

# Labour market





This chapter analyses the situation in **European Union (EU)** labour markets at a regional level. The first half provides an overview of employment across EU regions, focusing on those aged 20 to 64 years; it includes an analysis of the regional dispersion of employment to study whether or not employment rates are moving closer together or further apart (cohesion). The second half of the chapter looks at regional unemployment, the change in unemployment rates and two of the main concerns of policymakers: long-term and youth unemployment. The analysis of unemployment also includes information relating to regional cohesion, looking at the dispersion of unemployment rates.

The unemployment rate is considered to be a **lagging indicator**. When there is an economic downturn, it usually takes several months before the unemployment rate begins to rise. Once the economy starts to pick up again, employers usually remain cautious about hiring new staff and it may take several months before unemployment rates start to fall. The financial and economic crisis resulted in a decline in economic activity that was generally at its strongest during 2008 and 2009. As labour market indicators tend to lag economic phenomena, it was not until 2009 that labour markets within the EU-27 started to experience the full impact of the crisis, as the gains made in employment rates over the previous decade were reversed in the space of a year.

## Main statistical findings

### Employment rates

The EU-27 employment rate for the 20 to 64 age group increased from an average of 66.5% in 2000 to peak at 70.4% in 2008 before dropping in successive years to 69.1% in 2009 and 68.5% in 2010; as such, the employment rate has, in the two most recent years for which data are available, moved away from its Europe 2020 target of 75%.

Map 5.1 presents the distribution of employment rates in 2010 for persons aged 20 to 64 for NUTS level 2 regions, with the darkest colour shade in the map indicating those regions that were above the Europe 2020 target of 75%. In 2010, 69 of the 271 NUTS level 2 regions for which the employment rate was available were above the 75% mark; at the other end of the range, there were 76 regions where employment rates were at least 10 percentage points below the 75% target; among these were 28 regions where the employment rate was at least 15 percentage points below the 75% target (in other words, where there was an employment rate of 60% or lower).

The highest regional employment rates in the EU were predominantly recorded in northern and central Europe, particularly in Germany, the Netherlands, Austria, Sweden and the United Kingdom, and to a lesser degree in Denmark and

Finland, while there was also one region in each of the Czech Republic, Italy, Cyprus (which is just one region at NUTS level 2) and Portugal reporting an employment rate of more than 75%. The highest employment rate in 2010 was recorded in the Åland region of Finland (83.6%), while there were three other regions that had employment rates in excess of 80%: they were Stockholm (Sweden), Freiburg (Germany) and North Eastern Scotland (United Kingdom).

The lowest regional employment rates were generally found in southern regions of Spain and Italy, as well as in the Spanish territories of Ceuta and Melilla and the French overseas regions, while one or more regions in Belgium, Hungary, Malta (which is just one region at NUTS level 2), Poland and Romania also reported relatively low rates (60% or lower). There were four regions — all in southern Italy — where less than half of the population aged 20 to 64 were in employment, namely Puglia, Sicilia, Calabria and Campania, where the lowest rate was registered (43.7%).

Employment rates in Iceland, Norway and Switzerland were relatively high, as each level 2 region reported a rate that was above 75% in 2010. This was in stark contrast to the candidate countries, where none of the regions had an employment rate above 75%, as rates ranged from a high of 64.9% in Sjeverozapadna Hrvatska (Croatia) down to 34.4% in Şanlıurfa, Diyarbakır (Turkey).

The biggest fall for any employment rate during the period 2007–10 was recorded in the Spanish region of Canarias — where the rate dropped by as much as 11.8 percentage points; there were also double-digit reductions in Latvia and Estonia, while employment rates fell at a relatively fast pace in a number of other Spanish regions as well as in Ireland and Lithuania.

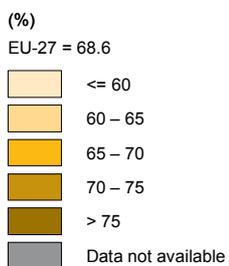
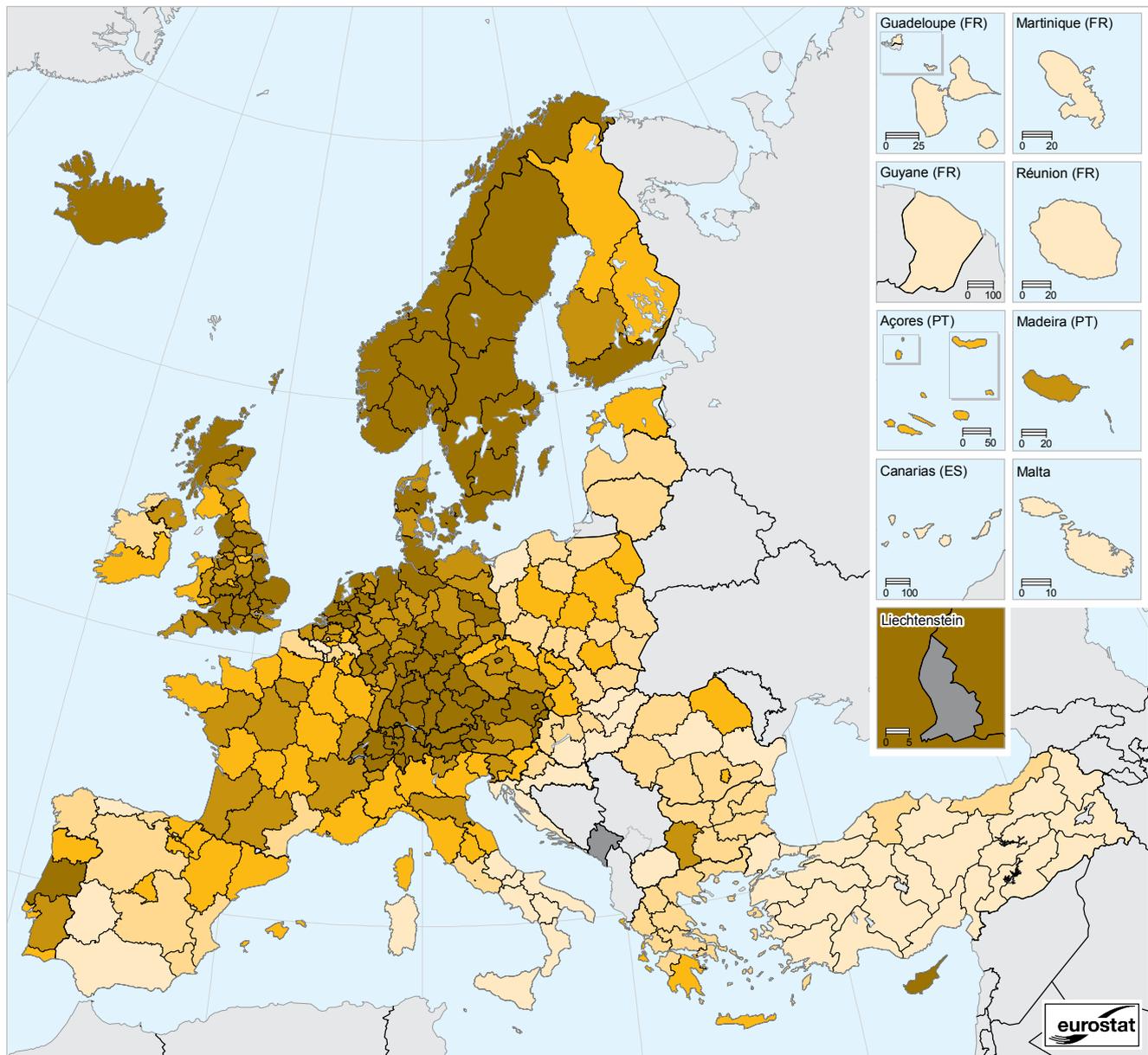
The employment rate rose between 2007 and 2010 in 84 of the 271 NUTS level 2 regions for which data are available and there were considerable gains in employment rates in some regions. The highest gain was recorded in Corse (France), where an increase of 9.7 percentage points was registered between 2007 and 2010; there were also relatively large gains in several regions of eastern Germany and Poland.

The European social cohesion objective seeks to minimise disparities in regional labour markets. The difference in employment rates between regions (across the NUTS level 2 regions of the same country) can be measured in terms of a dispersion rate; if the rate falls then regional cohesion has been enhanced and employment rates have, on average, moved closer together.

