

# One in three unemployed persons in the EU have been jobless for over a year

## Long term unemployment set to rise in the aftermath of the crisis

While there is hope of economic recovery as output starts growing again, the effects of the crisis on the European labour market are far from over. In 2009Q3, the ranks of the unemployed increased to around 21.4 million in the EU. Many of them lost their job in the past 12 months. But with fewer jobs on offer, the risk of staying unemployed for over a year is real for a substantial number of people. This could result in more social exclusion and poverty.

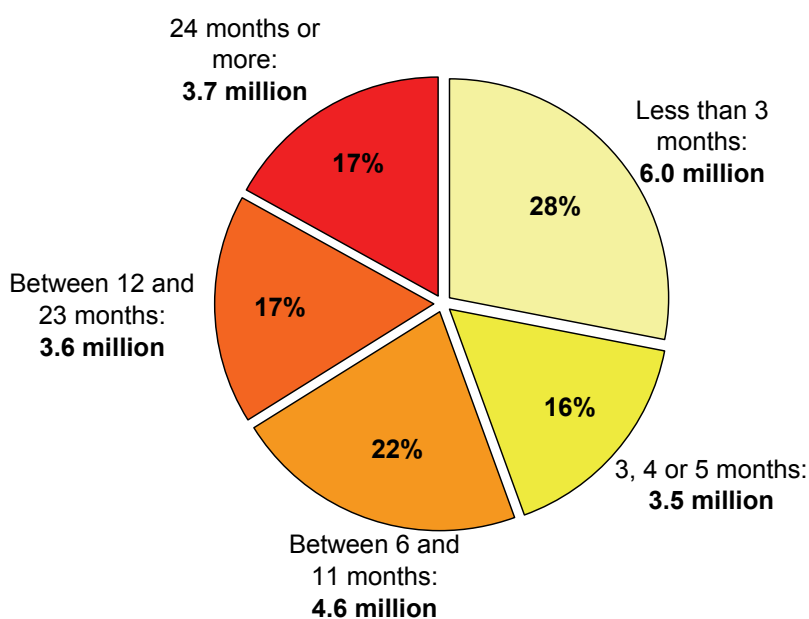
Recent data (third quarter of 2009) from the European Labour Force Survey (LFS) are used

to analyse unemployment in the different population groups in terms of duration. The data are supplemented by seasonally adjusted monthly data on unemployment and quarterly data on job vacancies, to give a more complete picture.

This publication is the third in a series analysing the effects of the current economic crisis on the labour market in Europe.<sup>1</sup>

<sup>1</sup> See [Statistics in focus °No 53/2009](#) and [Statistics in focus °No 79/2009](#).

