

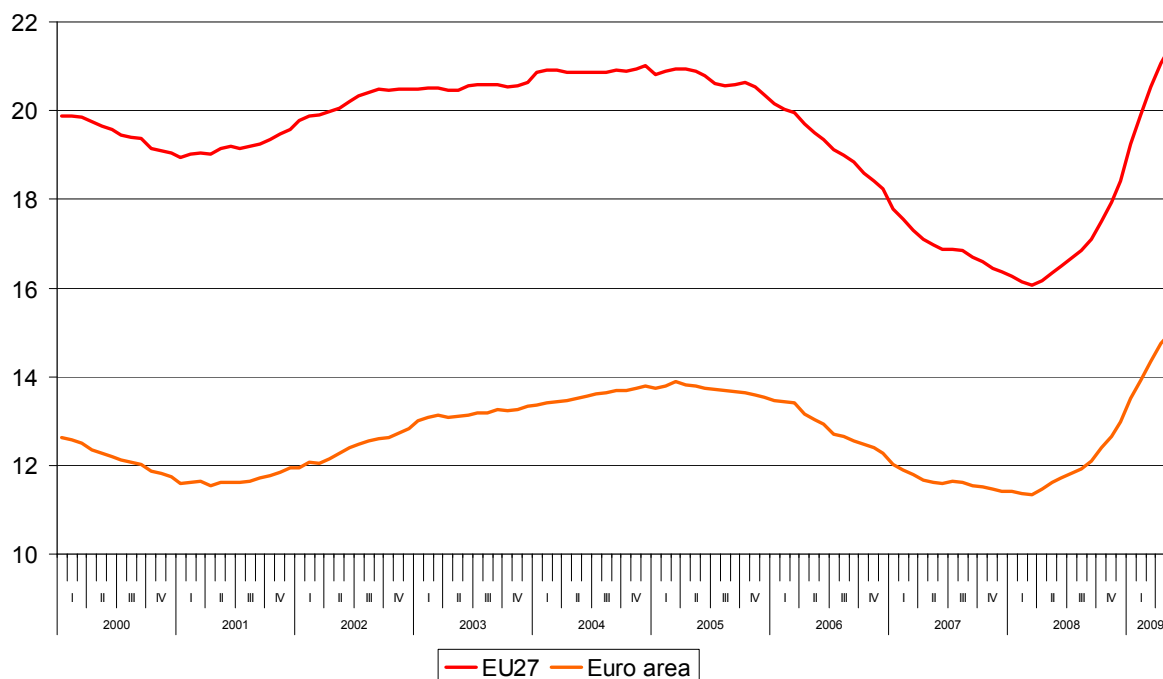
Sharp increase in unemployment in the EU

Impact of economic crisis varies by Member State, gender and age

Unemployment has been rising sharply in the European Union since March 2008 as a result of the economic crisis. The increase is currently felt in every Member State of the European Union, by both males and females, young and old. However, the onset of the increase as well as its severity varies widely between countries. Men are clearly affected more than women. Young people appear to be more vulnerable too.

The statistics presented are primarily based on the latest results (first quarter of 2009) from the European Labour Force Survey (LFS). Monthly figures for total unemployment, including for recent months, are produced by Eurostat using auxiliary monthly information combined with the LFS. All figures are made comparable between countries. All data described here are seasonally adjusted. This publication is the first in a series analysing the effects of the current economic crisis on the labour market in Europe.

Figure 1: Persons unemployed (in million), seasonally adjusted



Source: Eurostat ([une_nb_m](#))

The evolution of unemployment during the current crisis

After three years of steadily declining unemployment, the economic crisis has hit the labour markets throughout Europe. In both the euro area (EA16) and the EU27, the number of unemployed has increased each month since its low in March 2008. Since then the number of persons unemployed in the euro area went up by 3.7 million to a total of 15.0 million in May 2009. In the same period EU27 unemployment rose by 5.4 million persons to reach 21.5 million.

