adjusted.
(2) Youth unemployment ratio, break in series, 2010.

Source: Eurostat (online data codes: une_rt_a, une_rt_q and lfsi_act_a)

5.3 Wages and labour costs

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. 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.

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 56 044) in 2009, followed by Luxembourg (in 2010), Ireland, the Netherlands and Germany (in 2010) – all above EUR 40 000 – while earnings were lowest in Romania (EUR 5 891 in 2010) and Bulgaria (EUR 4 085) – see Table 5.3.1.

In 2006, median annual earnings showed a broadly similar ranking of countries (see Figure 5.3.1), 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 considered as low wage earners in Lithuania, Bulgaria and Romania (see Figure 5.3.2).

Gender pay gap

Despite some progress, there remains an important gap between the average earnings of men and women in the EU-27. Women were paid, on average, 17.1 % less than men in 2009. The smallest differences in average pay between the sexes were found in Slovenia, Italy, Malta, Romania, Belgium (in 2008), Poland and Portugal (at 10 % or less), the biggest in Estonia (in 2007), 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 2011, 20 of the EU's 27 Member States (all except Denmark, Germany, Italy, Cyprus, Austria, Finland and Sweden), as well as 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 2011 (see Figure 5.3.4) ranging from EUR 1 758 per month in Luxembourg to EUR 158 and EUR 123 respectively in Romania and Bulgaria. When adjusted for differences in purchasing power, the disparities between the Member States were reduced from a ratio of 14:1 (highest compared with lowest) in euro terms to a ratio of 6:1 in purchasing power standard (PPS) terms. The same countries remained at either end of the range, with a high of PPS 1 466 in Luxembourg and a low of PPS 243 in Bulgaria.

Net earnings and tax rates

Tax wedge data measures the relative tax burden – within Figure 5.3.5 this information is provided in relation to low wage earners. The tax wedge for the EU-27 was 39.3 % in 2010, which was slightly lower than five years earlier. The highest tax rates on low wage earners in 2010 were recorded in Belgium, France, Germany, Hungary, Italy, Latvia, Austria and Romania.

Among the EU Member States, it was common to see tax rates lowered over the most recent five years for which data are available through to 2010. The largest reductions were recorded in the Netherlands, Cyprus (to 2007), Poland, Slovenia, Finland and the Czech Republic. On the other hand, the tax wedge rose at a relatively fast pace in France and Italy.

The other indicators presented in Table 5.3.2 provide information on the proportion of gross earnings that is 'taxed away' (higher tax rates and social security contributions and/or reduction or loss of benefits) when people return to employment or move from lower to higher incomes. The overall figures for the EU-27 show that there was generally less incentive between 2005 and 2010 for the unemployed or low wage earners to seek paid employment, as a higher proportion of their earnings would be 'taxed away'.

Labour costs

Average hourly labour costs (see Figure 5.3.6) and the structure of labour costs (see Figure 5.3.7) varied widely across the Member States in 2009. Hourly labour costs in the business economy (NACE Rev. 2 Sections B to N) ranged from a high of EUR 36.94 in Belgium and EUR 36.11 in Denmark, to EUR 4.00 in Romania and EUR 2.88 in Bulgaria in 2009 (note these figures include not only the compensation of employees, but also vocational training costs, other expenditure, taxes and subsidies incurred or received by business economy enterprises). The relative importance of wages and salaries in total labour costs was 66.2 % in Sweden (in 2007) and was also less than 70 % in Belgium and France, while it was 85 % or more in the United Kingdom, Slovenia, Luxembourg, Denmark and Malta.

Data sources and availability

Gross earnings

Gross earnings are the largest part of labour costs – information is provided on average (mean) annual gross earnings. The main definitions on earnings are provided in a 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 bonuses, profit-sharing, allowances for leave not taken, occasional commissions, etc.). The information is presented for full-time employees working in business economy (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 from 2008 onwards). The statistical unit is the enterprise or local unit. The population consists of all units, although it is limited to enterprises with at least ten employees for 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 (GPG), 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) within industry, construction and services (as covered by NACE Rev. 2 Sections B to N and P to S).

Minimum wages

Minimum wage statistics 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.

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 business economy (NACE Rev. 2 Sections B to N). 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 average earnings of a worker in business economy (NACE Rev. 2 Sections B to N). 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 business economy (NACE Rev. 2 Sections B to N). 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.

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 discrimination. 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. 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 (COM(2006) 0092) 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 of the Europe 2020 strategy.