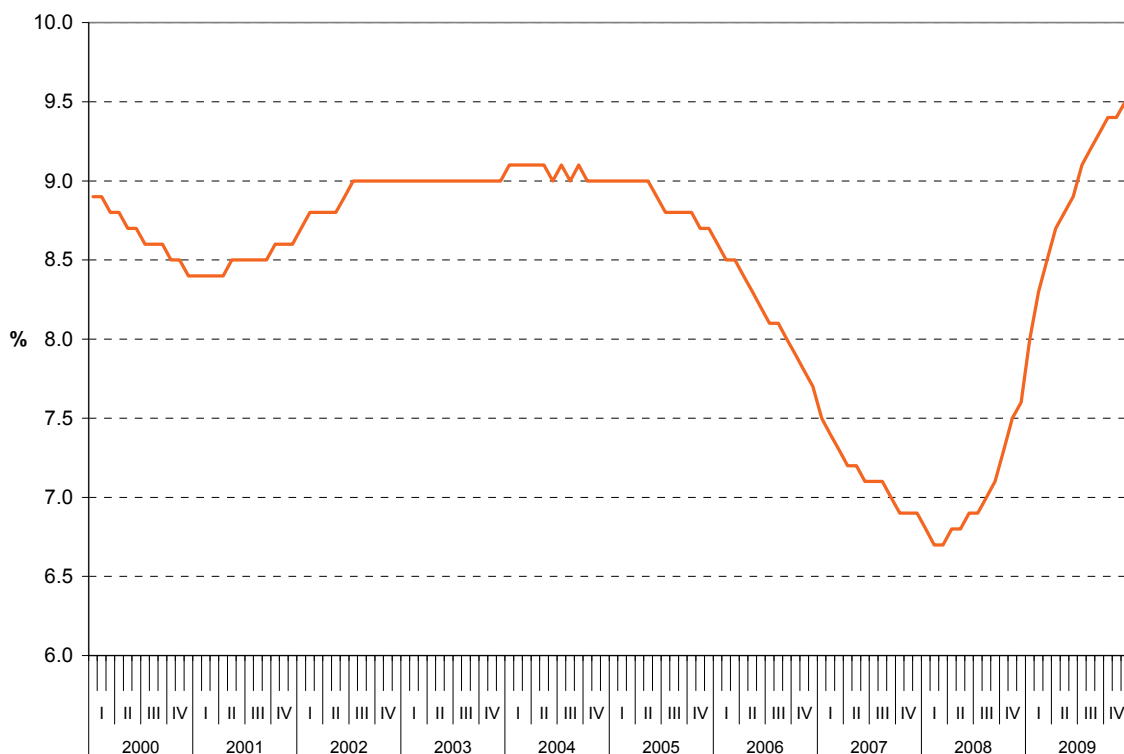
Figure 1: Number of unemployed by duration in the EU27, 2009Q3



Source: Eurostat, Labour Force Survey ([lfsq\\_ugad](#))

## Sharp increase in unemployment since March 2008

Figure 2: Unemployment rate in the EU27, seasonally adjusted

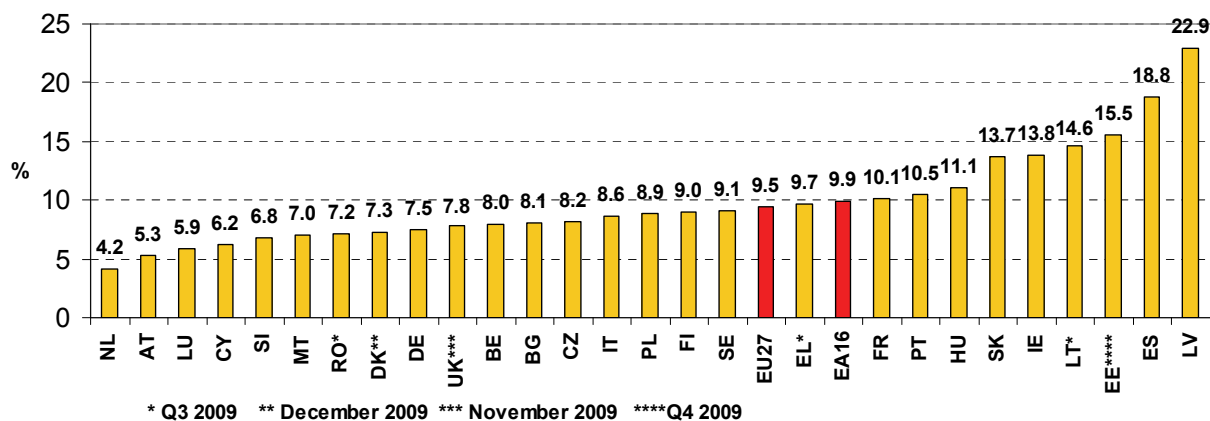


Source: Eurostat, Monthly unemployment statistics ([une\\_rt\\_m](#))

In early 2000, slightly below 9% of the labour force was unemployed in the 27 countries currently forming the European Union. This figure fell to around 8.5% in early 2001 before climbing back to around 9%. It remained approximately this level from mid 2002 to mid 2005, when unemployment started to decline steadily over a period of several years. In the first quarter of 2008, unemployment hit a low of around 6.7% before rising sharply with the

economic crisis. By the end of 2009, around 9.5% of the labour force in the EU27 was unemployed, the highest rate since the series began in January 2000. Between January 2009 and January 2010, all 27 Member States of the EU recorded an increase in the unemployment rate. The highest rates are currently recorded in Latvia (22.9%) and Spain (18.8%). The rates are relatively low in the Netherlands (4.2%) and Austria (5.3%).

