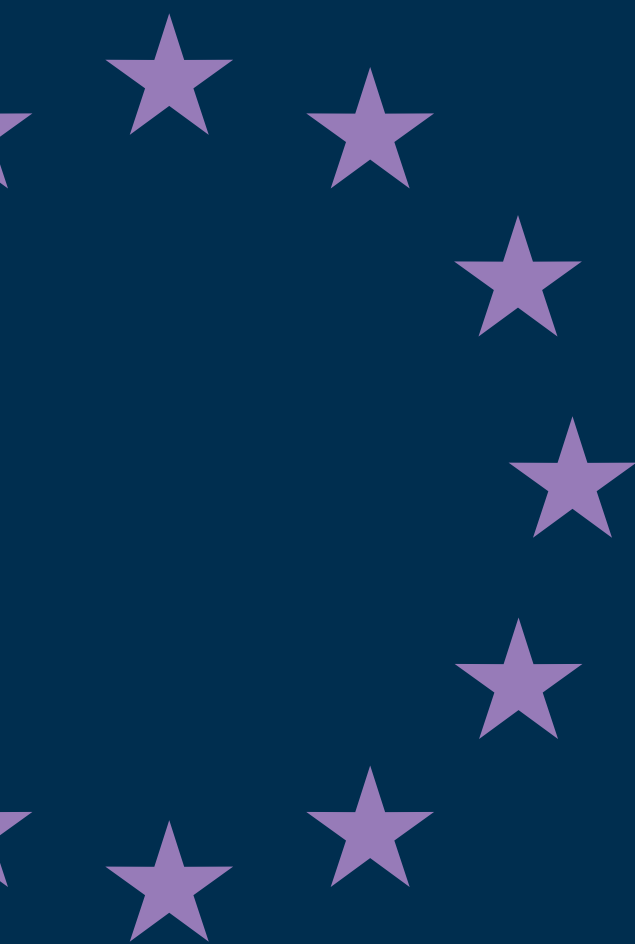


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DIRECTORATE-GENERAL FOR ECONOMIC
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Labour market and wage developments in 2004,
with special focus on the risk of jobless growth

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European Commission

EUROPEAN ECONOMY

Directorate-General for Economic and Financial Affairs

2005

Special Report No 3

Labour market and wage developments in 2004, with special focus on the risk of jobless growth

Abbreviations and symbols used

Member States

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

EUR-12	European Union Member States having adopted the single currency (BE, DE, EL, ES, FR, IE, IT, LU, NL, AU, PT, FI)
EU-25	European Union, 25 Member States
EU-15	European Union, 15 Member States before 1 May 2004 (EUR-12 plus DK, SE and UK)
EU-10	European Union, 10 Member States that joined the EU on 1 May 2004 (CZ, EE, CY, LV, LT, HU, MT, PL, SI, SK)

Currencies

EUR	euro
ECU	European currency unit
DKK	Danish krone
GBP	Pound sterling
SEK	Swedish krona
CAD	Canadian dollar
CHF	Swiss franc
JPY	Japanese yen
SUR	Russian rouble
USD	US dollar

Other abbreviations

SCPs	Stability and convergence programmes
PEPs	Pre-accession economic programmes
NMS	New Member States
SGP	Stability and Growth Pact

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The paper has been written under the sole responsibility of the authors and does not necessarily reflect the views of the European Commission.

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Main findings

During the second half of the 1990s, structural reforms of product and labour markets, together with wage moderation, began to pay off in terms of employment. However, due to the deterioration of cyclical conditions, employment creation slowed down during 2001–03 and was still lacklustre in 2004. Looking at the gender dimension, employment growth continued to be much faster for females than males, in line with strong growth in labour force participation among women. A remarkable feature was the positive and substantial contribution (around half of total employment growth over the period 2000–04 in the EU-25) provided by older workers.

Employment has been lagging the pickup in the economic growth. But the slow cyclical recovery of employment observed at the aggregate EU level masks diverging developments across Member States. Analysis developed in this report shows that the increase in employment in the early stages of the current recovery has not been particularly dynamic. The subdued response of job creation to the ongoing recovery seems, to some extent, to be an effect of the labour hoarding during the preceding slowdown. The performance of the labour market during the current recovery reflects the level of cyclical slack of economic activity, suggesting that risks of low employment growth are strongly related to the risks that may be impinged upon during a period of modest GDP growth.

The evidence provided in the focus section on the risk of jobless growth in the largest countries of the EU suggests that, at the early stage of the current recovery, the performance of the labour market was different from that seen during the average cycle. This specific cyclical behaviour has taken different forms rather than a common pattern. The increase in output in Spain and Italy between 2003 and 2004 translated almost entirely into higher employment. In France, where one year after the trough the recovery was jobless, the increase in productivity was higher than that seen during the past ‘average’ recovery while the participation rate seems to have been less responsive to the recovery than in the average cycle.

In the United Kingdom, employment continued to increase up to two quarters ahead of the trough of GDP and stagnated for the remaining part of the year. In Germany, where the disappointing economic recovery was accompanied by modest employment growth, the recovery seems to be less atypical.

The flip side of ‘jobless’ recovery is a strong growth in labour productivity. Over the long term, a strong growth in labour productivity has a major positive impact on the economy and on employment, boosting the incentive to invest in both capital and labour. However, in the short-term, productivity gains, if coupled with uncertain and not particularly brisk aggregate demand evolution, may contribute to delay further the recovery of the labour market, as firms are capable of meeting the demand without a substantial increase of their existing workforce. Analysis in the report which decomposes the contribution to growth of employment and labour productivity seems to indicate that this was the case during 2004.

Indicators of labour cost developments clearly point to a continuation of the trend of wage moderation in 2004 in the euro area, the European Union at large and most Member States. More detailed analysis suggests that the hypothesis of further deceleration of wage growth in the euro area is not uniform across Member States but is driven to a large extent by developments in Italy and Germany. The transitory pickup in economic activity, which was witnessed in 2003–04, has not led to an increase in aggregate labour cost pressure, which remains supportive to the cyclical situation and a rebound in employment growth. If cyclical factors are taken into account, there was still a slackening of wage pressure, but it was more modest than the marked drop in real unit labour costs in 2004 indicates. Wage claims and agreements in 2005, as well as those concluded in 2004 with effects on 2005, suggest a continuation of moderate wage growth. Labour costs are forecast to grow more in line with productivity developments in those new Member States that recorded an increase in real unit labour costs in 2004.

1. Introduction

This report examines recent labour-market developments from a macroeconomic perspective, with the aim of shedding light on the interaction of employment trends with other macroeconomic developments such as GDP and productivity growth. It contains an analytical interpretation of recent trends and prospects on both the quantity side (employment, participation, unemployment) and labour cost side (wage and unit labour cost developments). Although concentrating on the main geographical aggregations (euro area, EU-15, EU-10 and EU-25), country details and reference to specific reforms are provided, when necessary, to explain major area-wide developments.

Given its macro perspective, the report does not attempt to provide a detailed description of labour market trends by country, sector or type of employment: a much more exhaustive panorama of recent developments in European labour markets can be found in the annual *Employment in Europe* report⁽¹⁾. Equally, this report is not a review of labour-market reforms or policy initiatives at EU level, which are already covered by other Commission documents related to the Treaty-based broad economic policy guidelines (BEPGs)⁽²⁾ and European employment strategy (EES)⁽³⁾.

The preparation of this report needs to be seen as part of overall efforts to upgrade the monitoring of macroeconomic developments in the EU in response to the *Mid-term review of the Lisbon strategy*. The Brussels European Council of 22 and 23 March 2005 concluded that the BEPGs will continue to embrace the whole range of macroeconomic and microeconomic policies, as well as

employment policy insofar as this interacts with those policies, and the BEPGs will ensure general economic consistency between the three strands (macro, micro, employment) of the strategy. The enhanced macroeconomic focus of the BEPGs and their role in ensuring better coherence between macroeconomic and structural policies is reflected in the proposals of the Commission for integrated guidelines for growth and jobs⁽⁴⁾.

The remainder of this report is organised as follows. Section 2 undertakes a review of recent labour-market developments. In this section, the report examines recent employment and unemployment trends in 2004 by age and gender, and attempts to decompose developments according to determining factors such as demographic factors. It also looks at future prospects based on the Spring 2005 forecast of the European Commission. Section 3 considers the job content of growth in more details, examining the employment intensity of growth in recent years as well as the interaction between employment and productivity developments. Section 4 turns to wage and labour costs. It examines nominal and real wage developments as well as unit labour costs, focussing on the aggregate situation for the euro area and also on very diverse performance of the new Member States.

The special focus of this report (Section 5) takes a more detailed look at one of the pressing problems facing policy-makers as regards labour markets. It asks whether the EU, in the event of an upturn in economic activity, faces the same risk of a 'job-loss' recovery (as it was in the United States in 2002–03), a 'jobless recovery' (as in the cycle following the recession of the early 1990s) or continue to be job-rich as in the 1995–2000 period. This question clearly has important ramifications for the future growth prospects of the EU and the possibility of

⁽¹⁾ For the latest edition of 2004, see: http://europa.eu.int/comm/employment_social/employment_analysis/employ_2004_en.htm

⁽²⁾ The recent implementation report of the BEPGs adopted in early 2005 can be found at http://europa.eu.int/comm/economy_finance/publications/european_economy/implement2004_en.htm

⁽³⁾ The most recent Joint Employment Report evaluating labour market reforms in 2004 undertaken in response to the employment guidelines can be found at http://europa.eu.int/comm/employment_social/employment_strategy/employ_en.htm

⁽⁴⁾ Integrated guidelines for growth and jobs (2005–08), including a Commission recommendation for the BEPGs and a proposal for a Council decision on guidelines for the employment policies of Member States, COM(2005)141 of 6 April 2005.

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developments in 2004*

achieving the Lisbon goals. Analysis is presented in the report which contrasts employment behaviour in this cycle, compared with previous slowdowns, with a view to determining whether labour markets developments can be considered as normal or 'unusual'. Given data limitations, the analysis concentrates on the five largest euro-area economies which account for two-thirds of total employment in the EU-25.

More technical details on the analytical tools developed for this report are contained in a series of annexes. There

is also a statistical annex which provides data on key labour-market aggregates for all Member States as well as for the EU-25, euro area and EU-10

Please note that the data presented in this report for 2004 are still preliminary. In particular, revisions to figures coming from the labour-force survey have already been announced by Eurostat for Spain and the United Kingdom (mainly due to the new population census), and this will also affect the main geographical aggregations (EU-15, EU-25 and the euro area).