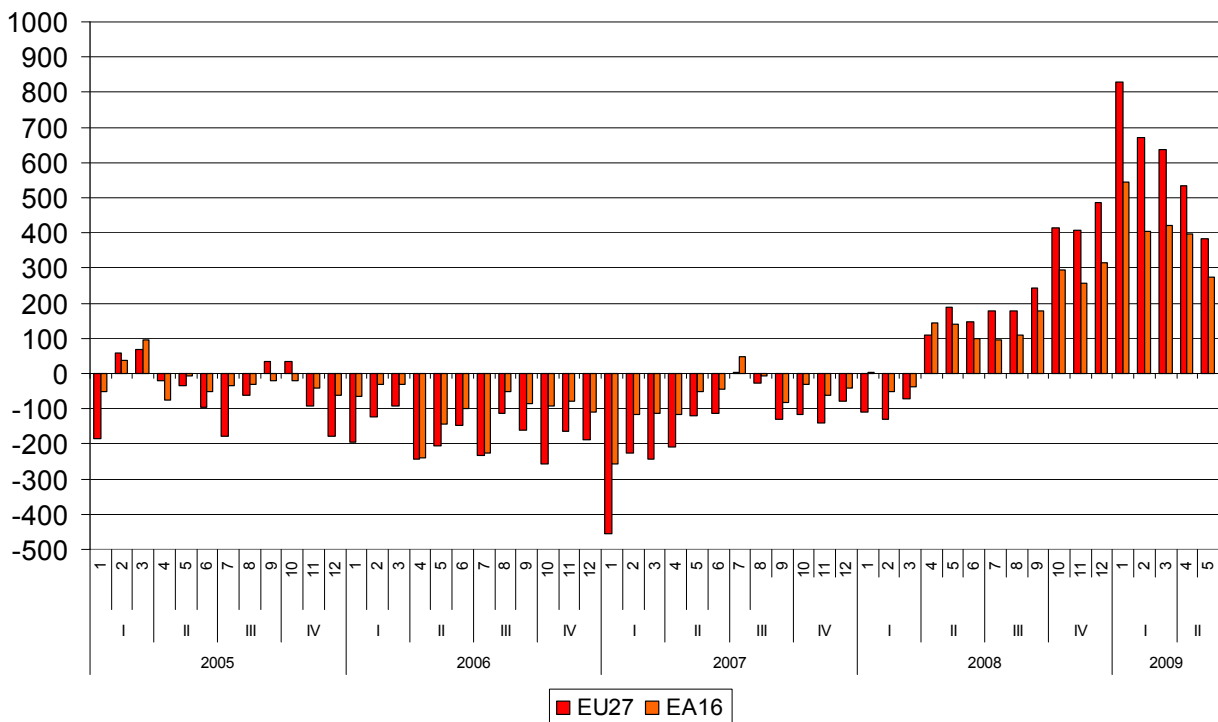
The monthly increase in the euro area has gone up from around 100 000 in mid-2008 to a recent peak of half a million in January 2009. However, in the last months the pace of the increase has slowed

down. In the EU27 the maximum increase was also recorded in January 2009 at around 800 000 in a single month before going down in recent months.

The unemployment rate, relating the persons unemployed to the total labour force, shot up from 7.2 % in March 2008 to 9.5 % in May 2009 in the euro area. In the same period, the rate in the EU27 surged from 6.7 % to 8.9 %.

The unemployment rate in May 2009 is the highest since May 1999 for the euro area, while for the EU27 it is the highest since June 2005.

Figure 2: Monthly change in the number of unemployed persons (compared to previous month, in thousand), seasonally adjusted



Source: Eurostat ([une_nb_m](#))

Member States faced the onset of rising unemployment at very different points in time

While, for the EU as a whole, the increase in unemployment clearly started in March 2008, the different underlying developments in individual countries show there is no uniform pattern. Member States' labour markets vary considerably in terms of structure and regulation. And the general crisis affects countries differently. All Member States of the European Union are currently experiencing rising levels of unemployment, but the onset of the increase varies considerably from country to country as shown in the table below.

Spain and Italy were the first Member States where unemployment started to rise, as early as May 2007. Ireland, Luxembourg, Latvia and Lithuania followed later in 2007. In France, the unemployment rate has increased since February 2008. All other Member States have a turning point later than the euro area and EU27. Broadly two groups can be distinguished. The first, consisting of Estonia, Finland, the United Kingdom, Belgium, Greece, Portugal, Romania, Denmark, Austria and Sweden started experiencing rising unemployment levels in the second quarter of 2008. The remaining countries saw unemployment increasing only in the second half of 2008. In Bulgaria, Germany and the Netherlands rising unemployment rates were recorded only from November 2008 onwards, one and a half years later than Spain and Italy.