Figure 3: Unemployment rates in January 2010, seasonally adjusted

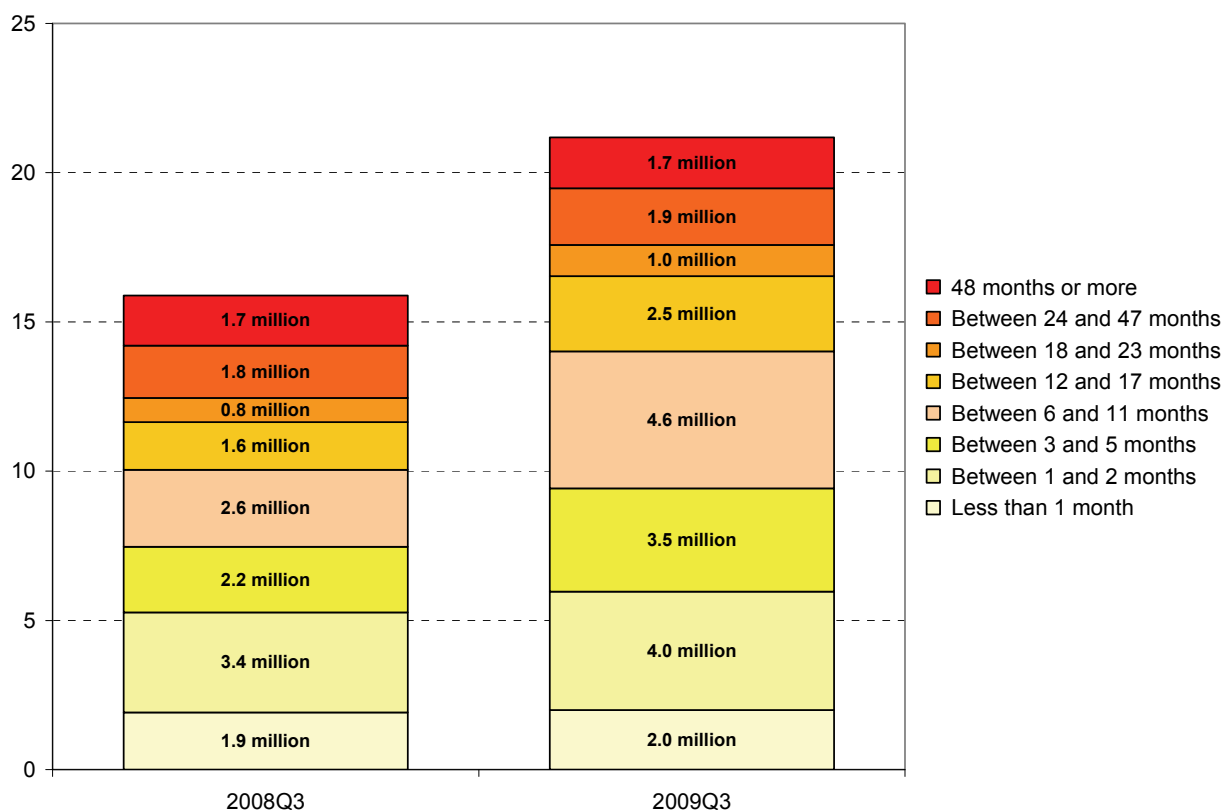


\* Q3 2009 \*\* December 2009 \*\*\* November 2009 \*\*\*\* Q4 2009

Source: Eurostat, Monthly unemployment statistics ([une\\_rt\\_m](#))

