

Monitoring sectoral employment – Summary of main findings

The recent economic downturn

The decline in GDP during the recession has been concentrated in manufacturing and construction and triggered significant (though smaller) declines in basic services (distribution, hotels and restaurants, and transport). The decline in manufacturing production was particularly strong in Germany, while in Spain and Ireland as well as the Baltic States there was a pronounced decline in construction, which had expanded markedly in these countries over the years preceding the recession.

Just as in previous economic downturns in the EU, the recent recession has hit investment goods industries (including construction) much harder than consumer goods industries, essentially because investment can be postponed in a way that consumption cannot; nevertheless, within the latter, the production of durable goods – which are similar to investment goods in this respect – was hit hard as well.

The effect on employment of the downturn differed markedly among sectors and countries according to the strength of the measures adopted both by employers and governments to preserve jobs, but also according to expectations about the pace and scale of recovery and the sustainability of the previous pattern of growth.

Although average hours worked declined significantly in manufacturing during the worst period of the recession in 2009, supported by measures to preserve jobs in many countries, since then there has been a widespread increase, reflecting the reluctance of employers to take on workers in the context of a hesitant recovery and the uncertainty of longer-term prospects.

Just as the recession disproportionately affected industry, so too the recovery was in its initial stages stimulated by an upturn in manufacturing as demand for investment and durable goods picked up. This was especially the case for chemicals and motor vehicles where output began to recover strongly in the latter part of 2009 and during 2010. Value-added in industry grew by 6% between 2009 and 2010 in the EU as a whole, considerably more than in other parts of the economy (in construction, value-added continued to decline).

In those sectors where most efforts have been made to preserve jobs – in the engineering industries and motor vehicles in particular – labour productivity at the beginning of 2011 was below the level before the onset of recession in a number of countries. This could dampen the rate of job creation as and when recovery takes place since it implies that output could be increased without any immediate need to expand employment.

Changes in value-added and employment by broad sector in the EU, 2003-2010

	Value-added				Number employed			
	2003-07	2007-08	2008-09	2009-10	2003-07	2007-08	2008-09	2009-10
<i>Annual % change</i>								
<i>Total</i>								
EU-27	2.8	0.7	-4.3	1.9	1.1	0.9	-1.8	-0.5
EU-15	2.6	0.4	-4.3	1.9	1.0	0.7	-1.8	-0.3
EU-12	5.9	5.4	-3.3	2.4	1.4	1.8	-1.7	-1.2
DE	2.5	1.2	-5.6	4.1	0.5	1.2	0.0	0.5
<i>Agriculture</i>								
EU-27	1.1	2.9	1.7	-0.4	-1.8	-1.6	-3.6	-2.5
EU-15	1.6	1.0	2.4	0.3	-0.9	-1.0	-1.6	0.6
EU-12	-1.5	16.7	-2.3	-4.7	-2.6	-2.1	-5.3	-5.5
DE	1.8	-5.5	8.9	-0.4	-0.7	1.2	-0.1	-1.2
<i>Industry</i>								
EU-27	2.9	-2.0	-12.1	6.1	-0.1	-0.1	-5.2	-2.9
EU-15	2.5	-2.6	-12.7	6.0	-0.5	-0.5	-5.1	-2.9
EU-12	8.7	6.0	-6.1	7.7	0.9	0.9	-5.4	-2.8
DE	3.9	-3.4	-16.7	10.3	-0.3	1.5	-2.9	-1.7
<i>Construction</i>								
EU-27	2.5	-1.0	-6.6	-2.3	3.0	0.3	-5.1	-3.4
EU-15	2.1	-1.8	-6.9	-2.2	2.2	-1.7	-6.4	-3.4
EU-12	9.6	9.6	-3.1	-2.9	6.6	8.4	-0.6	-3.4
DE	-2.3	-1.0	-1.8	1.5	-0.5	-0.7	0.5	1.3
<i>Basic services*</i>								
EU-27	3.2	1.0	-5.2	2.4	1.2	1.3	-1.7	-0.6
EU-15	2.9	0.7	-5.3	2.4	0.9	1.0	-2.0	-0.7
EU-12	6.5	3.9	-3.8	2.1	2.8	2.7	-0.6	0.1
DE	2.7	4.4	-6.0	3.3	0.4	0.9	0.2	0.1
<i>Financial+business services</i>								
EU-27	3.8	1.9	-2.2	1.0	2.8	2.7	-1.7	1.1
EU-15	3.7	1.7	-2.2	1.0	2.7	2.2	-2.3	0.9
EU-12	6.5	6.2	-2.4	1.0	3.8	7.1	3.4	2.3
DE	2.3	2.7	-1.2	1.9	2.0	2.8	-0.8	2.2
<i>Public admin, educ, health</i>								
EU-27	1.4	1.6	1.1	0.8	1.1	1.0	1.4	1.2
EU-15	1.4	1.6	1.1	0.9	1.0	1.2	1.4	1.2
EU-12	1.4	1.6	0.4	0.2	1.2	0.0	1.1	1.1
DE	0.9	2.4	1.7	1.9	0.7	1.4	2.1	1.3

