

Inequality on the labour market

Introduction

Labour market opportunities are unequally distributed not only among European countries, but also over different sub-groups. This is true of access to the labour market i.e. employment, but applies also to the types of jobs people get, including aspects such as the accompanying form of contract, working hours, and benefits entailed, in terms of earnings in particular, but also of social security and fringe benefits. Inequalities also persist when looking at unemployment rather than employment, with specific groups being more likely to enter and remain in unemployment.

The new Europe 2020 strategy drawn up by the EU as a follow-up to the Lisbon strategy – which ended in 2010 – formulates some new ambitious headline targets (see ETUC and ETUI 2011). Both the employment rate target (75% for 20-64 year olds) and the new poverty headline target (‘lifting 20 million people out of poverty’) relate directly to inequality. Whether these targets are realistic in terms of the current economic and labour market situation remains questionable.

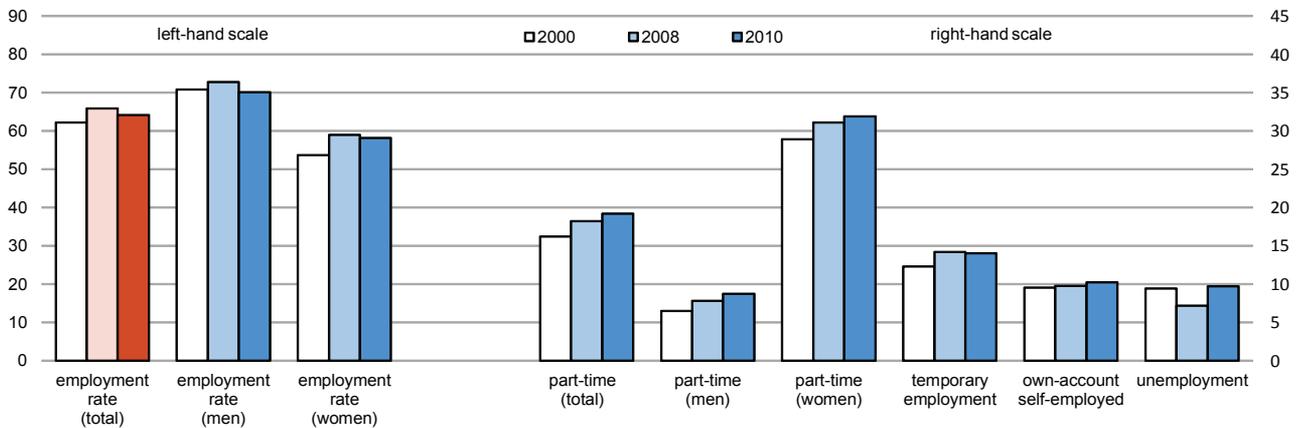
This chapter will, in the first section, illustrate how employment (including non-standard forms of employment) developed over the Lisbon period for the EU27 as a whole. In order to give an encompassing picture of forms of inequality on the labour market, the main section describes developments in terms of employment, unemployment, part-time and temporary employment and analyses these for single countries. Subgroups affected to differing degrees by the various forms of inequality are taken into account. This applies, in particular, to young people who face difficulties in entering and staying in work with potential longer-term impacts on their wellbeing and welfare; and also to women who still have much lower employment rates and work fewer hours than men in most countries, a situation that is problematic with regard not only to earnings but also to social security benefits and, in particular, pensions. Some analysis is also carried out on the basis of educational and occupational groups. Finally, in-work poverty is shown for different sub-groups in order to highlight the material outcomes of inequality on the labour market.

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Overview of labour market developments over the Lisbon period

Figure 2.1 Developments in important labour market indicators over the Lisbon period, EU27, 2000, 2008, 2010, annual averages



Source: Eurostat (2011j).

Labour market outlook remains bleak

The first half of the Lisbon period saw employment rates rising and unemployment decreasing (Figure 2.1). However, much of the employment growth was accounted for by non-standard forms of employment involving one or more elements of precariousness. What is more, the EU remained far from the ambitious 70% employment rate target set by the Lisbon strategy for 2010. The average employment rate, having risen to only about 66% by 2008, with the crisis fell back down to 64.1% in 2010 (Figure 2.1). Differences between male and female employment rates remain pronounced with, on average, 70% of men but only about 58% of women in employment. It is important to note, what is more, that the basis commonly used by the Eurostat labour force survey for definition of the employment rate is one hour of work in the reference week (http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_unemployment_lfs/methodology/definitions). In other words, employment rates fail to take account of the *volume* of employment and thus,

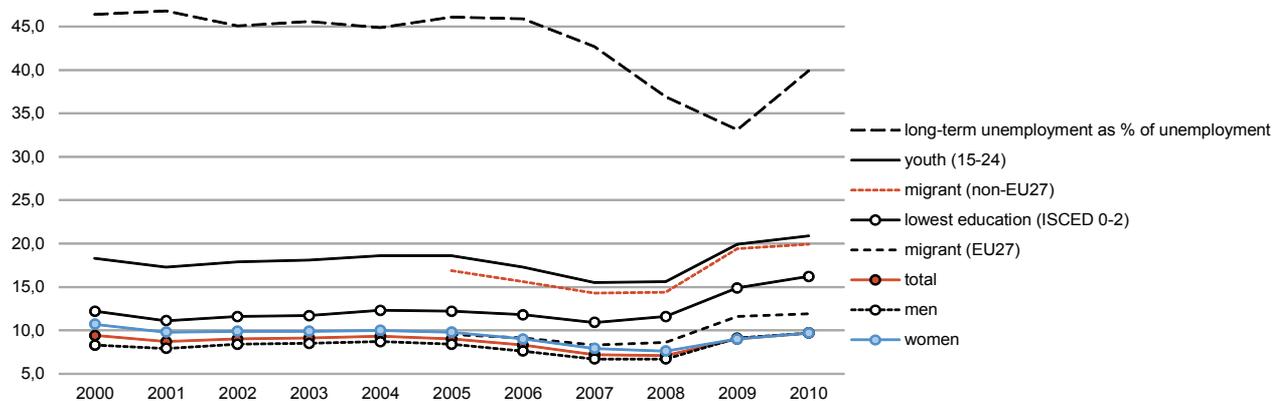
among other things, of the fact that women are very likely – and everywhere more likely than men – to work part-time (see below). Employment rates based on full-time equivalents – according to which, for example, the Netherlands, with one of the highest employment rates for women as measured by the LFS, comes close to the bottom (compare ETUC and ETUI 2011: Figure 2.3) – are not commonly used. The simple employment rate target as formulated in the Lisbon strategy, and now again in the Europe 2020 strategy, might thus be, to some extent at least, misleading.

The incidence of non-standard forms of employment increased over the Lisbon period and up to the beginning of the crisis. Part-time employment as a percentage of total employment is now around 19%, and thus 3 percentage points up from 2000 (see also Chapter 8). It continued to grow during the economic crisis, a fact attributable at least in part to short-time working insofar as part-time work in the labour force survey is self-assessed. Indeed, part-time work grew, proportionally, more among men (who were also more likely to be short-time workers) than among women, and yet the gap remains huge with, on average, 32% of women working part-time in the EU27 and only about 9% of men. Temporary employment, i.e. all employment of fixed duration, also grew over the Lisbon period and up till 2008, with the result

that workers on fixed-term contract or in temporary agency work were the first to become unemployed as their contracts were due to expire or easier to end than those of permanent workers. During the recent crisis period temporary employment is again on the increase and, at 14%, has returned to close to its pre-crisis level. Own-account self-employment is another form of non-standard employment often connected with precariousness. It has, however, been increasing only slightly over the last decade, albeit more rapidly during the crisis. Some countries, notably Germany, have, in the context of active labour market policies, actually devised incentives designed to promote own-account self-employment.

Overview of labour market developments over the Lisbon period

Figure 2.2 Development of unemployment over Lisbon period for sub-groups, annual averages 2000-2010, EU27



Note: if not stated otherwise age: 15-64 year.
Source: Eurostat (2011j).