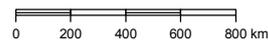
Having stood at 13.0% in 2000, the coefficient of variation for the dispersion of regional employment across the EU-27 generally followed a downward path through to 2007 (11.1%). The impact of the financial and economic crisis was evident thereafter, as this pattern was reversed, with the dispersion rate increasing for three successive years to reach 11.9% by 2010.



**Map 5.1:** Employment rate, persons aged 20 to 64 years, by NUTS 2 regions, 2010 (%)



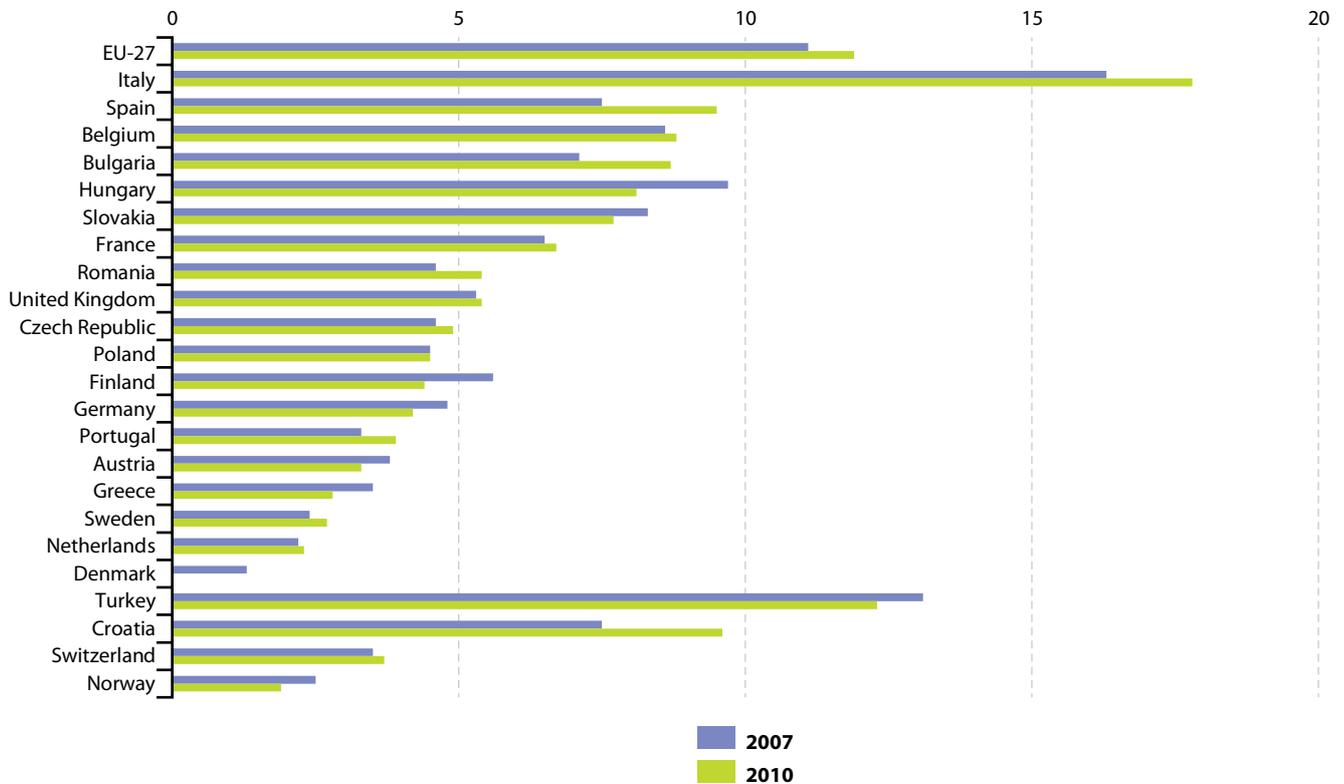
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Source: Eurostat (online data code: [lfst\\_r\\_lfe2emprr](#))



**Figure 5.1:** Dispersion of regional employment rates, persons aged 15 to 64 years, by NUTS 2 regions, 2007 and 2010 <sup>(1)</sup>  
(coefficient of variation)



<sup>(1)</sup> Estonia, Ireland, Cyprus, Latvia, Lithuania, Luxembourg, Malta and Slovenia comprise only one or two NUTS 2 regions, therefore dispersion rates are not applicable; Denmark, not available for 2010.

Source: Eurostat (online data code: *lfst\_r\_lnder*)

Dispersion rates for the individual EU Member States showed a mixed pattern of development, rising between 2007 and 2010 in 11 of the 18 countries for which data are available — note that by definition there are no dispersion rates for Member States with only one or two regions at NUTS level 2, namely Estonia, Ireland, Cyprus, Latvia, Lithuania, Luxembourg, Malta and Slovenia. The increases in dispersion were particularly notable in Spain, Bulgaria and Italy, where the disparity in employment rates between NUTS level 2 regions became much wider. The Member State with the highest dispersion rate in 2010 was Italy (17.8%), resulting from marked differences in employment rates between the north and south of the country.

In contrast, dispersion rates for Hungary, Finland — and to a lesser extent, Greece, Germany, Slovakia and Austria — narrowed, suggesting that employment rates in these countries were becoming more homogeneous. Denmark (2008 data), the Netherlands, Sweden and Greece had the lowest employment dispersion rates.

Among the non-member countries, there was a high degree of dispersion within regional employment rates in Turkey

(coefficient of variation of 12.3% in 2010), as well as in Croatia (9.6%). In contrast, the dispersion rates posted in Switzerland and Norway were relatively low in comparison with those recorded across the EU; indeed, at 1.9% the Norwegian rate was lower than for any of the Member States.

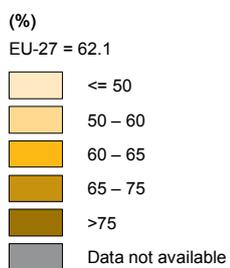
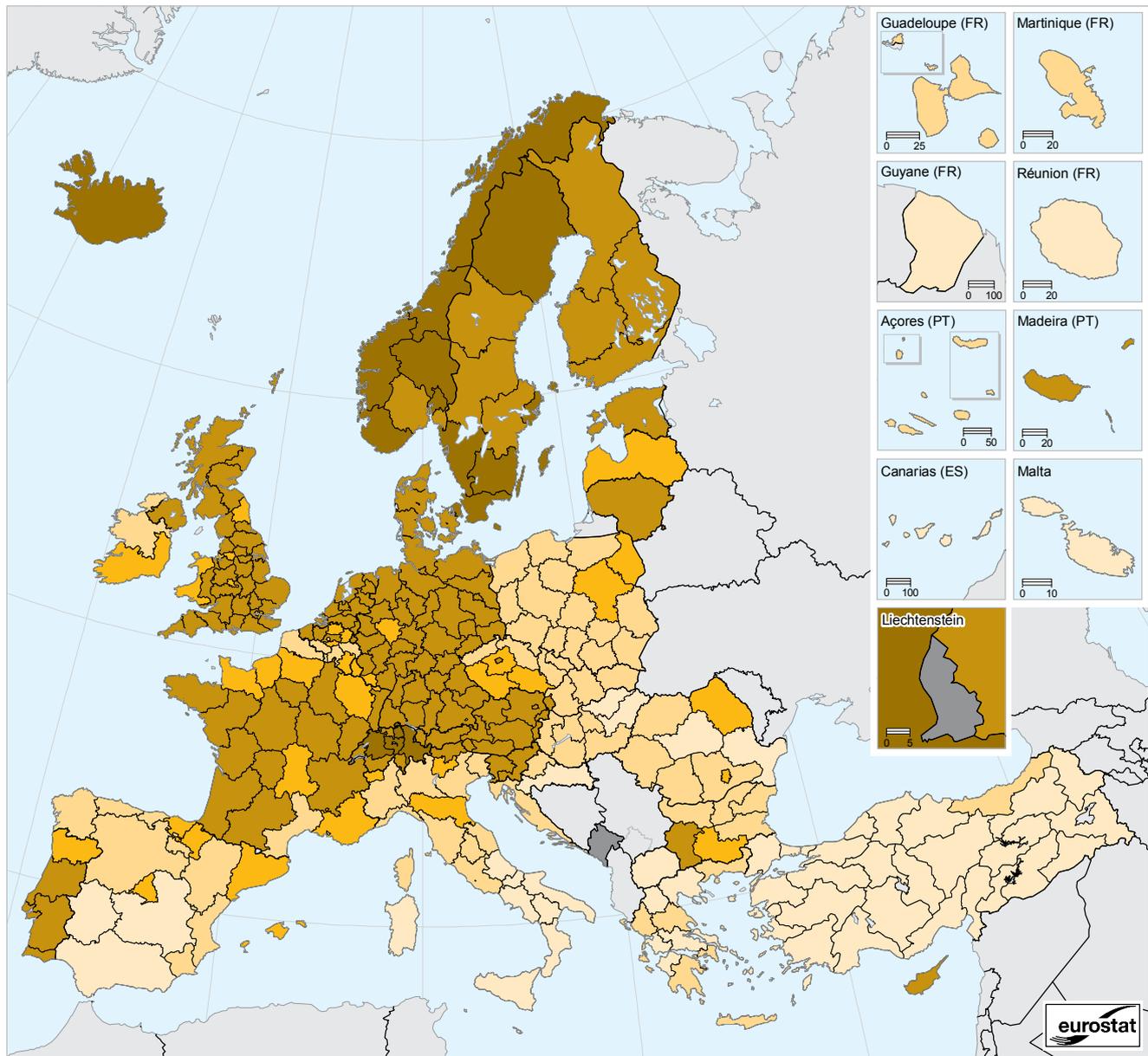
## Employment rates for men and women