## More and more unemployed fail to find a job within a few months

**Figure 4: Number of unemployed by duration in the EU27, in million**



Source: Eurostat, Labour Force Survey ([lfsq\\_ugad](#))

Between the third quarters of 2008 and 2009, unemployment increased by more than 5 million. As Figure 2 shows, job losses were particularly severe towards the end of 2008 and in the first few months of 2009. This is clearly reflected in Figure 4 too, where the numbers of unemployed are shown by the duration of their unemployment spell.<sup>2</sup> In 2009Q3, around 2 million persons had been unemployed for less than a month, and a further 4 million had been unemployed for 1 or 2 months. While these figures are higher than the year before, the increases are particularly marked in groups that have been unemployed for longer. Around 3.5 million people in the EU had been unemployed for 3 to 5 months, a sharp increase compared to 2008Q3. By 2009Q3 a large group

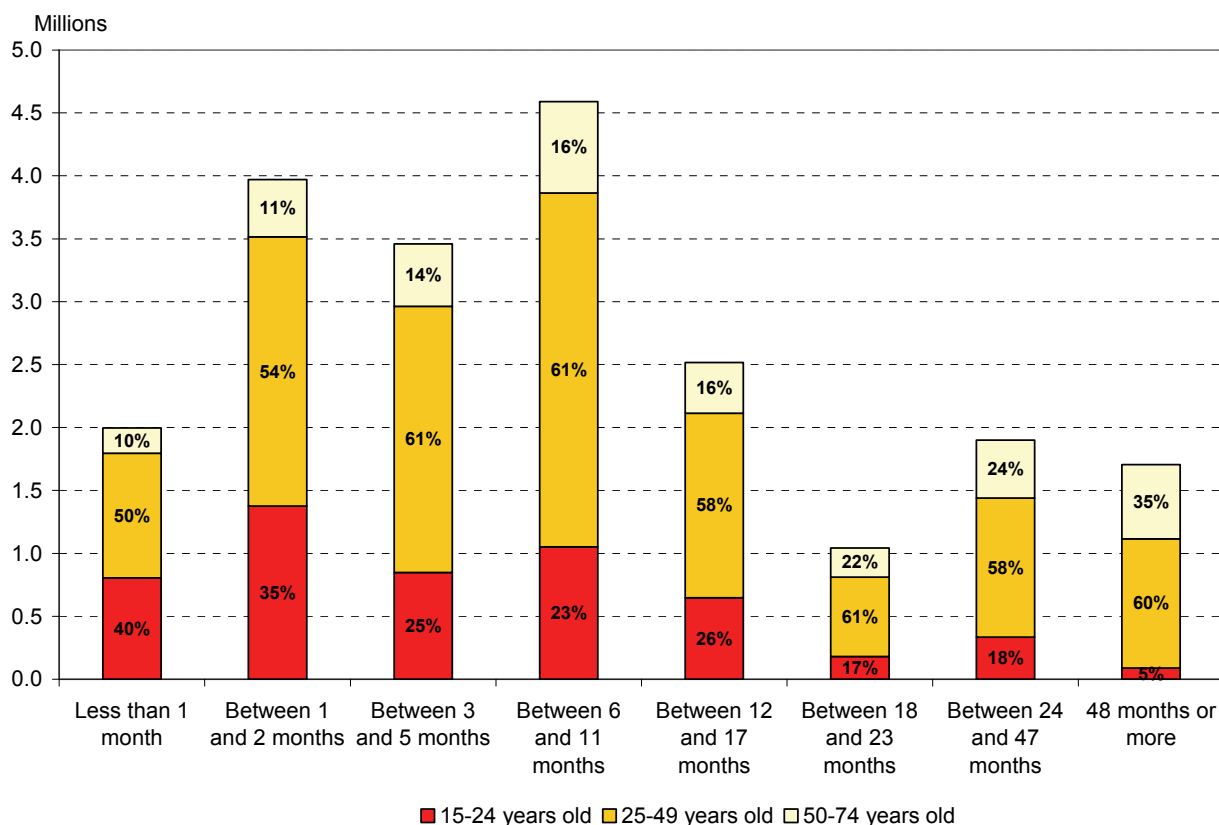
had been job-hunting for between 6 and 11 months, totalling 4.6 million. With an increase of 2 million compared to the year before, this is also the group that increased the most (by around +75%). This suggests that many of those who lost their jobs in the final months of 2008 and the first months of 2009 were still looking for employment in 2009Q3.

