



EU Employment and Social Situation Quarterly Review

December 2012

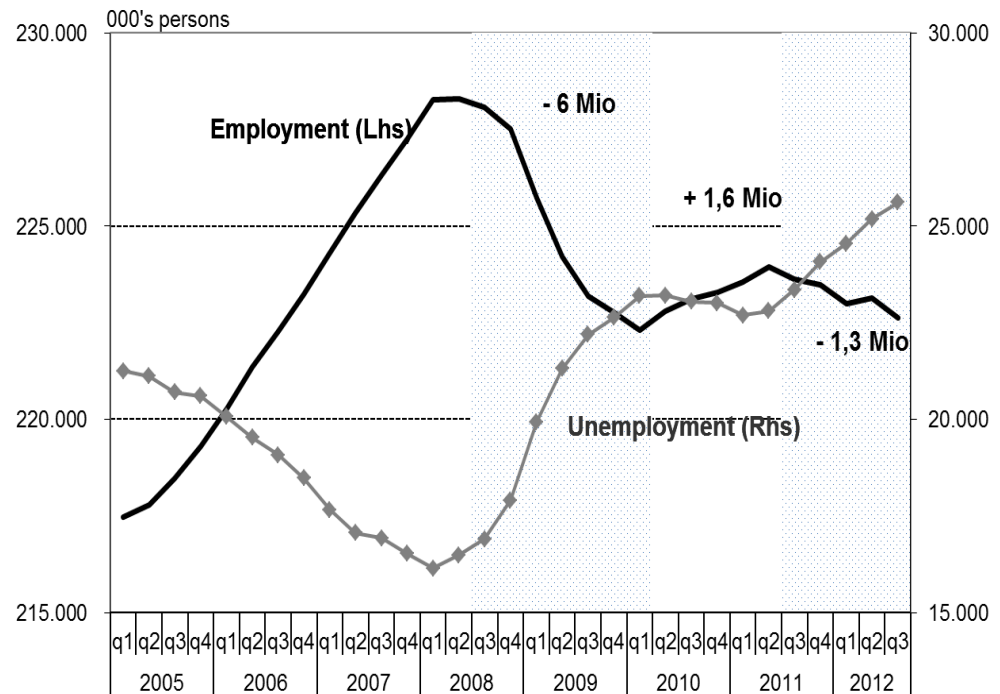
10 Key facts and figures

EMPL A1-A2

1. Employment trending downwards, unemployment rising fast

- EU economy shrank by 1/2% between 2011q3-2012q3
- Employment has declined by 0.6% since mid-2011 (hitting 1.3 mln people)
- In parallel to rising unempl
- In the year to 2012q3, empl fell in 12 MS (incl EL: -9%; ES: -4%; CY: -3%), grew in 9 and remained stable in 2
- In 2012q3, largest contractions recorded in ES, CY and SI, but expansions in AT, SE, UK, LV