The female employment rate (the employment rate for women aged 20 to 64) in the EU-27 fell for the second consecutive year in 2010, to stand at 62.1%. There was an overall reduction of 0.9 percentage points for the female employment rate between 2008 and 2010, while the corresponding reduction for the male employment rate was considerably bigger, at 2.9 percentage points; the male ratio stood at 75.0% in 2010.

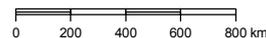
There is a strong link between the female employment rate and the overall employment rate, as Maps 5.1 and 5.2 show broadly similar patterns. Map 5.2 shows the distribution of female employment rates for NUTS level 2 regions, with Åland (Finland) reporting a female employment rate (81.2%) that was almost three times as high in Campania (Italy), where the



**Map 5.2:** Female employment rate, persons aged 20 to 64 years, by NUTS 2 regions, 2010 (%)



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Source: Eurostat (online data code: [lfst\\_r\\_lfe2emppt](#))



lowest rate was recorded (27.9%). The corresponding range for the male employment rate was considerably less, from a high of 87.3% in North Eastern Scotland (United Kingdom) to a low of 56.8% in Réunion (France).

The Europe 2020 strategy does not make a distinction between the sexes with respect to its target (75% by 2020) for the employment rate among those aged 20 to 64. There were seven regions which recorded a female employment rate in excess of this target in 2010, these included five Swedish regions — Övre Norrland, Småland med öarna, Stockholm, Sydsverige and Västsverige — as well as Åland (Finland) and Hovedstaden (Denmark). With the exception of three regions in Switzerland (Nordwestschweiz, Région lémanique and Ticino) and one in Norway (Sør-Østlandet), all of the level 2 regions in Iceland, Norway and Switzerland also reported female employment rates above 75%.

Male employment rates were in excess of 75% in a majority of NUTS level 2 regions. While the highest female employment rates were often recorded in the Nordic countries, the highest male rates were generally found in Germany, the Netherlands, Austria and the United Kingdom. The latter reported the three highest rates in 2010, which were recorded in: North Eastern Scotland; Surrey, East and West Sussex; Bedfordshire and Hertfordshire.

There was only one NUTS level 2 region in the EU where the female employment rate exceeded the male employment rate in 2010: this was in Lithuania, where the female employment rate was 1.5 percentage points higher than the corresponding rate for men. Female employment rates in regions in the Nordic countries and other Baltic Member States were generally close to corresponding male employment rates for the same region. At the other end of the range, the largest differences between male and female employment rates were recorded in southern regions of the EU, in particular across Greece, southern Italy, Malta and a few regions in Spain. The biggest difference between male and female employment rates among EU regions was recorded in Voreio Aigaio (Greece), where the male employment rate (81.5%) was 37.5 percentage points higher than the female employment rate. The gender gap between male and female employment rates was very large in all Turkish regions, ranging from 25.8% (higher for men) in Trabzon, Ordu, Giresun, Rize, Artvin and Gümüşhane to 59.3% in Mardin, Batman, Şırnak and Siirt; the female employment rate reached 51.8% in Trabzon, Ordu, Giresun, Rize, Artvin and Gümüşhane and was below 20% in four Turkish regions.

## Employment rates for older workers

The EU-27 employment rate for older workers (aged between 55 and 64) stood at 46.3% in 2010; this marked an increase of 8.3 percentage points when compared with the rate in 2000. The employment rate among those aged 65 years or over

remained almost unchanged during the last decade and averaged 4.7% across the EU-27 in 2010.

Despite the financial and economic crisis, the employment rate for older workers continued to expand during the period 2007–10, although the pace of growth slowed. A breakdown by sex reveals that while the female employment rate for older workers remained lower than the equivalent rate for men, it was catching up with the male rate, the gap narrowing from 18.0 percentage points in 2007 to 15.9 percentage points in 2010.

In 2010, there were 114 NUTS level 2 regions across the EU that had an employment rate for older workers above 50%; among these, 77 regions had a rate that exceeded 55%, 29 had a rate that exceeded 60% and four had a rate that was over 70%. In contrast, there were 157 regions with an employment rate for older workers of 50% or less in 2010; 90 of these had a rate of 40% or less, and 30 of these recorded rates below 35%. Employment rates for older workers ranged from a high of 75.9% in Åland (Finland) to a low of 27.9% in Śląskie (Poland); the latter is a region that is specialised in the mining of coal and lignite.

In the EFTA countries there were relatively high employment rates for older workers. This was particularly true in Iceland (79.8%), and there were also a number of Norwegian and Swiss regions that recorded rates above 70%. With the exception of Ticino (Switzerland), each level 2 region in Norway and Switzerland had an employment rate for older persons in excess of 60%. Much lower employment rates for older persons were recorded in Croatia, the former Yugoslav Republic of Macedonia and Turkey, with the lowest rate being for İstanbul (14.5%).