2. General developments in 2004

Overall employment performance — disappointing growth in 2004

During the second half of the 1990s, structural reforms of product and labour markets, together with wage moderation, began to pay off in terms of employment. About six million additional jobs were created in the EU-15 between 1998 and 2000⁽¹⁾. The EU-15 employment rate went up from 61.2 % in 1998 to 63.2 % in 2000. However, employment creation slowed down during the following three years and only two million additional jobs were created between 2001 and 2003, and was rather lacklustre in 2004 with only a limited increase of 0.6 % in the EU-25 and 0.4 % in the euro area (see **Table 1** and **Graph 1** — detailed country figures are in the statistical annex).

The moderate growth of employment in 2004 was mainly driven by the significant employment contraction in Germany (−1.4 %, the third negative annual growth in a row). Other countries with a negative performance were the Netherlands, Sweden, the Czech Republic and Hungary. On the positive side, Ireland and Spain again experienced the fastest employment growth in the EU-15 in 2004 (3.1 % and 2.5 % respectively), although for Spain it was a bit slower than the year before. Following a strong employment performance in 2002–03, Italy also remained among the top performers in 2004, with net job growth rates exceeding 1.5 %. Belgium also joined this group, recording an acceleration (almost 1.6 percentage points), after stagnation in the previous two years.

A closer look at employment developments by gender shows contribution of females to overall employment rate

Table 2 breaks down annual employment growth by age group and gender. Employment growth was much faster for females than for males over the period 2000–04, in

line with strong growth in labour force participation among women. A closer look at developments at national level, (see **Table 1** in Annex 1) shows that the contribution of males has even been negative in Denmark, Germany, the Netherlands, Austria and Finland. A breakdown of employment growth by age groups shows that this trend was mainly due to the negative contribution of younger workers, though even prime-aged male workers have registered a decrease of employment in some countries (DK, DE, FR, NL, AT, FI, SE). In 2004, female employment rose by 0.5–0.6 percentage points in the EU, the only component, with older workers (both male and female), which recorded an expansion.

Very significant increases in the employment rates of older workers

One of the most remarkable labour-market developments of recent years is the large increase in the employment of older workers (see **Table 2** and **Graph 2**). In 2004, the number of older workers recorded a remarkable pickup in Belgium (11 %), France (5.1 %), Finland (6.9 %) and the Netherlands (7.1 %) and for the new Member States, in Hungary (10.8 %), Slovenia (28 %) and Slovakia (13 %). These developments warrant further analysis, and appear to be linked to reforms of early retirement schemes and pension systems (in some cases legislated in the early 1990s, but with phased implementation).

A closer look at the dynamic of employment rates taking account of population and participation rate effects

Table 3 presents the contribution of different gender and age groups to the changes in the employment rate and the participation rate, along with the contribution provided by the demographic component (detailed country figures are in **Tables A1.2** and **A1.3** in Annex 1). The changes in the structure of the European labour force accelerated in the latest years. In 2004, as registered over the period 1998–2003, the increase in both participation and

⁽¹⁾ These figures are based on labour force surveys and refer to the age group 15–64.

Labour market and wage developments in 2004

Table 1

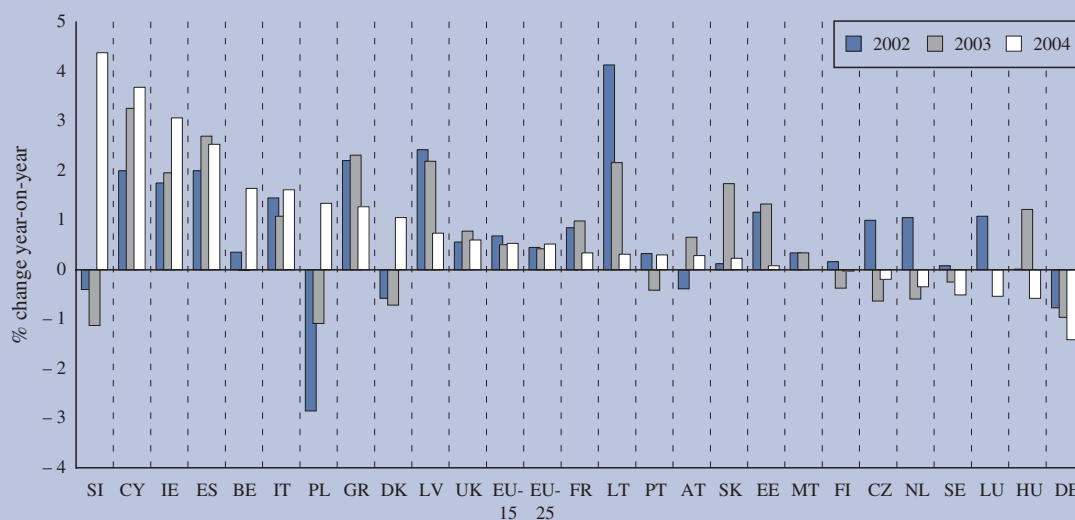
Labour market indicators

	EU-25		Euro area		EU-15	
	2003	2004 ⁽¹⁾	2003	2004 ⁽¹⁾	2003	2004 ⁽¹⁾
Activity rate (as % of population 15–64)	69.3	69.5	68.7	69.1	70.1	70.4
<i>Male</i>	77.4	77.4	77.7	77.8	78.6	78.5
<i>Female</i>	61.2	61.7	59.7	60.5	61.6	62.3
Employment rate (as % of pop. 15–64)	62.9	63.0	62.5	62.7	64.4	64.5
<i>Male</i>	70.8	70.6	71.5	71.3	72.7	72.4
<i>Female</i>	55.1	55.4	53.6	54.2	56.1	56.5
Employment growth (%) (National accounts)	0.2	0.6	0.2	0.6	0.3	0.7
Employment growth (%) (LFS - age 15–64)	0.5	0.5	0.6	0.4	0.6	0.6
<i>Male</i>	0.1	0.1	-0.1	-0.1	0.1	0
<i>Female</i>	1.1	0.9	1.6	1.2	1.3	1.4
Unemployment rate (Harmonised:15–74)	9.0	9.0	8.7	8.8	7.9	8
Long-term unemployment rate (as % of total unemployment)	44.6	44.1	44.5	43.9	41.5	41.1

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Graph 1: Employment growth, 2002–04



Source: Commission services.

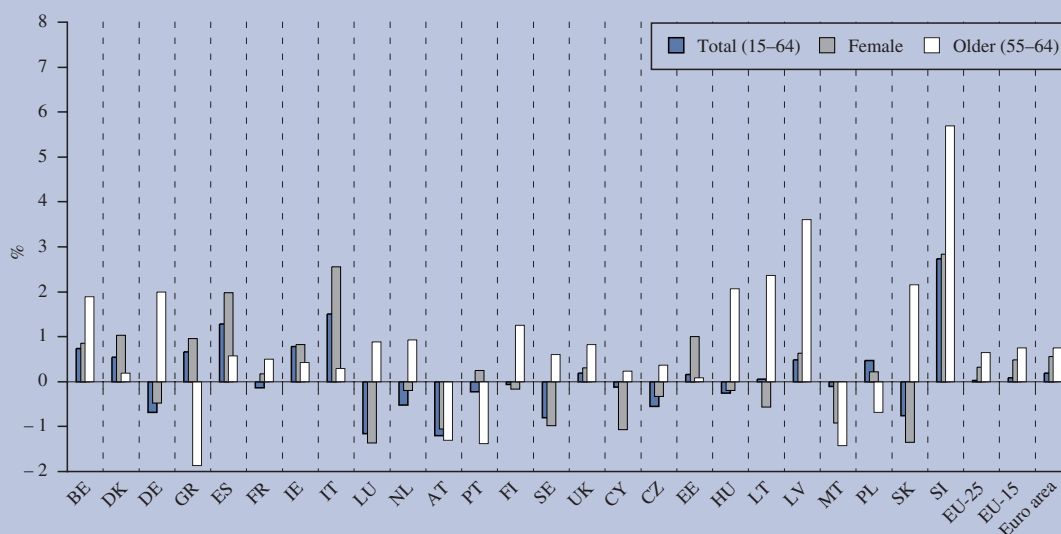
Table 2

Employment growth — Contribution by gender and age groups (in %)

	2003–04			2000–03		
	EU-25	Euro area	EU-15	EU-25	Euro area	EU-15
Employment growth due to:	0.6	0.4	0.2	0.7	2.1	0.5
Young (15–24)	-0.1	-0.2	-0.1	-0.1	0	0
Prime age (25–54)	0.3	0.3	0.3	0.4	1.5	0.5
Older (55–64)	0.4	0.4	0	0.4	0.5	0
MALE:	0.1	-0.1	0	0.2	0.9	0.2
Young (15–24)	0	-0.1	0	-0.1	0	0
Prime age (25–54)	0	-0.2	-0.1	0	0.6	0
Older (55–64)	0.2	0.2	0.2	0.2	0.3	0.2
FEMALE:	0.5	0.5	0.6	0.6	1.2	0.7
Young (15–24)	-0.1	-0.1	0	0	0	0
Prime age (25–54)	0.4	0.4	0.4	0.4	0.9	0.5
Older (55–64)	0.2	0.2	0.2	0.2	0.2	0.2

Source: Commission services.

Graph 2: Increases in the employment rate (2003–04, in p.p.)



Source: Commission services.

employment rate was almost entirely due to the female component. Male employment recorded only a minor increase. The impact of the demographic effect on overall employment was minor.

Unemployment performance — stable in 2004 after an increase in 2003

After a substantial fall from 1997 to early 2001, the unemployment rate ⁽¹⁾ for the EU-25 started to increase in the following years to reach a new peak in 2003. In 2004, it was broadly stable at 9 %, a slight increase of 0.1 percentage points compared to 2003. This implies almost 19.5 million unemployed persons (422 000 more than in 2003 and almost two million more than in

2001) ⁽²⁾. The unemployment rate in the euro area reached 8.8 % in 2004, 1 percentage point more than in 2001, and the latest available figures from March 2005 show a further slight increase.

Looking at the performance at national level (see country tables in the statistical annex), unemployment rates ranged from 4.3 % in Ireland to 15.9 % in the Slovak Republic and 18.1 % in Poland. A particularly sharp increase in the unemployment rate was recorded in Greece (moving from 9.7 % in 2003 to 10.5 % in 2004). The increase was also large in the Netherlands and Sweden, but unemployment rates remained low and below the EU average. The unemployment rate

⁽¹⁾ 'Harmonised' unemployment rates, compiled by Eurostat, referred to people aged 15–74, who are unemployed according to the ILO definition.

⁽²⁾ Only in Germany have 1.2 million people aged 15–64 become unemployed between 2001 and 2004.