* Basic services comprise the distributive trades, hotels and restaurants, and transport and communications.

Source: Eurostat, National accounts.

Changes in production and employment in selected manufacturing industries, 2007-2011

	<i>% change between first quarter of each year</i>							
	Production				Numbers employed			
	2007-08	2008-09	2009-10	2010-11	2007-08	2008-09	2009-10	2010-11
<i>Manufacturing</i>								
EU-27	3.3	-18.8	4.6	7.9	0.9	-5.1	-6.6	0.1
EU-15	2.9	-18.0	3.1	7.1	0.8	-4.1	-6.0	-0.5
EU-12	4.3	-21.0	8.7	10.1	1.1	-7.9	-8.4	1.8
DE	5.3	-21.5	7.3	13.7	2.6	-0.4	-4.7	1.8
<i>Textiles+footwear</i>								
EU-27	-2.9	-18.7	2.7	0.9	-4.9	-12.5	-9.9	-1.9
EU-15	-2.1	-18.1	2.2	-0.3	-2.9	-9.5	-7.4	-2.2
EU-12	-3.9	-19.7	3.3	2.5	-7.5	-16.4	-13.4	-1.4
DE	-2.6	-23.2	8.2	5.1	-2.2	-6.3	-8.3	-1.3
<i>Chemicals</i>								
EU-27	1.5	-20.7	15.4	5.6	-1.3	-4.0	-4.3	-0.3
EU-15	1.8	-20.1	14.7	4.9	-1.5	-4.3	-4.2	-0.3
EU-12	0.5	-22.5	17.6	7.4	-0.8	-3.2	-4.4	-0.5
DE	0.7	-26.8	26.1	7.7	-0.4	-0.4	-2.6	1.7
<i>Rubber, plastics etc</i>								
EU-27	0.2	-22.3	3.1	8.7	1.2	-6.6	-6.6	0.4
EU-15	0.0	-23.0	2.6	7.3	0.2	-5.8	-6.6	-0.8
EU-12	0.8	-20.5	4.4	12.2	4.0	-8.8	-6.8	3.8
DE	-0.2	-20.2	9.1	14.0	1.8	-1.9	-4.8	3.9
<i>Basic metals</i>								
EU-27	3.4	-28.0	4.8	11.3	2.8	-4.3	-9.1	1.0
EU-15	3.4	-27.9	4.5	10.6	2.6	-4.1	-8.9	0.4
EU-12	3.2	-28.0	5.9	13.9	3.4	-4.9	-9.7	3.3
DE	5.9	-27.9	11.0	16.1	4.8	0.5	-7.9	3.6
<i>Electronics, electrical equip</i>								
EU-27	6.2	-20.1	6.0	10.9	1.4	-6.2	-6.8	1.8
EU-15	6.2	-20.4	4.4	10.8	0.5	-5.8	-6.8	1.6
EU-12	6.5	-19.2	10.7	11.2	3.8	-7.3	-6.8	2.4
DE	9.6	-23.7	7.4	19.9	3.4	-5.5	-7.0	3.9
<i>Machinery</i>								
EU-27	6.2	-22.8	-4.8	17.0	3.6	-1.6	-9.3	0.7
EU-15	6.3	-23.4	-5.3	17.3	3.8	-0.6	-8.3	1.1
EU-12	6.1	-20.2	-3.1	16.0	2.7	-5.6	-13.4	-1.0
DE	8.5	-21.2	-7.0	20.7	5.4	3.4	-6.1	1.9
<i>Motor vehicles</i>								
EU-27	6.0	-40.1	27.9	19.9	1.6	-6.5	-6.1	1.6
EU-15	6.0	-41.6	27.5	20.0	0.0	-5.7	-6.5	-0.2
EU-12	6.1	-35.5	29.2	19.8	6.4	-8.8	-5.2	6.7
DE	4.7	-36.9	29.3	22.5	1.7	-3.3	-5.1	1.1