Chart 1: Employment and unemployment in the EU-27 ('000 persons), 2005 - 2012

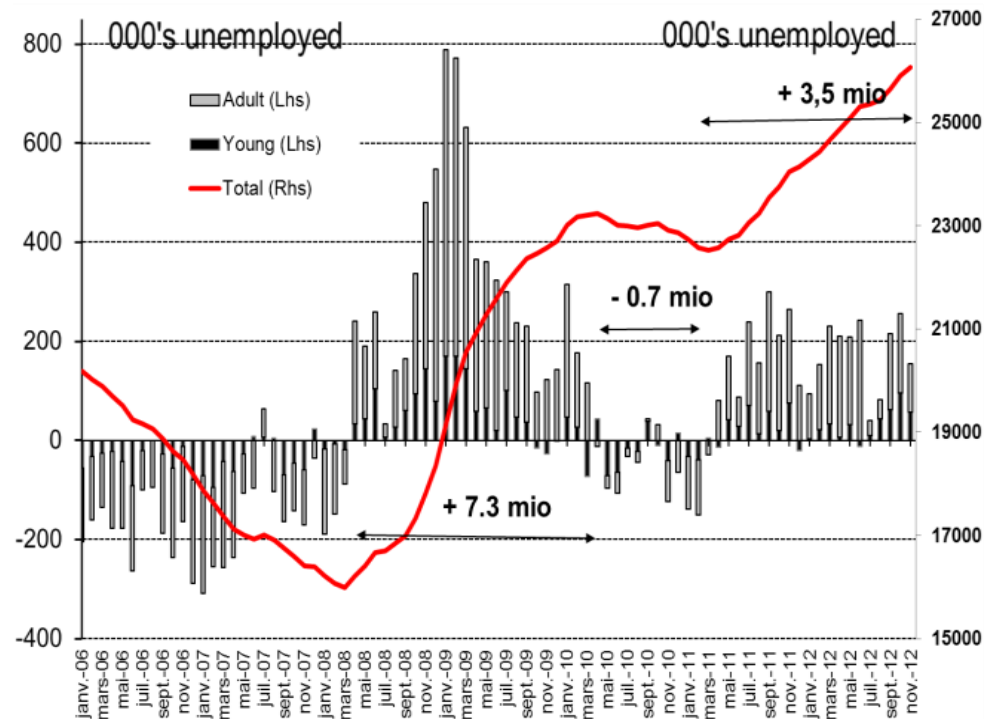


Source: Eurostat, National Accounts and LFS; data seasonally adjusted.

2. 3.5 million more unemployed since March 2011

- Fast increase over recent months in EU: +3.5 mln since March 2011, to 26.1 mln in Nov' 2012: 10.7% of active pop
- Since early 2008, 10 million more unemployed!
- Most significant rises were recorded in the euro area (to 18.8 mln, 11.8%)

Chart 2: Monthly change in the number of young, adult and total unemployed and monthly number of unemployed in the EU, Jan 06– Nov 12

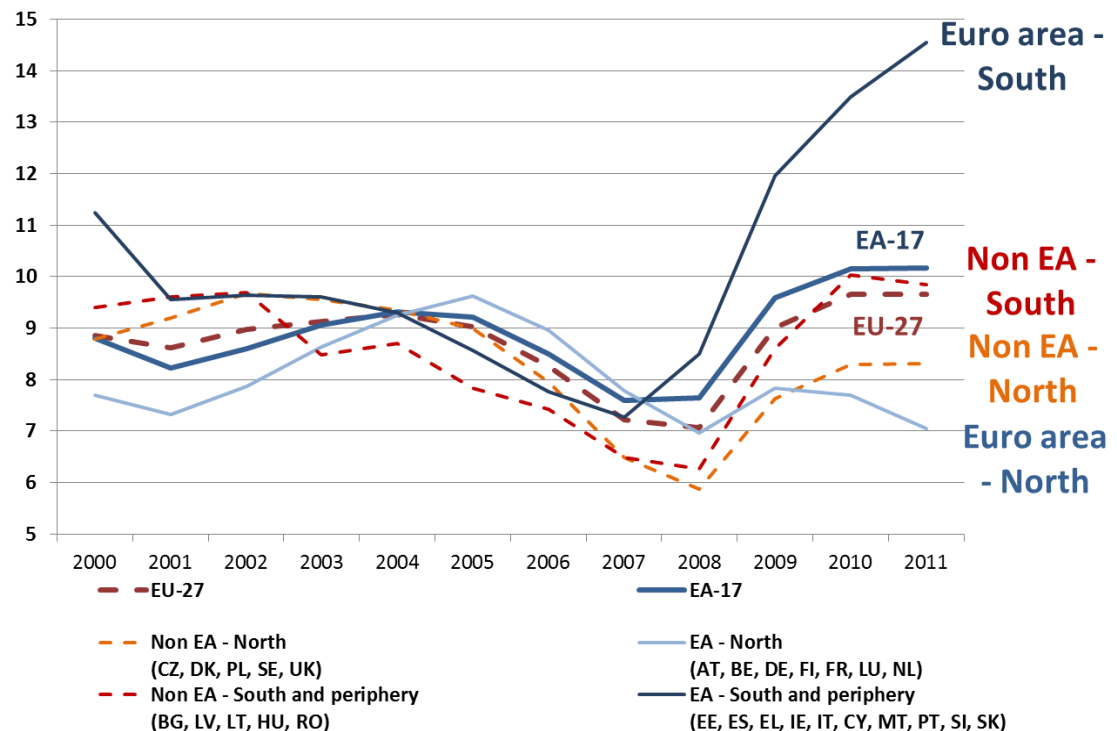


Source: Eurostat, Series on unemployment; data seasonally adjusted.