Labour market outlook remains bleak

While employment was growing over most of the Lisbon period, unemployment was, on average, declining. In 2008 it had reached its lowest point of 7.1 per cent on average but, with the economic crisis kicking in and some sectors being strongly affected, it increased dramatically over the last two years of the Lisbon period by 2.6 percentage points to an annual average of 9.7% in 2010. Figure 2.2 illustrates the development of unemployment over the last decade. The steep increase between 2008 and 2009 is evident for all groups. Between 2009 and 2010 unemployment is still increasing for all groups, but at a slower pace. It is obvious that unemployment is not equally spread over sub-populations. Youth – here defined as those aged between 15 and 24, in spite of the fact that the 25-29 age group also often still struggles on the labour market (compare Chapter 3) – have had the highest unemployment rates, close to 21% in 2010. They are followed closely by non-EU27 migrant workers who have an average unemployment rate of close to 20%. Differences in

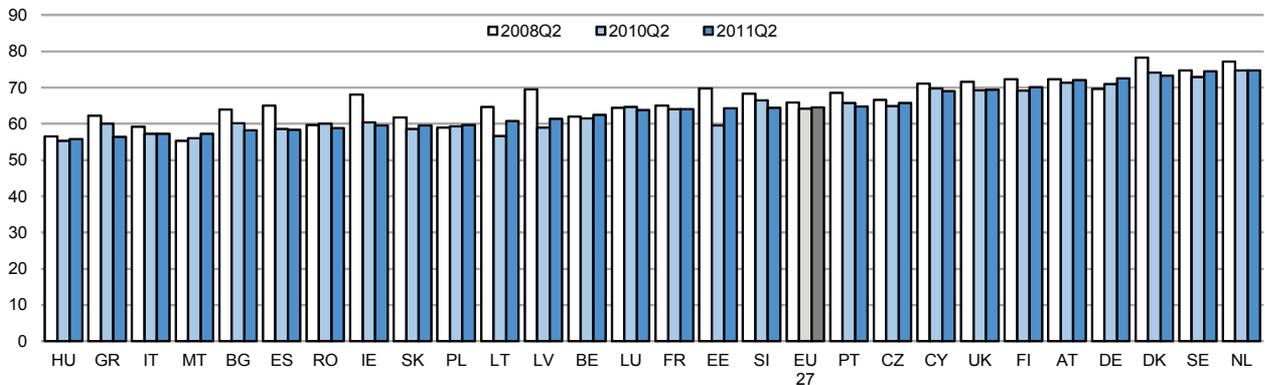
this area become apparent when compared with an unemployment rate of around 12% among EU27 migrant workers who, in principle, have free access to EU labour markets, with the exception of the transition measures that are still in place in several countries for Romania and Bulgaria and have only recently been fully lifted for the central and eastern European countries that gained EU accession in 2004. Migrant workers work, to a considerable extent, in sectors such as construction or manufacturing that were seriously affected by the economic crisis and were, as such, disproportionately affected by unemployment (Galgoczi et al. forthcoming). It should be borne in mind that the labour market situation of migrant workers is difficult to capture insofar as they are prone to returning home, or to moving further afield, in times of crisis. They are, what is more, commonly underrepresented in survey (and administrative) data, particularly if they are working in the informal economy. Another group with higher than average unemployment rates are those with the lowest educational level (ISCED 0-2: pre-primary, primary and lower secondary education). Unemployment among this group has increased disproportionately and is currently about 16%. This said, the group also has very low employment rates (see next section). In 2010 women and men had, on average, the same unemployment rates, while over

the Lisbon period women were invariably more likely to be unemployed on average and in the majority of countries. Indeed, the initial crisis period saw employment losses particularly – but not exclusively – in male-dominated sectors such as construction and manufacturing. However, women have been more affected in the more recent period as the crisis has spilled over to other sectors and austerity measures have focussed on female-dominated public-sector employment.

Long-term unemployment (>12 months) currently stands at close to 40% as a percentage of total unemployment. It was at a relatively stable high level during the first period of Lisbon and decreased significantly as the crisis set in, a fact that can be easily explained by the large numbers of newly unemployed entering the pool of unemployed. In the last year it has increased strongly by about 7 percentage points as the unemployment generated by the crisis has become more permanent. Those countries that were hit particularly hard and early by unemployment (Spain, Ireland, Baltic countries) saw their long-term unemployment rates increase markedly – by as much as 20 percentage points – between 2008 and 2010 (not shown).

Recent developments in employment

Figure 2.3 Developments in total employment, 2008Q2, 2010Q2, 2011Q2



Note: 15-64 years.

Source: Eurostat (2011j).

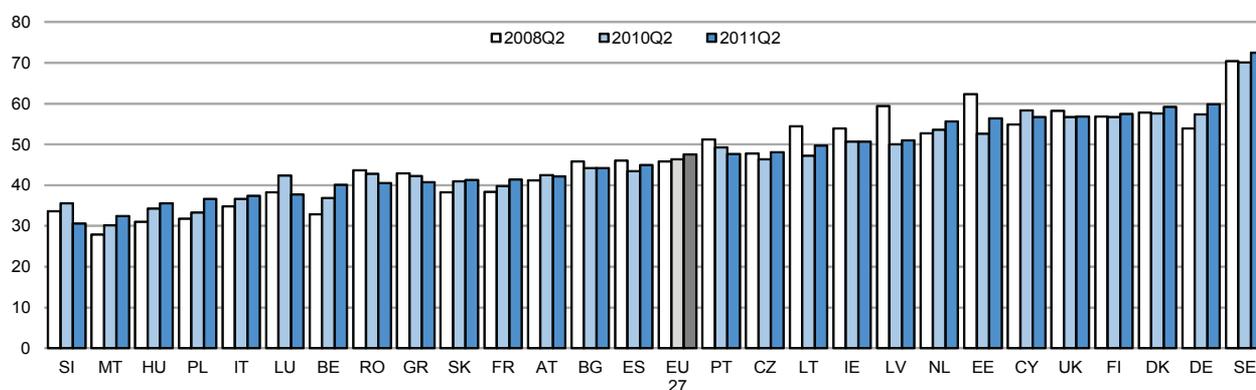
Employment rates slowly stabilising, but at low levels

The following section will look at recent labour market developments not on the basis of the EU27 aggregate but separately by country. Figure 2.3 illustrates that most countries replicated the EU27 trends in terms of decreasing employment rates between the second quarter of 2008 (2008Q2) and the second quarter of 2011 (2011Q2). Drops in employment were steepest in the first two years of the crisis. Employment decreased markedly in some countries, namely, Spain, Ireland, the Baltics, Greece and Bulgaria, and also – albeit from an initially very high level – Denmark, in some cases by as much as 10 percentage points. Only Germany, Poland and Malta saw a steady increase in employment rates over this period. In the Polish case this can be explained, at least in part, by the fact that Poland was the only country not to experience output decline. Germany, on the other hand, managed, in spite of a large output shock, to keep people in employment through the use of working time accounts and short-time working measures (compare e.g. Leschke and Watt

2010). Several countries have seen their employment rates rising again during the most recent period (2010Q2-2011Q2), most markedly in the cases of Lithuania and Estonia. Overall, national employment rates within Europe – using the suboptimal labour force survey measure – differ by as much as 20 percentage points: the Netherlands and Sweden have employment rates of close to 75% (i.e. have already achieved the Europe 2020 targets), while Hungary and Greece barely exceed 55%. In terms of country rankings, southern – with the exception of Portugal – and a number of central and eastern European member states, but also Ireland, are doing poorly with regard to employment rates, whereas the Nordic countries, but also Germany, Austria and the Netherlands, are doing well with regard to employment. These countries, however, make substantial use of part-time work, particularly among women. In fact, the decisive reason for the large overall differences in employment rates is the large country differences in the labour market participation of women – and particularly older women (see below).

Recent developments in employment

Figure 2.4 Developments in employment of older workers (55-64 years), 2008Q2, 2010Q2, 2011Q2



Source: Eurostat (2011j).