Source: Eurostat, Short-term Business Statistics

Employment trends in selected sectors: results from analysis of long-term developments

Employment is strongly related to changes in value-added, though an increase in value-added tends to be partly met by productivity growth as well as by employing more people. Similarly, a fall in value-added tends to be associated with a decline in productivity growth as well as a decline in employment, though lags in adjustment may delay the latter.

The relationship between employment and real wages tends to be significant in manufacturing, where increases in real wages tend to reduce the growth of employment; this is not the case in services.

In the UK, as in the US, real wages tend to adjust more quickly to changes in labour demand than in Germany and France, suggesting that labour markets are more flexible in the former countries.

There is an inverse relationship between average hours worked and the number employed, indicating in general that the more hours people work, the smaller the number employed and vice versa, so that adjustments in working time has an important effect on jobs.

Investment in ICT has positive and significant effects on employment in manufacturing, probably working through improvements in productivity. The opposite is the case in services, suggesting that the increasing use of ICT tends to reduce employment.

After a shock, it takes up to three years for employment to return to trend levels in France, Spain, Belgium and the Netherlands. In the other countries, the pace of adjustment is faster, at only one-and-a-half to two years on average.

Changes in the composition of employment

Over the recession period from 2007 to 2010, the share of jobs filled by women continued to increase across the EU. This, however, reflects the large job losses in manufacturing and construction where few women are employed. In most sectors, even in services, the share of jobs filled by women declined.

The share of jobs filled by workers aged 55 and over has increased in most parts of the EU over the past ten years, reflecting a tendency for older people to remain longer in work. This continued to be the case over the recession period, unlike during previous periods of economic downturn when early retirement has been a major means of reducing work forces. The main group hit by the present crisis are the young below the age of 25.

The proportion of the work force with tertiary education increased in all sectors over the years leading up to the recession; the same is true for the share of employment accounted for by managers and professionals. Both trends have continued over the recession period.

The recession period has also seen a shift from full-time to part-time jobs, which may reflect uncertainty among employers over future prospects as well as the pursuit of a more flexible organization of work.

Share of jobs filled by women in selected sectors in the EU,

2000-2010

EU-27	2000	2007	2009	2010	2000-07	2007-10
	<i>% Total employed</i>				<i>Percentage point change</i>	
Total	43.2	44.5	45.3	45.4	1.4	0.9
Textiles, clothing	67.2	68.4	69.4	67.4	1.2	-1.0
Chemicals	27.4	29.7	30.2	29.9	2.3	0.3
Rubber, plastics	26.4	25.2	24.6	24.6	-1.2	-0.6
Basic metals	17.1	16.1	16.5	15.9	-1.0	-0.2
Electronics, etc.	33.7	33.8	32.0	32.6	0.1	-1.2
Machinery	18.2	18.0	18.0	17.4	-0.2	-0.7
Motor vehicles	19.1	21.2	19.9	22.1	2.1	0.9
Construction	9.5	9.0	8.9	9.0	-0.6	0.0
Distribution	48.1	48.7	48.8	48.7	0.6	0.0
HORECA	53.8	55.5	55.3	54.5	1.7	-1.0
Financial services	49.7	51.3	51.4	49.8	1.7	-1.5
Business services	46.7	48.1	48.1	47.9	1.4	-0.2