2(b). Unemployment: divergence expanding further

- Divergence acceleration has been concentrated in the euro area since 2008
- N-S gap in EA reached 7.5pps in 2011, against 1.5pps in non-EA countries
- By 2007, convergence was achieved but did not last... (see [ESDE 2012](#))
- All-time record gap of 22.1 pps in Nov' 2012 between lowest and highest unempl rates in EU: AT: 4.5%; ES: 26.6%

Chart 3: Unemployment rates by group of Member States, 2000 - 2011

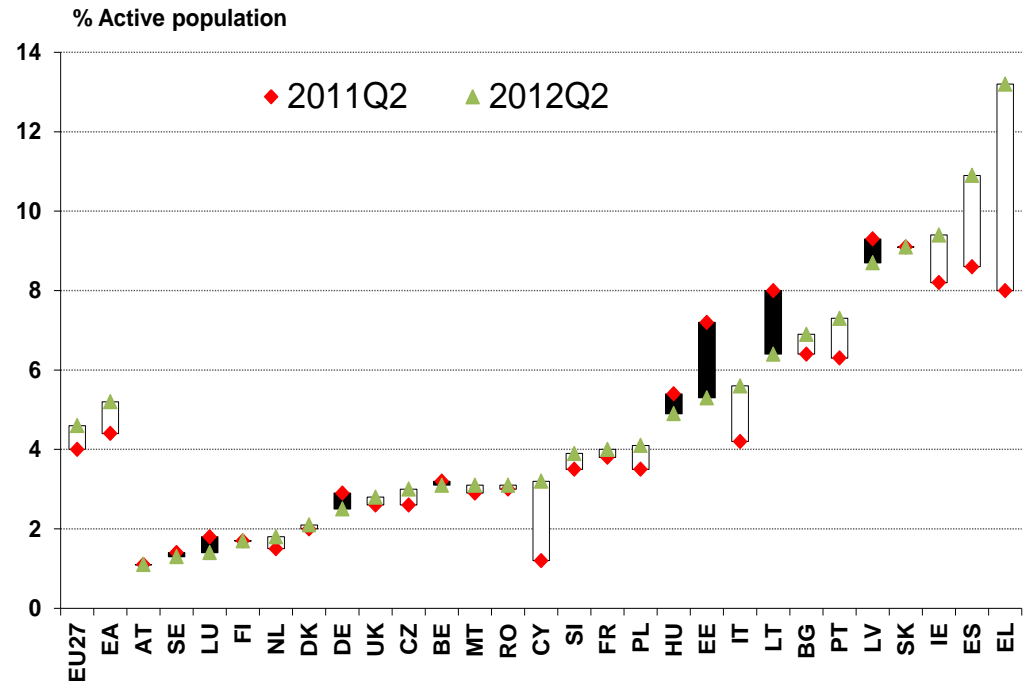


Source: Eurostat, Series on unemployment.

3. Long-term unemployment at historically high levels

- LTU affecting 10.9 mln Europeans in 2012q2
- LTUR = 4.6% of the active population at EU level in 2012q2, i.e. up 0.6 pp on last year
- LT unemployment has increased to historically high levels in many MS
- Growing divergence
- LTU set to rise further as unemployment exit probability has declined

Chart 4: Long-term unemployment rates for EU, EA and in the Member States in 2011 q2 and 2012 q2