It should be mentioned that for some countries the turning point is much more distinctive than for others. There is no clear geographical pattern identifiable in the turning points across Europe.

Table 1: Turning point of unemployment

Turning point	Member State
2007	
January	
February	
March	
April	
May	Spain, Italy
June	
July	
August	Ireland
September	Luxembourg
October	
November	Latvia, Lithuania
December	
2008	
January	
February	France
March	Euro area, EU27
April	Estonia, Finland, The United Kingdom
May	Belgium, Greece, Portugal, Romania
June	Denmark, Austria Sweden
July	
August	Cyprus
September	Czech Republic, Malta, Poland, Slovenia, Slovakia
October	Hungary
November	Bulgaria, Germany
December	The Netherlands
2009	
January	
February	
March	
April	
May	

Source: Eurostat ([une_rt_m](#))

Turning point — definition used

In this publication, the turning point is defined as the month with the lowest unemployment rate in recent years. Where the lowest rate (rounded to 1 decimal) is observed in more than one month, the latest month is taken. It does not necessarily mean that the unemployment rate has increased each month since then, but lower rates were not reached.

Baltic states and Spain hardest hit

It is not only the starting month of rising unemployment that varies between countries. The intensity by which the situation aggravates, measured as the average monthly increase, is also different across Europe. In most Member States, the average increase in the rate has been 0.1-0.2 percentage points per month. But the increases are much more severe in the Baltic states and Spain.

In Estonia, the unemployment rate has gone up by almost a full percentage point a month since its lowest point in April 2008. In little over a year the ranks of the unemployed have swelled from 26 000 to 114 000, from 3.7 % to 15.6 %. Both Latvia and Lithuania have experienced an average increase of 0.6 percentage points a month since their common turning point in November 2007. Both countries saw their unemployment rate more than triple in this period as shown in Table 2.

The Spanish labour market is also hit hard by the current economic crisis. An early onset of rising unemployment in May 2007 in combination with rapid monthly expansion has led to an extra 2.6 million unemployed. In May 2009, two years after unemployment started to rise, Spain has the highest jobless rate in the EU27 at 18.7 %. As one of the larger Member States, the development of Spanish unemployment has a big influence on the European figures. Currently, 29 % of all unemployed persons in the euro area are living in Spain (20 % of the EU27).

Despite its early turning point in May 2007, unemployment in Italy has shown a relatively limited increase. The rate increased by 1.5 percentage points between the second quarter of 2007 and the first quarter of 2009. Germany, the Netherlands, Austria and Romania have had increases of less than one percentage point since their respective lowest points.