Note: EU-27 excludes Poland

Source: European Labour Force Survey

Share of jobs filled by older workers aged 55 and over,

2000-2010

EU-27	2000	2007	2009	2010	2000-07	2007-10
	<i>% Total employed</i>				<i>Percentage point change</i>	
Total	11.5	13.8	14.7	15.1	2.2	1.3
Textiles, clothing	7.6	10.5	12.2	12.9	2.9	2.5
Chemicals	10.0	12.4	12.8	15.0	2.4	2.6
Rubber, plastics	8.7	11.5	12.7	13.0	2.9	1.4
Basic metals	9.7	12.3	13.6	14.6	2.5	2.3
Electronics, etc.	7.9	10.8	11.5	11.3	2.9	0.5
Machinery	10.1	12.8	13.9	14.9	2.8	2.1
Motor vehicles	8.6	9.9	10.1	10.3	1.2	0.4
Construction	10.2	11.5	12.6	13.0	1.2	1.6
Distribution	10.0	11.6	12.2	12.4	1.7	0.8
HORECA	8.5	9.9	10.4	10.6	1.4	0.7
Financial services	7.2	10.4	11.4	11.7	3.2	1.4
Business services	11.9	14.2	14.9	15.2	2.3	1.1

Note: EU-27 excludes Poland

Source: European Labour Force Survey

Division of employment by education level in the EU-27, 2000-2010
(% total employed in each sector)

	2000		2007		2010		2000-07		2007-2010	
	Medium	High	Medium	High	Medium	High	Medium	High	Medium	High
EU-27	<i>Percentage point change</i>									
Total	45.8	24.5	47.5	28.3	47.2	30.7	1.7	3.8	-0.4	2.4
Textiles, clothing	43.9	7.1	51.2	8.9	53.1	9.4	7.3	1.8	1.9	0.5
Chemicals	49.9	25.2	50.3	30.3	50.8	31.3	0.5	5.1	0.5	1.0
Rubber, plastics	48.4	12.4	52.6	15.0	55.0	15.7	4.3	2.5	2.4	0.8
Basic metals	53.9	12.5	56.6	14.2	57.9	14.7	2.7	1.7	1.3	0.6
Electronics, etc.	48.6	26.9	50.7	30.6	50.7	32.8	2.2	3.7	0.0	2.2
Machinery	55.7	22.4	57.4	24.5	56.3	27.8	1.7	2.1	-1.1	3.3
Motor vehicles	51.9	18.4	55.4	22.6	56.2	23.3	3.5	4.1	0.8	0.8
Construction	48.4	12.7	50.3	13.9	53.3	14.5	1.9	1.2	3.0	0.6
Distribution	52.8	14.3	55.8	16.9	55.8	18.5	3.0	2.6	0.0	1.5
HORECA	45.1	8.8	48.8	12.3	50.5	12.7	3.7	3.4	1.6	0.4
Financial services	55.7	32.0	50.6	41.4	46.3	46.5	-5.1	9.4	-4.2	5.1
Business services	38.9	37.6	40.7	40.4	39.3	43.2	1.8	2.9	-1.4	2.8

Note: EU-27 excludes Poland

Source: European Labour Force Survey

Share of workers employed part-time (usually working <35 hours a week) in the EU-27, 2000-2010