Table 3

Employment rate and participation rate contribution to changes by gender and age groups

	Employment rate				Participation rate			
	EU-25	Euro area	EU-25	Euro area	EU-25	Euro area	EU-25	Euro area
	Employment rate in 2004		Employment rate in 1998		Participation rate in 2004		Participation rate in 1998	
	63	62.7	63	62.5	69.5	69.1	69.3	68.7
	% change in 2003–2004		% change in 1998–2003		% change in 2003–2004		% change in 1998–2003	
	0.03	0.2	2.2	3.4	0.2	0.4	1.6	2.1
	due to shifts in employment rates of:				due to shifts in participation rates of:			
<i>Young</i>	–0.07	–0.06	0	0.4	–0.05	0.02	–0.1	0.1
<i>Prime age</i>	0.04	0.13	1.3	2	0.16	0.27	1	1.1
<i>Older</i>	0.11	0.13	0.8	0.7	0.14	0.17	0.7	0.6
MALE:	–0.08	–0.11	0.3	1	–0.08	0.08	0.4	0.7
<i>Young</i>	–0.04	–0.04	0	0.3	–0.03	0.03	–0.1	0.1
<i>Prime age</i>	–0.07	–0.11	0.1	0.3	–0.02	–0.03	0	0
<i>Older</i>	0.03	0.05	0.3	0.3	0.05	0.07	0.3	0.2
FEMALE:	0.18	0.24	1.7	2.6	0.27	0.4	1.4	1.6
<i>Young</i>	–0.03	–0.08	0.1	0.5	–0.01	0	0	0.1
<i>Prime age</i>	0.14	0.25	1.2	1.7	0.19	0.3	1	1.1
<i>Older</i>	0.07	0.08	0.4	0.4	0.09	0.1	0.4	0.4
	due to demographic effect:				due to demographic effect:			
TOTAL:	–0.06	–0.07	0.1	0.1	–0.07	–0.02	0	0.3
<i>Young</i>	–0.05	–0.05	–0.2	–0.2	–0.07	–0.08	–0.3	–0.3
<i>Prime age</i>	–0.13	–0.15	0.1	0.2	–0.14	–0.03	0.1	0.6
<i>Older</i>	0.13	0.13	0.2	0.2	0.13	0.09	0.2	0
	due to interaction effect:				due to interaction effect:			
	0.003	0.002	0.02	0.01	0.003	0.002	0.024	0.012

Source: Commission services.

declined in 10 countries, with Spain and Italy experiencing the largest percentage points decline. For the new Member States, the largest decline was registered in Lithuania (-2 p.p.).

After several years of decline, the share of those out of work classified as long-term unemployed (without a job for 12 months or more) increased in 2002 and 2003. However, in 2004, it showed a slight decline to about 44 % of the overall unemployed persons in the EU-25.

A decomposition of unemployment developments

To get a better understanding of the main driving forces behind the recent evolution of unemployment, one can decompose changes in the unemployment rates (for the age group 15–64) into its main components, that is changes in the working-age population, labour force (participation rate) and employment growth⁽¹⁾. For example, the unemployment rate in Belgium increased by 0.3 percentage points between 2003 and 2004. This was due to the interaction of three component factors as follows: the population of working age rose and on its own would have increased the unemployment rate by 0.4 percentage points — the employment rate rose and on its own would have increased the unemployment rate by 1.6 percentage points — employment also rose which on its own would have served to decrease the unemployment rate by 1.6 percentage points (thus partially offsetting the combined effect of the change in the working age population and participation rate).

This decomposition (see **Table 4**) shows that for the EU-25, the overall increase in the unemployment rate between 2003 and 2004 was the combined effect of the increase in the participation rate and the working-age population, not entirely absorbed by the moderate increase in employment. Two big economies, Italy and Germany, registered a contraction in the working-age population, and thus in the potential labour supply. Looking at the best performers, we can observe different patterns. In Ireland and in Spain, the strong increase in the labour supply (due to buoyant growth in the working-

age population in Ireland and in the participation rate in Spain) has been paralleled by an increase in the employment rate leading to a reduction in the unemployment rate.

The decomposition helps explain contrasting trends in employment and unemployment rates

The decomposition described above underlines the importance of considering all the different components of the employment and unemployment when assessing labour-market performance. It also casts light on the contrasting trends as regards developments in employment and unemployment rates. **Graph 3** presents the number of employed (dark line) and unemployed persons (light line) in the euro area between 1994 and 2004. The number of employed persons has increased sharply since the mid-1990s and has even continued to grow during the current economic slowdown. The numbers of unemployed persons (with scale presented in reverse order on the right-hand side, i.e. an upward sloping line means a fall in numbers of persons unemployed), also fell in the second half of the 1990s, but increased as of 2001; thus the parallel movement with employment observed since the mid 1990s started to diverge. This occurred because the structural increase in the labour supply (mainly due to female participation) has taken place at a faster pace than the creation of additional jobs.

Labour market outlook and forecasts point to relatively slow employment prospects

Employment expectations have improved since the trough in 2003. According to the latest 'Business and Consumer Survey' results, in April 2005, the service sector as well as consumers were more optimistic with regard to future (un)employment developments (see **Graph 4**). Yet, the recent direction and level of the industrial surveys provide some early signs of downside risks. In April 2005, managers in the industry had a slightly less optimistic view of employment developments compared with one month before⁽²⁾.

According to the latest (Spring 2005) Commission's economic forecasts (see **Table 5**), employment growth is set to accelerate (0.7 % in 2005 and 0.8–0.9 % in 2006) in both the euro area and the EU-25, facilitating a modest fall in unemployment in 2006. The EU-25 unemployment rate is expected to remain broadly stable at 9 % in 2005, with

⁽¹⁾ We have used the following calculation: $U = (\text{Popwa} * \text{Pr}) - E$ where Popwa: working-age population (15–64); Pr: participation rate; UR: unemployment rate; E: employment, U: unemployment. This can be rearranged as $U / (\text{Popwa} * \text{Pr}) = 1 - E / (\text{Popwa} * \text{Pr})$ and $(1 * \text{UR}) = E / (\text{Popwa} * \text{Pr})$. Thus, by taking the logarithm of the expression and differentiating it, we can obtain a decomposition that approximates the changes in the unemployment rate (in percentage points) as: $dUR = d\text{Popwa} / \text{Popwa} + d\text{Pr} / \text{Pr} - dE / E$ that is as the sum of the % change in the working-age population and the participation rate minus the % change in employment.

⁽²⁾ See http://europa.eu.int/comm/economy_finance/indicators/business_consumer_surveys/2005/bcs0405_en.pdf

Table 4

Decomposing changes in the unemployment rate in 2004

	Unemployment rate (age 15-64) 2004	Change since 2003	≈	% Change in active population	+	% Change in participation rate	-	% Change in employment
BE	8.5	0.3		0.4		1.6		1.6
DK	5.6	0.1		0.3		0.8		1.1
DE	10.8	1		-0.4		0		-1.4
GR	10.7	0.8		0.1		2		1.3
ES	11	-0.5		1.7		1.6		3.9
FR	9.2	0.3		0.6		0.1		0.3
IE	4.6	-0.2		1.9		1		3.1
IT	8.1	-0.6		-1		2		1.6
LU	4.6	1		1.3		-0.8		-0.5
NL	4.6	0.9		0.4		0.2		-0.3
AT	5	0.7		2.1		-1		0.3
PT	7	0.4		0.7		0.1		0.3
FI	8.9	-0.2		0.1		-0.3		0
SE	6.6	0.9		0.6		-0.2		-0.5
UK	4.7	-0.3		0.5		0		4.1
Euro area	9.3	0.3		0.1		0.6		0.4
EU-15	8.4	0.3		-0.2		0.4		1.2
CY	4.8	0.6		3.9		0.5		3.7
CZ	8.4	0.5		0.7		-0.3		-0.2
EE	9.9	-0.5		-0.2		-0.3		0.1
HU	6.1	0.2		-0.1		-0.2		-0.6
LT	11.5	-1.1		0.2		-1.1		0.3
LV	10.6	-0.1		0		0.6		0.7
MT	7.1	-0.4		0.2		-0.7		0
PL	19.3	-0.7		0.4		0.1		1.3
SK	18.3	0.7		1.6		-0.5		0.2
SI	6.4	-0.3		0		4		4.4
EU-25	9.4	0.2		-0.1		0.3		1.1

Source: Commission services, using Eurostat, LFS data.

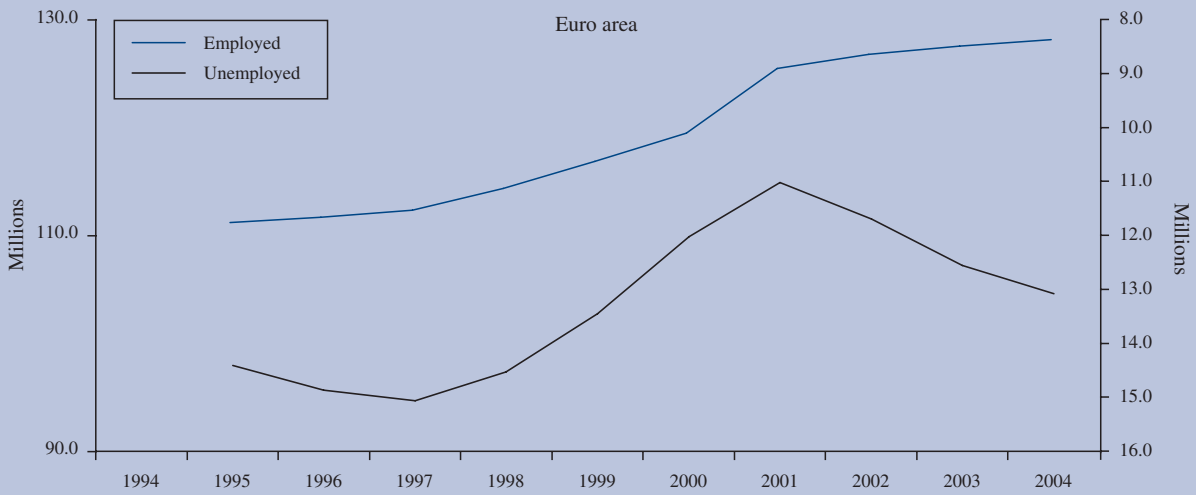
an expected fall to 8.7 % in 2006 (from 8.8 to 8.5 % in the euro area). Even with such improvements, unemployment will remain a serious economic and social problem and some countries face particular difficulties.

The overall pace of employment growth in the EU is expected to be back to the brisker trend rates observed in the late 1990s only in 2007. This in turn implies that the recovery in the labour productivity observed over the last two years is expected to continue, although at a slower pace. A more detailed analysis of the cyclical responsiveness of employment and unemployment and the job content of the recent recovery is in next section.