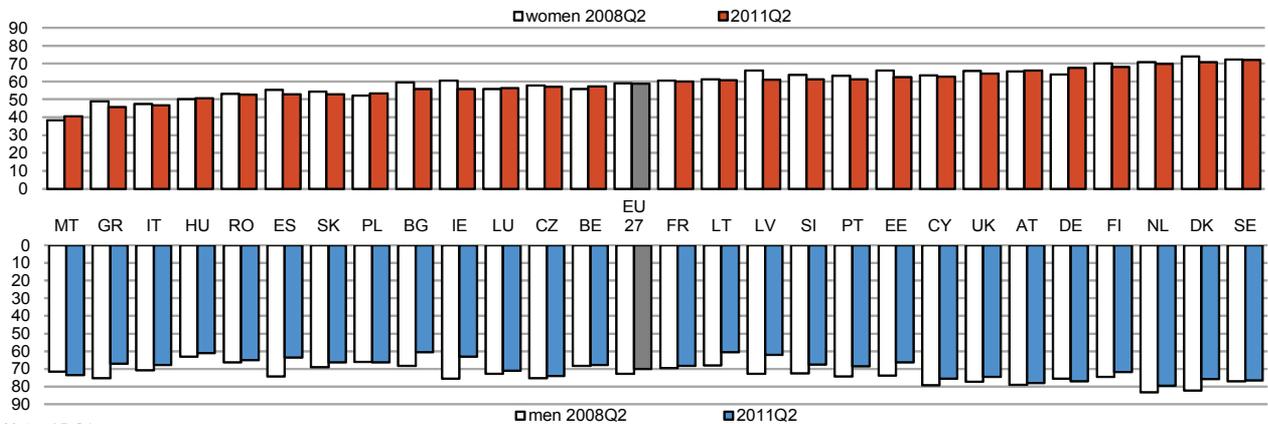
Older workers have fared relatively well during the crisis

In contrast to previous crises, older workers (55-64 years) were not used as buffers in times of increasing unemployment through, for example, the stepping up of early retirement schemes. Indeed, recent trends of increasing labour market participation among older workers – that were strengthened by the gradual withdrawal of early retirement schemes, increases in the pensionable age and, at least in some countries, improvements in the work environment for older workers – continued during the crisis. Employment rates increased on average by more than 1.5 percentage points, between 2008Q2 and 2011Q2, to the current 47.5% at a time when employment for other age groups, and particularly youth (from 37.3% in 2008Q2 to 33.6% in 2011Q2) (not shown), was falling (see also Chapter 3). Employment among older workers is still relatively low, however, compared to prime-age workers (25-54) who, in 2011Q2, had an average employment rate of close to 78%. It is important

to note the huge degree of country variation, with countries such as Slovenia and Malta having less than one third of older workers in employment and others, including Germany and Denmark, having close to 60%, and Sweden more than 70%, of older workers in employment (Figure 2.4). Here the shortcomings of the LFS employment measures have to be emphasised, however, since, particularly in Germany with its so-called ‘mini-jobs’ arrangement, many older workers (a majority of them women) are in sub-standard employment, including part-time work with very low hours and reduced access to social security benefits (see, for example, Minijobzentrale 2011). An important point particularly with regard to older workers is the large difference in employment rates between men and women: on EU27 average only 40.2% of older female workers were employed, comparing with 55.2% of male workers. The best performer, Sweden, has high employment rates for both women and men with a difference between the two of only about 7 percentage points. Having said this, older workers, and particularly women, have largely contributed to employment growth over the Lisbon period – their relative situation has thus improved.

Recent developments in employment

Figure 2.5 Developments in employment rates by gender, 2008Q2 and 2011Q2



Note: 15-64 years.

Source: Eurostat (2011j).

Some reduction in gender employment rate gaps during the crisis – but large gender inequality remains

The economic crisis has, on average, contributed to reducing the gap in employment rates between men and women, insofar as men were more likely to lose their employment, particularly in the first two years of the crisis (Figure 2.5). While the difference in employment rates was 14 percentage points in 2008Q2 (72.9% for men and 58.9% for women), it had fallen to 11.5% in 2011Q2 (70.2% for men and 58.7% for women). Employment gaps between men and women have narrowed in all countries and very substantially so in a number of countries, such as Spain, Lithuania and Latvia, as a result of the disproportional losses in employment for men due to the uneven affectedness of sectors and the remaining large gender segregation in terms of sectors and occupations. In Lithuania female employment rates are now slightly higher

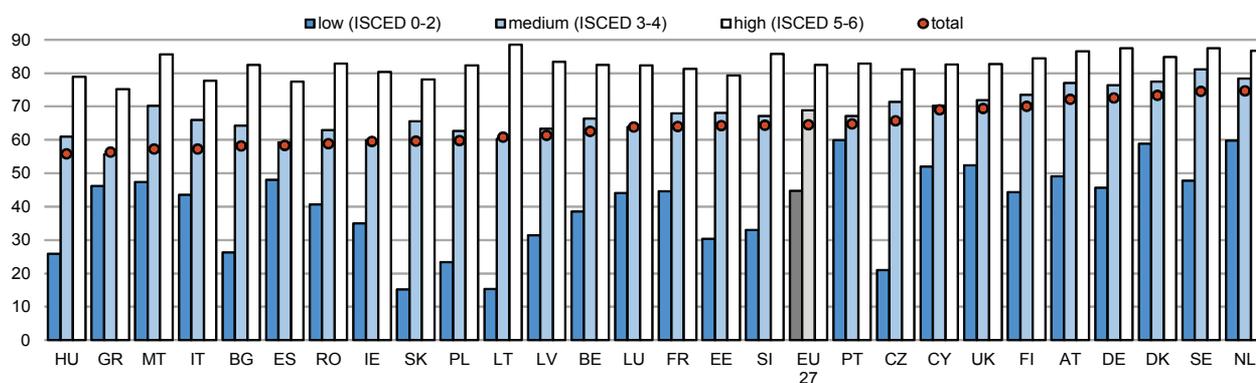
than male ones. Relatively small employment rate gaps are also evident in Latvia, Estonia, Finland, Denmark and Sweden. Huge employment rate gaps exist in Malta, Greece, Italy, Luxembourg and the Czech Republic. Greater gender equality in terms of employment is attributable, however, merely to disproportionate deterioration in the situation of men.

Overall, countries vary hugely in terms of female employment rates with a gap of more than 30 percentage points between the worst performer, Malta, and the best performer, Sweden; even when using the full-time-equivalent methodology, these differences remain great (see ETUC and ETUI 2011: 23). Three countries have female employment rates of less than 50% (more than 10 percentage points below the Lisbon female employment rate target of 60%), namely, Malta, Greece and Italy, while the countries at the top with employment rates of close to 70% or more are the Netherlands, Sweden and Denmark. Looking at country groupings, with regard to female employment rates, the Nordic countries, but also the Netherlands and some corporatist countries – Germany and Austria – are doing well, whereas particularly Southern European countries (Malta, Greece, Italy, Spain), but also the majority of Central and Eastern European countries, are doing badly. Publicly supported work-life balance measures, particularly encompassing and all-day childcare, firm-level

measures such as flexible working hours and more equal participation of men in care and household work, do play an important role here as the example of the Nordic countries shows (OECD 2007; for country differences in institutional setting such as childcare see www.oecd.org/els/social/family/database; see also Chapter 5). Corporatist countries, such as Belgium and France, with encompassing child care but comparatively low female employment rates show that it is an interaction of different institutions at the state and firm level, but also values and norms with regard to the participation of men in care work (Leschke and Jepsen 2011), that contribute to closing the gap between male and female employment rates. Public policy decisions such as reserved partner months in parental leave schemes, but also awareness campaigns, can contribute to a change – albeit slow – in values and norms.

Recent developments in employment

Figure 2.6 Employment rates by education level, 2011Q2



Note: 15-64 years.

Source: Eurostat (2011j).