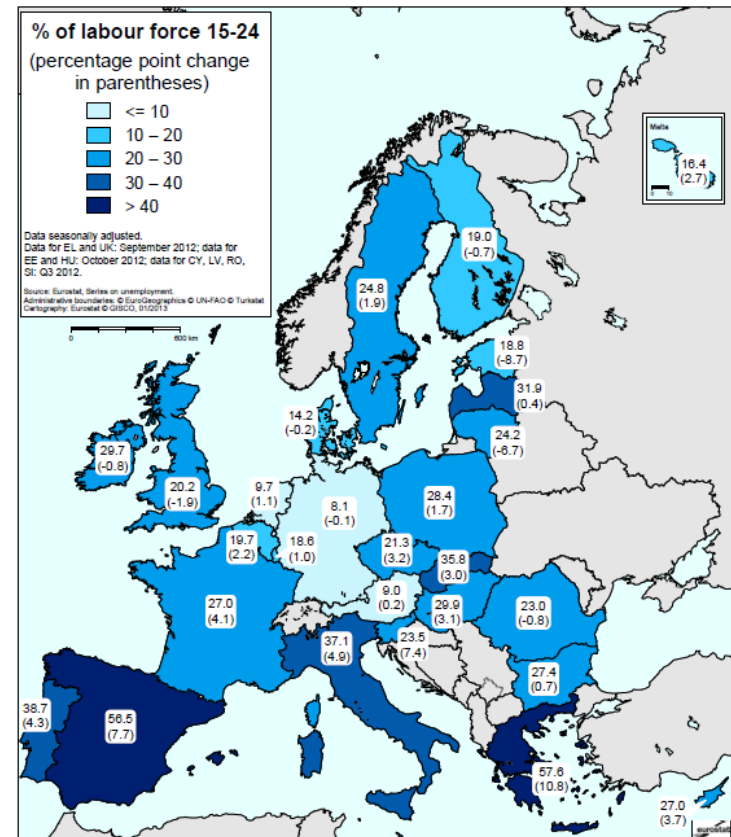


Source: Eurostat, LFS.

4. Situation of youth deteriorating further: youth unemployment at its highest

- Youth unempl at its highest: 5.8 mln / 23.7% in Nov' 2012
- +636000 (+12.3%) since Apr'11 (youth UR: +2.8pps)
- Over last year, rises recorded in 19 MS, most quickly (> +4pps) in Mediterranean MS (EL, ES, SI, IT, PT and FR)
- Reaching extremes at the EU's periphery (see map): 57.6% in EL (Sept'12) and 56.5% in ES (Nov'12); >30% also in PT, IT, SK and LV; <15% only in DE, AT, NL, DK.

Chart 5: Youth unemployment rates and y-o-y changes, Nov 2012

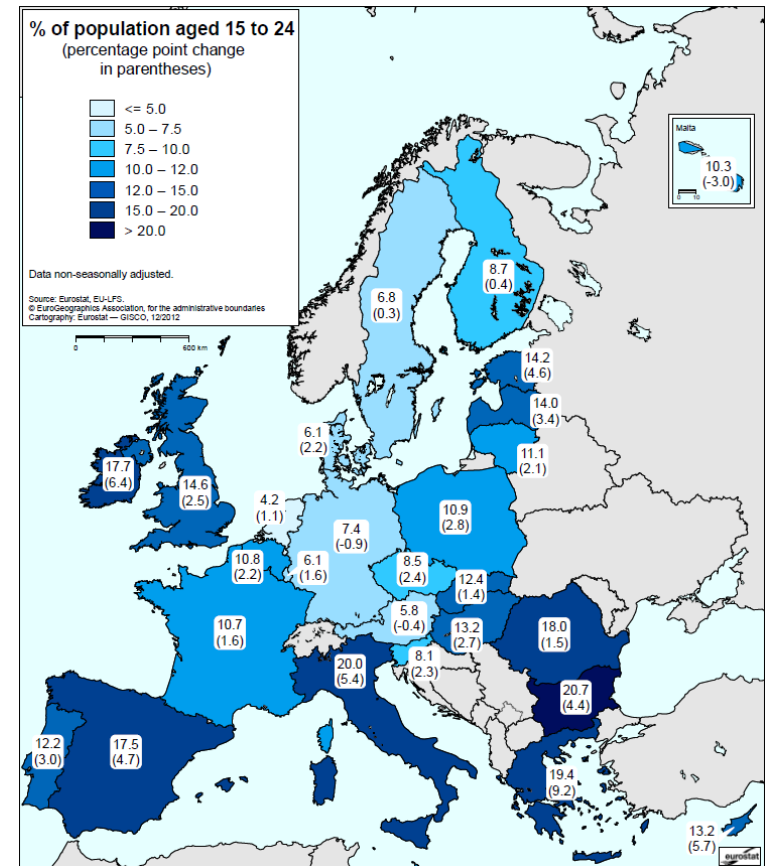


Source: Eurostat, Series on unemployment.

