

# Beginners: Labour market - unemployment

Statistics Explained



Unemployment is an important indicator for the economy, and statistics collect data about unemployment and give information about the people who are looking for a job.

Why is this information important? Governments can rely on these data to make informed key economic policies, for example to increase the number of employment centres in charge to help people to find a job.

This article is part of [Statistics 4 beginners](#), a section in [Statistics Explained](#) where indicators and [concepts](#) are described in a simple way to make the world of statistics a bit easier to understand.

## Defining unemployed persons



### Watch the video explaining labour market definitions

Eurostat defines an **unemployed person** according to guidelines provided by the International Labour Organisation (ILO), namely, someone aged 15-74 years who was:

- not in employment during the [reference week](#) of the [Labour Force Survey](#) (LFS);
- available to start work within the next two weeks following the reference week (or had already found a job to start within the next three months);
- actively seeking employment at some time in the four week period ending with the reference week.

The person actively seeking employment must have: been in contact with a public employment service or with a private agency to find work; or applied to employers directly; or been asking friends, relatives or acquaintances about possible jobs; been studying, placing or answering job advertisements; taken a recruitment test or examination or gone for an interview; or been carrying out steps to establish a new business (looking for land or premises, purchasing equipment or applying for a trading/business license or financial resources).

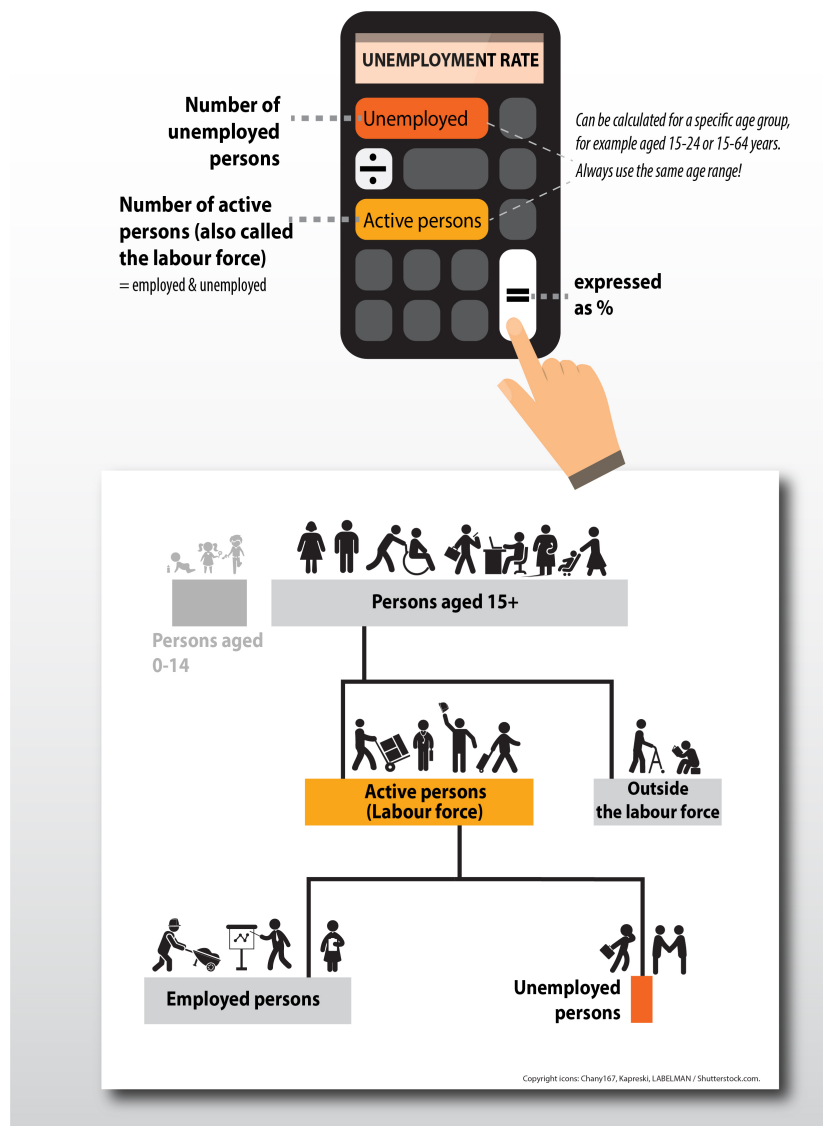
Some people are not included in the unemployment figures because they are not considered to be actively seeking work, for example just reading ads online or in the newspaper is not considered enough for a job search.