The expected employment prospects will make the Lisbon employment targets more challenging. Only with a

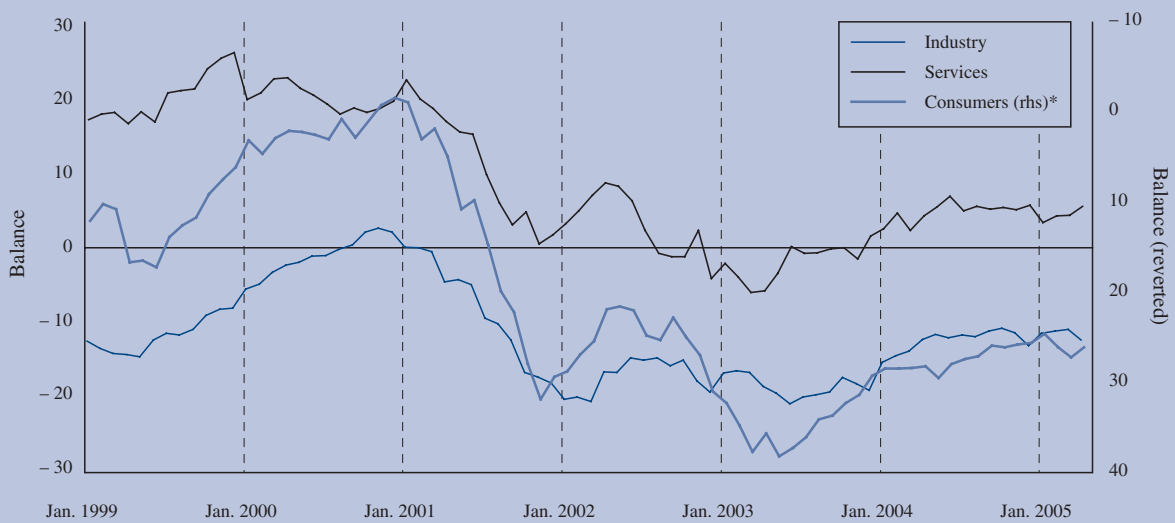
rapid return of each Member State to the high growth rate of employment recorded in the period 1997–2000 will the overall employment rate get close to the 70 % target (see details in **Annex 2**). Furthermore, if the overall target is to be achieved, some of the laggard countries will need to contribute substantially more than what has been done over the last five to eight years. For the female target, the situation is much less problematic, as the 60 % target could be hit with a return to employment growth close to the average of the period 1997–2003. Prospects for older workers deserve attention. The target will be achieved only if the strong acceleration in the employment growth of older workers over the most recent period (2001–03), mainly as a result of recent reforms in pension systems in some countries, is maintained.

Graph 3: Employed and unemployed persons (age 15–64), euro area



Source: Commission services.

Graph 4: Employment and unemployment expectations: business and consumer surveys



Source: Commission services.

Labour market and wage developments in 2004

Table 5

Commission's forecasts (autumn 2004 and spring 2005)

	Total employment (percentage change on preceding year)				Unemployment rate (unemployed as a percentage of civilian labour force, 1964–2006) ⁽¹⁾			
	2005		2006		2005		2006	
	X–2004	III–2005	X–2004	III–2005	X–2004	III–2005	X–2004	III–2005
Belgium	0.7	0.8	0.8	0.8	8.1	7.7	7.9	7.5
Germany	0.8	0.7	0.7	0.8	10	9.7	9.6	9.3
Greece	1	0.6	1	0.7	9	10.5	9	10.3
Spain	1.9	2.1	1.8	2	10.8	10.4	10.6	10.3
France	0.6	0.5	0.7	0.8	9.5	9.4	9.3	9.1
Ireland	1.7	1.8	1.5	1.5	4.4	4.6	4.3	4.6
Italy	0.7	0.4	0.6	0.5	8.1	7.9	8	7.7
Luxembourg	2.4	2.6	2.7	2.9	4.6	4.6	4.4	4.3
Netherlands	0.5	0.3	1.2	1.3	5	5.2	4.4	5
Austria	0.7	0.2	0.8	0.7	3.9	4.1	3.4	3.9
Portugal	1	0.3	1.2	0.3	6.2	7	6.1	7
Finland	0.4	0.6	0.7	0.8	8.6	8.4	8.3	8
Euro area	0.9	0.7	0.9	0.9	8.9	8.8	8.6	8.5
Czech Republic	– 0.1	– 0.1	0.1	0	8.2	8.3	8	8.2
Denmark	0.6	0.5	0.3	0.4	5.3	4.9	4.9	4.6
Estonia	0.3	0.6	0.4	0.8	9.4	8.7	9.1	8.2
Cyprus	1.3	1.2	1.3	1.2	4	4.8	3.7	4.6
Latvia	0.6	0.8	0.6	0.6	9.7	9.4	9.4	9.2
Lithuania	1.1	0.5	0.9	0.4	10.6	10.2	9.9	9.7
Hungary	0.5	0.5	0.6	0.9	5.9	6.3	6	6.2
Malta	0.3	0.6	0.8	0.8	8.5	7.1	8.4	7
Poland	0.7	1	1.2	1.2	18.7	18.3	18.1	17.6
Slovenia	0.4	0.1	0.4	0.2	6.1	5.9	5.8	5.6
Slovakia	0.6	0.6	0.9	0.9	17.9	17.6	17.2	16.8
Sweden	0.4	0.5	1	1	5.8	5.9	5	5.3
United Kingdom	0.5	0.4	0.5	0.5	4.9	4.7	4.9	4.7
EU-25	0.7	0.7	0.8	0.8	9.1	9	8.8	8.7
EU-15	0.8	0.7	0.8	0.8	8.1	8	7.9	7.8
USA	0.9	1.1	0.8	0.8	5.5	5.2	5.4	5
Japan	0.3	0.1	0.2	0	4.7	4.4	4.6	4.1

⁽¹⁾ Unemployment rate: series following Eurostat definition, based on the labour force survey.

Source: Commission services.

3. Employment developments and economic growth

3.1. The responsiveness of employment to economic growth

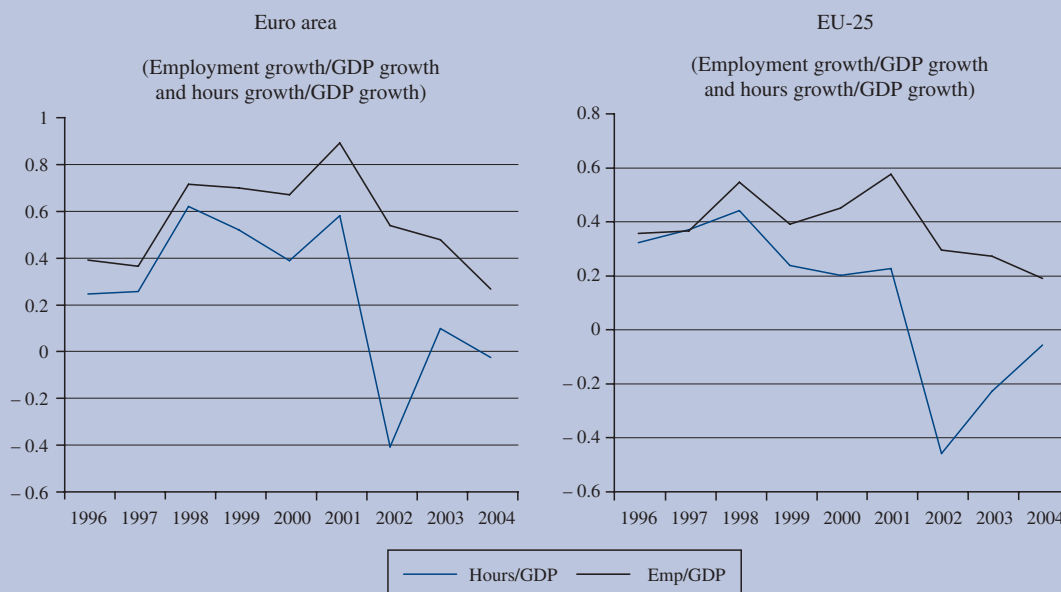
The elasticity of employment to growth may have improved

Employment was resilient to the economic downturn of 2001–03. This apparent resilience is illustrated on **Graph 5** which shows the (apparent) elasticity of employment to GDP. The elasticity increased quite substantially over the boom period (1998–2001). Compared to past cyclical episodes, employment growth also seems to have been rather robust over the period of downturn

(2001–03). However, in 2004 this tendency was reversed, and the elasticity dropped to lower levels. In terms of hours worked, the relative drop since the start of the slowdown in 2001 has been more accentuated, confirming the hypothesis of a substantial labour hoarding, compensated by a reduction in the intensity of use (number of hours worked) of the employees.

The apparent change in the elasticity of employment to GDP may be due in part to the nature of the current economic slowdown, which has been rather prolonged but not very sharp. It may also, however, be the result of struc-

Graph 5: Job intensity of growth



Source: Commission services.

tural change in the labour market. To explore whether this development reflects the normal behaviour of employment over the cycle or whether it is due to a change in the long-run determinants of employment or in its cyclical pattern, Annex 3 develops a quantitative model of the euro area comparing the model-based forecast of employment over 2001–04 with actual employment ⁽¹⁾.

It finds that the behaviour of employment in the period of strong employment growth of the late 1990s did not change during the recent downturn. The resilience during the recent slowdown is therefore mainly accounted for by the job-richer economic growth already recorded between 1997 and 2000, which is likely related to structural factors (past and ongoing labour market reforms, part-time work developments and more favourable sectoral structure). Moreover, the profile of employment growth over the recent period (2001–04) cannot be related to recent structural changes, but is likely to reflect the usually long lag with which employment responds to economic conditions.

Implications for employment prospects in coming years

Given that in 2004, the pace of GDP growth averaged 2 % in the euro area and 2.4 % in the EU for the year as a whole ⁽²⁾, (although with a deceleration of the economic activity in the second half of the year), employ-

ment at EU level appears lagging any improvement in the economic growth. Although the labour market does not appear to have performed as well as would have been expected at this point of the recovery, the degree of this underperformance is not yet fully clear given the uncertainty surrounding the strength of the economic recovery ⁽³⁾. Indeed, employment growth usually lags the pickup in aggregate demand, and the lags are typically higher when the recovery in activity is sluggish or uncertain. Furthermore, the more subdued response of the job creation to the ongoing recovery may, to some extent, be an effect of the small downward adjustment of employment during the previous slowdown.