## Unemployment rates

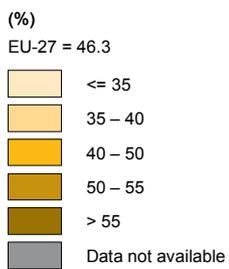
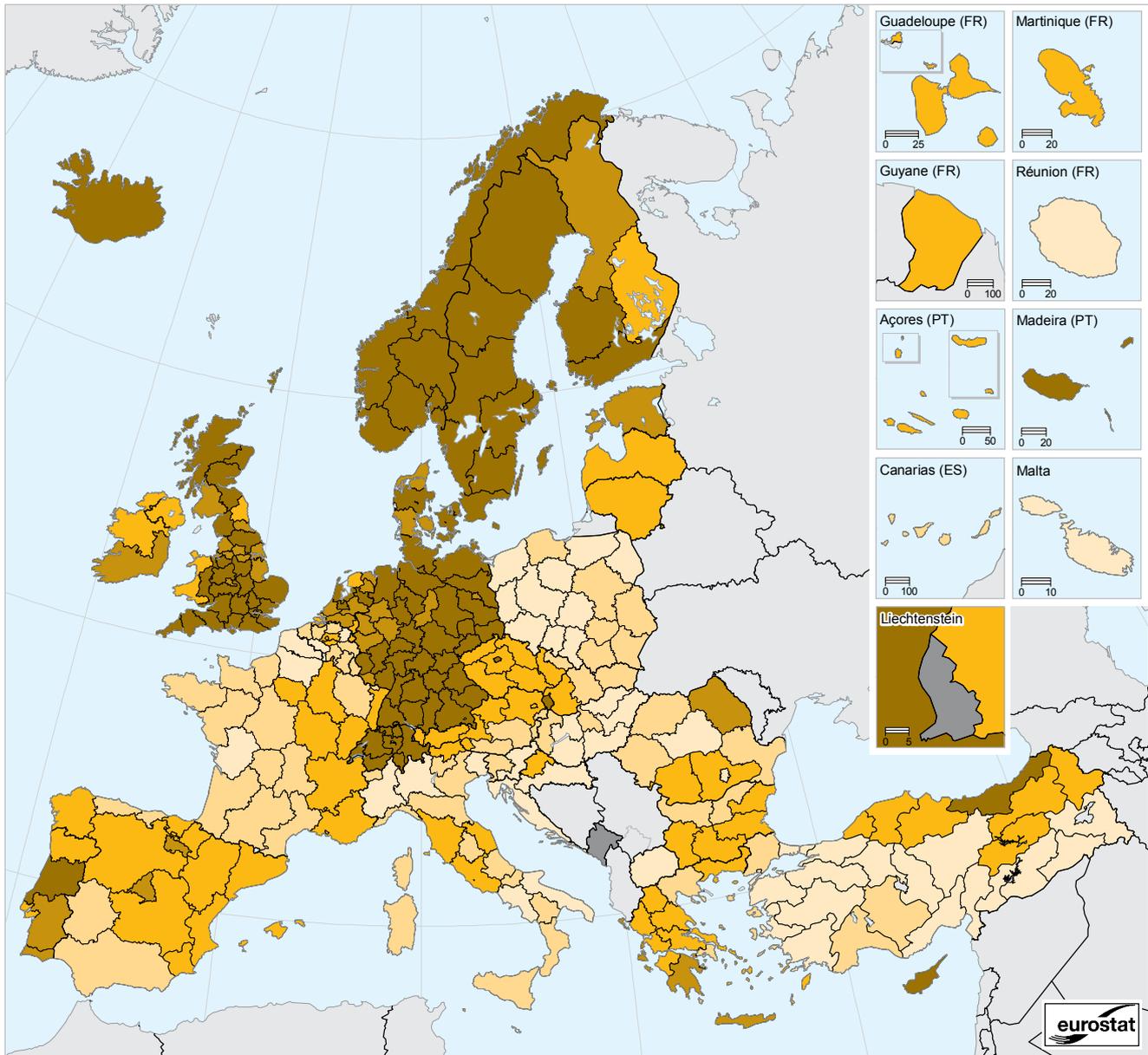
The overall unemployment rate in the EU-27 was 9.7% in 2010. Map 5.4 shows the distribution of unemployment rates by NUTS level 3 regions. The highest regional unemployment rate in 2010 was 33.2% in Fuerteventura (one of the Canary Islands in Spain), while the lowest rate was 0.6% in the Romanian region of Satu Mare.

A breakdown by sex indicates that the highest male unemployment rate (at NUTS level 2) was 29.2% which was also registered for the Canarias (Spain), while the highest rate among women was 31.9%, as recorded in the Ciudad Autónoma de Melilla (also Spain).

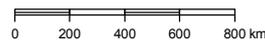
The highest unemployment rates were generally recorded in southern Spain and the three Baltic Member States. Among the 35 NUTS level 3 regions that reported an unemployment rate in excess of 20% for 2010, there were 29 regions from Spain, three from Lithuania, two from Latvia and one from Estonia; unemployment rates were also relatively high in the south of Italy and in several regions of Greece, Ireland and Slovakia.



**Map 5.3:** Older persons employment rate, persons aged 55 to 64 years, by NUTS 2 regions, 2010 (%)



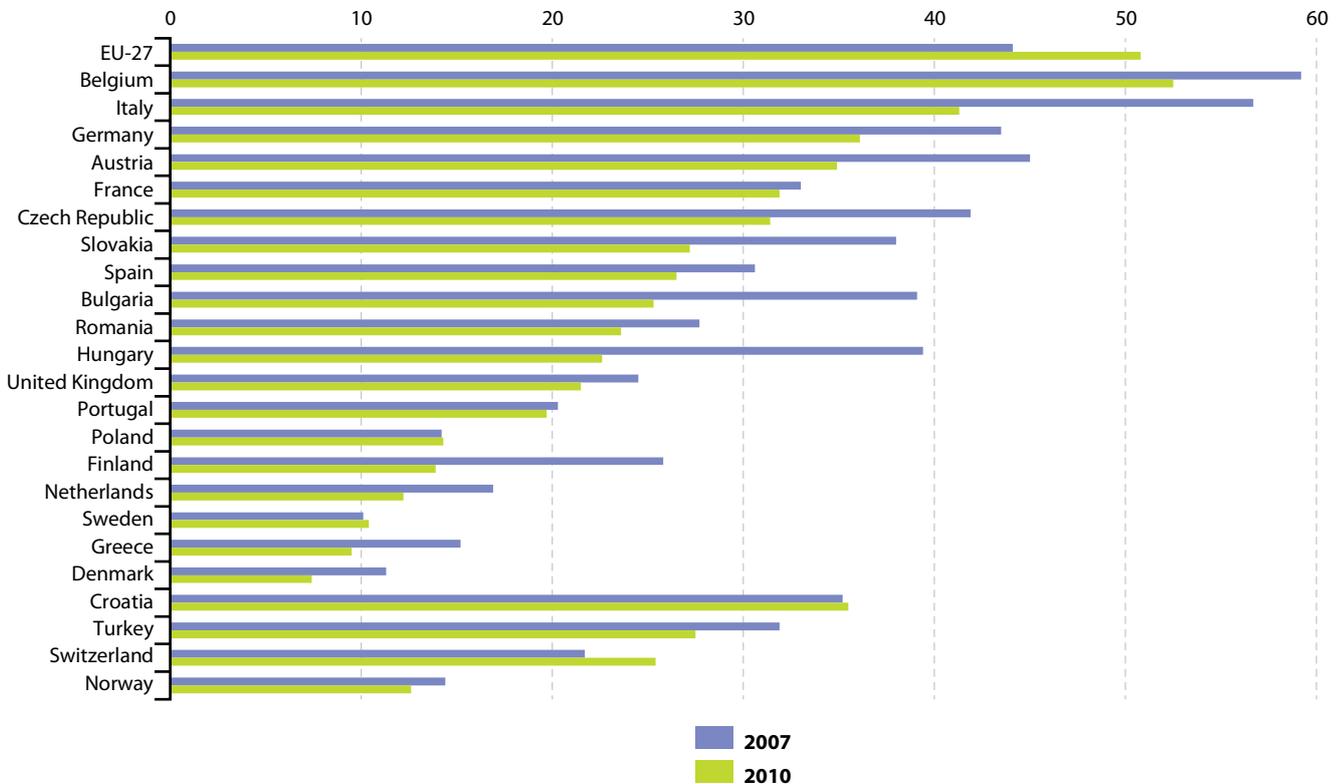
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Source: Eurostat (online data code: [lfst\\_r\\_lfe2emppt](#))



**Figure 5.2:** Dispersion of regional unemployment rates, persons aged 15 to 74 years, by NUTS 2 regions, 2007 and 2010 <sup>(1)</sup> (coefficient of variation)



<sup>(1)</sup> Estonia, Ireland, Cyprus, Latvia, Lithuania, Luxembourg, Malta and Slovenia comprise only one or two NUTS 2 regions, therefore dispersion rates are not applicable; Denmark, 2009 instead of 2010.

Source: Eurostat (online data code: *lfst\_r\_lmdur*)

There were 225 NUTS level 3 regions that recorded an unemployment rate that was 5% or lower in 2010; of these, some 26 regions had rates that were 3% or lower. The lowest unemployment rates were found in parts of Bayern (Germany), the north of Italy, the Netherlands, the west of Austria, and Romania.

Apart from the Région lémanique and Ticino in Switzerland, unemployment rates in Norway and Switzerland were also consistently below 5% in 2010. In Iceland, the unemployment rate experienced a steep increase, rising from 2.9% in 2008 to 7.2% in 2009, and increasing further still in 2010 to 7.6%. In the candidate countries, regional unemployment rates ranged from 4.8% in Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane (Turkey) to 18.0% in Središnja i Istočna (Panonska) Hrvatska (Croatia).