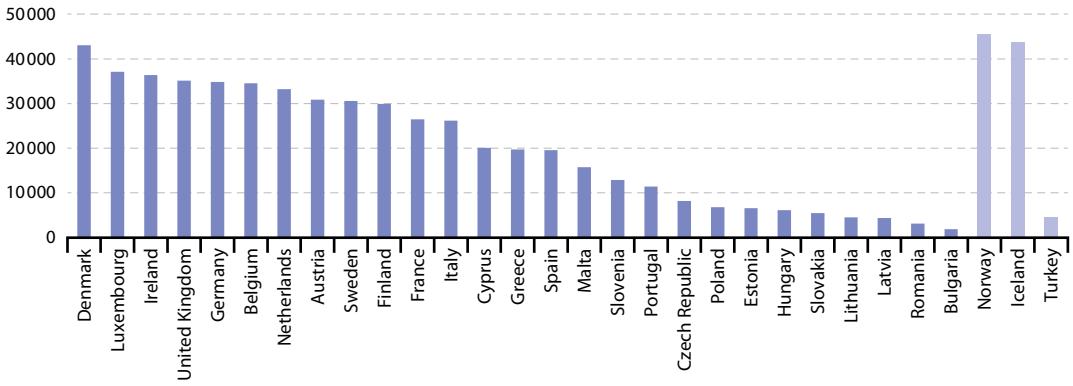
Table 5.3.1: Earnings in the business economy (average gross annual earnings of full-time employees), 2000-2010 (1)
(EUR)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Belgium (2)	31 644	33 109	34 330	34 643	35 704	36 673	37 674	38 659	40 698	:	:
Bulgaria (2)	1 430	1 514	1 588	1 678	1 784	1 978	2 195	2 626	3 328	4 085	:
Czech Republic (3)	4 616	5 142	6 016	6 137	6 569	7 405	8 284	9 071	10 930	10 596	11 312
Denmark	40 962	41 661	43 577	44 692	46 122	47 529	48 307	53 165	55 001	56 044	:
Germany	34 400	35 200	36 400	37 200	38 100	38 700	39 364	40 200	*41 400*	*41 100*	*42 400*
Estonia (2)(3)	3 887	4 343	4 778	5 278	5 658	6 417	:	:	10 045	9 492	9 712
Ireland	:	:	:	:	:	40 462	:	39 858	45 893	45 207	:
Greece	14 723	15 431	16 278	16 739	:	:	:	:	25 915	29 160	:
Spain	17 432	17 874	18 462	19 220	19 931	20 333	21 402	21 891	25 208	26 316	:
France (2)	26 712	27 418	28 185	28 847	29 608	30 521	31 369	32 413	33 574	34 132	:
Italy (3)	19 991	20 583	21 076	21 494	:	22 657	23 406	:	:	:	:
Cyprus (3)	16 086	16 736	17 431	18 165	19 290	20 549	21 310	:	:	24 775	25 251
Latvia (2)	3 247	3 426	3 523	3 515	3 806	4 246	5 211	6 690	8 676	8 728	8 596
Lithuania (3)(4)	3 591	3 726	4 046	4 195	4 367	4 770	5 543	6 745	7 398	7 406	7 234
Luxembourg (2)	35 875	37 745	38 442	39 587	40 575	42 135	43 621	45 284	47 034	48 174	49 316
Hungary	4 173	4 898	5 846	6 447	7 119	7 798	7 866	8 952	10 237	9 603	10 100
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	44 412	:
Austria (2)	:	:	:	:	34 995	36 032	36 673	37 716	32 787	33 384	:
Poland (3)(4)	6 226	7 510	7 173	6 434	6 230	6 270	8 178	:	10 787	8 399	:
Portugal	12 620	13 338	13 322	13 350	13 700	14 042	14 893	15 345	16 691	17 129	17 352
Romania (2)(3)	1 748	1 993	2 075	2 142	2 414	3 155	3 713	4 825	5 457	*5 450*	*5 891*
Slovenia (3)	10 316	10 851	11 461	11 932	12 466	12 985	13 687	14 625	15 997	16 282	17 168
Slovakia	3 583	3 837	4 582	4 945	5 706	6 374	7 040	8 400	9 707	10 387	10 777
Finland (2)	27 398	28 555	29 916	30 978	31 988	33 290	34 080	36 114	37 946	39 197	:
Sweden	31 621	30 467	31 164	32 177	33 344	34 027	35 084	36 871	37 597	34 746	40 008
United Kingdom	37 676	39 233	40 553	38 793	41 286	42 866	44 496	46 051	:	38 047	:
Iceland	37 641	34 100	:	:	:	:	:	:	:	:	:
Norway (2)	36 202	38 604	43 750	40 883	42 152	45 560	47 221	:	:	51 343	
Switzerland (3)	43 682	:	48 499	:	45 760	:	46 058	:	47 088	:	:
Croatia (3)	:	:	:	8 491	9 036	9 634	:	:	11 979	11 969	:

(1) Enterprises with 10 or more persons employed; NACE Rev. 2 Sections B to N, 2008-2010; NACE Rev. 1.1 Sections C to K, 2000-2007.
(2) All enterprises: Belgium, Bulgaria, Estonia, France, Malta and Finland, all years; Luxembourg, 2008-2010; Austria, 2008-2009; Romania, 2008; Norway, 2009.
(3) All enterprises and full-time units (FTU): the Czech Republic, 2000-2001 and 2007-2010; Estonia, 2000-2005; Italy, 2000-2006; Cyprus, 2009-2010; Lithuania, all years; Poland, 2009; Romania, 2000-2003; Slovenia, 2000-2007; Switzerland, 2008; Croatia, 2008-2009.
(4) Full-time units (FTU): Latvia, 2000-2003; Lithuania, 2000-2007 and 2009-2010; Poland, 2000, 2002-2003 and 2008.

Source: Eurostat (online data codes: earn_gr_nace2 and earn_gr_nace)

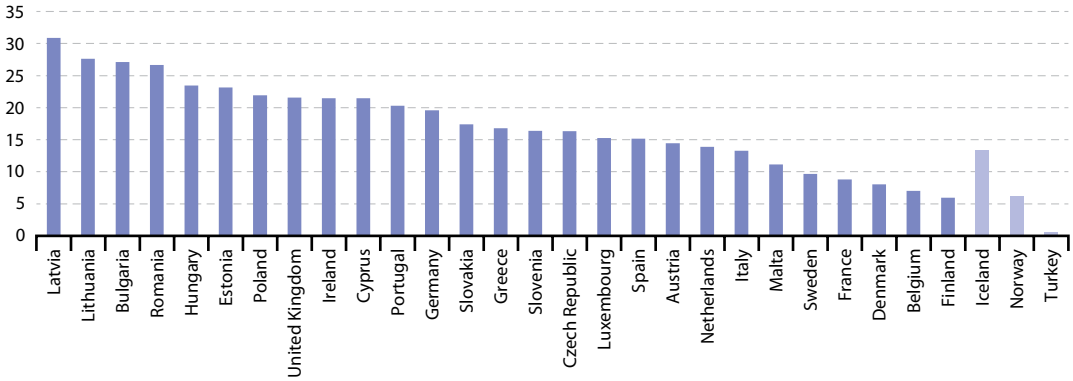
Figure 5.3.1: Median gross annual earnings of full-time employees, 2006 (1)
(EUR)



(1) Enterprises with ten or more persons employed; excluding agriculture, fishing, public administration, private households and extra-territorial organisations.

Source: Eurostat (online data code: earn_ses_adeci)

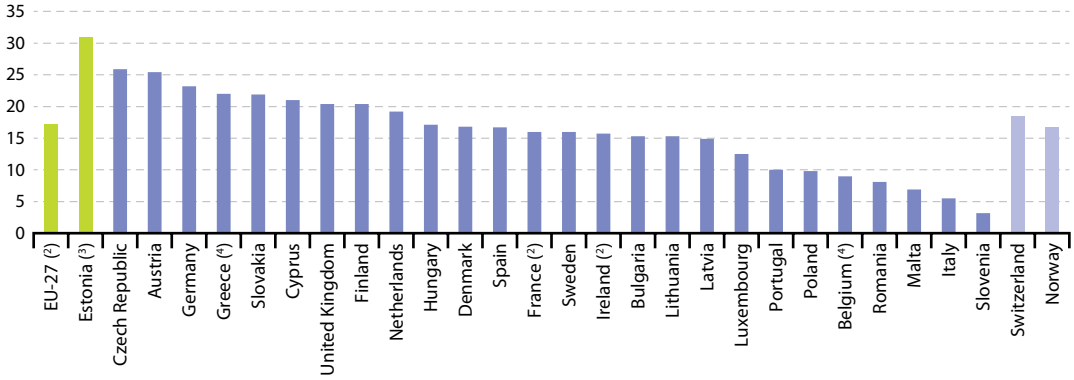
Figure 5.3.2: Low wage earners – full-time employees earning less than two thirds of the median gross annual earnings, 2006 (1)
(% of employees)



(1) Enterprises with ten or more persons employed; excluding agriculture, fishing, public administration, private households and extra-territorial organisations.