4(b). Situation of youth deteriorating further: rising number of NEETs

- Rising inactivity and unemployment among young people have led to declining employment rate:
- between 2008q2-2012q2, youth UR +7pps, inactivity rate +1.7pps to 57.8% > empl rate -4.5pps to 32.8%
- The risks for young people in the EU lie in the rise in NEET: 7.1 million young people (12.7% of those aged 15-24) affected in 2012q2,
- up 1.1 mln compared with 2008q2 (then: 10.3%)
- Concentration at EU's periphery

Chart 6: NEET rates in 2012q2 and changes since 2008q2

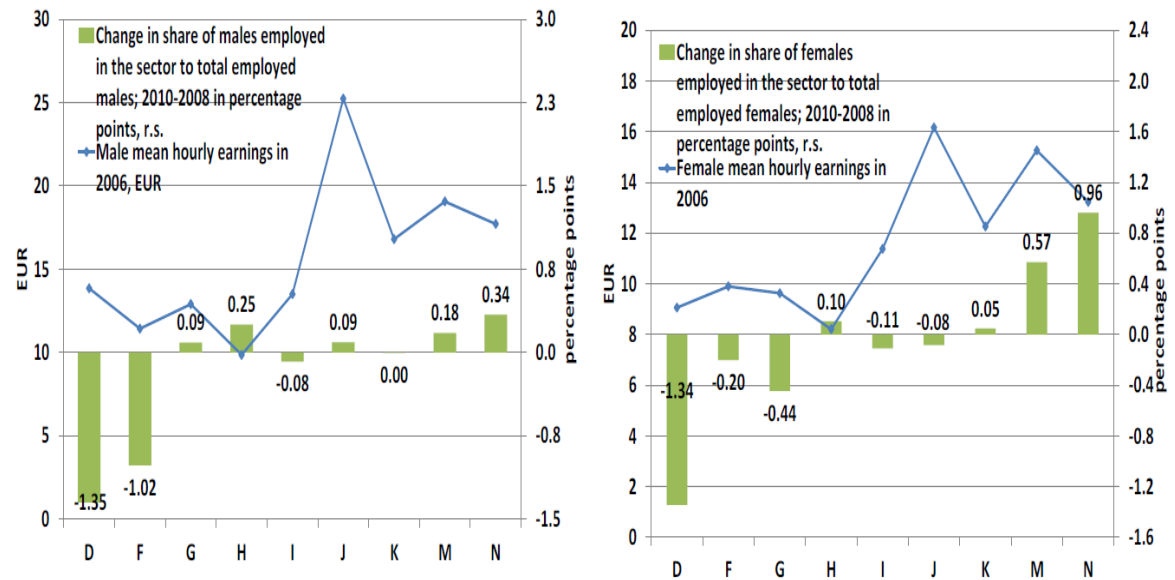


Source: Eurostat.

5. Gender pay gap declined with the crisis

- The unadjusted GPG in the EU declined between 2008-10 on average, from 17.3 to 16.2%
- Side effect of the crisis: male-dominated sectors losing ground; sectors where women earn well (education, health) have increased their share more among females than among males
- Improvement also driven by composition effects

Chart 7: Change in the ratio of male and female employment within a particular sub-sector to total male and female employment between 2008 and 2010 (percentage points) and the mean hourly earnings for males and females in sub-sectors in 2006 (Euro) for the EU-27



Source: Eurostat, Gender pay gap in unadjusted form in % - NACE Rev.1.1 (Structure of Earnings Survey methodology) . Eurostat, Gender pay gap in unadjusted form in % - NACE Rev.1.1 (Structure of Earnings Survey methodology) (earn_gr_gpg); DG EMPL calculations based on Eurostat, Employment by sex, age and economic activity (from 2008, NACE rev.2) (1 000) [lfsa_egan2].

Note: D=Manufacturing; F=Construction; G= Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods; H=Hotels and restaurants; I=Transport, storage and communication; J=Financial intermediation; K=Real estate, renting and business activities; M=Education; N= Health and social work.

5(b). Gender pay gap declined with the crisis

- Distribution based on educational attainment follows similar pattern: There has been a larger movement towards higher educated employment among females
- The faster increase in women's average educational attainment may contribute to a more permanent decline in the gender pay gap

Table 1: Change in share of high-, medium- and low-skilled males and females in total male and female employment, between 2008 and 2010, percentage points

