

Unemployment

Record high unemployment rates in a number of countries have put stress on the benefit systems (see “Recipients of out-of-work benefits” indicator). Unemployment, and particularly long-term unemployment, may also harm career chances in the future, reduce life satisfaction and increase social costs. Establishment in the labour market for youth has become more difficult, while older unemployed often have problems re-entering the workforce.

During the second quarter of 2013, the highest unemployment rates in the OECD were in Greece and Spain – eight times higher than the lowest unemployment rate, in Korea (Figure 4.4, Panel A). The average unemployment rate of 9.1% in the OECD covers a wide diversity. Austria, Japan, Korea, Norway and Switzerland had an unemployment rate below 5%. As many as ten countries had an unemployment rate above 10%.

The economic crisis has had a strong, but varied impact on unemployment rates (Figure 4.4, Panel B). The average OECD unemployment rate increased by 3 percentage points between mid-2007 and mid-2013. Greece and Spain were hit particularly hard, seeing an increase of above 18 percentage points. Increases of more than 5 percentage points were also observed in Ireland, Italy, Portugal and Slovenia. Countries which succeeded in reducing their unemployment rates included Chile, Germany, Israel, Korea and Turkey.

In most countries, male unemployment has been more affected by the crisis than female unemployment. The gender difference is particularly strong in countries such as Ireland, Portugal and Spain, where the contraction of the construction industry is a major factor driving the increased unemployment. High representation of women in the public sector can also be one explanation why women have fared better than men during the crisis in many countries. However, women in Estonia, Luxembourg and Turkey had a stronger increase in the unemployment rates than men.

Long-term unemployment has increased in many countries. The share of people unemployed for one year or more as a percentage of the total unemployment has increased the most in Ireland, Spain and the United States (Figure 4.5), and by as much as 30 percentage points in Ireland. Mid-2013, six out of ten unemployed were out of work for one year or more in Greece, Ireland and the Slovak Republic. The share of long-term unemployed decreased by 10 percentage points or more in Germany and Poland. In spite of the positive achievements, long-term unemployment still accounts for more than 40% of total unemployment in Germany and Poland.

Youth have been hit particularly hard by the deteriorated labour market situation (see also the “NEETs” indicator). The unemployment rate for young people aged 15-24 increased by 20 percentage points or more from mid-2007 to mid-2013 in Greece, Portugal and Spain (Figure 4.6). At the OECD level, the rate increased by 7 percentage points during the same period. Mid-2013, more than 50% of the age group was out of work in Greece and Spain. At the other end of the scale, youth unemployment rates dropped in Austria, Chile, Germany, Israel and Turkey. Germany, Japan and Switzerland had mid-2013 the lowest unemployment rate for this age group, at about 7%.

Definitions and measurement

The unemployment rate is the ratio of people out of work and actively seeking it to the population of working-age either in work or actively seeking it (15-64 years old). The data are gathered through labour force surveys of member countries. According to the standardised ILO definition used in these surveys, the unemployed are those who did not work for at least one hour in the reference week of the survey, but who are currently available for work and who have taken specific steps to seek employment in the four weeks preceding the survey. Thus, for example, people who cannot work because of physical impairment, or who are not actively seeking a job because they have little hope of finding work are not considered as unemployed. These employment rates are presented by gender and age.

Long-term unemployment is defined here as people unemployed for one year or more. For more information, see www.oecd.org/employment/database.

Further reading

OECD (2013), *OECD Employment Outlook 2013*, OECD Publishing, Paris, http://dx.doi.org/10.1787/empl_outlook-2013-en.

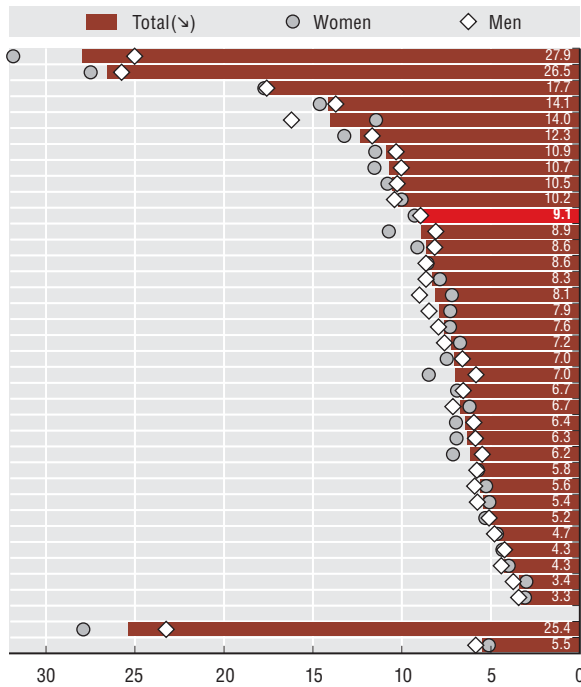
Figure note

Figure 4.4, Panel A: Data for the Russian Federation are annual and refer to 2012.