Of the approximately 16 million who were unemployed in 2008Q3, around 45% were still unemployed a year later. Out of these 7.1 million people, half have now been unemployed for over 2 years. This group of very long-term unemployed did not expand much compared to a year before. However, given the wave of those who became unemployed during the peak of the crisis and the relatively small number of job vacancies (see page 7) this group is likely to grow significantly in 2011.

<sup>2</sup> Because these people are still unemployed, these are not completed spells of unemployment and do not indicate the average time needed to find a job.

## High percentages of young people among the new unemployed

**Figure 5: Number of unemployed by duration and age in the EU27, 2009Q3**



Source: Eurostat, Labour Force Survey ([lfsq\\_ugad](#))

Out of all unemployed persons in the EU, 25% are aged between 15 and 24 years, 58% between 25 and 49 years and the remaining 17% are between 50 and 74 years old. The composition is markedly different if we look at the groups of unemployed by current duration of unemployment. Young people are relatively often unemployed for shorter periods of time. In 2009Q3 around 40% of all those that had been unemployed for less than a month were aged between 15 and 24. For the group that had been unemployed between 1 and 2 months the percentage of young people was around 35%. These relatively high percentages show that young people are more vulnerable on the short run. Many have temporary contracts, and school leavers find jobs only after searching for several months.

The percentages of young people among the longer-term unemployed are lower. This may be due either to greater ability to find a job after a few months compared to older people, or to the fact that some young people might leave the labour force if they cannot find a job, by opting

for further education to increase their chances and in anticipation of better times to come.

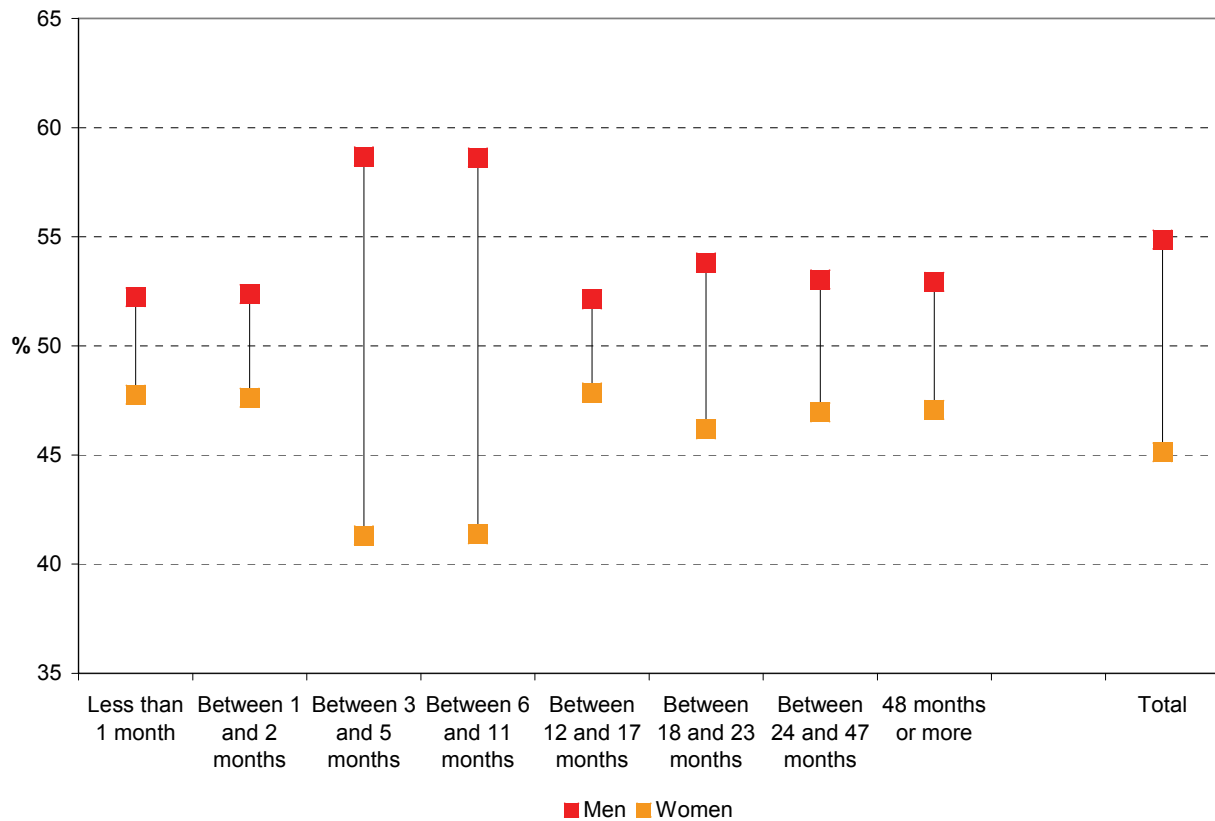
Among those unemployed for between 2 and 4 years, 18% are aged between 15 and 24<sup>3</sup> and among those who have been unemployed for over 4 years around 5% are in this age group. While these percentages are lower than the overall youth percentage, it is still a worrying sign that a significant group of (around 400 thousand) young people in the EU have currently been unemployed for more than 2 years.