	2000	2007	2009	2010	2000-07	2007-10
	<i>Percentage point change</i>					
EU-27	19.8	22.0	22.9	23.3	2.2	1.3
Total	19.8	22.0	22.9	23.3	2.2	1.3
Textiles, clothing	9.2	9.8	10.2	10.8	0.6	1.0
Chemicals	8.2	9.0	9.1	9.0	0.8	0.1
Rubber, plastics	6.7	7.8	7.1	7.6	1.0	-0.2
Basic metals	5.9	6.6	7.4	7.3	0.7	0.7
Electronics, etc.	7.4	7.4	8.5	8.7	0.0	1.4
Machinery	5.4	6.3	6.8	6.4	0.9	0.1
Motor vehicles	6.8	6.8	6.0	5.4	-0.1	-1.4
Construction	6.0	6.8	7.6	8.1	0.8	1.4
Distribution	23.0	25.2	25.3	26.0	2.2	0.7
HORECA	28.5	31.2	33.6	34.6	2.8	3.4
Financial services	14.1	16.2	16.2	15.7	2.2	-0.5
Business services	23.4	25.8	27.1	26.9	2.4	1.1

Note: EU-27 excludes Poland

Source: European Labour Force Survey

Employment experience in previous economic downturns

There are some differences between previous periods of downturn in those sectors in which employment was most affected. In all periods, however, employment continued to expand in business services and hotels and restaurants.

Economic crises were predominantly weathered by adjustments in hours worked to preserve jobs and the know-how of the work force, thus limiting the costs of re-employment and training. This tendency was strongest in the 1970s, moderate in the 1980s and mixed in the 1990s.

Value-added was generally more volatile than the number employed and hours worked. During the three periods of economic downturn, value-added grew only in business services. The largest losses were observed in machinery and equipment, basic metals and construction in all three periods.

Sectoral interdependencies

For each job created by an increase in final demand in a particular sector, there are between 1.4 and 2.3 additional jobs created in the economy as a whole. Employment multipliers are highest in manufacturing (especially in chemicals, electrical equipment and transport equipment) and are lowest in services, which need fewer inputs from other sectors.

Domestic employment multipliers tend to have remained broadly unchanged over the past 15 years or so whereas international employment multipliers (the effect of growth in one country on employment in others) have increased markedly, reflecting the growing importance of production networks and international integration.

Employment creation in services is mainly a domestic process, whereas within manufacturing, job creation takes place internationally (particularly in textiles, chemicals and electrical equipment and transport equipment).

Growth of demand in the EU tends to lead to significant employment creation in other countries, reflecting the increase in imports that it results in. This is particularly so with respect to electrical equipment, textiles and chemicals, though it is also the case for each of those that growth of demand increases employment not only in the Member State in which it occurs but also in other parts of the EU.

Total employment multiplier (domestic and interregional), 2005

Textiles	1.5	2.2	1.6	1.7	1.8	1.9
Chemicals	2.3	3.6	5.0	4.8	4.0	4.3
Non-metallic minerals	1.8	1.3	2.0	1.1	1.9	1.1
Basic metals	1.7	2.1	3.0	2.8	2.2	1.7
Electrical equi.	1.8	3.1	2.4	1.7	2.2	2.8
Machinery & equi.	1.6	1.7	2.4	1.6	2.2	2.1
Transport equipment	2.0	3.1	3.9	2.7	3.2	4.1
Construction	1.7	1.0	1.7	0.9	1.6	0.7
Wholesale trade	1.6	0.7	1.7	0.4	1.5	0.3
Accommodation	1.4	0.6	1.5	0.4	1.3	0.3
Financial activities	1.8	1.6	2.0	0.4	2.1	0.4
Business services	1.5	0.5	1.5	0.2	1.5	0.3

Notes: Based on NACE rev. 1. classification system, EU-27 calculated as average over individual Member States.

Source: WIOD Input-Output Database (Version July 2011); own calculations.