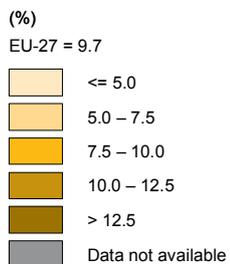
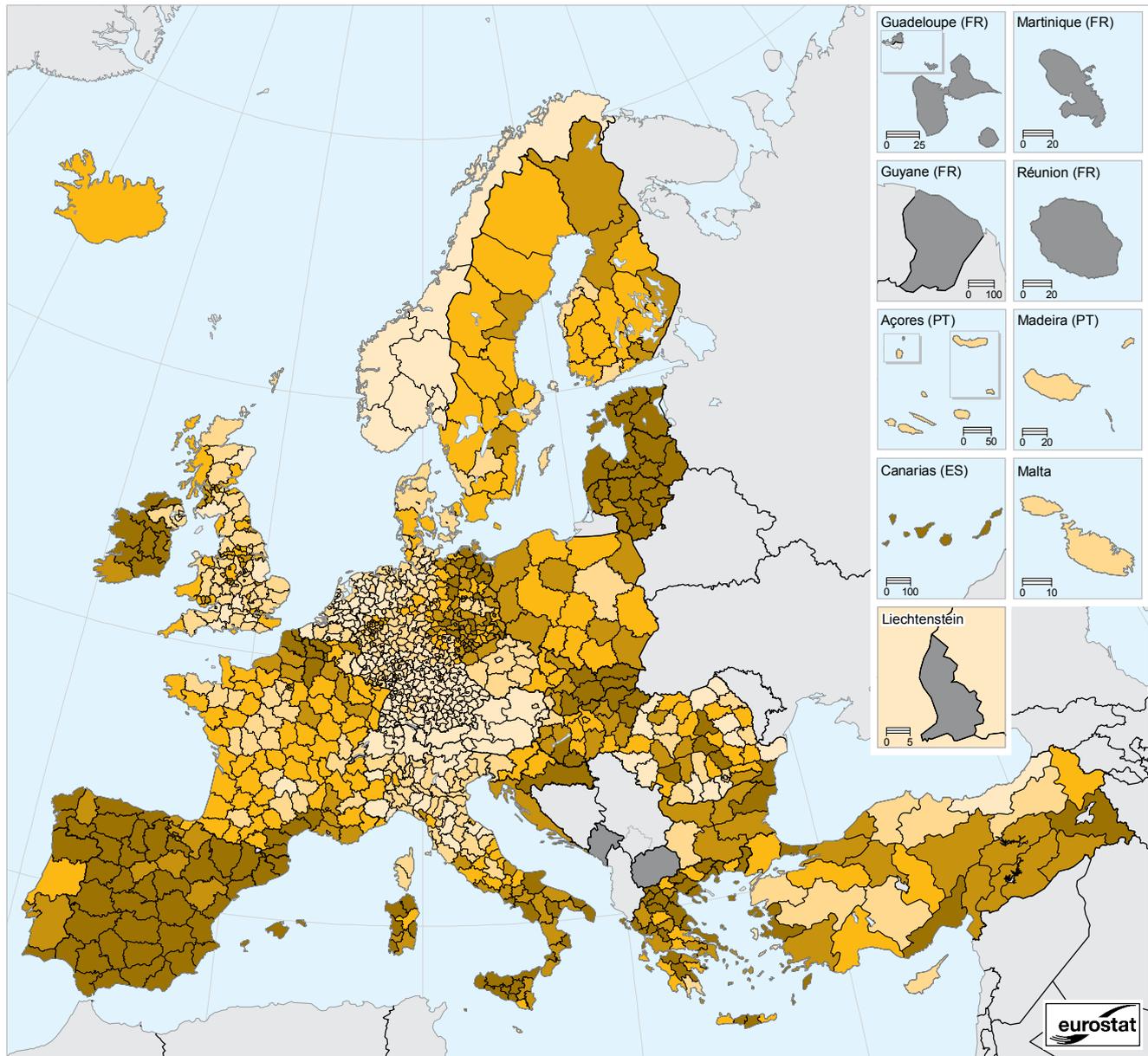
Figure 5.2 shows the dispersion of regional unemployment rates in 2007 and 2010. The indicator shows that regional differences in unemployment rates across the whole of the EU-27 widened between these 2 years suggesting that the labour market effects of the crisis were unevenly spread. During this period (2007–10), marked by the financial

and economic crisis, the coefficient of variation for the EU-27 rose by 6.7 points. This was in contrast to the developments recorded within the individual Member States, where the dispersion of unemployment rates was generally reduced; note that during the period associated with the crisis, unemployment rates were usually rising, even if the dispersion between different regions of the same country was narrowing. The largest reductions in the dispersion of unemployment rates between 2007 and 2010 were recorded in Hungary, Italy, Bulgaria, Finland, Slovakia, the Czech Republic and Austria.

Belgium recorded the highest dispersion of regional unemployment rates in 2010 among the EU Member States, while Italy also had relatively high dispersion, as did Germany and Austria but to a lesser extent. There were stark differences in unemployment rates between the regions of some of these Member States — as shown in Map 5.4 — with much lower unemployment rates in the Vlaams Gewest (Flanders) region of Belgium, parts of western Germany, northern Italy and outside of the capital city region in Austria. The lowest degrees of dispersion for unemployment were recorded in Denmark, Greece, Sweden and the Netherlands — all of which



**Map 5.4:** Unemployment rate, persons aged 15 to 74 years, by NUTS 3 regions, 2010 <sup>(1)</sup>  
(%)



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Cartography: Eurostat — GISCO, 04/2012



<sup>(1)</sup> Belgium, Bulgaria, Denmark, Malta, Austria, Poland, Portugal, Slovenia, Iceland, Norway, Switzerland, Croatia and Turkey, by NUTS 2 regions.

Source: Eurostat (online data code: [lfst\\_r\\_lfu3rt](#))



had reported relatively low dispersion for employment rates — suggesting they had rather homogeneous labour markets from a regional perspective.

## Changes in unemployment rates

Between 2007 and 2010 the unemployment rate in the EU-27 rose from 7.2 % to 9.7 %, an increase of 2.5 percentage points. Map 5.5 reflects the change in regional unemployment rates over this period, presenting the percentage point difference between unemployment rates (data for reference year 2010 minus 2007). Out of the 271 NUTS level 2 regions in the EU for which data are available, the unemployment rate increased between 2007 and 2010 in 215 regions, remained unchanged in seven and fell in 49.

There were 10 regions across the EU-27 that reported their unemployment rate rising by more than 10 percentage points between 2007 and 2010. Seven of these regions were in Spain, while the remaining three were the Baltic Member States (each of which is just one region). The rise in unemployment was most marked in the island region of the Canarias, followed by the Región de Murcia and then Andalucía. Almost all of the German regions and many regions in Poland reported a decrease in unemployment rates between 2007 and 2010. The largest decreases (of at least five percentage points) were recorded in the Thüringen and Mecklenburg-Vorpommern regions of Germany, as well as the French island region of Corse.

## Long-term unemployment

Long-term unemployment is one of the main concerns of policymakers. Not only does it affect people's personal lives, it may also impact negatively on social cohesion and has the potential to act as an obstacle to economic growth. There were 9.3 million persons across the EU-27 classified as long-term unemployed in 2010.

Map 5.6 shows the regional pattern of the long-term unemployment share at NUTS level 2; in other words, the percentage of all unemployed persons who had been out of work and looking for a job for more than a year. Across the whole of the EU-27, long-term unemployment affected almost four out of every 10 (39.9 %) unemployed persons in 2010.

Among the 271 regions for which data are available, some 43 regions recorded a long-term unemployment share of more than 50 % in 2010; in other words, at least half of those persons who were unemployed had been without a job for more than a year. This persistent structural nature of unemployment was most apparent in parts of Germany, Greece, the French overseas regions, southern Italy, central and northern Portugal and Slovakia. The highest long-term unemployment shares in the EU were recorded in the French overseas regions of Guadeloupe (78.8 %), Guyane (73.6 %) and Martinique

(70.4 %); however, an even higher rate (83.1 %) was recorded for the former Yugoslav Republic of Macedonia.

In contrast, there were 18 EU regions where the long-term unemployment share was below 20 % (in other words, less than one in five unemployed persons had been without work for more than a year); this was particularly the case in some regions in Denmark, western Austria and Sweden — although the two lowest long-term unemployment shares were recorded in București - Ilfov (Romania) and Åland (Finland). There were nine level 2 regions in the EFTA and candidate countries that recorded a long-term unemployment share that was below 20 %. Six of these were in Turkey, including the region with the lowest share — Antalya, Isparta, Burdur (13.0 %).