Persons aged over 50 form a large share of the long- and very long-term unemployed in the EU. Of all those unemployed for over 4 years, 35% are over 50. This reflects the difficulty faced by this age group on the labour market after losing their jobs, with the risk of becoming more and more detached from the labour market.

<sup>3</sup> If a person turns 25 while unemployed, they are no longer counted as young. This has a downwards effect for the percentages of young people in this analysis, especially for the longest duration of unemployment.

## Peak for men among those currently jobless for between 3 and 11 months

Figure 6: Gender shares<sup>4</sup> within groups of unemployed by duration, 2009Q3



Source: Eurostat, Labour Force Survey ([lfsq\\_ugad](#))

<sup>4</sup> Shares of men and women in all unemployed, i.e. the share of men plus the share of women equals 100% in each subgroup.

In 2009Q3 around 55% of all the unemployed in the European Union were men. But this percentage varies considerably when looking at the groups of unemployed in terms of how long they have been seeking work.

Among those who had been unemployed for less than 3 months, the percentage of men was around 52%. The percentages of men were much higher, close to 59%, among those who had been jobless for between 3 and 11 months. This matches the period of the economic crisis around the end of 2008 and beginning of 2009, the effects of which are still clearly visible. At that time, sectors such as construction, the financial

sector and the automotive industry were hit hard, leading to job losses predominantly among men. Indeed looking at the data for 2009Q1, unemployment figures showed higher shares of men being unemployed for less than 3 months at that time.

Among all those unemployed for over a year, the percentages of men hover around 53% depending on the exact duration of unemployment. In the near future this percentage is expected to increase as this category is joined by the cohort of men who lost their job when the economic crisis hit the labour market hard.

## High percentage of very long-term unemployed in Slovakia and Germany

Unemployment rates vary considerably between Member States, as can be seen in Figure 3. Also, the onset of the rise in unemployment differed markedly throughout the European Union.<sup>5</sup> This, among other factors such as national policies to deal with long-term unemployment, explains the different distribution of unemployment according to its duration in the Member States.

Table 1 shows the number of unemployed in each Member State by duration of unemployment in 2009Q3, together with the shares of the duration groups in total unemployment per country.<sup>6</sup> Denmark, Finland and Sweden show high shares of their unemployed to be in unemployment for less than 6 months, as a result of the recent increase of unemployment. At present, there is also only a

small number of long-term unemployed in these countries.