Employment situation of low educated has further deteriorated during the crisis

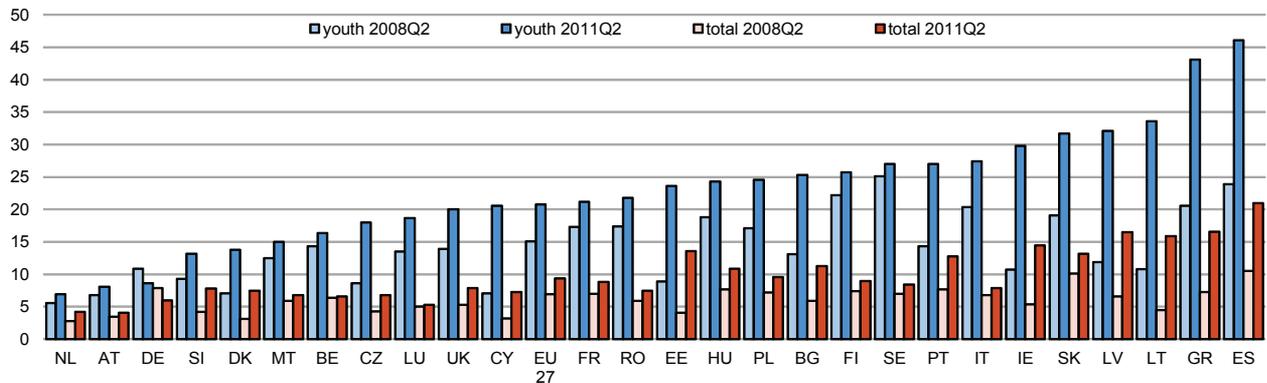
Another important subgroup within which large inequalities in employment rates persist, and have indeed widened during the crisis, are persons with differing levels of education. Between 2008Q2 and 2011Q2 employment rates of persons with at most pre-primary, primary and lower secondary education (ISCED 0-2) decreased by 3.4 percentage points to the current level of 44.7% at the EU27 average. For persons with at most upper secondary and post-secondary non-tertiary education (ISCED 3 and 4) employment rates have decreased by 2 percentage points and now stand at 68.8%. For the most highly educated, with a first or second stage of tertiary education (ISCED 5 and 6), employment rates now stand at 82.4%, down by 1.5 percentage points (not shown). Figure 2.6 illustrates the huge differences in employment rates by

educational level. Portugal, Denmark and the Netherlands stand out with relatively high employment rates of close to 60% even among those with the lowest levels of educational achievement. At the other end of the spectrum we have Hungary, Bulgaria, Slovakia, Poland, Lithuania and the Czech Republic with one quarter or fewer of this group in employment. It has to be noted, however, that all of these countries have substantially lower than the EU-average shares of the population with the lowest educational attainment (not shown). And they are, indeed, experiencing a situation that has been termed 'brain overflow' which refers to large shares of young people with high qualifications and unable to find a suitable job, one response to which has been, in some cases, emigration (e.g. Fihel et al. 2009). Particularly Malta and Portugal but also Italy and Spain still have very large shares of the population with only the lowest educational attainment. Among these countries only Portugal has substantially higher than EU-average employment rates among this group. Integration into employment of workers with low levels of educational attainment remains one of the biggest challenges in Europe. Decreasing the rate of school drop-outs, as specified in the Europe2020 targets, is but one way forward. What is urgently needed is improved employment prospects for those already in the labour market including measures such

as job-related training and incentives to employers to hire low-skilled workers as a means of enabling them to gain workplace experience. Whether the ambitious EU2020 target of increasing the share of 30-34 year olds with tertiary education to 40% is the right way forward remains questionable (see also Chapter 3; compare ETUC and ETUI 2011).

Recent developments in employment

Figure 2.7 Developments in unemployment for youth and adults, 2008Q2 and 2011Q2



Note: youth: 15-24 years, adults: 25-64 years.
Source: Eurostat (2011j).

Bleak labour market situation for youth and only slow improvements

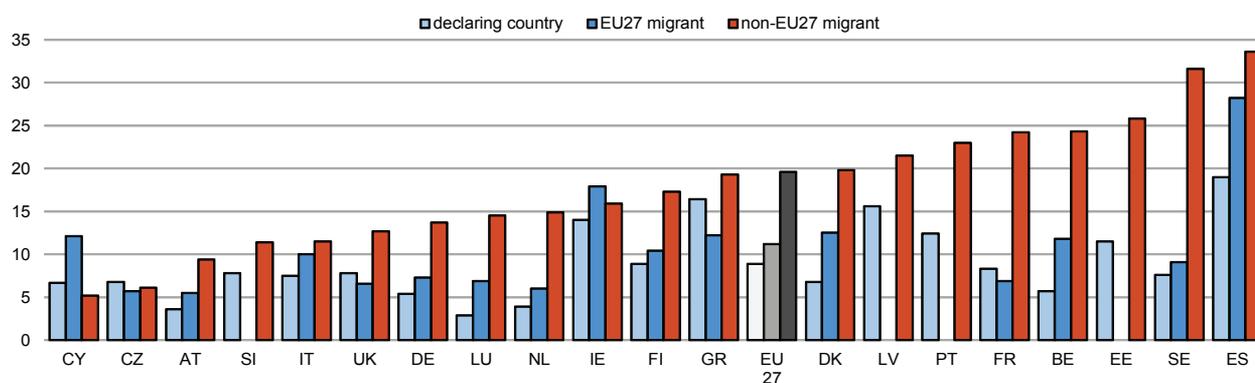
With an unemployment rate of 20.8% in 2011Q2, young people (15 to 24 years) in the EU27 have an extremely high level of unemployment compared to prime-age (25-54 years) and older workers (55-64) – total unemployment stood at 9.4% in 2011Q2 (Figure 2.7). The unemployment figures used here are based on the LFS data and thus refer to self-assessed unemployment. This differs from the national figures that are often based on administrative data and thus take account of people registered as unemployed at the Public Employment Service. Over the last three years, youth unemployment increased by more than 5 percentage points, whereas total unemployment increased by 2.5 percentage points between 2008Q2 and 2011Q2. Though the relative change was similar, in absolute levels youth are clearly one of the most disadvantaged groups in terms of labour market outcomes, particularly when we also take account of the large decreases in employment rates (see also

Chapter 3). The large incidence of unemployment among youth is particularly visible when the issue is viewed country by country. Indeed, in roughly half of all countries one quarter or more of young people are unemployed. In Greece and Spain, two of the countries most affected by the economic crisis, youth unemployment rates are as high as 43.1% and 46.1%, respectively. They have approximately doubled in a three-year period which has led to, among other things, protest movements fuelled predominantly by youth. Other countries that have seen a strong increase in their youth unemployment rates during this period are the Baltic countries, Ireland, Bulgaria and – from initially rather low levels – the Czech Republic, Denmark and Cyprus. Only three countries have youth unemployment rates below 10% in 2011Q2, namely, the Netherlands, Austria and Germany, the latter two benefitting from the existence of strong dual-education systems that are known to improve transitions from school to work by providing youth with specific skills that they acquire directly in the work place. Those firms that offer apprenticeship training can at the same time use this phase as screening for recruiting their future workers (Germany is indeed the only country that has seen youth unemployment decline over the 3-year period, and declines in total unemployment were even slightly more marked in this country). Looking

only at the recent changes 2010Q2-2011Q2 (not shown), quite a number of countries see some stabilisation of youth unemployment – albeit at a higher than pre-crisis level – or even a decline, most notably the Netherlands, Slovenia, Belgium and Estonia. Portugal and Greece, on the other hand, have seen very large increases in the course of the last year. All these developments show, quite unequivocally, that young workers have been one of the groups most vulnerable to inequality, a situation that has been further aggravated by the crisis.

Recent developments in employment

Figure 2.8 Unemployment rates by nationality, 2011Q2



Note: 15-64 years.
Source: Eurostat (2011j).