Source: Eurostat (online data code: earn_ses_adeci)

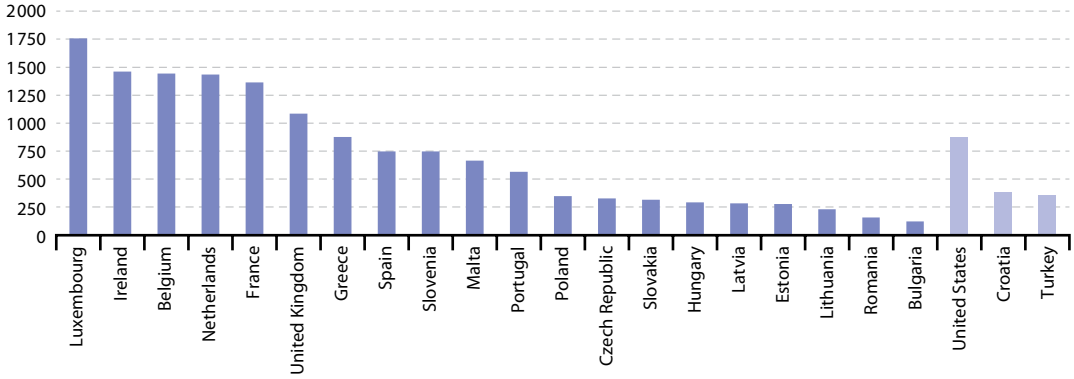
Figure 5.3.3: Gender pay gap, 2009 (1)
(% difference between average gross hourly earnings of male and female employees, as % of male gross earnings, unadjusted form)



(1) Enterprises with ten or more persons employed; NACE Rev. 2 Sections B to S excluding O.
(2) Provisional.
(3) NACE Rev. 1.1 Sections C to O excluding L; 2007.
(4) 2008.

Source: Eurostat (online data code: tsiem040)

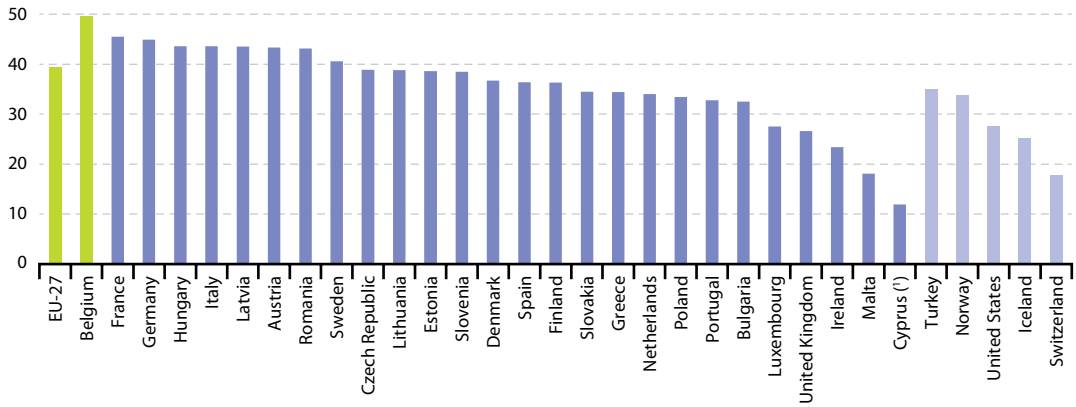
Figure 5.3.4: Minimum wage, as of 1 July 2011 (1)
(EUR per month)



(1) Member States not shown: not applicable.

Source: Eurostat (online data code: earn_mw_cur)

Figure 5.3.5: Tax rate on low wage earners – tax wedge on labour cost, 2010
(%)



(1) 2007.