The slow cyclical recovery of employment ('jobless recovery') at the aggregate EU level masks diverging developments across Member States. Only Spain, Italy, Ireland and Luxembourg (see **Table 6**) present a job-intensity of growth close to the high values recorded over the previous expansionary period (1996–2000). In Germany, in 2004, there was only a very moderate recovery in employment (+ 0.3 %), after the sharp drop in 2003 (– 0.8 %, associated with a negative GDP growth of – 0.1 %). In France, GDP growth of 2.5 % was associated with no creation of employment.

⁽¹⁾ The analysis presented in Annex 3 is based on Mourre (2004).

⁽²⁾ For a detailed analysis of past trends and future developments, see Economic and Financial Affairs DG, Economic Forecasts, Spring 2005.

⁽³⁾ According to the flash estimate for the first quarter of 2005 just released by Eurostat (see Eurostat Press release, 12 May 2005) the euro area and the EU-25 GDP growth rate was 1.4 % and 1.7% respectively, compared to the first quarter of 2004 (+ 0.5 over the previous quarter), in deceleration compared to the previous two to three quarters. The recovery in Germany (+ 1.1 % yoy) is counterbalanced by the recession in Italy, where GDP has been falling for two quarters in a row.

Table 6

Job-intensity of growth (elasticity of employment to growth) ⁽¹⁾

	Previous slowdown	Annual average				Spring forecast		
	1991–93	1991–95	1996–2000	2001–03	2003	2004	2005	2006
BE	0.2	0.1	0.4	0.6	0	0.2	0.4	0.3
CZ			0.1	0.1	– 0.4	– 0.1	0	0
DK	– 0.2	– 0.1	0.3	– 0.6	– 1.2	0	0.2	0.2
DE			0.3	0.5	8.2	0.2	0.9	0.5
EE			11.3	0.2	0.3	0	0.2	0.2
EL	0.3	0.4	0.2	0.1	0.3	0.2	0.3	0.3
ES	0.8	0.6	1	1	1.1	0.8	0.9	0.8
FR	0.4	0.4	0.5	0.5	0.3	0	0.2	0.4
IE	0.2	0.3	0.6	0.4	0.4	0.5	0.4	0.3

(Continued on the next page)

Table 6 (continued)

IT	1.9	0.9	0.5	2.8	3.8	0.7	0.3	0.3
CY			0.3	0.5	0.5	0.3	0.3	0.3
LV	0.3	1.6	-0.2	0.3	0.2	0.1	0.1	0.1
LT	0	0	0.1	0.1	0.2	0.1	0.1	0.1
LU	0.7	0.9	0.6	1.8	0.7	0.6	0.7	0.7
HU			0.1	0.2	0.4	-0.1	0.1	0.1
MT			0.2	-1.7	0.4	0.4	0.3	0.4
NL	0.8	0.7	0.7	1.3	0.4	-1	0.1	0.6
AT	1.3	1.2	0	0.3	0.9	0.2	0.3	0.3
PL	0	0	-0.2	-1.6	-0.3	0	0.2	0.3
PT	-0.6	-0.4	0.7	0.6	0.7	0.1	0.3	0.2
SI			0.1	0	-0.1	0	0	0
SK			-0.6	0.2	0.4	0	0.1	0.2
FI	2.5	1.6	0.5	0.4	-0.1	0	0.2	0.2
SE	2.8	1.7	0.1	0.6	-0.2	-0.1	0.2	0.4
UK	-3.5	-2	0.4	0.5	0.5	0.2	0.2	0.2
US	1.8	1.3	0.4	0.1	0.3	0.2	0.3	0.3
JP	0.8	0.5	1.4	0.5	-0.2	0.1	0.1	0
Euro area			0.6	0.6	0.5	0.3	0.5	0.5
EU-25			0.4	0.4	0.3	0.2	0.4	0.4
EU-15			0.5	0.6	0.4	0.2	0.4	0.4
EU-10			-0.1	-0.3	-0.1	0	0.2	0.2

(¹) Data are from national accounts statistics and Commission's forecasts.

Source: Commission services.

3.2. Decomposing contribution to growth of employment and labour productivity

The mild recovery in output growth in 2004 has not been matched by a strong pickup in employment. By definition, growth in output per worker and/or per hours worked or labour productivity growth, has risen.

Indeed, the flip side of 'jobless recovery' is, as a matter of pure arithmetic, a growth in labour productivity that goes even beyond what is reasonable to expect during a recovery, given the well-known 'stylised fact' of the high cyclical of developments in labour productivity. Of course, over the long term, a strong growth in labour productivity has a major positive impact on the economy and on employment, boosting the incentive to invest in both capital and labour. Yet, in the short-term, productivity gains, if coupled with uncertain and not particularly brisk aggregate demand evolution, may contribute to delay further the recovery of the labour market, as firms are capable of meeting the demand without a sub-

stantial increase of their existing workforce. This seems to have been the case during 2004.

In order to assess the relative contribution to GDP growth of its two main components, labour productivity and labour utilisation, we have used the standard accounting framework (¹).

$$GDP = Labour\ productivity \times Labour\ utilisation$$

or

$$GDP = \frac{GDP}{Hours} \times \left[\frac{Hours}{Employment} \times \frac{Employment}{Working\text{-}age\ pop.} \times \frac{Working\text{-}age\ pop.}{Population} \right] \times Population$$

(¹) For a similar analysis and an assessment of the medium-term prospects, see Goldman-Sachs Global Economics Paper No 121, January 2005.

The level of GDP is given by the product of labour productivity (GDP per hour worked) by the different components of labour utilisation (average hours worked per person, the employment rate and the share of working-age population) and the population. GDP growth is (roughly) equivalent to the sum of the growth rates of these variables. This simple accounting rule is reproduced in **Tables 7** and **8**. The decomposition confirms that in 2004, the recovery in the GDP growth rate in the EU-25 was entirely due to strong productivity growth (GDP per hour worked increased by more than 2%), while the contribution of labour utilisation was negative because the further (structural) reduction in hours worked was not compensated by the increase in employment rate. Indeed, there has been a cyclical reduction in per capita hours worked since 2001 that has played the role of buffer in the presence of labour hoarding. In the euro area, labour productivity growth was particularly strong in France (4.2%) and Finland (4.3%). All Member States, with the exception of Spain, Greece, Luxembourg, Lithuania and Estonia, (and in a very limited part, Denmark) have registered a decline in labour utilisation (especially hours worked, but also in terms of a reduction in the employment rate in at least half of them). For the new Member States, labour productivity has continued to accelerate, from 4.4% in 1997–2000 to 5.5% in 2004.

Recent productivity trends in the EU contrast with the low levels of labour productivity in both the euro area and the EU-15 during the slowdown started in 2001. Indeed, growth of GDP per hour worked has averaged 0.8–1% per year during 2001–03 compared to 1.6–2.1% during the upturn in 1997–2000.

This was the result of the labour hoarding by companies while demand was weakening. But what can explain the recent resurgence in labour productivity growth? It appears highly likely that a great deal of the increase in productivity has a cyclical nature. Firms are faced with uncertainty regarding both current economic growth and demand for their products (this uncertainty is clearly reflected in the business survey results) and therefore have been rather reluctant to hire workers. This is a typical behaviour of firms in the short term to respond to shifts in demand by limiting the adjustment to a change in the intensity with which they use their labour and capital, instead of modifying the overall amount of productive factors.

To sum up, as typically occurs during the early stages of recovery, productivity has been the dominant engine of growth in output during 2004. A similar pattern can be observed in the United States where the strong growth in 2004 (4.5%) was entirely due to increases in productivity and in population, while the labour utilisation was negative as in the EU⁽¹⁾. Demographic trends (both in terms of dynamic of the overall size of population and the share of working-age population) have been an important source of the differences in the relative performance of the EU versus the United States over the last decade (see **Tables 7** and **8**), and are projected to be even more relevant in the coming decades given the impact of ageing in the EU.

⁽¹⁾ The employment performance in the United States during the beginning of the economic recovery has been very disappointing. A great deal of media coverage has often focused on the issue of 'jobless recovery', given the anomaly that the economy continued to shed jobs well past the beginning of the upturn. For details, see Section 5.

Table 7

GDP growth and its sources in 2004

	GDP growth in 2004	Due to growth in:					Working age population
		Population	Productivity (GDP/hour)	Labour utilisation of which	Hours worked per employee	Employment rate	
BE	2.9	0.4	3.3	-0.5	-1	0.2	0.2
CZ	4.4	0.1	5.8	-1.5	-1	-1	0.5
DK	2.4	0.2	2.1	0.2	0.1	0.1	0
DE	1.6	0	1.9	-0.3	-0.6	0.3	0.1
EE	6.2	-0.4	5.1	1.3	0.9	0.1	0.4
EL	4.2	0.2	3.2	0.7	0.1	0.9	-0.2
ES	2.7	0.6	1	1.2	-0.4	1.7	-0.1
FR	2.5	0.3	4.2	-1.8	-1.5	-0.4	0.1
IE	5.4	1.6	3.9	0.1	-1.2	1.1	0.1
IT	1.2	0.8	0.8	-0.2	-0.4	0.4	-0.2
CY	3.7	2.1	3.3	-1.3	-0.6	-0.7	0
LV	8.5	-0.4	8.4	0.6	-0.6	1	0.1
LT	6.7	-0.4	7.5	-0.5	-1.1	0.8	-0.1
LU	4.2	0.9	2.2	1.1	-0.5	1.7	0
HU	4	-0.2	4.7	-0.4	-0.2	-0.7	0.4
MT	1	0.8	1.2	-0.6	-0.6	-0.1	0.1
NL	1.3	0.3	2.9	-1.8	-0.2	-1.4	-0.2
AT	2	0.3	1.7	0.2	-0.1	0.2	0.1
PL	5.3	-0.1	5.3	0.2	0	-0.6	0.8
PT	1	0.6	1.4	-0.9	-0.5	-0.3	-0.1
SI	4.6	0	5.3	-0.7	-0.6	-0.1	0
SK	5.5	0	8	-2.3	-2.3	-0.4	0.3
FI	3.7	0.3	4.3	-0.8	-0.5	-0.1	-0.1
SE	3.5	0.4	4.9	-1.7	-0.9	-0.9	0.2
UK	3.1	0.2	3	0	-0.7	0.5	0.1
US	4.5	1	3.9	-0.4	-0.6	0	0.2
JP	2.7	0	2.9	-0.3	-0.4	0.5	-0.4
Euro area	2	0.4	2.1	-0.4	-0.6	0.2	0
EU-25	2.4	0.3	2.5	-0.4	-0.6	0.1	0.1
EU-15	2.3	0.3	2.3	-0.4	-0.6	0.2	0
EU-10	4.9	-0.1	5.5	-0.5	-0.4	-0.6	0.6

Source: Commission services.