Table 2: Overview of recent unemployment developments

Sorted by average monthly increase of the rate since turning point

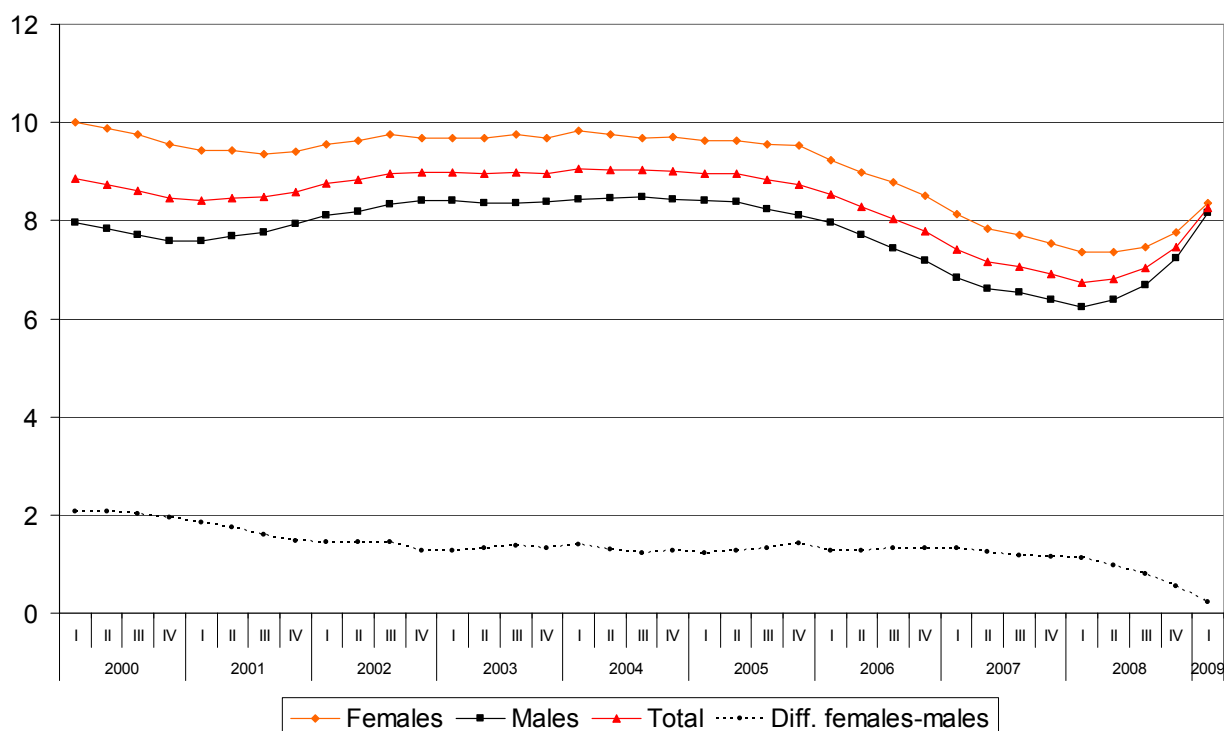
	Turning point	Situation at turning point		Current situation (May 2009)		Average monthly increase since turning point in the Member State		Total increase since turning point	
		Rate (%)	Level (x1000)	Rate (%)	Level (x1000)	Rate (%point)	Level (x1000)	Rate (%point)	Level (x1000)
EE	Apr-08	3.7	26	15.6	114	0.9	7	11.9	88
LV	Nov-07	5.4	66	16.3	206	0.6	8	10.9	140
LT	Nov-07	4.0	64	14.3	241	0.6	10	10.3	177
ES	May-07	7.9	1749	18.7	4386	0.5	110	10.8	2637
IE	Aug-07	4.5	101	11.7	271	0.3	8	7.2	170
HU	Oct-08	7.8	329	10.2	432	0.3	13	2.4	103
SE	Jun-08	5.6	274	8.9	447	0.3	16	3.3	173
EA16	Mar-08	7.2	11330	9.5	15013	0.2	263	2.3	3683
EU27	Mar-08	6.7	16055	8.9	21462	0.2	386	2.2	5407
BG	Nov-08	5.1	181	6.5	233	0.2	7	1.4	52
CZ	Sep-08	4.3	227	6.1	326	0.2	11	1.8	99
DK	Jun-08	3.1	93	5.7	172	0.2	7	2.6	79
CY	Aug-08	3.5	14	5.3	21	0.2	1	1.8	7
SI	Sep-08	4.2	43	5.9	61	0.2	2	1.7	18
SK	Sep-08	9.0	243	11.1	302	0.2	7	2.1	59
UK*	Apr-08	5.1	1590	7.2	2251	0.2	51	2.1	661
BE	May-08	6.6	314	8.2	393	0.1	7	1.6	79
DE	Nov-08	7.1	3051	7.7	3322	0.1	39	0.6	271
EL**	May-08	7.5	370	8.7	432	0.1	5	1.2	62
FR	Feb-08	7.5	2166	9.3	2705	0.1	36	1.8	539
IT**	May-07	5.9	1461	7.4	1850	0.1	16	1.5	389
LU	Sep-07	4.0	9	6.4	14	0.1	0	2.4	5
MT	Sep-08	5.8	10	7.1	12	0.1	0	1.3	2
NL	Nov-08	2.7	244	3.2	288	0.1	6	0.5	44
AT	Jun-08	3.6	151	4.3	183	0.1	3	0.7	32
PL	Sep-08	6.8	1159	8.1	1408	0.1	28	1.3	249
PT	May-08	7.6	423	9.3	514	0.1	8	1.7	91
FI	Apr-08	6.2	169	8.1	220	0.1	4	1.9	51
RO**	May-08	5.7	572	6.2	616	0.0	4	0.5	44

Source: Eurostat ([une rt m](#))

* Current situation is March 2009 ** Current situation is 2009Q1

Men affected more than women, rates converged in EU27

Figure 3: Unemployment rates (%) in the EU27 by gender, seasonally adjusted



Source: Eurostat ([une_rt_q](#))

Men have clearly been affected more by the current crisis on the labour market in the EU27 than women. Sectors such as construction, the financial sector and the automotive industry have been hit hard, thereby affecting predominantly men. Between the end of 2002 and early 2007, the unemployment gap was stable at around 1.3 percentage points, the female rate being higher. But in the last two years, most markedly since the first quarter of 2008, both rates have converged. In the first quarter of 2009, the male unemployment rate has moved closer, to only 0.3 percentage points below the female rate.