Source: Eurostat (online data code: tsiem050), OECD, Commission services

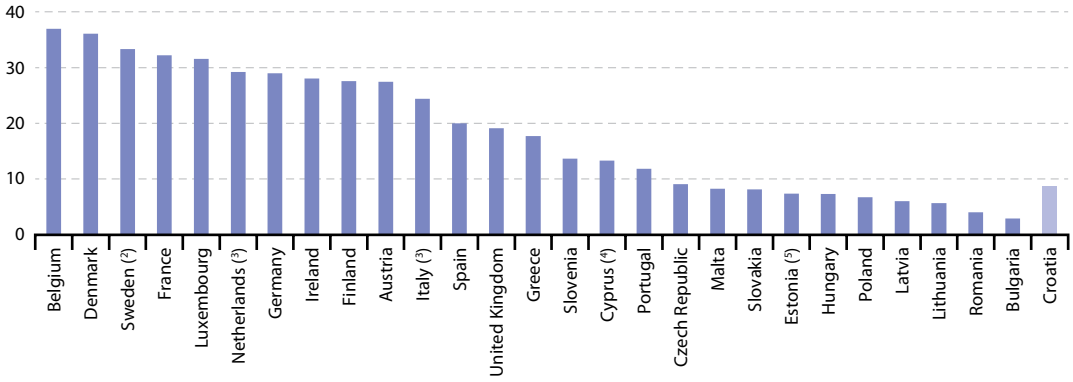
Table 5.3.2: Tax rate indicators on low wage earners, 2004 and 2009
(%)

	Tax wedge on labour cost		Unemployment trap		Low wage trap – single person without children		Low wage trap – one earner couple with two children	
	2004	2009	2004	2009	2004	2009	2004	2009
EU-27	40	39	75	75	45	47	57	58
Belgium	49	49	85	93	57	59	45	47
Bulgaria	36	33	77	81	21	21	17	21
Czech Republic	42	39	66	80	34	48	49	88
Denmark	39	37	91	89	77	75	96	95
Germany	47	45	74	75	53	56	81	80
Estonia	38	39	64	63	26	23	22	13
Ireland	22	23	64	74	58	68	77	46
Greece	34	34	62	68	27	28	32	33
Spain	36	36	80	83	25	28	16	13
France	41	46	82	77	35	52	57	76
Italy	42	44	72	79	34	39	– 11	0
Cyprus (1)	12	12	62	61	6	6	110	115
Latvia	42	44	88	90	32	33	100	79
Lithuania	43	39	81	70	36	26	48	92
Luxembourg	29	27	86	86	52	56	108	107
Hungary	43	44	62	82	31	38	70	78
Malta	18	18	60	59	20	20	31	27
Netherlands	42	34	80	84	69	73	76	65
Austria	43	43	67	67	36	39	61	65
Poland	38	33	83	81	65	61	85	40
Portugal	32	33	81	79	21	22	69	60
Romania	42	43	61	59	30	31	33	32
Slovenia	42	38	83	83	51	48	76	64
Slovakia	35	34	43	42	22	26	31	45
Finland	40	36	77	73	61	54	100	100
Sweden	47	41	87	75	57	41	92	77
United Kingdom	31	30	68	64	58	49	80	79
Iceland	25	25	71	81	40	32	67	70
Norway	34	34	75	75	37	34	100	99
Switzerland	18	18	:	:	:	:	:	:
Turkey	42	35	:	:	:	:	:	:
Japan	:	:	57	50	54	60	95	94
United States	28	27	70	68	28	28	51	68

(1) 2007 instead of 2009.

Source: Eurostat (online data codes: tsiem050, earn_nt_unemtrp and earn_nt_lowwtrp)

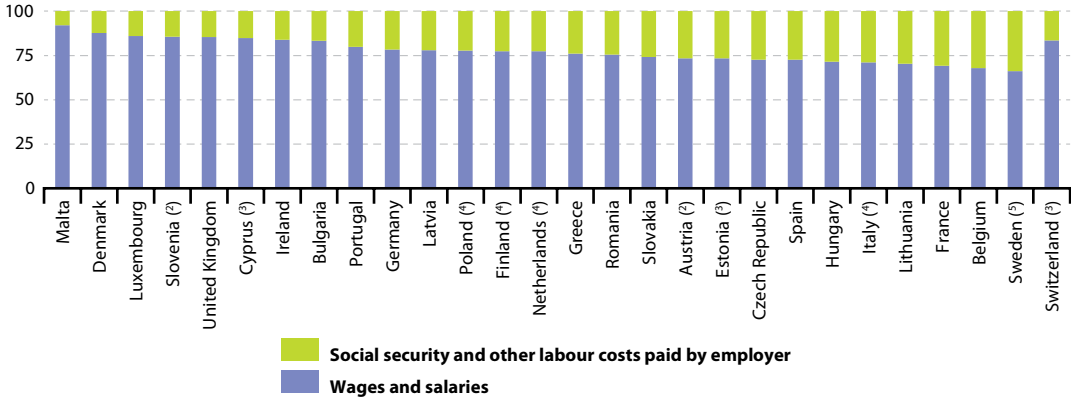
Figure 5.3.6: Average hourly labour costs in the business economy, 2009 (1)
(EUR)



(1) Enterprises with ten or more persons employed, NACE Rev. 2 Sections B to N.
(2) NACE Rev. 1.1 Sections C to K, 2007.
(3) 2008.
(4) NACE Rev. 1.1 Sections C to K, 2008.
(5) All enterprises.