Figure 5.3 provides an analysis of the long-term unemployment rate (in other words, the proportion of the labour force that had been out of work for 12 months and more); the average rate across the whole of the EU-27 was 3.8 % in 2010. Generally, those Member States with some of the highest long-term regional unemployment rates also reported a wide range of rates between regions: this was particularly the case in France, Slovakia, Spain, Belgium and Italy.

There were considerable differences between Member States as regards the long-term unemployment rate for regions containing capital cities. While the highest long-term unemployment rates in Belgium, Germany and Austria were recorded in the regions containing the capital city, the opposite was true in Bulgaria, the Czech Republic, Denmark, Hungary, Poland, Romania, Slovenia, Slovakia and Sweden.

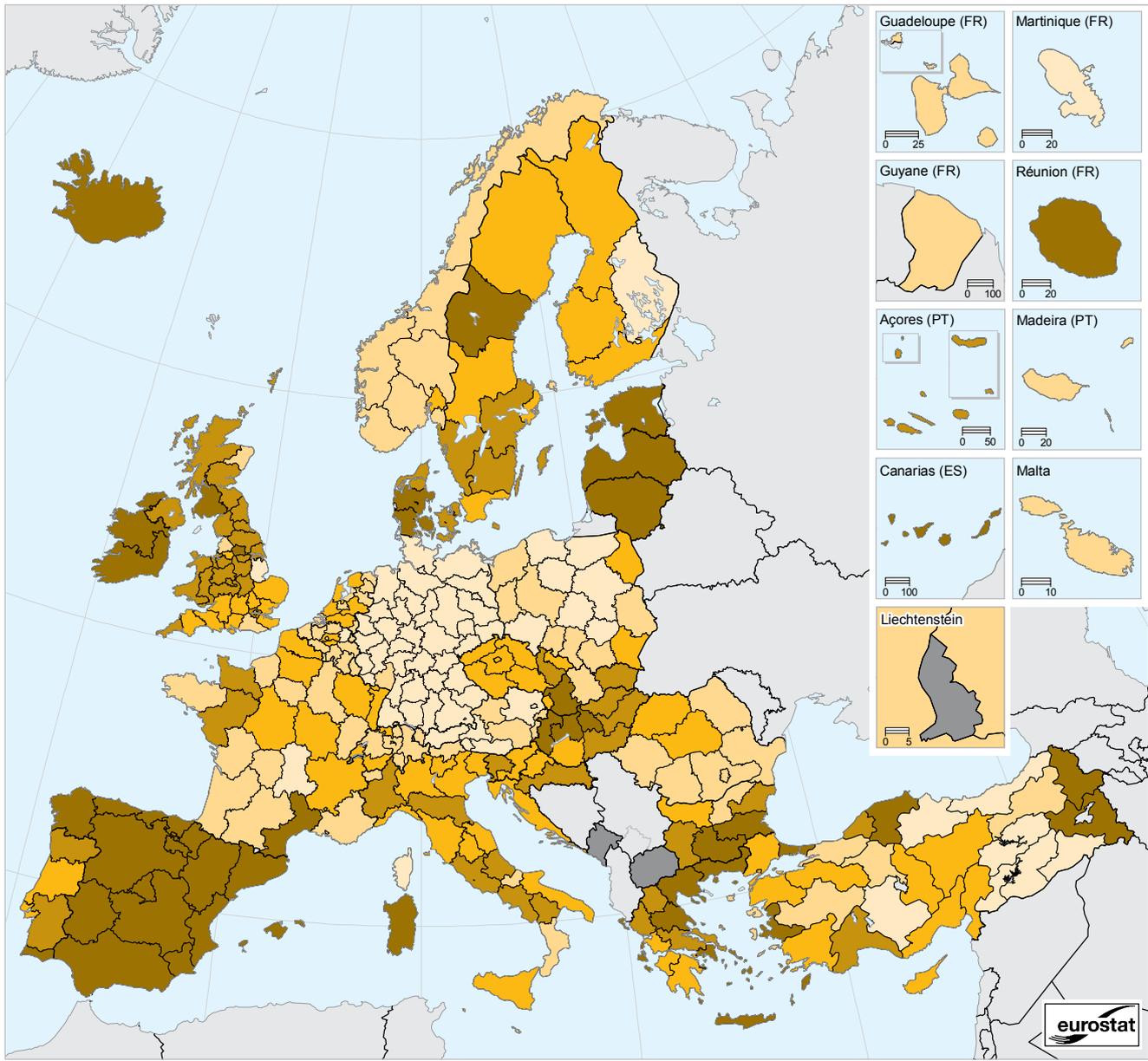
## Youth unemployment

Given that unemployment rates rose during the financial and economic crisis — while employment rates for older persons continued to grow — it is apparent that other age groups, and in particular young people aged 15 to 24, were disproportionately affected by the downturn in economic fortunes. The youth unemployment rate in the EU-27 was 21.1 % in 2010, which was more than double the EU-27's overall unemployment rate (9.7 %).

The number of youths (aged 15 to 24) who were unemployed increased between 2007 and 2010 by 1.1 million additional persons to reach 5.3 million in total, an overall increase of 27.2 % compared with 2007. While the rising youth unemployment rate could be attributed in part to a higher number of persons being unemployed, it also resulted from demographic changes, as the EU-27 population aged 15 to 24 fell by almost 2 million persons between 2007 and 2010. These two movements combined to produce a rapidly increasing EU-27 youth unemployment rate, which passed from 15.7 % in 2007 to 21.1 % by 2010. At the same time, an increasing proportion of the youth labour force remained in education — suggesting that some young people extended ongoing



**Map 5.5:** Change in unemployment rate, persons aged 15 to 74 years, by NUTS 2 regions, 2007–10 (percentage points difference between 2010 and 2007)



(percentage points difference between 2010 and 2007)

EU-27 = 2.5

- <= 0.10
- 0.10 – 1.25
- 1.25 – 2.50
- 2.50 – 3.75
- > 3.75
- Data not available

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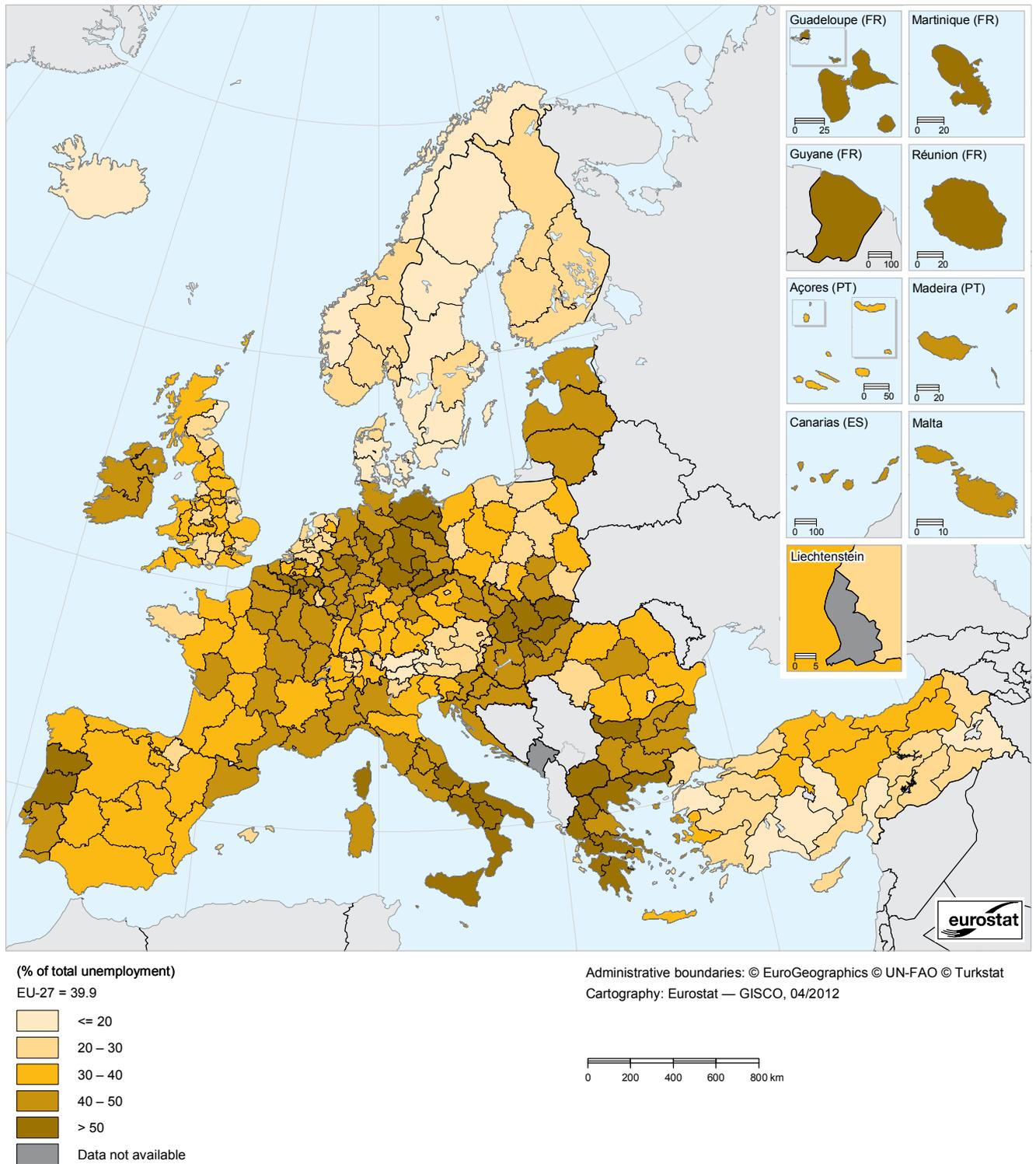
Cartography: Eurostat — GISCO, 04/2012