In 14 Member States the female unemployment rate still exceeds the male one, most noticeably in Greece, Italy, Slovakia and the Czech Republic. In contrast, in Latvia, Ireland, Lithuania, Estonia and Romania the unemployment rate for males exceeds the female rate by more than 2 percentage points. Between the first quarters of 2008 and 2009, the male unemployment rate increased more than the female rate in all Member States except Malta, Poland and Romania.

Table 3: Unemployment rate (%) by gender, 2009Q1, seasonally adjusted

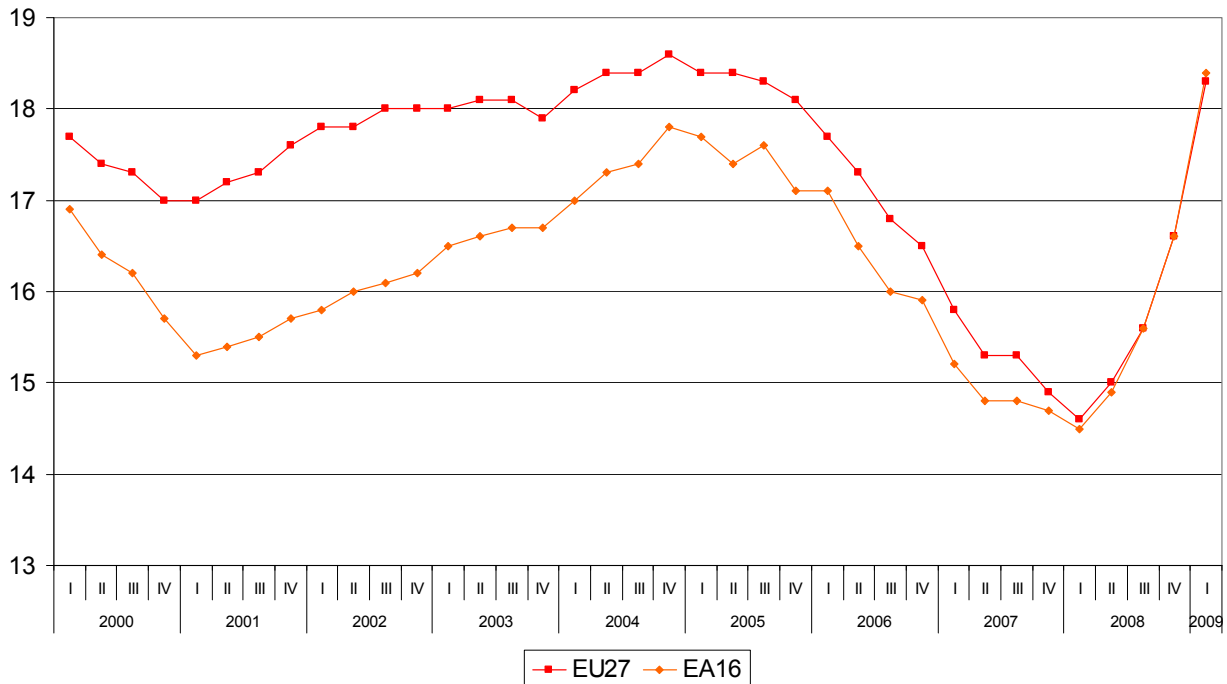
Sorted by the difference between female and male unemployment rate

	Females	Males		Females	Males
LV	10.4	16.1	AT	4.3	4.2
IE	7.3	12.1	NL	3.0	2.9
LT	8.7	13.4	EU27	8.4	8.1
EE	8.9	13.3	EA16	9.2	8.5
RO	5.0	7.1	CY	4.9	4.1
UK	6.1	7.8	BE	8.2	7.3
DK	4.3	5.1	FR	9.3	8.4
DE	7.0	7.7	ES	17.1	16.0
FI	7.0	7.6	MT	7.5	6.1
BG	5.8	6.2	PT	9.6	8.1
HU	9.1	9.3	PL	8.6	7.0
SI	4.8	5.0	LU	6.9	5.2
SE	7.7	7.8	CZ	6.6	4.6
			SK	11.2	9.1
			IT	9.0	6.2
			EL	12.3	6.2