Source: Eurostat (online data codes: lc_an_cost_r2 and lc_an_costh)

Figure 5.3.7: Breakdown of labour costs in the business economy, 2009 (1)
(% share of total labour costs)



(1) Enterprises with ten or more persons employed, NACE Rev. 2 Sections B to N.
(2) Provisional.
(3) NACE Rev. 1.1 Sections C to K, 2008.
(4) 2008.
(5) NACE Rev. 1.1 Sections C to K, 2007.

Source: Eurostat (online data codes: lc_an_struc_r2 and lc_an_struc)

5.4 Job vacancies

This subchapter gives an overview of annual job vacancy statistics in the European Union (EU), notably the job vacancy rate (JVR). 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 from 2003 to 2007, with the rate peaking at 2.2 % in 2007. Thereafter, the job vacancy rate contracted in successive years, falling to 1.9 % in 2008 and a historic low of 1.4 % in 2009. The latest information available for 2010 suggests a slight recovery, as the job vacancy rate stood at 1.5 %.

The pattern of development for the euro area was similar to that recorded in the EU-27, although the job vacancy rate for the former climbed more rapidly in 2005 and 2006 (when it peaked at 2.3 %), before contracting for three consecutive years to a low of 1.4 % in 2009; the recovery in 2010 was slightly more than in the EU-27, as the job vacancy rate rose by 0.2 percentage points.

Among the Member States (no information for Belgium), the job vacancy rate in 2010 was highest in Malta (3.2 %) and Germany (2.6 %). The number of vacant posts accounted for less than 1 % of the total number of posts in 14 of the Member States in 2010, with job vacancy rates of less than 0.5 % in Ireland, France and Latvia (in other words, less than one in every 200 posts was vacant).

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-27 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 a national and European level. These statistics are also a key indicator for assessing the business cycle and for a structural analysis of the economy.

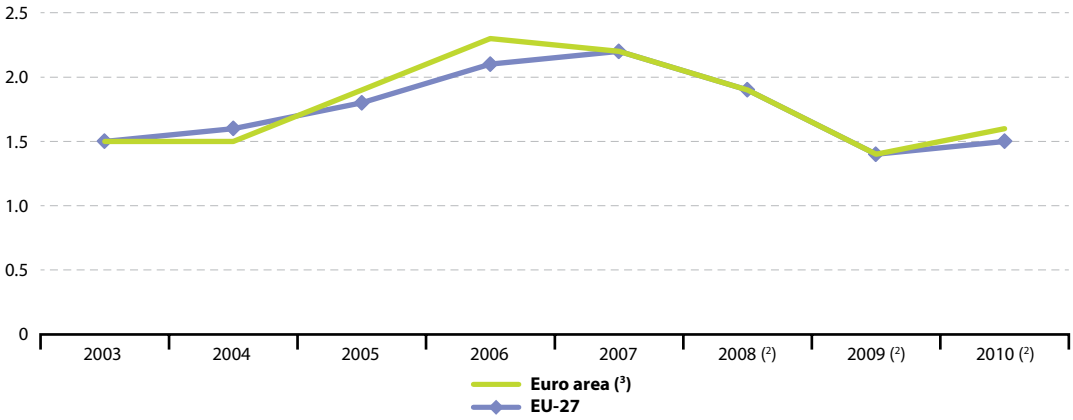
Policy developments in this area have mainly focused on trying to improve the labour market by more closely matching supply and demand, through:

- modernising and strengthening labour market institutions, notably employment services;
- removing obstacles to worker mobility across Europe;
- better anticipating skills 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 States' 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 2011, there were 1.23 million job vacancies advertised by over 25 000 registered employers on the website, while more than 700 000 people had posted their CVs on the website.

European job days are another EU initiative in this domain and 2011 was the fifth edition of this programme of activities: hundreds of events were organised across Europe with the aim of raising awareness about the opportunities and practicalities of living and working in another European country, encouraging mobility throughout the EU, and putting job candidates in touch with employers who have job vacancies. The events typically include job fairs, seminars, lectures, workshops and cultural events, all aimed at improving labour mobility.