*Labour market and wage
developments in 2004*

Table 8

GDP growth and its sources — 1997–2003

	GDP growth in 2001- 2003	Due to growth in:					
		Population	Productivity (GDP/hour)	Labour utilisation of which:	Hours worked per employee	Employment rate	Working age population
BE	1	0.4	0.2	0.3	0.4	-0.1	0
CZ	2.6	-0.2	4.7	-1.7	-1.9	-0.2	0.4
DK	0.8	0.3	1	-0.5	0.2	-0.5	-0.2
DE	0.3	0.1	1.2	-1.6	-0.5	-0.8	-0.3
EE	6.3	-0.4	5.4	1	-0.4	1	0.4
EL	4.2	0.3	3.4	0.1	0.3	-0.1	-0.1
ES	2.5	0.7	0.2	1	-0.3	1.1	0.1
FR	1.2	0.5	2	-1.3	-1.5	0.2	0
IE	5.3	1.6	4.6	-0.9	-1.5	0.1	0.4
IT	0.8	0.4	-0.1	0.2	-0.5	1	-0.4
CY	2.7	1.5	2.6	-1.4	-1.3	-0.2	0.1
LV	7.3	-0.7	6.8	1	-1.3	2	0.3
LT	7.6	-0.4	8.1	-0.1	-1.4	0.7	0.5
LU	2.3	0.9	-0.4	1.8	-0.7	2.4	0.1
HU	3.5	-0.3	3.3	0.4	-0.4	0.6	0.2
MT	-0.4	0.7	0.7	-2.2	-1.3	-0.7	-0.2
NL	0.4	0.6	-0.1	-0.2	-0.3	0.2	-0.1
AT	0.9	0.4	1.4	-0.8	-0.7	-0.3	0.2
PL	2.1	0	4.5	-2.2	-0.1	-2.5	0.4
PT	0.3	0.7	0.4	-1	-0.3	-0.6	-0.1
SI	2.8	0.1	4.3	-1.7	-1.3	-0.6	0.2
SK	4.3	-0.1	7.3	-2.4	-3.4	0.4	0.6
FI	1.9	0.2	2.2	-0.7	-0.7	0	-0.1
SE	1.5	0.3	2.2	-0.9	-1.3	0.1	0.3
UK	2.1	0.5	1.7	0.2	-0.7	0.5	0.3
US	1.9	1	2.3	-1.3	-0.6	-0.9	0.2
JP	0.4	0.2	1.5	-1.8	-0.4	-0.9	-0.5
Euro area	1	0.4	0.8	-0.5	-0.5	0.2	-0.1
EU-25	1.3	0.3	1.4	-0.5	-0.7	0.2	0
EUR-15	1.2	0.4	1	-0.3	-0.6	0.3	-0.1
EU-10	2.9	-0.1	4.6	-1.5	-0.9	-0.9	0.4

(Continued on the next page)

Employment developments and economic growth

Table 8 (continued)

	GDP growth in 1997- 2000	Due to growth in:					
		Population	Productivity (GDP/hour)	Labour utilisation of which:	Hours worked per employee	Employment rate	Working age population
BE	3.1	0.2	3.2	-0.4	-1.2	0.9	-0.2
CZ	0.8	-0.1	1.7	-0.9	0.3	-1.6	0.5
DK	2.7	0.4	1.8	0.7	0.1	0.8	-0.2
DE	2.1	0.1	1.7	0	-0.7	0.7	-0.1
EE	5.9	-0.9	7.7	-1.2	0.2	-1.8	0.4
EL	3.7	0.5	3.5	-0.6	-0.3	-0.5	0.2
ES	4.2	0.4	-0.2	3.7	0.1	3.5	0.1
FR	3.1	0.4	2.5	0	-1.1	1.1	-0.1
IE	10.2	1.2	6.1	2.9	-2	4.1	0.8
IT	2.1	0	1.2	0.5	-0.2	1	-0.3
CY	4.3	1.2	2.5	0.6	0.2	-0.3	0.7
LV	5.8	-0.9	5.8	1	0.2	0.3	0.5
LT	4.1	-0.7	5.6	-1	0.2	-1.4	0.1
LU	8	1.3	3.3	3.2	-0.3	3.6	-0.1
HU	4.7	-0.2	2.8	1.9	0.5	1.3	0.2
MT	4.7	0.6	3.8	#N/A	0.2	#N/A	#N/A
NL	3.9	0.6	1.6	1.5	-0.4	2.1	-0.2
AT	3	0.2	2.7	0.1	-0.1	0.1	0.2
PL	4.9	-0.2	5.5	-0.7	0.2	-1.7	0.8
PT	3.9	0.4	1.6	1.6	-0.9	2.4	0.1
SI	4.4	0	3.3	0.8	0.2	0.3	0.2
SK	3.1	0.1	4.7	-1.6	-0.1	-2.3	0.8
FI	4.9	0.2	3	1.5	-0.4	1.7	0.1
SE	3.7	0.1	2.7	1.1	-0.2	1	0.2
UK	3.3	0.3	2.3	0.7	-0.4	1	0.2
US	4.2	1.2	2.3	0.8	-0.1	0.6	0.2
JP	0.7	0.2	1.9	-2.1	-0.9	-0.6	-0.5
Euro area	2.9	0.3	1.6	0.7	-0.5	1.3	-0.1
EU-25	3	0.2	2.1	#N/A	-0.4	#N/A	#N/A
EU-15	3	0.3	1.8	0.9	-0.5	1.5	-0.1
EU-10	4	-0.2	4.4	#N/A	0.2	#N/A	#N/A

Source: Commission services.

4. Labour cost developments

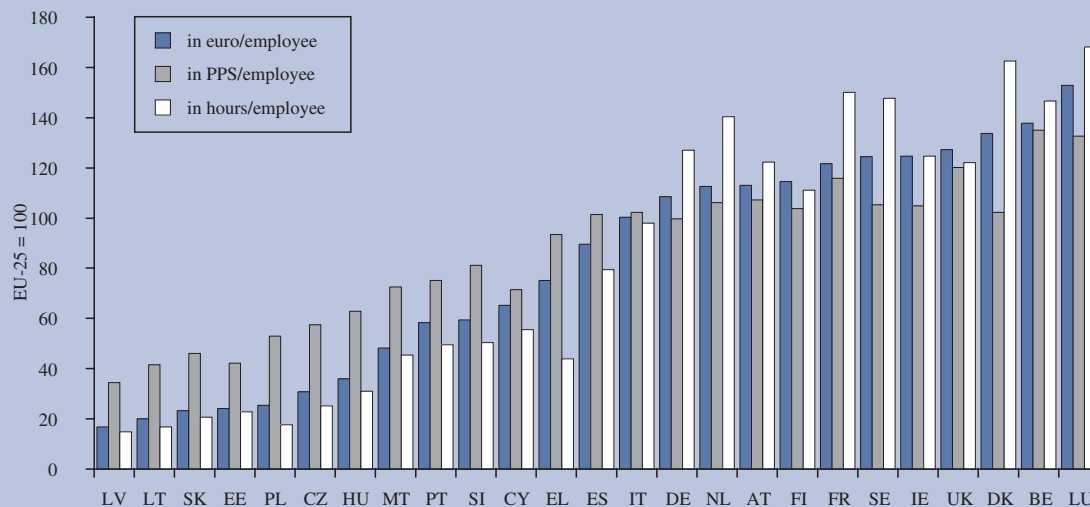
4.1. Challenge in monitoring labour costs for the EU-25

Labour costs are a key macroeconomic variable. They are crucial to understanding the employment performance in Europe, while having a strong bearing on both consumption and price stability. Labour demand equations prepared by the Commission (see Annex 3) indicate a fairly strong long-term elasticity of employment to real labour costs of around -0.4 to 0.5 %. In other words, a rise of 1 p.p. in real labour cost growth would entail a decline in employment growth of about 0.4 percentage points.

The monitoring of labour costs at EU-25 level is made difficult by the great deal of heterogeneity prevailing

across Europe, which limits the relevance of the analysis in terms of aggregate labour cost growth. The large difference in the economic situation across Member States can be seen in **Graph 6** below which shows a large variation of labour cost levels within the EU. When expressed in common currency, labour costs are highest in EU-15 countries (particularly Luxembourg, Belgium, Denmark and the United Kingdom) where labour costs are about a quarter higher than the EU-25 average. The lowest wages are recorded in the new Member States (particularly the Baltic countries and Slovakia), where they are approximately a quarter of the EU-25 average. Since price levels are lower in countries with lower GDP per capita, differences in labour cost levels are smaller when expressed in purchasing power than in current exchange rates.

Graph 6: Labour cost level in the EU-25, 2004



Source: Commission services.

To put the labour cost developments in a telling context, the remainder of this section will focus on developments in 2004 for the euro area, the non-euro-area EU-15 countries and the new Members States in turn. For all three groups, the report first describes nominal labour cost developments using a wide set of indicators and specific information on wage bargaining. Following this, an assessment is made of labour cost developments by relating them to macroeconomic determinants such as inflation, productivity and employment by considering the information from indicators like real labour costs, nominal and real unit labour costs.

4.2. The euro area

Developments in nominal labour costs

Labour cost growth in the euro area came down significantly in 2003 and remained at a low rate in 2004. The growth rate of nominal compensation per employee, which includes gross wages and salaries and employers' social security contributions, fell to 2.2 % from 2.5 % in 2003 and 2.7 % in 2002 (see **Graph 7**). This decline in the most comprehensive and internationally comparable measure of wage developments, suggests a further easing of labour cost pressure, which would be supportive to job creation and price stability. However, a more in-depth analysis of the factors behind labour cost developments suggests that a less complacent assessment is warranted.

A picture of constant rather than falling nominal labour cost growth in the euro area in 2004 emerges from the use of hourly compensation instead of compensation per employee. Since average hours per person employed declined by about 0.5 % in 2004, nominal compensation per hour worked grew by 2.8 % in 2004. This increase is marginally higher than in the previous year, but is still a sizeable 1 percentage point less than in 2000–02. The drawback is that data on hours worked are still relatively recent and their reliability is difficult to assess ⁽¹⁾.