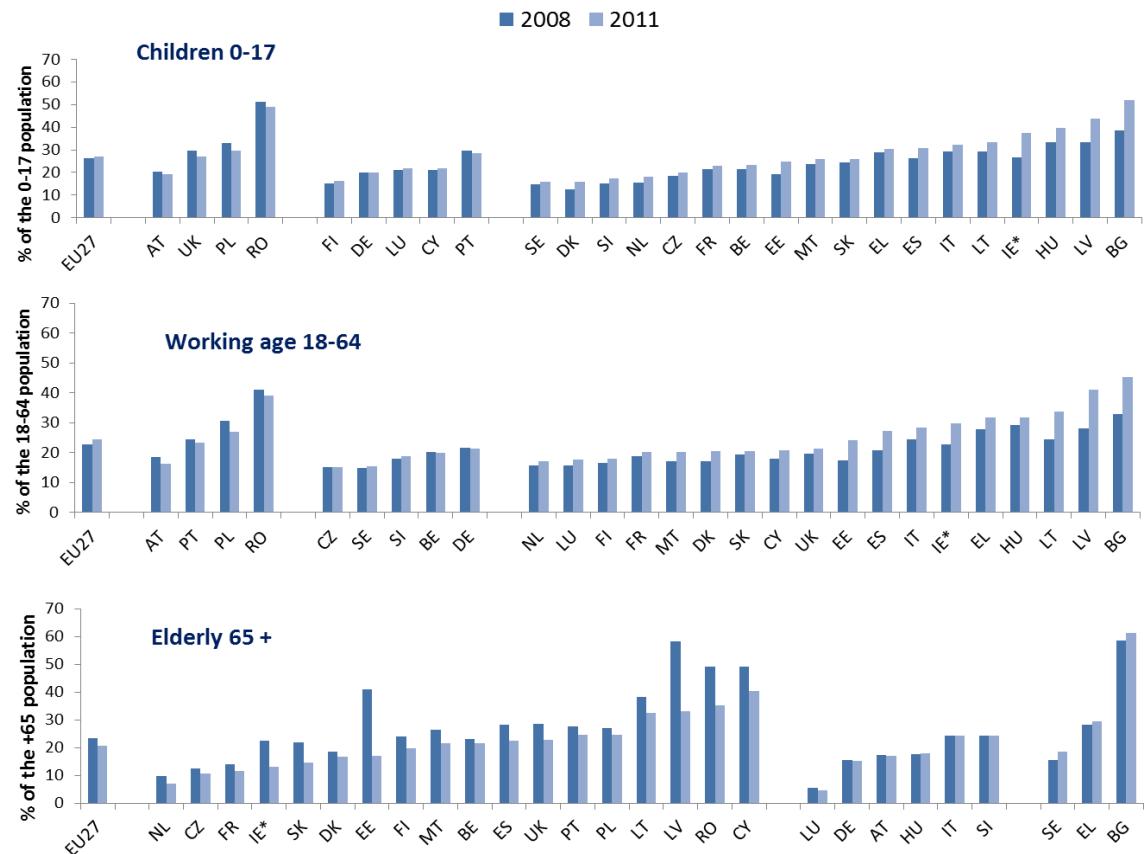
	total	manufacturing	hotels& restaurants
high-skilled males	1.92	1.16	0.78
medium-skilled males	0.00	0.51	2.11
low-skilled males	-1.92	-1.67	-2.89
high-skilled females	2.41	1.90	1.79
medium-skilled females	-0.69	0.03	0.92
low-skilled females	-1.72	-1.93	-2.71

Source: DG EMPL calculations based on Eurostat, Employment by sex, age and highest level of education attained (1 000) [Ifsa_egaed] Note: High-skilled refers to ISCED 5-6, medium-skilled refers to ISCED 3-4, while low-skilled refers to ISCED 0-2 levels.

6. Nearly one-fourth of EU population at risk of poverty or social exclusion

- 24.2% of EU27 population at risk of poverty or social exclusion in 2011, (23.4% in 2010)
- Rise in 18 Member States since 2008 for children and for working age adults
- Decline in most MS for elderly as pensions have generally remained unchanged during the crisis