Measures taken to support employment during the crisis

Measures to counter the effect of the recession on employment were implemented in all Member States. However, those were mainly general; relatively few responses were sector-specific, such as car scrapping schemes, which were introduced in a number of countries, and cuts in value-added tax on hotels and restaurants (in Ireland and France). However there has been a decentralization of pay bargaining to company level in a number of sectors in some countries (such as in basic metals or chemicals in Germany).

Many countries introduced expansionary fiscal policies to stimulate demand as well as short-time working arrangements (mainly concentrated in manufacturing).

In a number of countries, there has been an expansion of training and work experience programmes, recruitment incentive schemes for employers hiring new workers, support to business start-ups, measures to increase access to credit, pay freezes and more flexible working arrangements, all designed to increase employment.

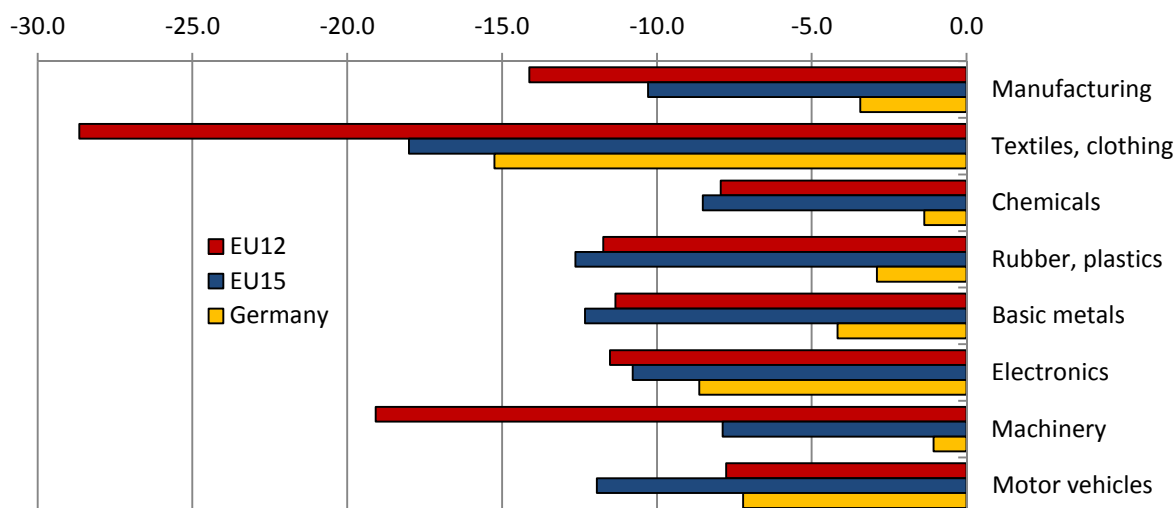
There is little sign of the crisis which first hit the EU economies in 2008 coming to an end and growth is forecast to be sluggish across the EU over the next two years. In this context, the rate of net job creation is likely to remain low and unemployment to remain high in most parts of the EU and, in particular, in the construction industry and manufacturing sectors most affected by the recession. Even in the longer-term, the prospects for any significant increase in employment in the manufacturing sectors are limited by the 'overhang' of productivity built up over the crisis.