Source: Eurostat (online data code: [lfst\\_r\\_lfu3rt](#))

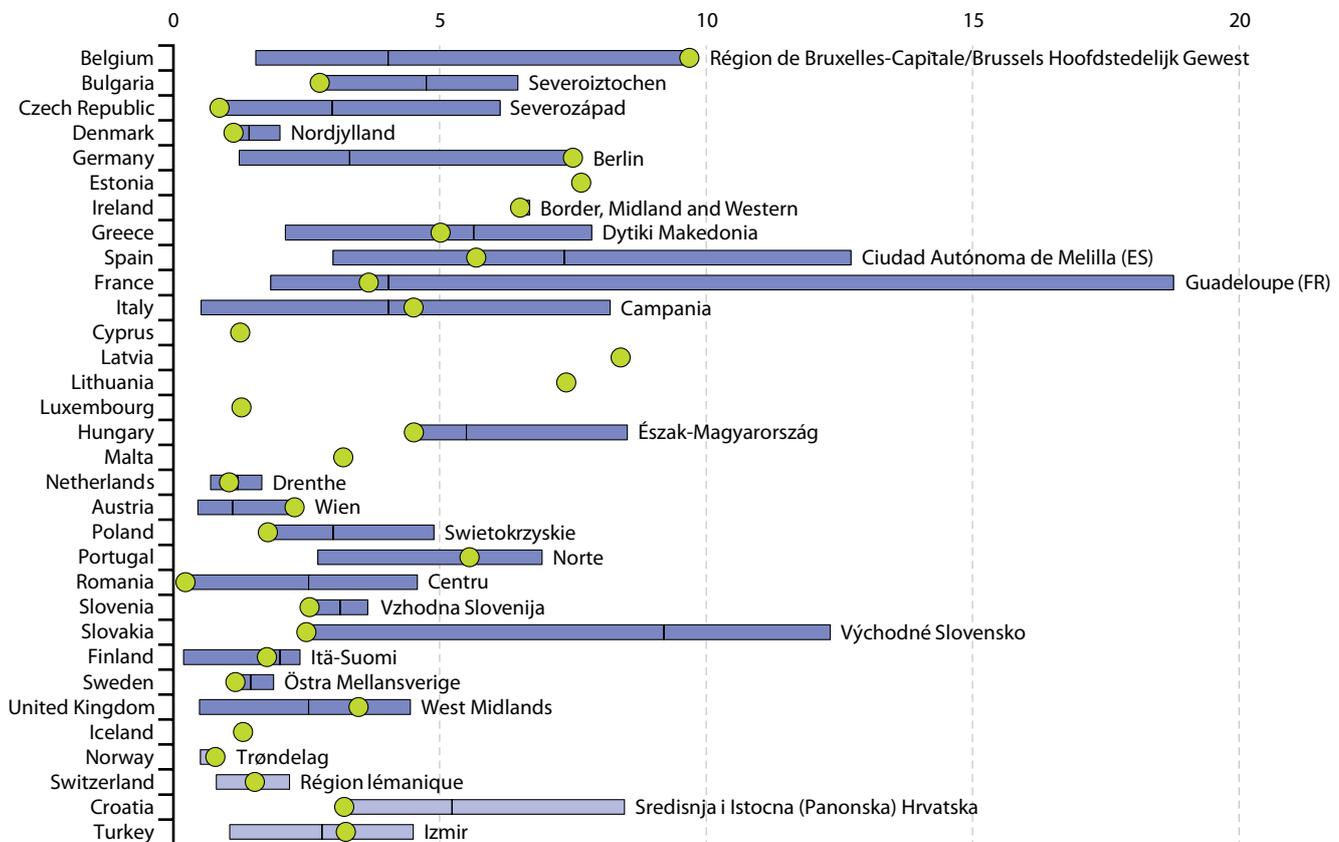


**Map 5.6:** Long-term unemployment share, persons aged 15 to 74 years, by NUTS 2 regions, 2010  
(% of total unemployment)



Source: Eurostat (online data code: [lfst\\_r\\_lfu2ltu](#))

**Figure 5.3:** Long-term unemployment rate, persons aged 15 to 74 years, by NUTS 2 regions, 2010 <sup>(1)</sup>  
(%)



<sup>(1)</sup> The graph shows the range of the highest to lowest region for each country; the black vertical line is the average (mean); the green circular marker is the capital city region; the name of the region with the highest value is also included.

Source: Eurostat (online data code: [lfst\\_r\\_lfu2ltu](#))

studies or returned to studying, in this way postponing their entry into the labour force; this decision may in part have been influenced by the state of the economy.

Map 5.7 presents the regional distribution of the youth unemployment rate at NUTS level 2. There is a clear similarity between youth unemployment rates and total unemployment rates in terms of the pattern of regions with particularly high or particularly low rates. Youth unemployment rates were consistently higher than overall unemployment rates in each and every NUTS 2 region in 2010. The largest difference (in percentage point terms) was in the French overseas region of Martinique, where the youth unemployment rate (59.0%) was 38.0 points higher than the overall unemployment rate in 2010. In relative terms, the youth unemployment rate in the Romanian capital city region of Bucureşti - Ilfov (20.3%) was some 4.4 times as high as the overall unemployment rate.