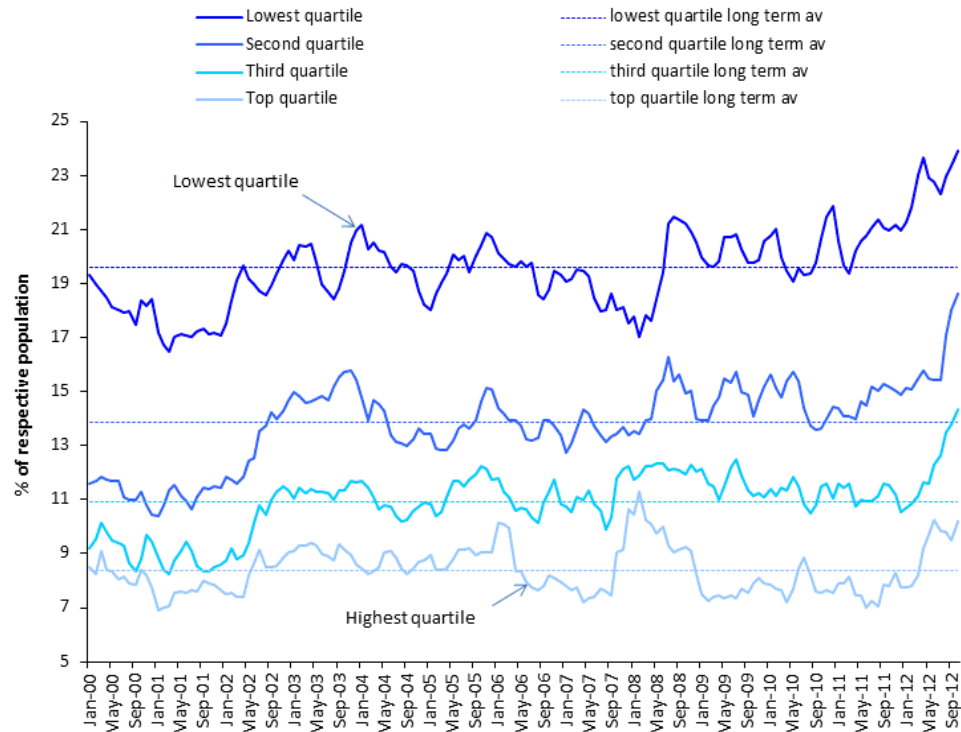
Chart 8: Poverty and social exclusion by age group



7. Reported financial distress of households reaching another high

- The share of the EU population reporting their households are experiencing financial distress has reached another historical high
- Sharp rises in financial distress have now permeated across all income groups,
- Over last year the rise in financial distress has been particularly sharp in IT, BG, EL, IE, PT and ES

Chart 9: Reported financial distress in EU households by income quartile (2000-2012)



Source: Joint EU harmonised consumer surveys & DG EMPL calculations; Note: 3-month centred moving average figures. Data are not seasonally adjusted. Long-term average computed over 2000-2012

8. Living standards and perceived quality of life are falling in the EU

- People with low incomes face multiple deprivation
- Unemployment (esp. LT) implies low subjective well-being and the feeling of exclusion and lower social trust
- The perceived security of housing has declined, particularly among people who are repaying a mortgage

Table 2: Life satisfaction, by level of perceived job insecurity and employability (scale of 1-10)

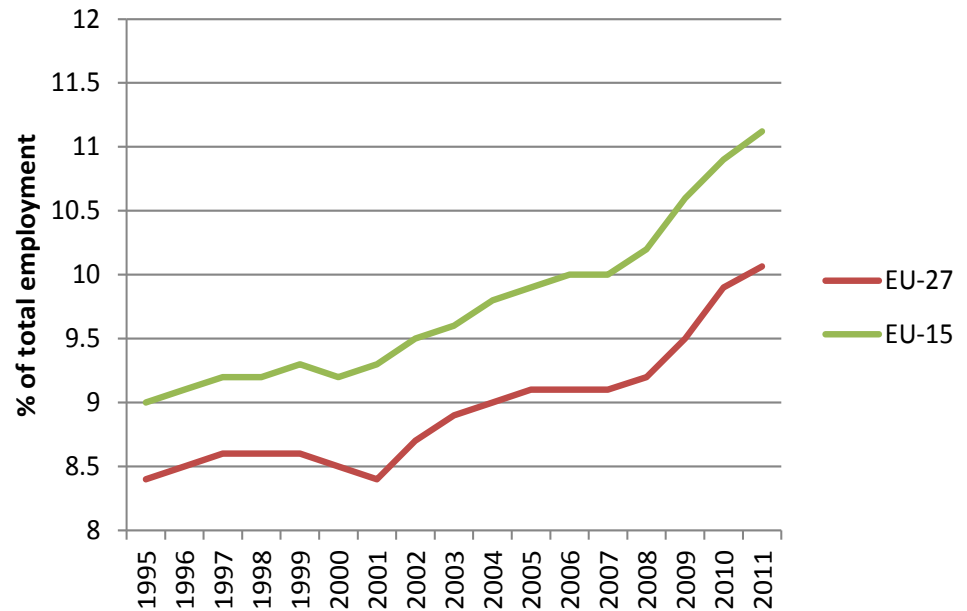
Life satisfaction		Likelihood of finding new job				
		Very unlikely	Quite unlikely	Neither likely nor unlikely	Quite likely	Very likely
Likelihood of losing job	Very likely	6.1	6.5	6.3	6.7	6.8
	Quite likely	6.1	6.7	6.6	6.8	6.3
	Neither likely nor unlikely	6.8	6.8	6.8	7.3	7.2
	Quite unlikely	7.2	7.4	7.1	7.5	7.4
	Very unlikely	7.5	7.5	7.7	7.9	7.9