GDP and employment in the EU over the recent past and forecasts up to 2013

	2003	2007	2008 <i>Outturn</i>	2009	2010	2011 <i>Estimate</i>	<i>Indices, 2007=100</i>	
							2012 <i>Forecast</i>	2013 <i>Forecast</i>
<i>GDP</i>								
EU27	89.7	100.0	100.3	96.1	97.9	99.5	100.1	101.5
EU15	90.3	100.0	100.0	95.7	97.6	99.0	99.5	100.9
EU12	80.3	100.0	104.6	100.8	103.0	106.2	108.2	111.2
PL	80.8	100.0	105.1	106.8	111.0	115.5	118.3	121.6
EU12-PL	80.1	100.0	104.3	97.3	98.4	100.8	102.4	105.2
<i>Number employed</i>								
EU27	95.0	100.0	100.9	99.1	98.7	99.1	99.2	99.6
EU15	95.2	100.0	100.7	98.9	98.6	99.0	99.1	99.4
EU12	94.3	100.0	101.8	100.0	98.8	99.3	99.7	100.3
PL	89.7	100.0	103.8	104.1	104.6	105.7	105.9	106.3
EU12-PL	96.8	100.0	100.7	97.9	95.7	96.0	96.5	97.1
<i>GDP per person employed</i>								
EU27	94.4	100.0	99.4	96.9	99.3	100.4	100.9	101.9
EU15	94.9	100.0	99.3	96.8	98.9	100.0	100.4	101.4
EU12	85.1	100.0	102.8	100.8	104.3	106.9	108.6	110.9
PL	90.1	100.0	101.3	102.6	106.1	109.3	111.8	114.4
EU12-PL	82.7	100.0	103.6	99.4	102.8	105.0	106.1	108.3

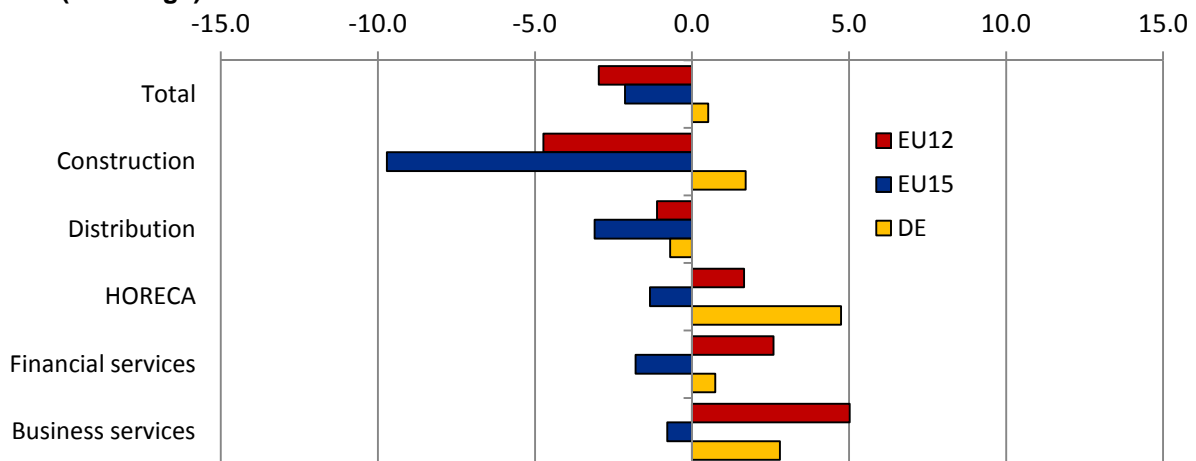
Source: Eurostat, National accounts data and European Commission November 2011 forecast

Employment in selected manufacturing sectors across the EU in the first quarter of 2011 relative to the first quarter of 2008 (% change)



Eurostat, Short-term Business Statistics

Employment in construction and selected service sectors across the EU in 2010 relative to 2008 (% change)



Note: DE Business services partly estimated
 Source: Eurostat, National accounts by branch