Labour cost growth in the euro-area Member States varied significantly in 2004, ranging from almost constant nominal compensation per employee in Germany to annual growth rates of close to 6 % in Ireland and Greece. The deceleration of nominal labour cost growth per employee in the euro-area aggregate in 2004 is due

to strongly falling labour cost growth in two countries. In Germany and the Netherlands, the growth rate of nominal compensation per head plummeted from 1.5 to 0.1 % and from 3.2 to 2.2 %, respectively. A slight deceleration in labour cost growth was recorded in Italy and in Spain whereas labour cost growth accelerated in the remaining 7 out of 12 euro-area Member States in 2004. Excluding Germany and the Netherlands from the euro-area aggregate, growth in nominal compensation per employee would have been 3.1 % in 2004. This implies acceleration by almost half a percentage point compared to the year before and is a growth rate comparable to that observed between 1999–2002 (excluding the two mentioned countries).

Eurostat's hourly labour cost index points to a considerable deceleration in nominal labour cost growth over the last four years. The index increased by 2.3 % in 2004 after an increase of 2.7 % in 2003 and 3.7 % in 2001. Conflicting messages from different labour cost indicators have not been uncommon and are largely attributable to differences in coverage. In this case, it is quite apparent that labour cost developments in non-market services, which are not captured by the labour cost index, drove a wedge between the labour cost index and nominal compensation per hours worked.

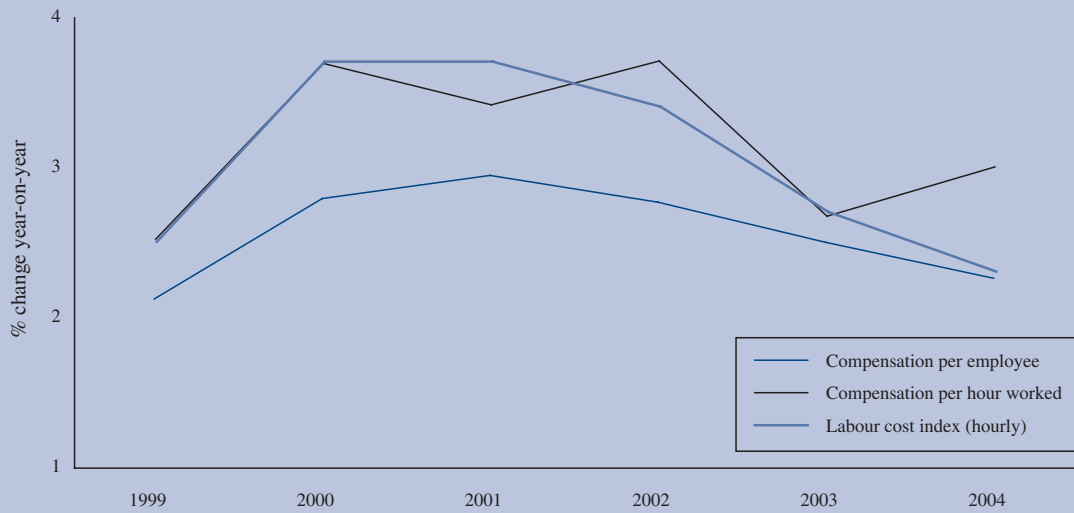
Collective bargaining did not fuel wage pressure in 2004. The ECB's index of negotiated wages grew by 2.2 % p.a., which is a continuation of the downward trend for a third year (2.4 % p.a. in 2003 and 2.7 % in 2002). Information collected by the European industrial relations observatory (EIRO) points to collectively agreed pay increases of 3.1 % in 2004, which is a rate unchanged from the previous year. The difference between both indicators is probably due to the treatment of data from France, which is not covered in the EIRO indicator.

Data on quarterly developments can be misleading and should be interpreted with care. Intra-annual labour cost data are notoriously difficult to analyse because volatility often masks the underlying trends. In many cases, erratic changes are simply due to the inclusion of lump sums, which are paid to employees to compensate them for forgone wage increases between the time of the expiry of the old wage contract and the agreement on a new wage contract in collective bargaining. However, two partly offsetting effects are worth noting:

- *a carry-over effect*: labour cost growth picked up in autumn 2003, with the consequence of the build-up of a carry-over effect that affects the annual average

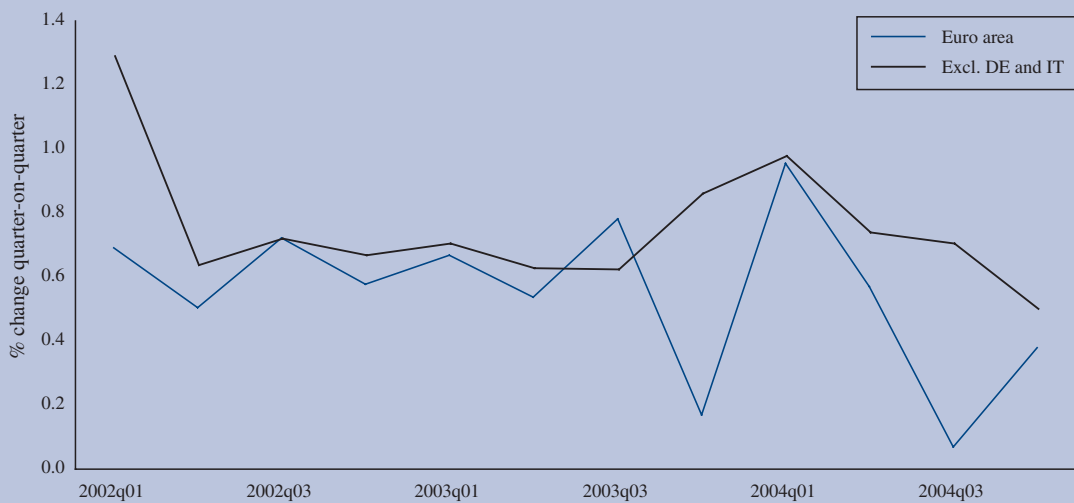
⁽¹⁾ Moreover, a quarterly or sectoral breakdown, except for industry, is not yet available and therefore most of the remainder in this section is based on the comparison of compensation per employee.

Graph 7: Labour cost growth, euro area



Source: Commission services.

Graph 8: Quarterly profile of labour cost growth, euro area



Source: Commission services.

for 2004. The magnitude of this effect, which leads to an overestimation of annual labour cost growth, can be quantified at about half a percentage point in 2004. This overestimation is also evident if the annual increase of nominal compensation per employee between the fourth quarter of 2003 and 2004 is calculated. It was 1.8 % in 2004, which is 0.4 percentage points less than the annual average indicates, and also 0.3 percentage points less than the growth rate a year earlier.

- *a country-specific effect*: the volatility of quarterly labour cost growth increased from summer 2003 onwards, which makes it even more difficult than usual to give a meaningful interpretation to developments in the course of 2004 (see **Graph 8**). While the magnitude of the peaks in quarter-on-quarter growth is comparable to past observations, the troughs were outstandingly low. In the fourth quarter of 2003 and first quarter of 2004, quarterly growth rates of compensation per head were just about 0.1 %, the lowest rates since the introduction of the euro in 1999. These troughs can be traced back to special developments in Italy and Germany (see **Graph 8**). When abstracting from events in these two countries, quarterly wages in the euro area grew at a considerably higher rate. The trend in this adjusted aggregate would have gone downward during 2004.

A sectoral breakdown available in the national accounts suggests that the deceleration of compensation growth in the euro area at large was broadly based across sectors. Labour cost growth in industry returned in 2004 to its 2002 value of 2.3 % from 3 % in 2003. Growth of compensation in market services ⁽¹⁾ continued its downward trend. Alternative sectoral labour cost indicators broadly support the picture given by national account figures ⁽²⁾. However, compensation growth in non-market services (which capture *inter alia* public administration, education, health and social work) picked up to 2.6 % in 2004. It is not surprising that labour costs grew stronger in non-

market services than in industry, which is much more subject to market forces and competition. This was already the case in 2001 and 2002. It should be noted that labour cost growth in non-market services accelerated despite negative labour cost growth in this sector in Germany. Excluding Germany would mean that euro-area labour cost growth in this sector would have been close to 4 % in 2004 after 2.7 % in the preceding year ⁽³⁾. Taking into account that about a third of all employees in the euro area are occupied in non-market services, labour cost developments in this sector have a considerable influence on aggregate labour cost data.

Assessing recent labour cost developments

The low degree of labour cost pressure which emerges from the data appears adequate when considering the euro area's cyclical situation characterised by a large output gap and high unemployment. However, it should be borne in mind that labour market developments tend to lag economic activity and thus, the recent deceleration of labour cost growth can be considered the response to the low economic growth that prevailed from 2001 onwards. The lagged response of wages to the cycle is, however, not mechanical and the cyclical pattern of nominal and real wages has not appeared evident since the mid-1995. The economic rebound that started in summer 2003 but which was interrupted in autumn 2004, has not translated into an upsurge of wage growth, at least according to the so far available wage indicators. This observation provides some further support to the notion that wages in the euro area tend to be rather insensitive to cyclical developments.

Moulded by the experience of the 1970s and early 1980s, the response of wage earners to an oil-price-induced loss in purchasing power has been a concern of policy-makers and in particular central bankers. At the current juncture, second-round effects have not been witnessed despite a non-negligible upsurge in energy prices. In fact, growth of nominal compensation per employee has exceeded consumer price inflation by just about 0.5 % in each year since 2000, and in 2004 real compensation growth in the euro area dropped further to 0.2 % p.a.. When comparing the impact of the oil price hiccup in 2000 on purchasing power with the recent increase in oil prices, two differences are worth highlighting. First,

⁽¹⁾ Sectors G–J covering services related to trade and financial intermediation, both broadly defined.

⁽²⁾ Eurostat's hourly labour cost index (LCI) for industry rose by 2.3 % in 2004, i.e. the same figure as in the national accounts. The difference is, however, that the LCI is based on hours worked while the latter on persons employed. Short-term business statistics, on the other hand, suggest a marked deceleration of hourly wages and salaries in industry, coming down to 2.0 % in 2004 from 2.9 % in 2003. As regards compensation in construction and the two market services of trade and financial intermediation, the reading of the hourly labour cost index corroborates the picture of decelerating growth rates. In these three sectors, the annual increase in the index was slightly above 2 % compared to around 3 % in 2003.

⁽³⁾ Note, however, that the euro-area figures are based on Eurostat estimates based on data for just five countries. Economic and Financial Affairs DG estimations of the governments' total wage bill of all the Member States points to decelerating growth in 2004.

despite the alleviating impact of a much stronger euro, the recent increase in oil price seems to yield a higher level of energy prices for a much longer period. Second, the impact in 2000 was cushioned by smaller increases in HICP excluding energy. Compensation deflated with this index grew at 1.7 % until 2001, compared to 0.3 % in 2004 ⁽¹⁾. Thus, it has been easier for wage earners to accept the deceleration in wage growth in 2000 than in 2003–05 as the previous one was considered as a temporary change in relative prices.