Migrant workers – and particularly those from outside Europe – hard hit by unemployment

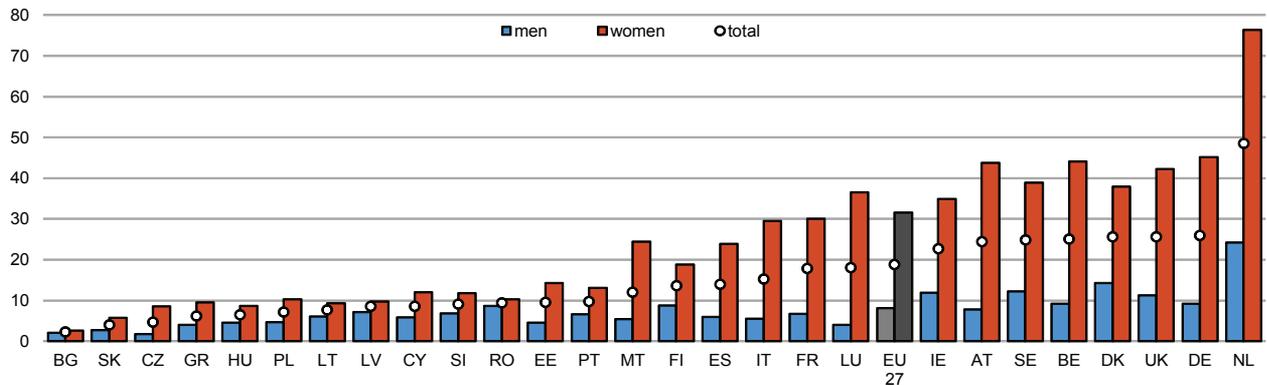
Inequality in labour market outcomes is also evident with regard to migrant workers. Compared to nationals (declaring country) with an EU27 average unemployment rate of 8.9%, EU27 migrants had unemployment rates of 11.2% and migrants from outside the EU27 unemployment rates as high as 19.6% (Figure 2.8). A first point to note is that the data situation with regard to migrants is deficient. Important groups of migrant workers, such as seasonal workers and undeclared workers, are hard to capture in survey and administrative data. Even migrant workers who form part of the regular work force are likely to be under-represented in survey data insofar as survey questionnaires are usually circulated only in the language of the host country. The labour force survey provides data on this subject for 20 EU countries only and in four of these cases information on EU27 migrants is lacking. Bearing in

mind, therefore, that the available data does not fully capture the phenomenon, it emerges from the LFS data that close to one quarter or more of non-EU27 migrants are unemployed in France, Belgium and Estonia, while in Sweden and Spain the proportions are around one third. The case of Sweden is particularly striking in that the gap between nationals and non-EU27 migrant workers is extremely large. Cyprus, the Czech Republic and Austria, meanwhile, have comparatively low shares of unemployment among this group. As various publications (see particularly Fihel et al. 2009) and also newspaper articles indicate, cross-border labour mobility between EU27 countries has been a subject of hot debate in Europe over the last half decade. One issue that was pertinent in the pre-accession period related to fears on the part of Western European countries that mobility from East to West – as one side-effect of the accession of the Central and Eastern European countries – would exert pressure on labour markets, welfare systems and wages. However, this has overwhelmingly not been the case (compare Galgoczi et al. 2011; Fihel et al. 2009; Kahanec et al. 2009). Another hotly debated issue is skills mismatch, with migrant workers often working in occupations that do not match their skill levels (Galgoczi et al. 2009). This will have negative individual impacts in the long run but can also have a negative

impact on sending countries' labour markets when shortages arise due to a lack of skilled labour, obvious examples being the medical or care sector. From the LFS data it is evident that in the majority of countries with available data EU27 migrants are more affected by unemployment than nationals but, in most cases, less than non-EU27 migrants. EU27 migrants fare particularly badly in Spain where the construction sector, in which large shares of migrant labour were concentrated before the crisis, has been badly affected by the economic crisis.

Developments in non-standard employment

Figure 2.9 Part-time employment by gender, 2011Q2



Note: 15-64 years.

Source: Eurostat (2011j).

Part-time – a common feature of female employment

Non-standard employment, as one of the contributing factors to employment growth over the 2000s and up to 2008, has been widely debated, and not only at the level of trade unions (precarious employment) for it has been acknowledged as problematic also by the European Commission (European Commission 2006). Non-standard forms of contract are often associated with precarious employment which is usually defined as employment with low wages and/or limited job security, limited access to social benefits, training and career opportunities, health and safety and/or collective interest representation. For this reason, this section takes a closer look at part-time and temporary workers. Part-time employment has been on the increase over the last decade, not least due to increasing female labour force participation, and has continued to grow during the economic crisis (Figure 2.1). In 2011Q2 part-time employment as a share of total employment stands at

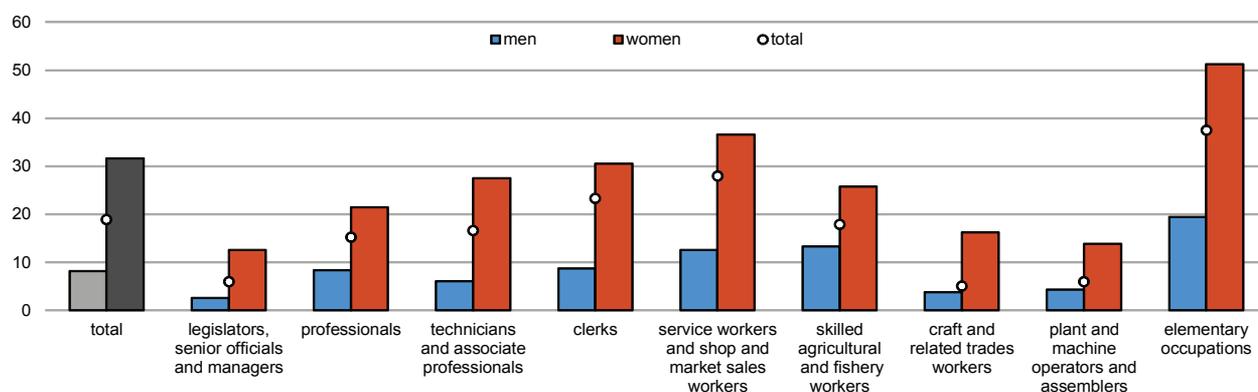
18.8% on the EU27 average with a large gap between the percentages of male (8.1%) and female (31.6%) part-timers in the total employed population (Figure 2.9). There are huge inter-country differences in terms of the volume of part-time work, with shares below 5% in Bulgaria, Slovakia and the Czech Republic and as high as 48.5% in the Netherlands. (It has to be noted, however, that, while the distinction between full-time and part-time work in the LFS is for most countries based on a spontaneous response, this is not the case for the Netherlands – nor for Iceland or Norway – where part-time is determined by whether or not usual weekly working time is less than 35 hours (compare Eurostat online survey, definitions), and this is a detail that may, to some extent, affect the results). Another six countries, namely, Germany, the UK, Denmark, Belgium, Sweden and Austria, have about a quarter of the population in part-time work. With regard to country groups, central and eastern European countries do not commonly make use of part-time employment and all have part-time shares of less than 10%. One explanatory factor here may be the economic need to work full-time to make ends meet, and another the fact that full-time work for women, supported by encompassing childcare policies, was previously the norm in these countries. Southern European countries have below average part-time shares, while

Nordic and corporatist countries are more evenly spread around those countries with very high and average shares. Average part-time hours are around 20 hours a week. Among the countries with high part-time shares Sweden and Belgium stand out with on average very high part-time hours (24.6 and 23.6, respectively), whereas Germany, Denmark and Ireland have low average part-time hours with 18.1, 18.8 and 18.9, respectively (not shown).

As regards the gender distribution, nine countries have at least every third women in part-time employment: in ascending order Ireland, Luxembourg, Denmark, Sweden – and with shares of more than 40% – the UK, Austria, Belgium, Germany, and the Netherlands (76.4%). The Netherlands is the only country that has a substantial share of men in part-time work – close to one quarter of employed males. In Sweden, Denmark, the UK and Ireland part-time shares of men exceed 10% but remain very low compared to female part-time shares.

Developments in non-standard employment

Figure 2.10 Part-time by occupation and gender, EU27 2011Q2



Note: 15-64 years.
Source: Eurostat (2011j).

Part-time employment particularly prevalent in elementary occupations

Most of the countries that perform particularly well in terms of female employment rates also have, and particularly among women, high shares of part-time. This of course has repercussions not only on earnings but also on social security benefits. Indeed, the seven countries with the highest female employment rates (see Figure 2.5 above) are, with the single exception of Finland, also at the top in terms of female part-time shares. Finland is interesting in that it combines a substantially below average female part-time share with high female employment rates. Belgium, by contrast, has the third highest female part-time share, but below average female employment rates, one explanation being that in this country a part-time formula is more frequently than in other countries used by older workers as a component of

leave schemes designed to pave the way to retirement.