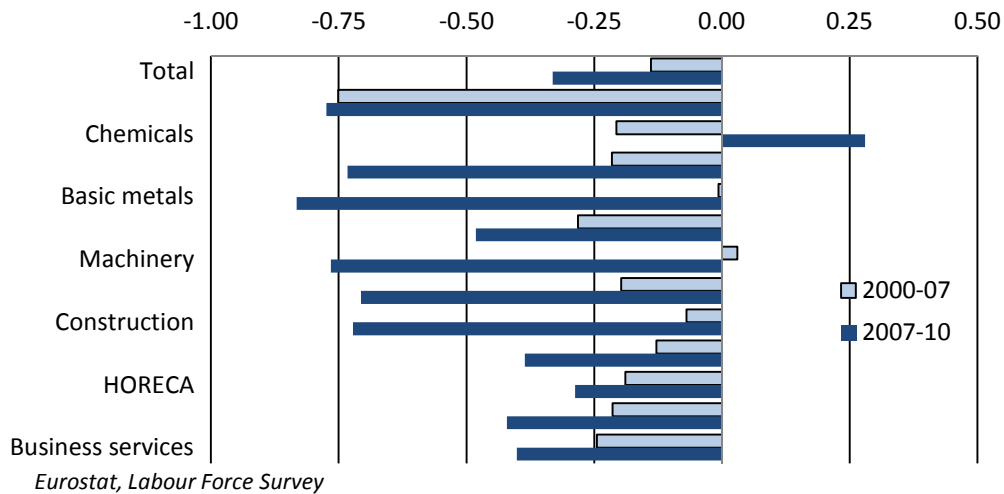
In construction, the decline in employment has been on a par with that in manufacturing and there is little prospect of any significant job growth over the short-to-medium-term given the prevailing focus on fiscal consolidation and restraining rather than expanding public investment. In services, employment in distribution fell during the recession period across the EU, if only slightly, and though growth is likely in both the short and longer term, it is likely to be modest even in the EU12, where employment levels have caught up with those in the EU15. In financial services, any growth in jobs is likely to be confined to the EU12 where services are under-developed, given the scope for further automation in the EU15. In HORECA (hotels and restaurants), employment growth is very much dependent on growth in the economy as a whole, which is also the case in Business services which were a prime source of job creation for a long period before the crisis.

Young people have been hit particularly hard by the crisis and the lack of job creation which has accompanied it and employment rates of those aged 15-24 have fallen in all EU countries, in many considerably.

This could have damaging long-term consequences for both the young people concerned and the economy. Young people, who have been severely affected by the recession and the lack of job creation, have been a particular target for government support, in the form of subsidized employment schemes, work placement programmes, work experience or training guarantees and intensified job search assistance.

The performance of the manufacturing sectors is important to sustain growth in the economy and job creation in service sectors. While there might be a short-term trade-off between productivity and employment, in the longer-term, employment growth depends on the maintenance of industrial competitiveness, which tends to go with the growth of productivity in manufacturing.

**Young people as a share of employment in selected sectors in the EU, 2000-2010
(average annual change in % of total)**



On the evidence of the years preceding the onset of the recession and of what has happened since, Italy and Spain are likely to experience slower growth of manufacturing in the future, together with France. This has implications for the balanced growth of the EU economy. There is likely to be a continuing shift of manufacturing from the EU15 to the EU12, especially of engineering industries, though there are sign of production beginning to shift out of the EU12 to lower wage economies.

This is part of the continuing process of globalisation, the logic of which is that labour-intensive activities will gradually become concentrated in low-wage countries, which means that the focus of policy needs to be on measures to encourage a shift to higher value-added activities rather than on trying to prevent the relocation of traditional industries.

There is also likely to be a continuing shift in the composition of employment towards higher level jobs – to managers and professional – and away from skilled and semi-skilled manual workers, in particular. As in the past, this is likely to be common to all sectors. This shift will be accompanied by a growing share of jobs being taken by those with tertiary qualifications, though how far this will reflect job requirements as opposed to more young people coming on to the labour market with such qualifications is an open question.

Whether manufacturing sectors in which growth is likely to be slow or negative will be able to attract the increasing numbers of tertiary-educated people entering the labour market on which their long-term competitiveness is likely to depend is questionable.

The flexicurity approach to labour market policy, which has been advocated for some time at EU level, is being pursued by employers and is reflected in a shift to fixed-term and part-time jobs across the Union but is not being accompanied by a parallel strengthening of government support for workers should they lose their jobs. Instead, social support systems are under threat of being cut back as part of fiscal consolidation measures.