Source: Eurostat ([une_rt_q](#))

Youth unemployment rate up sharply to over 18 %

Figure 4: Youth unemployment rates (%), seasonally adjusted



Source: Eurostat ([une_rt_q](#))

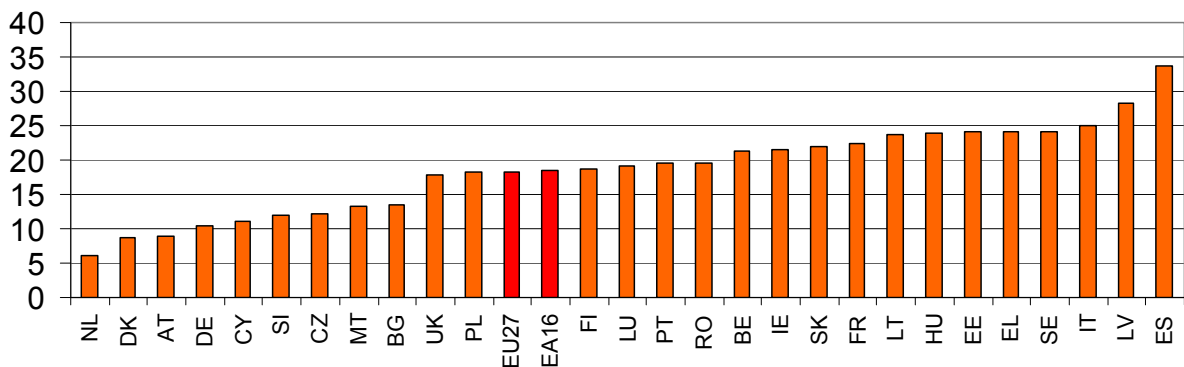
Youth unemployment has been increasing in the euro area and EU27 since the first quarter of 2008, in line with total unemployment. But the increase has been at a much higher pace for young people. Youth unemployment increased by 3.9 percentage points between the first quarter of 2008 and the first quarter of 2009 in the euro area to reach 18.4%. In the EU27 the increase was 3.7 percentage points, leading to a rate of 18.3% in the first quarter of 2009. In the same period, the total rate increased by 1.6 percentage points in the euro area and 1.5 percentage points in the EU27.

In the first quarter of 2009, 4.9 millions persons aged 15-24 were unemployed, of which 3.1 million

were living in the euro area. This is an increase of around 900 000 in the EU27 and 600 000 in the euro area since the first quarter of 2008.

The youth unemployment rate ranges from 6.0% in the Netherlands to 33.6% in Spain in the first quarter of 2009. Youth unemployment rates are significantly higher than the total unemployment rate in each country. However, it should be remembered that a large share of persons between 15 and 24 are outside the labour market. Unemployment rates are expressed as a percentage of the labour force (employed plus unemployed), not of the population.

Figure 5: Youth unemployment rates (%), 2009Q1, seasonally adjusted



Source: Eurostat ([une_rt_q](#))

METHODOLOGICAL NOTES

European aggregates

The euro area (EA16) consists of Belgium, Germany, Ireland, Greece, Spain, France, Italy, Cyprus, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.

The EU27 comprises Belgium (BE), Bulgaria (BG), the Czech Republic (CZ), Denmark (DK), Germany (DE), Estonia (EE), Ireland (IE), Greece (EL), Spain (ES), France (FR), Italy (IT), Cyprus (CY), Latvia (LV), Lithuania (LT), Luxembourg (LU), Hungary (HU), Malta (MT), the Netherlands (NL), Austria (AT), Poland (PL), Portugal (PT), Romania (RO), Slovenia (SI), Slovakia (SK), Finland (FI), Sweden (SE) and the United Kingdom (UK).

Definition

Based on the definition recommended by the International Labour Organisation (ILO), Eurostat defines unemployed persons as persons aged 15 to 74 who:

- are without work;
- are available to start work within the next two weeks;
- and have actively sought employment at some time during the previous four weeks.