Besides gender differences, another aspect displaying inequality in terms of part-time work is occupation, there being some occupations in which far more individuals, and particularly women, work part-time. Figure 2.10 shows that, on the EU27 average, particularly elementary occupations are very frequently exercised as part-time jobs, with half of all women in such sectors working part-time. Elementary occupations include cleaning, agricultural labour, and also cover construction, manufacturing and transport workers. Another occupational group with high part-time shares – more than one third of women in part-time – is service workers and shop and market sales workers. These results square with the fact that part-time work is much more prevalent among people with low educational levels (LFS data, not shown). Occupations with very low part-time shares are legislators, senior officials and managers, providing evidence of the well-known glass ceiling effect according to which women, and more particularly if they work part-time, will find it difficult to gain access to management jobs (for further reading see European Commission 2011i). Occupations in the two typically male-dominated sectors (plant and machine operators and craft and related trades) also show very low part-time share for men and comparatively low shares for women.

Developments in non-standard employment

Figure 2.11 Female part-time shares by occupation and country. 2011Q2

	total	legislators, senior officials and managers	professionals	technicians and associate professionals	clerks	service workers and shop and market sales workers	skilled agricultural and fishery workers	craft and related trades workers	plant and machine operators and assemblers	elementary occupations
Slovakia	5.7	:	3.6	3.4	3.4	4.3	:	:	:	27.7
Czech Republic	8.6	4.5	8.8	5.9	8.3	10.3	7.3	7.0	2.9	18.4
Lithuania	9.3	:	6.3	9.1	:	8.2	30.6	:	:	18.3
Greece	9.5	:	5.9	4.9	6.1	10.7	16.8	6.2	:	18.5
Latvia	9.7	13.8	5.5	8.6	13.2	8.8	:	:	:	15.3
Poland	10.3	3.3	6.4	8.0	9.5	12.5	20.1	4.9	2.2	17.7
Romania	10.3	:	:	:	:	1.7	28.6	:	:	29.0
Slovenia	11.8	4.0	6.2	9.2	12.2	19.4	29.0	:	5.3	25.4
Cyprus	12.0	:	13.9	7.1	11.4	14.3	46.7	:	:	9.9
Portugal	13.1	:	8.6	:	3.9	9.8	55.8	:	:	28.9
Estonia	14.3	:	13.2	18.5	:	15.6	:	:	:	28.1
Finland	18.8	:	12.2	13.4	17.6	27.3	17.8	13.7	8.8	30.9
Spain	23.9	6.4	12.8	17.0	17.5	28.3	15.6	15.8	14.1	43.2
Malta	24.5	:	18.5	26.1	21.4	30.5	:	:	:	55.3
Italy	29.5	13.2	15.3	23.9	30.7	36.1	20.6	27.4	17.3	52.9
France	30.0	12.3	26.3	24.1	27.0	32.1	24.8	17.6	18.1	58.8
EU27	31.6	12.6	21.5	27.5	30.5	36.5	25.7	16.2	13.9	51.2
Luxembourg	36.3	:	25.7	44.8	34.5	40.7	:	:	:	54.3
Denmark	37.9	:	26.8	26.7	33.5	53.4	:	:	:	61.6
Sweden	38.9	11.1	30.6	26.8	37.2	56.1	34.4	23.3	17.0	57.8
Austria	43.8	21.7	35.3	40.4	43.7	51.0	27.4	24.4	27.7	63.7
Belgium	44.1	17.5	32.0	40.4	43.6	53.3	33.3	37.3	32.9	69.0
Germany	45.2	16.6	34.5	37.3	42.4	56.1	33.7	30.0	33.7	73.9
Netherlands	76.4	51.0	66.3	73.4	77.4	87.1	69.8	68.3	61.6	91.1

Notes: No or very incomplete data by occupation for IE, HU, UK, BG.
: - No data.

Source: Eurostat (2011j).

Segregation in female part-time employment by occupation

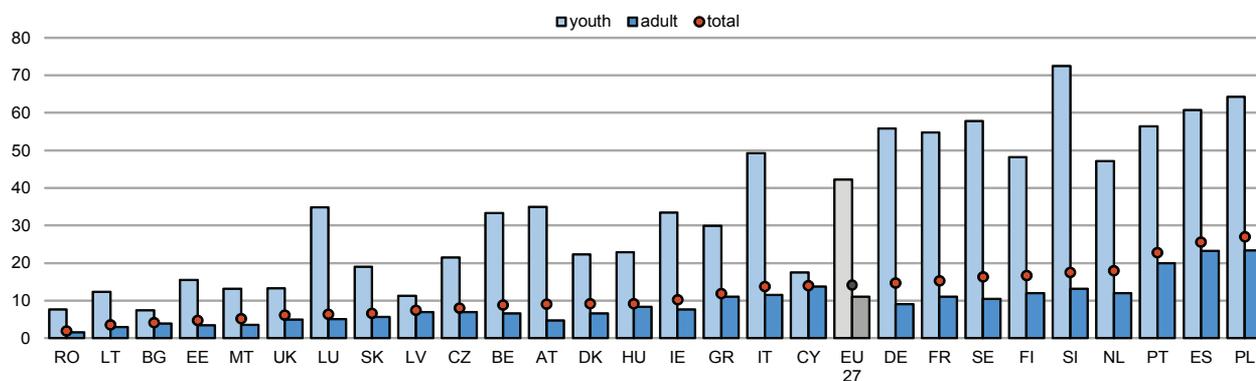
Figure 2.11 shows country-specific outcomes by occupation. Results are shown for women who constitute the bulk of part-time workers. In occupations requiring high educational levels – managers and professionals – few

countries display high part-time shares. The Netherlands is a notable exception, since here every second female legislator, senior official or manager, two thirds of women in professional occupations, as well as three quarters of female technicians and associate professionals, work part-time. The next highest female part-time shares of legislators, senior officials and managers are recorded in Austria where one in every five working women is part-time. Among professionals part-time work among women is more common, with (in ascending order) Sweden, Germany, Austria and Belgium having around one third or more of women professionals in part-time. The same is true

for technicians and associate professionals, among whom more than one third of women work part-time in seven countries (in addition to the Netherlands), namely, Denmark, Luxembourg, Sweden, Austria, Belgium and Germany. Large shares of women also work part-time in these same countries in occupations that require medium-level skills, particularly service workers and shop and market sales workers and clerks. On the lower educational end of the scale, elementary occupations stand out, with Denmark, Austria, Belgium and Germany recording around two thirds or more of female workers employed part-time; the share in the Netherlands is higher than 90% (see next section).

Developments in non-standard employment

Figure 2.12 Temporary employment by age, 2011Q2



Note: youth: 15-24 years, adult: 25-64 years.
Source: Eurostat (2011j).

Large shares of youth in temporary employment

While part-time employment can allow work to be combined with private activities, particularly care work, and can thus facilitate (female) labour market participation, in many cases it is performed not as a matter of choice but because of inadequate provision of encompassing, quality and affordable child- and elderly care (OECD 2007). On the EU27 average, 36.1% of male part-timers and 24% of female part-timers say that they took up this option because they could not find a full-time job (LFS data, not shown). A further 28.2% of women say that they work part-time because they are caring for a child or incapacitated adult. An additional 16.4% of women give as a reason for part-time work other family or personal responsibilities (not shown).

Part-time employment entails obvious negative effects, most particularly in the case of low-hours part-time work. Effects on earnings (not only due to lower hours) are substantial, as are

effects on social benefits, particularly pensions, but often also unemployment benefits. Another crucial issue is that part-time employment is often self-perpetuating, given that changes from part-time to full-time employment are often difficult to make. Some improvements have been seen in this respect, however, in the wake, for example, of the 1999 part-time directive (see e.g. Clauwaert 2002).