In 2009Q3 persons who had been unemployed for more than 2 years were already unemployed before the onset of the economic crisis. However, the crisis made it much harder for them to get out of unemployment. High percentages of unemployed that have been jobless for more than 2 or even 4 years are found in Slovakia, Germany, Bulgaria, Belgium, Greece, Portugal and Italy. In Germany, the group of 653 thousand who have been out of work for over 4 years is particularly large. This means that 1 in every 5 unemployed people in Germany has been jobless since at least 2005. In Spain, where the total group of unemployed is larger than in Germany, only 116 thousand persons have been looking for a job for over 4 years.

In Italy, Poland and France a relatively large group has been unemployed for between 12 and 17 months.

<sup>5</sup> See *Statistics in focus* °No 53/2009.

<sup>6</sup> Various approaches within the LFS are used by Member States to capture cases of very long duration of unemployment. The data has potentially lower comparability compared to the overall unemployment data.

**Table 1: Distribution of unemployed by duration, 2009Q3**

	Total		Share in all unemployed per country (%)							
	Rate (%)	Level (1000)	Less than 1 month	Between 1 and 2 months	Between 3 and 5 months	Between 6 and 11 months	Between 12 and 17 months	Between 18 and 23 months	Between 24 and 47 months	48 months or more
EA16	9.4	14 610.6	9.3	17.6	14.8	20.9	11.6	5.1	9.7	9.7
EU27	8.9	21 411.2	9.3	18.5	16.2	21.4	11.8	4.9	8.9	8.0
BE	8.2	394.1	7.2	19.2	14.0	15.0	11.1	4.1	15.2	14.1
BG	6.7	234.5	5.6	14.5	17.8	20.1	12.2	4.4 (u)	9.3	16.1
CZ	7.3	387.0	9.1	15.7	20.7	26.2	8.9	4.7	7.3	7.1
DK	6.1	180.4	22.3	25.6	23.3	18.2	4.2	:	:	:
DE	7.6	3 266.3	7.8	14.2	13.8	17.7	7.7	6.3	11.0	20.0
EE	14.6	102.3	11.9 (u)	15.0	20.4	24.7	14.6	:	6.3 (u)	:
IE	12.6	275.6	10.7	11.6	16.0	28.5	12.0	6.0	6.7	3.5
EL	9.3	465.1	6.0	16.9	14.5	20.2	11.1	8.0	10.2	11.9
ES	17.9	4 123.3	9.9	21.3	19.5	24.7	11.9	4.9	5.0	2.8
FR	9.4	2 546.2	13.0	17.6	9.8	21.3	15.1	4.7	10.4	6.0
IT	7.3	1 813.5	7.0	15.1	12.6	17.2	15.8	3.1	15.4	10.7
CY	5.4	22.0	17.7	24.5	27.3	22.3	41.0 (u)	:	:	:
LV	18.4	214.9	6.7	16.7	18.9	31.3	12.0	3.7	5.5	5.3
LT	13.8	228.1	18.7	9.0	21.7	27.4	11.7	:	3.1 (u)	6.4 (u)
LU	5.5	9.9	:	24.2 (u)	20.2 (u)	32.3	12.1 (u)	:	:	:
HU	10.3	436.2	4.5	13.1	15.0	26.7	14.1	6.7	12.2	7.8
MT	7.1	12.0	13.3 (u)	:	12.5 (u)	17.5 (u)	:	:	:	:
NL	3.5	306.4	7.7	27.8	19.5	19.3	9.0	3.1 (u)	6.4	5.2
AT	5.1	221.8	10.8	26.6	19.4	23.6	7.4	2.8 (u)	5.7	3.6 (u)
PL	8.1	1 404.3	2.4	24.0	18.6	22.4	15.3	4.8	8.7	3.6
PT	10.0	547.7	8.1	12.5	11.1	23.7	9.8	8.7	14.5	11.0
RO	6.8	698.9	5.8	19.3	22.7	19.8	13.7	5.9	10.6	2.1
SI	6.2	65.3	8.7 (u)	21.7	19.8	22.2	11.5 (u)	2.0 (u)	7.7 (u)	6.6 (u)
SK	12.5	339.2	5.2	8.4	13.1	20.9	9.6	4.5	14.0	24.4
FI	7.5	202.1	18.4	25.3	17.3	18.4	6.9	4.5	5.1	3.1
SE	8.1	399.2	18.1	24.9	20.3	21.4	6.4	3.0	3.2	1.4
UK	8.0	2 514.7	12.2	22.4	18.0	21.5	11.3	4.0	5.8	3.6