The *unemployment rate* is the number of people unemployed as a percentage of the labour force. The labour force is the total number of people employed plus unemployed.

Current deviations from the definition of unemployment in the EU Labour Force Survey:

Spain, Italy, and United Kingdom: Unemployment is restricted to persons aged 16-74. In Spain and Italy the legal minimum age for working is 16.

Netherlands: Persons without a job, who are available for work and looking for a job are only included in unemployment if they indicate that they wish to work.

How does Eurostat calculate the monthly unemployment figures?

Description of the sources used in the calculations

The main source is the *European Union Labour Force Survey (LFS)*. This household survey is carried out in all Member States in accordance with European legislation. It provides figures at least each quarter. Some countries derive headline indicators such as unemployment rates on a monthly basis from the LFS.

For those countries that have only quarterly LFS results, additional monthly information is taken from the *unemployment registers* and combined with LFS data (see below). Registered unemployment figures are not published by Eurostat as such, because they are not comparable between countries.

Available sources per country

In general, three groups of countries can be identified depending on the source data available.

Group I: monthly figures from LFS

Germany, Finland and Sweden provide estimates for individual months. The Netherlands and the UK provide 3-month rolling averages, which are used as estimates for the middle month.

Group II: quarterly figures from the LFS + monthly figures from unemployment registers

For Belgium, Bulgaria, the Czech Republic, Denmark, Estonia, Ireland, Spain, France, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, Austria, Poland, Portugal, Slovenia and Slovakia monthly figures from unemployment registers are available as supplementary information to enable the production of timely monthly unemployment estimates.

Group III: only quarterly LFS

For Greece, Italy and Romania only quarterly data from the LFS is used for the moment.

Method of combining quarterly LFS and monthly registers

The figures from the quarterly LFS and the monthly registers are combined in two steps:

Step 1. Temporal disaggregation

The quarterly LFS is disaggregated into monthly unemployment levels using registered unemployment levels as an indicator. This is done using a standard method for temporal disaggregation.

Step 2. Estimation of provisional figures for recent months

Since quarterly LFS data is delivered as late as up to 90 days after the end of the quarter, the values published for recent months are not based on the LFS data but are "nowcast".

First, the results from the temporal disaggregation procedure (see step 1) are divided by the registers. The result is a series of monthly benchmark factors up to the last month of available LFS data. This series basically gives the relation between ILO unemployed and the registered unemployed over time. Ideally this relation is very stable and therefore predictable over time. In practice this is not always the case. Clear trends and/or seasonal patterns can be observed, resulting from the differences in definition.

Second, to capture this, the series are fitted by means of seasonal ARIMA regression models. The model that fits a series best is then used in forecasting those benchmarks. Finally, the monthly unemployment figures are derived by multiplying the benchmark factors (including the forecasted ones) by the available registered unemployment values.

Revisions

The process described above aims at minimizing the revisions when LFS results become available. However given the nature of the data, significant revisions can still not be avoided from time to time, especially for individual countries with a relatively small LFS sample size. Furthermore, it is known that producing reliable provisional estimates is much more difficult around turning points or during volatile situations. The current economic crisis could have a different effect on ILO unemployment as compared to registered unemployment, decreasing the reliability of the provisional estimates of group II countries. Eurostat is monitoring the revisions closely in order to adapt the calculations if need be.

Further information

Data: [Eurostat Website: http://ec.europa.eu/eurostat](http://ec.europa.eu/eurostat)

Data on "Unemployment":
http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_unemployment_lfs/data/database

More information about "Unemployment":
http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_unemployment_lfs/introduction

Journalists can contact the media support service:

Bech Building Office A4/125 L - 2920 Luxembourg
Tel. (352) 4301 33408 Fax (352) 4301 35349
E-mail: eurostat-mediasupport@ec.europa.eu

European Statistical Data Support:

Eurostat set up with the members of the 'European statistical system' a network of support centres, which will exist in nearly all Member States as well as in some EFTA countries.

Their mission is to provide help and guidance to Internet users of European statistical data.

Contact details for this support network can be found on our Internet site:
<http://ec.europa.eu/eurostat/>

A list of worldwide sales outlets is available at the:

Office for Official Publications of the European Communities.

2, rue Mercier
L - 2985 Luxembourg

URL: <http://publications.europa.eu>
E-mail: info@publications.europa.eu