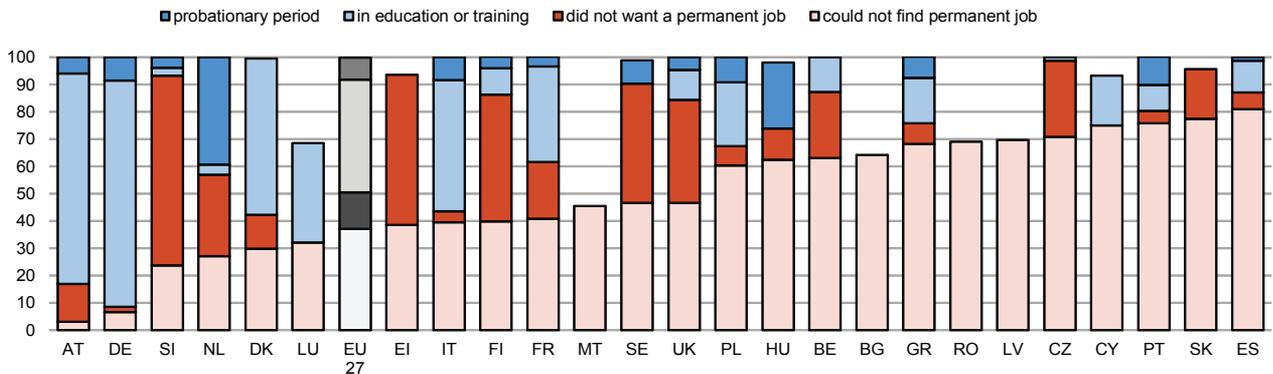
Temporary employment too (i.e. all employment of limited duration) is very unequally spread between EU countries and across the population, with women being slightly more likely than men (on EU27 average 14.7% vs. 13.6% in 2011Q2) and youth much more prone to be in temporary employment. Figure 2.1 already showed EU27 developments in this respect, with temporary employment having decreased markedly in the first phase of the economic crisis but increasing again more recently with – in the light of uncertain economic perspectives – new jobs being concluded on the basis of temporary contracts.

Figure 2.12 shows country findings in terms of total shares of temporary work in employment and the respective shares of youth and adult workers. The EU27 average stands at 14.2% in 2011Q2. Spain and Poland have more than one quarter of the population in temporary jobs, whereas

at the other end of the distribution we find Romania, Lithuania, Bulgaria and Estonia with shares of less than 5%. The national form of employment regulation is naturally of relevance for temporary employment shares (including fixed-term and temporary agency work). Most countries have deregulated temporary employment during recent decades, whereas regulation of permanent employment has in most cases remained more stable (Venn 2009). Employers in countries that have no strict regulation with regard to the employment protection of permanent workers have, of course, fewer incentives to make use of temporary contracts, the UK being a prominent example in this regard. Spain, however, which has been characterised by large shares of temporary employment, has attempted over the last decade to increase regulation for temporary jobs and decrease regulation for permanent jobs, albeit with few impacts on overall shares of temporary employment. Only with the crisis has the temporary employment rate in this country decreased starkly, because workers on temporary contract were the first to lose their jobs. However, most of these workers will have ended up in unemployment which, given the non-standard nature of their previous work history, is often not compensated well (for more details on developments during the crisis see Leschke 2012).

Developments in non-standard employment

Figure 2.13 Main reason for temporary employment (%) for youth, 2010



Note: results are in many cases unreliable.
Source: Eurostat (2011j).

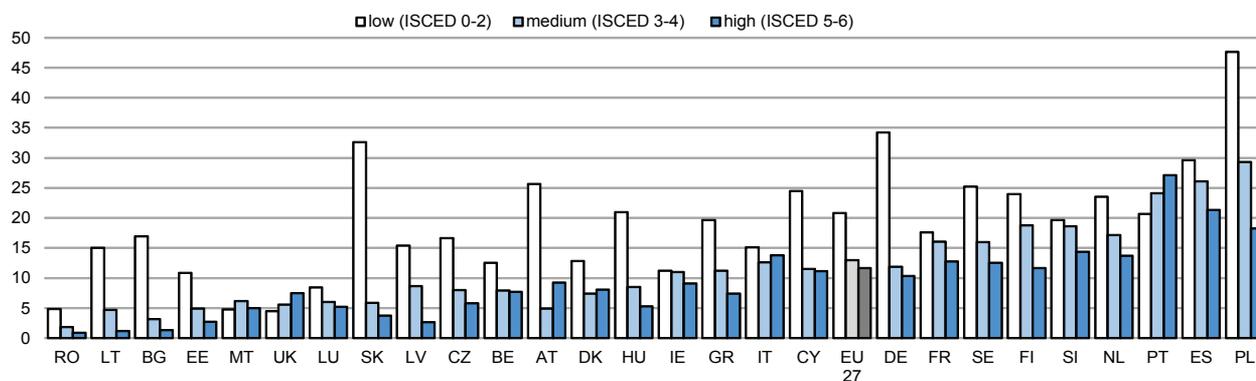
Temporary employment often involuntary

Among young people working in the EU27, 42% have a temporary contract, which compares with 11% among adult workers. As seen in Figure 2.12, country-to-country differences are once again enormous. However, as many as eleven countries (Slovenia, France, Germany, Sweden, Portugal, Spain, Poland and Sweden, The Netherlands, Finland and Italy) have more than half or close to half of their young workers employed on temporary contracts. When, as is the case in Germany and Austria, the major reason for temporary employment among youth is training or education (in Austria and Germany as part of the dual education system), so that the young persons in question have a reasonable chance of moving on to a permanent job, this is much less problematic (compare Figure 2.13). However, particularly – but not only – in countries with very high total and youth shares, including Portugal, Spain and Poland, large numbers of youth state that they have a temporary job because they could not find a permanent one (75.9%, 81.0%, 60.4%

in these three countries respectively). In Slovenia, on the other hand, which has the highest youth share in temporary employment, only about 24% said that they ‘couldn’t find a permanent job’, with as many as 69% stating that they did not want a permanent job.

Developments in non-standard employment

Figure 2.14 Temporary employment by education level, 2011Q2



Note: sorted on « total » (not shown).
Source: Eurostat (2011j).

Low-educated overrepresented in temporary employment

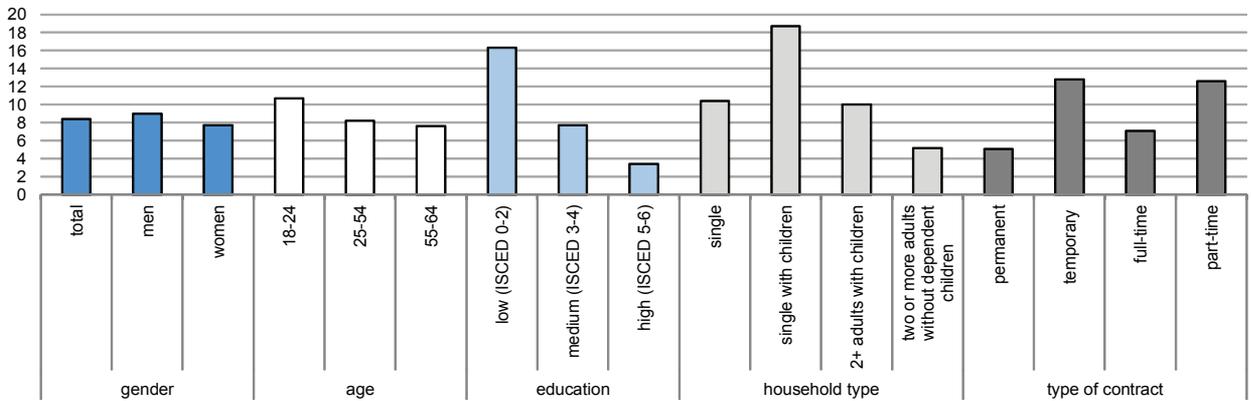
Temporary employment is unequally spread over the population not only in terms of gender or age group but also of educational level, with the least educated persons being particularly affected, as is clearly shown in Figure 2.14. On the EU27 average, 11.7% of people with the highest, 13% of people with medium and 20.8% of people with the lowest educational attainment have a temporary job, while the shares among persons with a low educational level are in some countries as high as 30% or more. This applies to Spain, Germany, Slovakia and Poland, the latter displaying a record level of close to 50%. Among the highest educated category of the population, only Spain and Portugal have levels of temporary employment exceeding 20%, and the same is true of these two countries, and also of Poland, with regard to persons with a medium educational level.