Source: EQLS 2012: Question 15 How likely or unlikely do you think it is that you might lose your job in the next 6 months; for life satisfaction Question 30.

9. Health and social services: an important driver of employment growth

- In spite of the crisis, the number of jobs in that sector continued to rise, leading to a constantly higher share in total empl.
- Prospects are bright : millions of jobs are expected to be created in coming years, (see SWD on "white jobs" attached to Empl Package)
- Not only do these services help people to live in dignity and enjoy their fundamental rights, but also to fulfil their potential and to take part in society

Chart 10: Trend of employment in health and social work sector as a share of total employment, 1995 – 2011

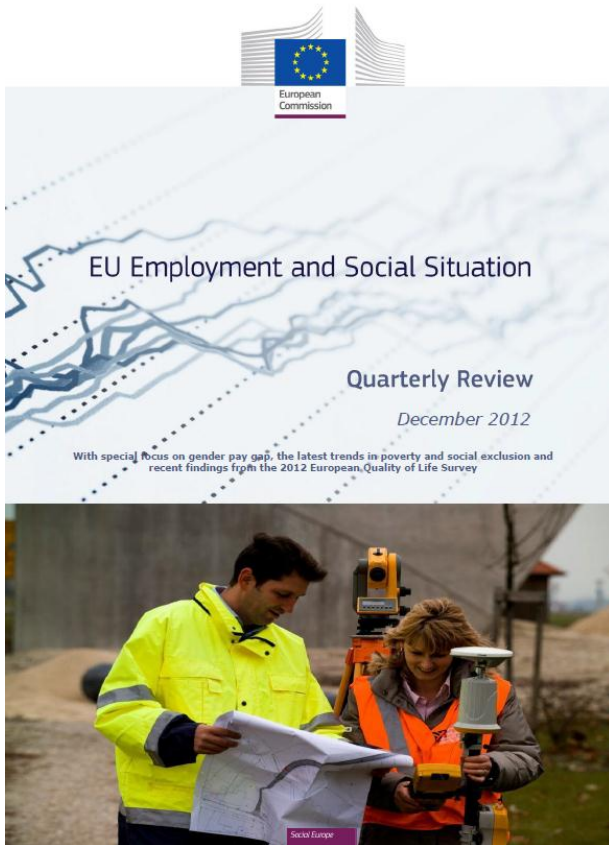


Source: Eurostat, National accounts.

10. Bleak labour market and social outlook: no improvement expected before 2014

- Confidence stands at a very low level:
 - As a result, the economic outlook is weak...
 - ... with unemployment remaining at a very high level and no significant improvement being forecast before 2014
 - Recently, the job vacancy rate and the labour shortage indicator both declined, reflecting the weak economic situation and outlook
 - Employment expectations in industry have stabilised over the past months in the EU, although pessimism prevails in the majority of Member States
 - Over the four years to the third quarter of 2012, more than 2 % of jobs disappeared in the EU across all sectors, although the intensity of job losses varied: 15.6 % in construction, 9.3 % in industry, 1.8 % in trade
- According to the European Restructuring Monitor, announced restructuring-related job losses continued to outnumber announced job gains, by 148 000 against 46 000 (Sept-Nov'12).
 - Most of the recent job loss announcements are related to Greece. Manufacturing industry still features the highest number of both announced job gains and losses.

Thank you for your attention!



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