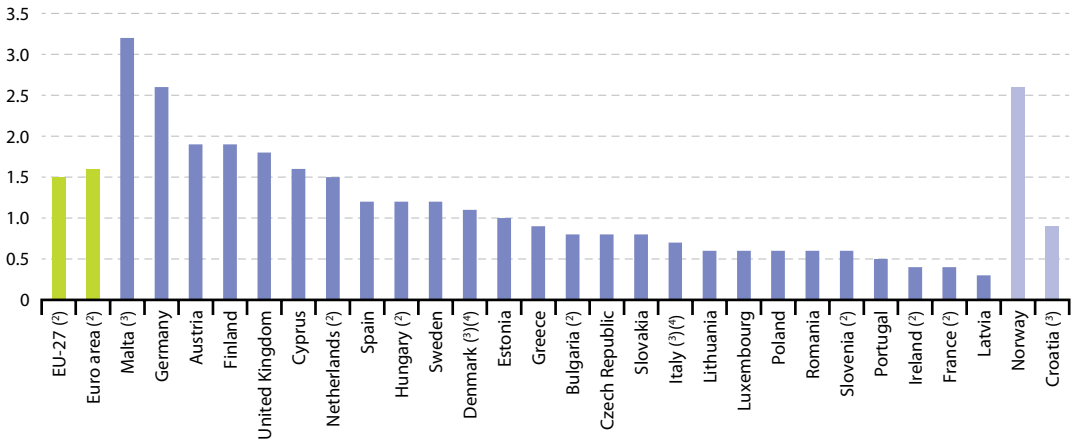
Figure 5.4.1: Job vacancy rate, 2003-2010 (1)
(%)



(1) NACE Rev. 1.1 Sections A to O for 2003-2008; NACE Rev. 2 Sections B to S for 2009 and 2010.
(2) Provisional.
(3) EA-16 for 2003-2008; EA-17 for 2009 and 2010.

Source: Eurostat (online data codes: jvs_a_nace1 and jvs_a_nace2)

Figure 5.4.2: Job vacancy rate, 2010 ([1])
(%)



([1]) NACE Rev. 2 Sections B to S; Belgium, not available.
([2]) Provisional.
([3]) Enterprises with ten or more employees.
([4]) NACE Rev. 2 Sections B to N.

Source: Eurostat (online data code: jvs_a_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 who are 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 2.2 % of gross domestic product (GDP) was spent on LMP interventions in 2009. That was around 0.6 percentage points more (of GDP) than a year before in 2008, as total expenditure on LMP interventions increased by 35.4 %. The majority of this increase was derived from higher levels of expenditure on unemployment benefits as governments supported the large numbers of people that lost their jobs as a direct result of the financial and economic crisis. Indeed, the share of LMP expenditure accounted for by LMP supports rose to 64.1 % compared with 59.7 % the year before, with the share spent on LMP measures down to 25.3 % from 28.8 % and that on LMP services rather unchanged at 11 %.

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 2009 was reported in Belgium (3.8 % of GDP), followed by Spain, Ireland and Denmark, which were the only other countries to spend more than 3.0 % of their GDP on such interventions (see Figure 5.5.1). At the other end of the scale, nine Member States spent less than 1 % of GDP on these interventions: Romania, Malta, Bulgaria, the United Kingdom, the Czech Republic, Cyprus, Slovakia, Greece and Lithuania. Relative to GDP, Spain spent the most on LMP supports (3.0 %) with Belgium and Ireland the only other countries to spend more than 2 %. Belgium, Denmark and Poland spent most on LMP measures (around 1.2 %) while Sweden and the Netherlands reported the highest relative expenditure on LMP services – around 0.4 % of GDP.

LMP measures (see Figure 5.5.2) 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 2009 was equivalent to 0.6 % of GDP. The largest part of this expenditure went on training (42.6 %), just less than a quarter (23.8 %) on employment incentives, while 14.4 % was accounted for by supported employment and rehabilitation (measures that promote labour market integration of people with reduced working capacity) and 12.1 % 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 10.5 million people participating in LMP measures at any point during 2009, only slightly more than in 2008 (10.3 million). Of these, around 4.3 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 5.5.1).

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).