Temporary employment is not problematic only in that it fails to offer job security and thereby also planning

security – in terms of, for example, the decision to have children. It is, in addition, also frequently connected with less access to unemployment benefits (in spite of some, usually temporary, improvements in this respect having been introduced during the crisis), fewer possibilities to participate in training and lifelong learning measures, and also a lack of workplace interest representation. Frequently also, it fails to act as a stepping stone to permanent jobs, in spite of claims along these lines by policy makers and other advocates of temporary employment. Indeed, transition figures illustrate quite considerable ‘stability’ in temporary employment from one year to the next (European Commission 2009c).

Outcomes of labour market inequalities in terms of in-work poverty

Figure 2.15 In-work poverty for employed persons by subgroup, EU27, 2009



Source: Eurostat (2011g).

In-work poverty particularly high among the low-educated

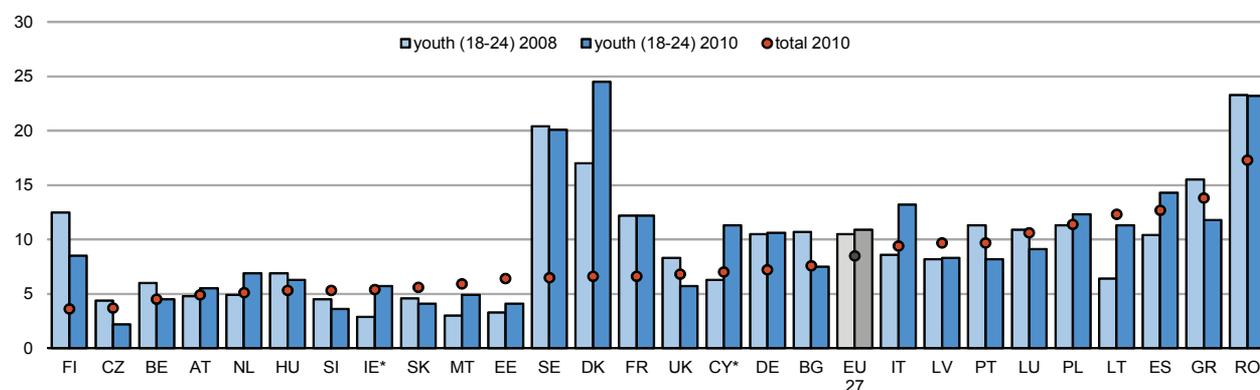
In-work poverty is measured as the rate of poverty risk (less than 60% of median equivalised household income) among persons 'in work' (i.e. employed for more than half of the reference period – usually the previous year). The fact that it is measured at the household level is an explanation as to why women who not only work part-time more often than men but also generally receive lower average hourly earnings (gender wage gap) are less likely than men to number among the in-work poor (for a critical account of the measurement of in-work poverty refer to Eurostat 2010).

Figure 2.15 illustrates how in-work poverty among employed persons is spread over different subgroups. It shows what labour market inequalities imply in practice. On the EU27 average, 8.4% of people were in-work poor in 2009 (latest complete data available); however, when we look at specific sub-groups, the shares can be considerably higher with 16.3% of those with the lowest

educational attainment being in-work poor, but also 10.7% of young people. The reason that the latter share is not higher is that young people often still live in the parental home, which disguises the real scope of the problem. Moreover, both part-time and temporary employment are connected with higher shares of in-work poverty, with 12.8% of temporary workers and 12.6% of part-time workers being in-work poor. This compares with 5.1% of permanent and 7.1% of full-time workers. The household type naturally plays a crucial role: as many as 18.7% of single parents are in-work poor.

Outcomes of labour market inequalities in terms of in-work poverty

Figure 2.16 In-work at-risk-of poverty for employed persons, developments for youth, 2008-2010



* Data for IE and CY refer to 2009 instead of 2010.
Source: Eurostat (2011g).

Large country variation in terms of in-work poverty

There exist, of course, wide differences among countries in terms of in-work poverty. Figure 2.15 depicts the overall levels for 2010 (2009 for Ireland and Cyprus) and others show marked declines (Finland, Czech Republic, Belgium, UK, Bulgaria, Portugal and Greece). Particularly problematic is the fact that in-work poverty is measured at the household level. This might well mean, for example, that young workers who formerly lived by themselves (and were thus more prone to fall below the poverty threshold), will, on becoming unemployed and moving back to their parents, no longer show up in the in-work poverty statistics if the household income lies above the 60% threshold.

own household (on this issue see also Chapter 3 which discusses in-work poverty for different educational levels). The shortcomings of the concept are further highlighted by the uneven developments in terms of in-work poverty of youth during the crisis. These are concealed by the only slight increase in the EU27 average (10.5% in 2008 to 10.9% in 2010), whereas in fact several countries show marked increases (Netherlands, Ireland, Malta, Denmark, Cyprus, Italy, Lithuania, Spain) and others show marked declines (Finland, Czech Republic, Belgium, UK, Bulgaria, Portugal and Greece). Particularly problematic is the fact that in-work poverty is measured at the household level. This might well mean, for example, that young workers who formerly lived by themselves (and were thus more prone to fall below the poverty threshold), will, on becoming unemployed and moving back to their parents, no longer show up in the in-work poverty statistics if the household income lies above the 60% threshold.

Conclusions

Many persistent forms of inequality

The above analysis has shown the considerable variation between labour market outcomes in different European countries. In terms of employment rates, differences amount to as much as 20 percentage points, primarily as a result of the wide spectrum (30 percentage points) displayed by national female employment rates, with a number of Southern European countries faring very badly in this respect and Northern European countries, and particularly Sweden, performing extremely well. In assessing this data, however, it should not be forgotten that the commonly used European Labour Force Survey measure of employment is sub-optimal insofar as it fails to take account of the volume of hours worked. This is of particular relevance in relation to female labour market participation, as illustrated by the example of part-time employment which is prevalent particularly in Nordic and corporatist countries such as Germany and Austria, but much less so in Central and Eastern European and Southern European countries.

The gaps between countries, in particular with regard to unemployment rates, have further increased during the crisis. Unemployment in the EU27 ranges from a low of around 4% in the Netherlands and Austria to as high as 21% in Spain.

The analysis has shown that certain subgroups (particularly youth, persons with low educational attainment, and migrant workers) fare particularly badly with regard to labour market outcomes, and this is true in most countries. There are still large differences in labour market outcomes between men and women, in spite of some closing of gaps during the crisis due to the disproportionate affectedness of particular male-dominated sectors. These differences are most prevalent when it comes to overall employment rates, particularly when expressed in full-time equivalent terms, as women, even if they are in employment, work, on average, considerably fewer hours –

a situation that has repercussions not only on earnings but also on social benefits and, particularly importantly, on pensions (see also Chapter 5).

Youth, of whom disproportionate numbers are in temporary employment and are thus easy to shed, have suffered particularly during the crisis. Their unemployment rate, already high before the crisis, has increased further by 5 percentage points over the last three years, currently standing at about 21% with a non-negligible number of countries having one third or more of young people in unemployment. In this regard, it is important to emphasise that youth is not only more likely to be unemployed but also less likely to have access to unemployment benefits.

Another group with consistently poor labour market outcomes are persons with low educational attainment. This group has very low employment rates, as well as much higher unemployment rates than those with higher educational levels, and is also over-represented in non-standard forms of employment. Another group that stands out is migrant workers, among whom particularly those from outside the EU27 have high unemployment rates while even EU27 migrants also fare worse, in most countries, than the national population (compare ETUC and ETUI 2011: 67-68). More restricted access to unemployment benefits is also a fact of life for this group.

It is highly questionable whether, in the light of the ongoing – and in several countries worsening – economic crisis and the severe austerity measures put in place by the majority of countries, labour market improvements and a narrowing of inequalities in line with the ambitious Europe 2020 headline targets is in fact feasible (for a critical account refer to Leschke et al. 2012).