u unreliable/uncertain data

: not available

Source: Eurostat, Labour Force Survey ([lfsq\\_uqad](#))

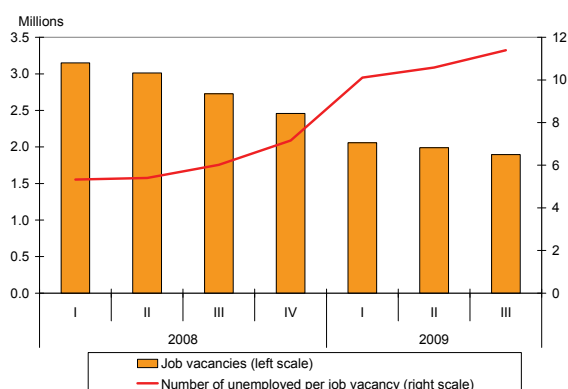
## Strongly increased competition for scarce job vacancies

With unemployment levels rising across Europe and the number of job vacancies falling, the competition for jobs on the labour market has increased sharply since 2008Q2. In the first half of 2008 there were around 3 million job vacancies<sup>7</sup> available in the EU. On average

around 5 unemployed people were competing for each vacancy on the labour market. In 2009Q3, the number of job vacancies in the EU fell to below 2 million. With over 21 million unemployed, this means the competition has increased to over 11 unemployed per vacancy. This could lead to longer unemployment spells for many Europeans in the coming years.

<sup>7</sup> The estimated level of job vacancies should be treated with caution, as measurement is not exhaustive in all Member States. It is better to look at the evolution of the number of job vacancies.

**Figure 7: Job vacancies and unemployed per vacancy in the EU27**



Source: Eurostat

## METHODOLOGICAL NOTES

### Definitions

#### Unemployment

Based on the definition recommended by the International Labour Organisation (ILO), Eurostat defines unemployed persons as persons aged 15 to 74 who:

- are without work;
- are available to start work within the next two weeks;
- and have actively sought employment at some time during the previous four weeks.

The *unemployment rate* is the number of people unemployed as a percentage of the labour force. The labour force is the total number of people employed plus unemployed.

#### Long-term unemployment

Long-term unemployed persons are persons who have been unemployed for one year or more.

#### Very long-term unemployment

Very long-term unemployed persons are persons who have been unemployed for more than 2 years.

### Notes to the data

1. All unemployment data used in the publication, with the exception of the data described on page 2 and the last column of Table 1, does not include unemployed from the French overseas departments (around 180 thousand in 2009Q3). Unemployed people who have found a job to start later (around 100 thousand in the EU27 in 2009Q3) and unemployed for whom the duration is unknown (around 130 thousand in the EU27 in 2009Q3) are also excluded.

2. Data on job vacancies should be treated with caution. Methodological information on job vacancies can be found [here](#).

## Further information

Eurostat Website: <http://ec.europa.eu/eurostat>

Data on "Unemployment":

[http://epp.eurostat.ec.europa.eu/portal/page/portal/employment\\_unemployment\\_lfs/data/database](http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_unemployment_lfs/data/database)

More information about "Unemployment":

[http://epp.eurostat.ec.europa.eu/portal/page/portal/employment\\_unemployment\\_lfs/introduction](http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_unemployment_lfs/introduction)

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