Note that it is possible for **students** in full-time education to be unemployed, provided they are actively looking for and available to work.

## The unemployment rate

Statistics on unemployment calculate the total number of people who are unemployed, and therefore provide the absolute figures of unemployment. However, to facilitate comparisons between countries, over time and between different groups in society (for example, based on sex, age or education), it is more common for unemployment data to be presented as rates. The **unemployment rate** is made by the relation between the number of people who are unemployed and the total labour force (both employed and unemployed).people who are employed and the number of people who are unemployed).

In 2022, the number of unemployed people in the EU aged 15-74 years was about 13 million. The total labour force (aged 15-64 years) was around 210 million persons. To obtain the unemployment rate, we divide the number of unemployed people by the labour force. Thus, the unemployment rate in 2022 was of 6.2 % across the EU.



## Different definitions of unemployment

The ILO definition for unemployment is a global standard, which is used to compare results across regions, countries or continents. However, statistical offices may collect other types of unemployment statistics for their own national needs. Most commonly, they are interested in knowing the number of unemployed people who registered with social security or benefit offices. National figures for the registered unemployed are rarely comparable, because of the considerable differences that may exist between countries in matters of legal regulations relating to registration, deregistration, eligibility for unemployment and other benefits, as well as availability of training and/or other services for the registered unemployed.

In fact, unemployment rates calculated according to the ILO methodology and the ones based on registries sometimes can vary considerably. For example, in Germany the average unemployment rate for 2017 according to the ILO definition was 3.8 %, whereas the rate among registered unemployed persons was 6.3 %. This figure is based on information from the Federal Employment Agency and concerns individuals registered with an agency or a local institution and seeking employment for at least 15 hours per week (note that it is possible to have a job for less than 15 hours despite being registered as unemployed). As such, the ILO-based unemployment rate includes

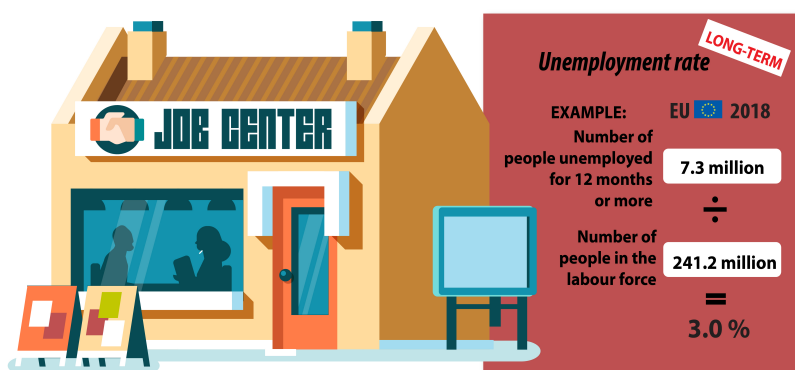
some people who are excluded from the statistics published by the Federal Employment Agency, whereas others who are considered to be unemployed by the Federal Employment Agency are excluded from the ILO definition.

## Long-term unemployment

As well as analysing unemployment statistics, according to unemployed people's characteristics, data on unemployment can also be presented in relation to the duration of unemployment, with **long-term unemployment** referring to those persons who have been out of work and actively seeking a job for at least a year; very long-term unemployment concerns people out of work for at least 24 months.