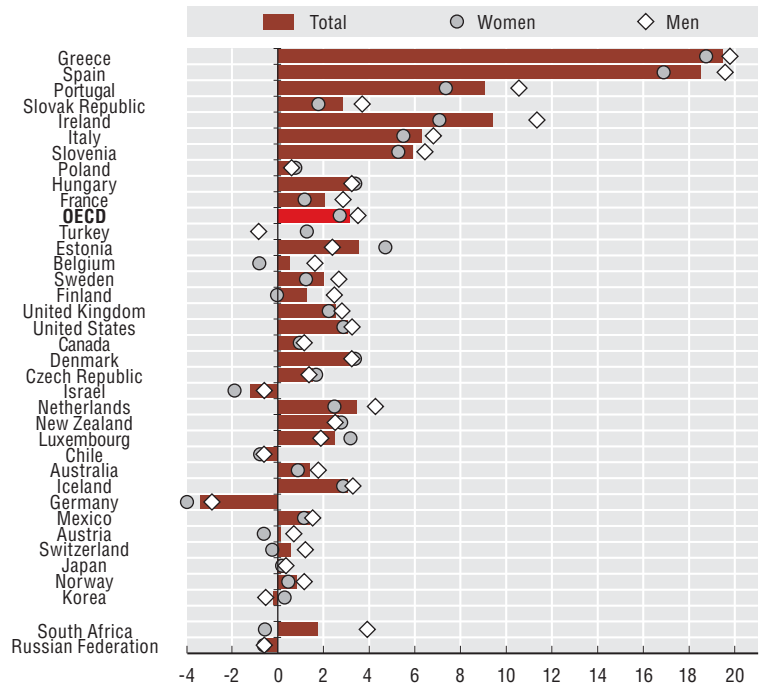
Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

4.4. Unemployment has increased more for men than for women

Panel A. Unemployment in percentage of labour force, aged 15-64, total and by gender, Q2 2013 (%)

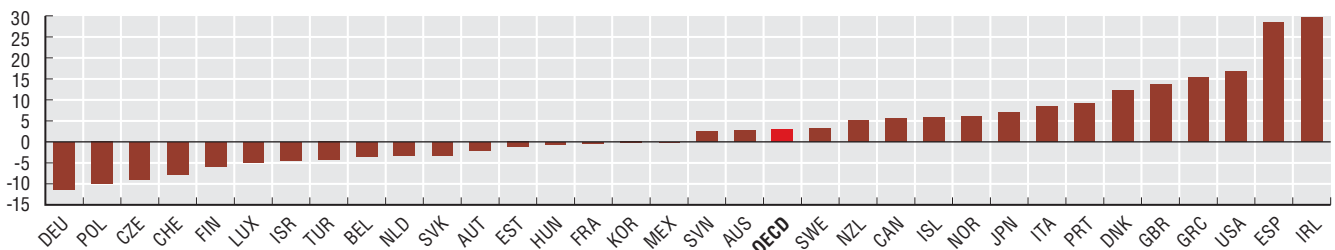


Panel B. Percentage point change in unemployment rate between 2007 and Q2 2013



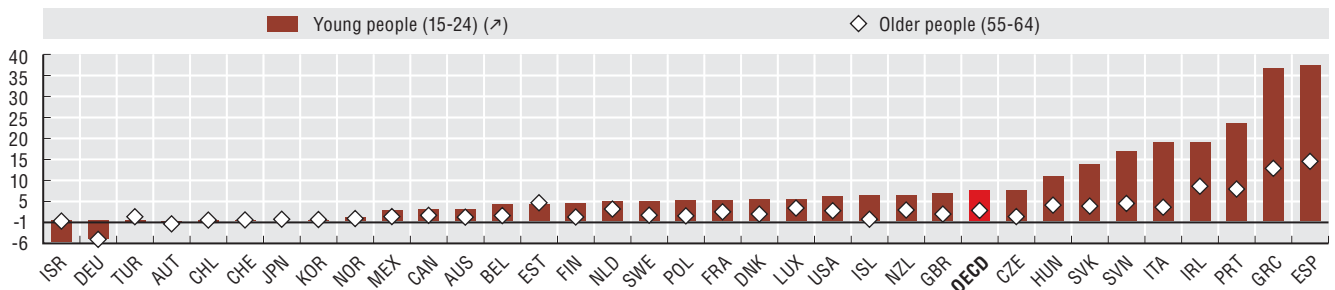
4.5. Higher incidence of long-term unemployment since the beginning of the crisis

Percentage point change in the share of people unemployed for one year or more as a percentage of total unemployment between 2007 and Q2 2013



4.6. Unemployment hit youth hardest in most countries

Percentage point change in unemployment rates between 2007 and Q2 2013



Source: OECD calculations based on quarterly national labour force surveys, the OECD Short-Term Labour Market Statistics and the OECD Labour Force Statistics Databases (cut-off date: 8 October 2013).

StatLink <http://dx.doi.org/10.1787/888932966390>



From:
Society at a Glance 2014
OECD Social Indicators

Access the complete publication at:
https://doi.org/10.1787/soc_glance-2014-en

Please cite this chapter as:

OECD (2014), "Unemployment", in *Society at a Glance 2014: OECD Social Indicators*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/soc_glance-2014-13-en

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.