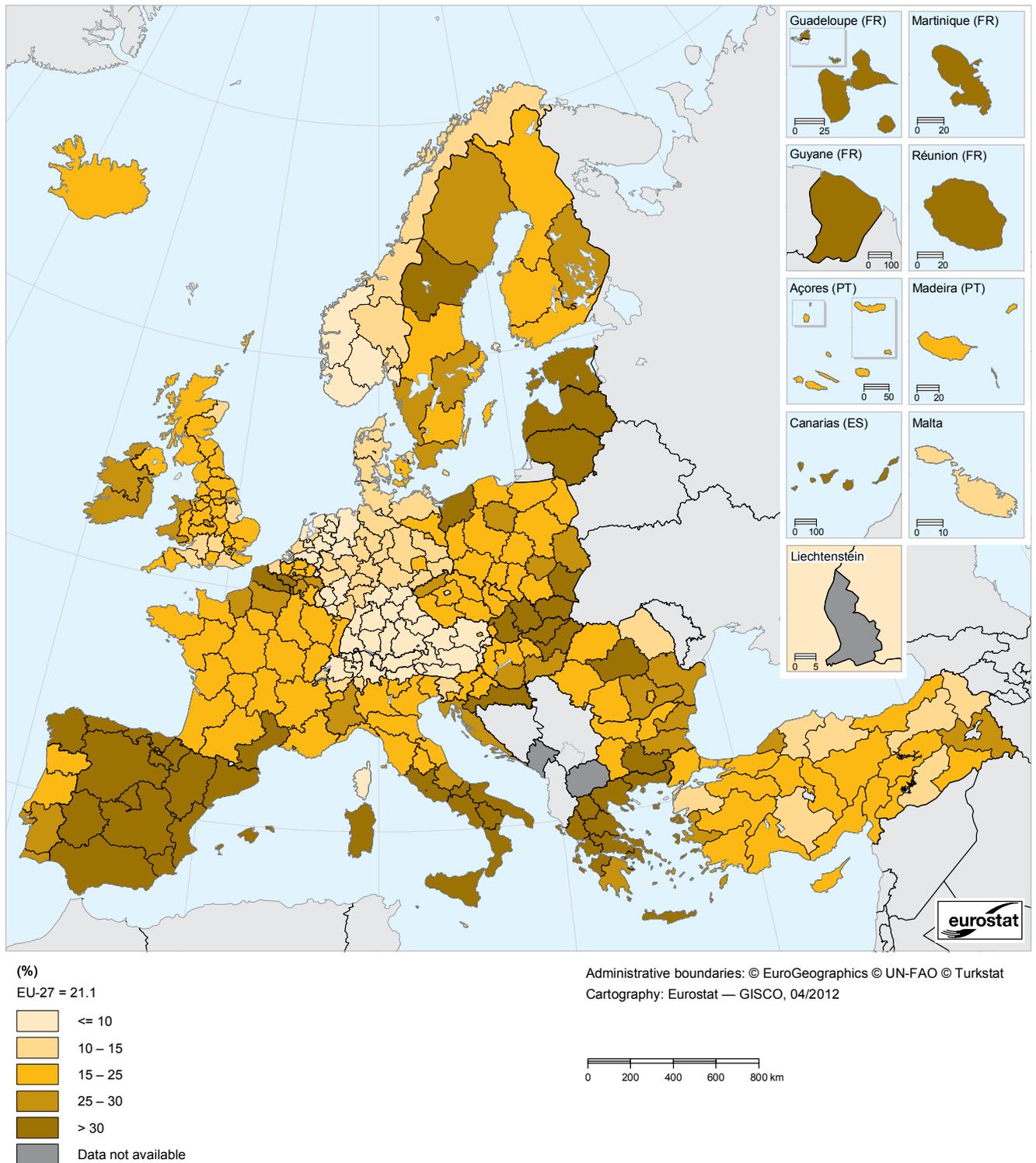
The highest youth unemployment rates were recorded in the French overseas regions, the Spanish autonomous cities, as well as southern regions of Spain and Italy. The youth

unemployment rate exceeded 50% in six regions in 2010, including three of the French overseas regions, the two Spanish overseas territories of Ceuta and Melilla, and the Canarias (also Spain). The highest youth unemployment rate among the EFTA and candidate countries was recorded for the Croatian region of Sredisnja i Istocna (Panonska) Hrvatska, where youth unemployment was 44.8% in 2010.

There were 40 NUTS level 2 regions across the EU that reported a youth unemployment rate that was 10% or lower in 2010. The lowest rates were generally registered in Germany (18 regions at or below 10%), the Netherlands (10 regions) and Austria (eight regions), while the Czech Republic, France, Italy and Finland each had one region with a youth unemployment rate of 10% or less. There were eight level 2 regions in the EFTA and candidate countries that recorded youth unemployment rates below the 10% threshold. Five of these were in Switzerland – including the lowest rate of 4.8% for Zentralschweiz – while the remaining three regions were all Norwegian.



**Map 5.7:** Youth unemployment rate, persons aged 15 to 24 years, by NUTS 2 regions, 2010 (%)



Source: Eurostat (online data code: [lfst\\_r\\_lfu3rt](#))



## Data sources and availability

Most regional results in this chapter concern NUTS level 2 regions; these regional figures pertain to annual averages of the quarterly LFS, with the exception of employment and unemployment rates. NUTS level 3 employment and unemployment data are provided by Member States on a voluntary basis and in a few cases (for NUTS level 3) this involves the use of estimations and/or data from registers.

The LFS is a quarterly household sample survey conducted in the EU Member States. The survey population covers persons aged 15 and over, living in private households (persons living in collective households, such as residential homes, boarding houses, hospitals, religious institutions and workers' hostels, are therefore not included).

The population comprises all persons living in the households surveyed during the reference week. The definition also includes persons who are absent for short periods due, for example, to studies, holidays, illness or business trips (but who have maintained a link with the household); persons on compulsory military service are not included. The survey follows the definitions and recommendations of the [International Labour Organisation \(ILO\)](#). To achieve further harmonisation, the Member States also adhere to common principles when formulating questionnaires.

Employment statistics can be used for a number of different analyses, including macroeconomic (in other words, labour as a production factor), [productivity](#) or [competitiveness](#) studies. They can also be used to study a range of social and behavioural aspects related to an individual's employment situation, such as the social integration of minorities, or employment as a source of [household](#) income.

The unemployment rate is an important indicator with both social and economic dimensions. Rising unemployment levels result in: a loss of income for affected individuals; increased pressure with respect to government spending on [social benefits](#); and a reduction in tax revenue. From an economic perspective, unemployment may be viewed as unused labour capacity.

The following definitions may be of interest when reading the main findings of this chapter:

Employed persons are those aged 15 years and over who during the reference week performed work, even for just 1 hour, for pay, profit or family gain or were not at work but had a job or business from which they were temporarily absent, for example due to illness, holidays, industrial dispute or education and training. The following exceptions apply to the age range used: 16 and over in Spain, Sweden (1995–2001) and the United Kingdom; 15 to 74 in Denmark, Estonia, Finland, Hungary, Latvia and Sweden (from 2001 onwards); 16 to 74 in Iceland and Norway.

The employment rate represents employed persons as a percentage of the population. Note that in this publication the focus for employment is on those aged 20 to 64 (a Europe 2020 target) and so the standard employment rate that is presented relates to employed persons aged 20 to 64 as a percentage of the population aged 20 to 64.

The old-age employment rate represents employed persons aged 55 to 64 as a percentage of the population aged 55 to 64.

The dispersion rate of employment (unemployment) is the coefficient of variation for regional employment (unemployment) rates in a Member State (or other geographical aggregate), weighted by the absolute population (active population) of each region.

Unemployed persons are persons aged 15 to 74 who were without work during the reference week, were currently available for work and were either actively seeking work in the past 4 weeks or had already found a job to start within the next 3 months. The following exceptions apply to the age range used: 16 to 74 in Spain, Sweden (1995–2001), the United Kingdom, Iceland and Norway.

The unemployment rate represents unemployed persons as a percentage of the economically active population. The youth unemployment rate relates to persons aged 15 to 24. The long-term unemployment rate is the percentage of the economically active population who have been without work for at least 12 months. The long-term unemployment share represents the proportion of the total number of unemployed persons who have been seeking a job for more than 1 year.

### Further information

For further information about labour market statistics please consult Eurostat's website at [http://epp.eurostat.ec.europa.eu/portal/page/portal/labour\\_market/introduction](http://epp.eurostat.ec.europa.eu/portal/page/portal/labour_market/introduction).

## Context

Male, youth and long-term unemployment appear to be more susceptible to cyclical economic changes than overall unemployment. Indeed, social policymakers often face the challenge of remedying these situations by designing ways to increase employment opportunities for various groups of society, those working in particular economic activities, or those living in specific regions.

Employment statistics are at the heart of many EU policies. The [European employment strategy \(EES\)](#) was launched at the Luxembourg jobs summit in November 1997 and was revamped in 2005. [Integrated economic and employment guidelines](#) were



updated as part of the [Europe 2020 strategy](#). Furthermore, when adopting the Europe 2020 strategy, the [European Council](#) agreed on five headline targets; the first being to raise the employment rate for women and men aged 20 to 64 to 75% by 2020. Member States may set their own national targets in the light of these headline targets and will draw up national reform programmes that will include the actions they aim to undertake in order to implement the strategy.

As part of the flagship initiatives within the Europe 2020 strategy, 'An agenda for new skills and jobs' and 'Youth on the move', (youth) unemployment and employment rates will be targeted through a range of policies, including proposals aimed at education and training institutions, or measures for the creation of a (work) environment conducive to higher activity rates and higher labour productivity. There are also initiatives aimed at facilitating the entry of young people into the labour market.