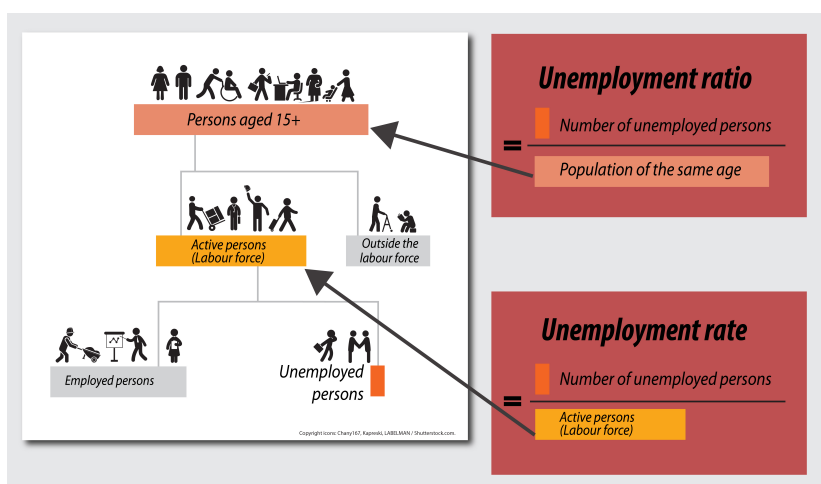
The impact of long-term unemployment on an individual's well-being, and more generally on society as a whole, may be considerable. In 2022, there were 1.5 million people in the EU who had been unemployed for 48 months (four years) or more, while a further 1.6 million had been unemployed for between 24 and 47 months. In total, some 5.1 million people have been unemployed for 12 or more months. The **long-term unemployment rate** can be therefore calculated by dividing long-term unemployed persons by the labour force (5.1 million divided by 205.7 million = 2.4 %).

It is notable that the highest long-term unemployment rates across the EU were recorded for the oldest generations, while a much lower proportion of young people had been without work for more than a year.



## Unemployment rates or ratios: a big difference

Alongside the unemployment rate, which is the number of unemployed people in relation to the number of people in the labour force, there is also the unemployment ratio: this is defined as the number of people who are unemployed in relation to the population of the same age. Unemployment ratios are particularly useful for analysing developments among younger people, for example, those aged 15-24 years, where it is common for a high proportion to still be within full-time education. Unemployment rates and unemployment ratios can be quite different — particularly for those parts of the population where many people are not in the labour force (employed or actively seeking work) — for example, the young or the elderly. It is therefore essential that users take care not to mix up unemployment rates and ratios when interpreting these data!



## More than half of young people in Greece are unemployed — really?

The following statement was recently reported within the media: **More than half of young people in Greece are unemployed.**

Is this true? In simple terms, no.

The annual **youth unemployment rate** for Greece was 55.3 % in 2012; later it rose to 58.3 % (2013) and it remained above 50 % in 2014 (52.4 %). Since then it has gone down and in 2018, the rate was 39.9 %. What does this mean? In simple terms, that more than half of all young people (aged 15-24 years) in the Greek labour force were unemployed in 2012 to 2014, and over 40 % in 2017. But we need to remember that a relatively large share of young people of this age tend to still be studying and as such do not (necessarily) form part of the labour force; they might still be in full-time education at school or in tertiary or vocational education, while others may have left (or not even entered) the labour force for a diverse number of other reasons, such as taking a gap year, travelling, caring for family members or volunteering.

By contrast, the **youth unemployment ratio** in Greece was 16.1 % in 2012, 16.5 % in 2013 and 14.7 % in 2014, and had decreased to 9.3 % in 2018. So, the highest share of young Greeks being unemployed was recorded in 2013, when the youth unemployment ratio was 16.5 % — a considerable difference when compared with the 58.3 % youth unemployment rate. Although youth unemployment in Greece was/is relatively high, with considerable economic and social consequences, it was never the case that half (one in two) of young Greek people were unemployed: the share was nearer to one in six at its peak in 2013.

Although this type of error has become less common as these statistics have become more frequently reported, it is an error that is still being made in the media and elsewhere.

## Other articles

**Related articles in Statistics 4 beginners :**

- [The labour market — basic definitions](#)
- [The labour market — employment](#)

**Related articles in Statistics Explained :**

- [EU labour force survey — latest developments](#)

- [EU labour force survey — legal basis and methodology](#)

#### **Glossary items in Statistics Explained :**

- [International Labour Organisation \(ILO\)](#)
- [Labour force](#)
- [Labour force survey \(LFS\)](#)
- [Unemployed person](#)
- [Unemployment rate](#)
- [Long-term unemployment](#)

#### **External links**

- [European Commission — Employment, social affairs and inclusion](#)
- [International Labour Organisation \(ILO\)](#)

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