Employment and Social Developments in Europe 2014

Marianne Thyssen
15 January 2015
Fragile recovery

Growth in GDP, employment and household incomes (GDHI)

Source: Eurostat, National Accounts
GDHI: Gross Household Disposable Income
Employment started growing again, but still below pre-crisis level

Employment in the EU and Euro area, 2005 to 2014

Source: Eurostat, Labour Force Survey
Long-term unemployment has doubled during the crisis, esp. for the low skilled

Long-term unemployment rate, total and by skill level, 2004 to 2013

Source: Eurostat, Labour Force Survey
Poverty and exclusion on the rise in two third of countries

Source: Eurostat, SILC
Job creation: obstacles and possible solutions

Obstacles
Weak demand, access to finance, lack of start-ups, skills mismatches, more part-time and temporary work, in some cases labour taxation

Possible solutions
reforms and investments, specifically in education, training, activation policies and health, tax shifts away from labour, framework conditions supporting entrepreneurship
Net job growth mostly in SMEs, but not in the last years

Share of total employment change (2002-2010 average)

Source: Study "Do SMEs create more and better jobs?"

Change in employment 2010-2013

Source: ESDE 2013
Divergence between countries: different levels of resilience to the shock

Source: Eurostat, National Accounts
GDHI: Gross Household Disposable Income
Better training, activation & unemployment benefits associated with better labour market performance

High level of training and activation associated with wide coverage of unemployment benefits

Source: ESDE 2014 – "Labour market institutions Index" EMPL calculations based on Estat/OECD
Early Childhood Education and Care: early intervention improves basic skills

Chart 6: Participation in ECEC improves basic skills of 15 year-olds
Achievement in maths by participation in pre-primary school (PISA score points)

Note: Data are not corrected for parental/socioeconomic background.
Cross border mobility highest in the Eastern countries, but still below US level

Mobility rate by country—working-age citizens living in another EU country, by years of residence

Source: Eurostat, Labour Force Survey – EMPL calculations; (age group 15-64, 2013, as a percentage of the working-age population of the country of citizenship)
The important role of businesses in life long learning

Source: COFOG and CVT, DG EMPL elaborations.
Most competitive countries (SE, DE, DK, LU, NL) Least competitive EU countries (IT, HU, SI, EL, RO, BG) (from IMD World Competitiveness Yearbook 2014)
Higher job quality is associated with better labour market performance

*Job quality components and Employment rates (ER)*

Source: Eurostat and Eurofound (ESWC) in ESDE 2014 - forthcoming
Note: standardized deviations from EU average
Unequal crisis and recovery

Employment rates: divergence between North and South of EU15

Source: Eurostat, Labour Force Survey