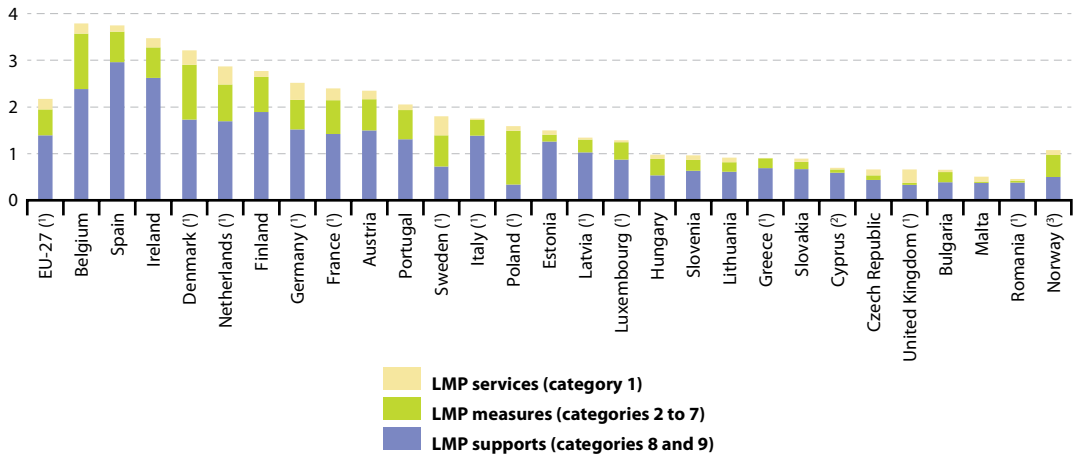
Context

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.

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

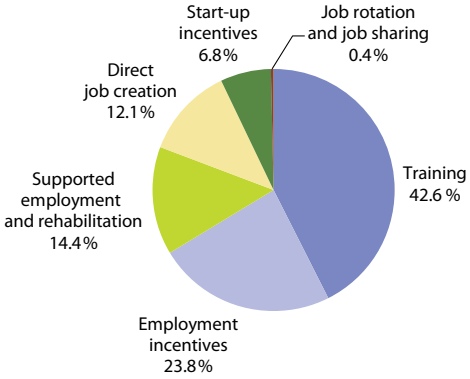
Figure 5.5.1: Public expenditure on labour market policy interventions, 2009
(% of GDP)



(1) Includes estimates.
(2) Includes estimates and provisional data.
(3) LMP services, 2007; includes estimates.

Source: Eurostat (online data code: lmp_expsumm)

Figure 5.5.2: Public expenditure on labour market policy measures, EU-27, 2009 (1)
(% of total)



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

Source: Eurostat (online data code: tps00077)

Table 5.5.1: Labour market policy measures, participants by type of action, 2009
(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)	3 240.0	117.1	4 308.4	1 199.7	894.7	782.3
Belgium	126.4	–	226.4	37.2	159.3	1.4
Bulgaria (1)	6.1	–	7.7	0.9	43.4	2.6
Czech Republic	4.5	–	2.8	26.0	2.4	3.2
Denmark (2)	64.9	0.2	30.8	66.5	–	–
Germany (1)	801.4	0.2	259.7	43.5	295.5	147.4
Estonia	2.7	–	0.1	0.0	0.0	0.3
Ireland (1)	56.1	–	2.2	3.4	24.9	5.7
Greece (2)	1.6	–	64.7	–	–	25.5
Spain (1)	341.6	91.0	2 183.1	53.0	:	394.3
France (1)(3)	580.8	–	533.8	145.3	224.6	145.3
Italy (1)	730.5	18.8	582.0	–	20.9	–
Cyprus (1)	0.4	–	6.4	0.2	–	–
Latvia	4.9	–	1.9	–	5.1	0.1
Lithuania	5.4	0.1	:	0.2	2.7	–
Luxembourg (1)	0.8	–	14.0	0.1	0.9	–
Hungary	13.5	–	27.5	–	13.8	1.4
Malta	0.5	–	0.1	–	0.1	0.0
Netherlands (2)	178.3	–	27.8	154.7	–	–
Austria (2)	113.1	0.2	69.1	1.9	7.4	3.5
Poland (1)	3.1	–	141.1	602.8	11.1	6.7
Portugal (1)	81.6	–	79.4	5.6	31.7	6.1
Romania	10.0	–	27.0	–	7.7	:
Slovenia (2)	33.5	–	2.6	–	3.1	4.1
Slovakia (1)	0.9	–	13.3	2.8	20.0	26.9
Finland (2)	48.7	6.6	13.3	7.9	11.6	5.1
Sweden	10.5	–	87.4	44.2	–	2.8
United Kingdom (1)(4)	21.7	–	38.2	16.2	8.0	–
Norway	25.2	–	4.8	14.3	10.3	0.3

(1) Includes some values that are incomplete (participant data available for >80 % but <100 % of expenditure).
(2) Includes estimates.
(3) Employment incentives, 2008.
(4) Training and supported employment & rehabilitation, 2008.

Source: Eurostat (online data code: lmp_partsumm)