⁽¹⁾ There are still small differences between real wages deflated with consumer prices in the national accounts and the HICP due to different coverage of both concepts.

The assessment that wage growth did not jeopardise price stability holds for the euro-area aggregate but not for all Member States. When growth in **nominal unit labour costs** are looked at, it appears that they increased by less than 1 % in the euro area, which in terms of potential inflationary cost-pressure is comfortably below the 2 % threshold which would be compatible with the ECB's definition of price stability. This remains also true for the euro area as a whole, when the trend nominal unit labour costs (corrected for the business cycle) is considered. Nominal unit labour costs, however, increased by more than 2 % in a number of countries in 2004. In descending order and invariant to whether actual or trend productivity is used to calculate unit

Table 9

Nominal compensation per employee — percentage change per annum

	1999	2000	2001	2002	2003	2004	2005 ⁽¹⁾	04-Q1	04-Q2	04-Q3	04-Q4
Belgium	3.4	2.1	3.7	4.2	2	2.5	2.2	:	:	:	:
Denmark	2.2	4.2	4.6	3.2	3.6	3.3	3.3	3.8	3.2	3.2	3.3
Germany	1.1	1.9	1.6	1.4	1.5	0.1	0.5	0.8	0.5	-0.6	-0.3
Greece	6.5	5.8	5.2	9.5	4.1	5.7	5.9	:	:	:	:
Spain	2.8	3.8	3.9	4.1	4.2	4	3.7	4	4.2	4.1	4.1
France	2.1	2	2.9	2.7	2.2	3	2.8	3.5	3	:	:
Ireland	4.6	8.6	7.7	5	4.7	5.7	5	:	:	:	:
Italy	1.9	2.9	2.8	1.8	2.9	2.7	3	3.5	3.9	1	2.8
Luxembourg	3.6	4.7	3.9	3.7	2.1	3.2	3	:	:	:	:
Netherlands	3.1	4.3	4.8	5.5	3.2	2.2	0.9	2.3	1.7	1.9	2.2
Austria	1.5	2	1.2	2	2	2.3	2.2	2.3	2.4	2.2	2.2
Portugal	5.4	6.7	5.3	4.4	2.6	3	3.1	:	:	:	:
Finland	2.2	3.7	4.7	1.8	2.6	3.9	4.1	5.3	3.9	3.7	2.6
Sweden	1.3	7.5	4.5	2.9	3	3.4	3.5	4.1	3.8	2.8	3
United Kingdom	:	:	:	:	:	:	:	5	4.5	3.4	4.4
Cyprus	4.7	2.2	1	4.1	6.1	3.8	4.5	:	:	:	:
Czech Republic	9.3	5.4	7.4	6	6.6	5.5	6.5	:	:	:	:
Estonia	14.3	8.8	7.8	10.2	8.4	6.5	6.2	9.1	9.8	13.6	11.3
Hungary	5	15.8	15.3	12.6	8.8	9.8	7	:	:	:	:
Latvia	7.5	6.9	3.4	4	11.1	16.5	8	17.8	14.4	16.1	:
Lithuania	5.2	0	3.4	1.4	8.2	10	7.9	3.6	7.8	9.8	6
Malta	6.7	12.6	5.5	2.3	1.7	0.4	1.4	3.1	1.3	1.6	3.2
Portugal	5.4	6.7	5.3	4.4	2.6	3	3.1	:	:	:	:
Slovak Republic	:	:	:	:	:	:	:	10.8	11.9	8.3	9.8
Slovenia	7.5	11.8	11.6	10	7.8	6	5	:	:	:	:
New Member States (10 countries)	10.9	10.3	11	5.3	4.5	6.6	5.5	:	:	:	:
European Union (25 countries)	3.5	4.2	4.1	3.2	3	3	3	3.6	5.1	4.2	0.1
Euro area	2.1	2.8	2.9	2.7	2.5	2.2	2.2	2.7	2.5	1.5	1.8

⁽¹⁾ Commission spring 2005 forecast.

labour costs, these are Greece, Spain, Ireland, Italy and Portugal. These countries had already recorded higher growth in nominal unit labour costs than the euro area aggregate in previous years, implying a steady erosion of their price and cost competitiveness within the euro area.

The commonly used indicator for assessing the economic significance of labour costs for real developments are real unit labour costs, which relate real labour costs to productivity developments. Real unit labour costs fell in 2004 by 1.1 p.p. to a growth rate of minus 1.2 %, which is the largest drop since the introduction of the euro. This outcome needs to be seen in conjunction with the special cyclical situation in which it occurred. Typically, the early phase of an upswing is driven by a cyclical increase in labour productivity. Employment creation remains weak until the rebound becomes more mature, yielding a strong pro-cyclical increase in labour productivity growth that squeezes real unit labour costs and restores profit margins as wage growth doesn't typically respond at the early stage of the cycle. Such a pattern was evident in the euro area in 2003/04 when job creation did not keep pace with economic growth (see Section 3).

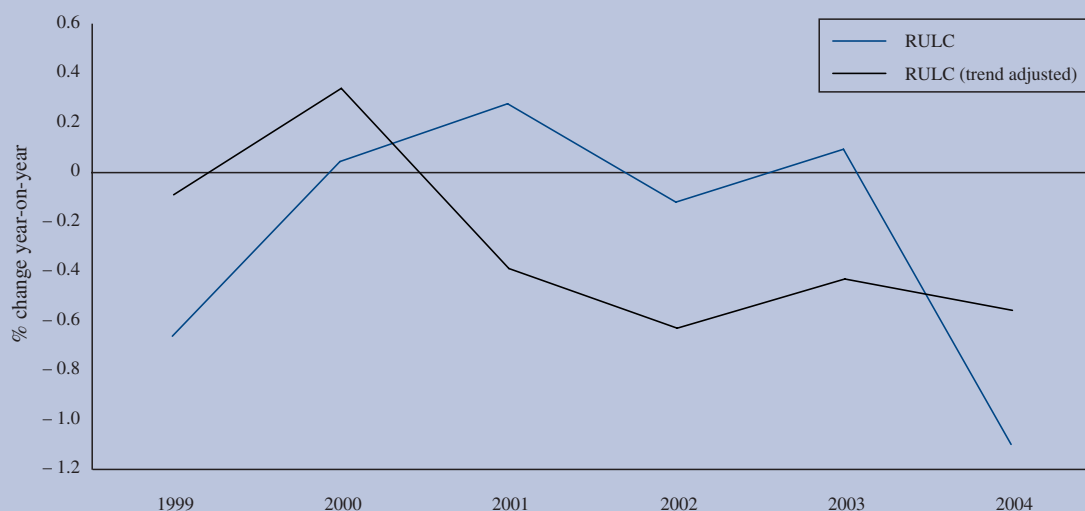
A more meaningful assessment of real labour cost developments should therefore be based on indicators that take the cyclical situation better into account than real unit labour costs. For instance, a completely different appraisal emerges from the behaviour of trend real unit labour costs, which adjusts real labour costs for trend labour productivity instead of actual labour productivity: Productivity outpaced labour costs more than real unit labour cost suggest on average over 2001–04. But, in contrast to what actual real unit labour costs indicate, there was no further deceleration in trend real unit labour costs in 2004 which corrects for the marked cyclical pattern of labour productivity (see **Graph 9**).

4.3. Denmark, Sweden and the United Kingdom (EU-15 outside euro area)

Trends in nominal labour cost growth

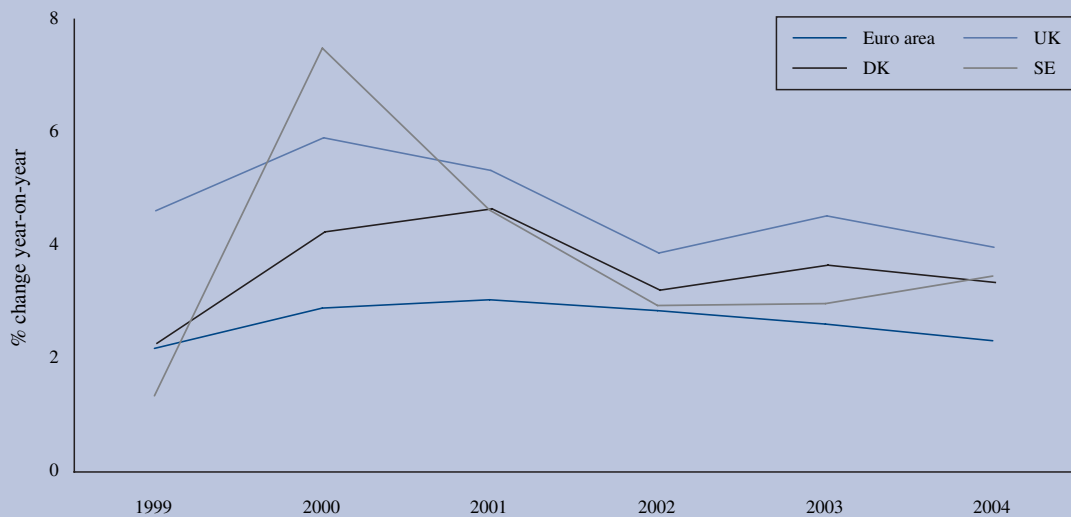
Labour cost growth in the three EU-15 countries outside the euro area broadly stabilised in 2004 compared to 2003. The growth rate in 2004 was nonetheless substantially higher than in the euro area (see **Graph 10**). The growth rate of nominal compensation per employee in

Graph 9: Real unit labour costs and adjusted labour costs, euro area



Source: Commission services.

Graph 10: Annual nominal labour cost growth, EU-15 countries out of euro area



Source: Commission services.

the United Kingdom, fell to 3.9 % from 4.5 % in 2003 (compared with 2.2 % for the euro area in 2004). Taking a longer term perspective, labour cost developments were much more moderate in 2002–04, compared with the period 2000–01.

Assessing recent labour cost developments

The stabilisation of labour cost growth was mainly related to the reduction in inflation in 2004 and the lagged effect of the economic slowdown in 2001–03. However, lower unemployment and higher productivity growth in this group of countries partly explained higher labour cost growth than in the euro area.

The cyclical pickup in productivity has led to a reduction of real unit labour costs, dampening the pressures on profit margin. This decline is still true for the United Kingdom and Denmark, as far as the trend real unit labour costs (corrected for the business cycle) are concerned.

4.4. The new Member States (EU-10)

Trends in nominal labour cost growth

When considering nominal labour cost growth in 2004, the new Member States can be clustered in three broad

groups. A first group, where nominal labour cost growth was below 4 %, includes Malta and Cyprus. A second opposite group consists of a number of countries where nominal labour costs grew stronger than 8 %, and includes Lithuania, Latvia, Hungary and Slovakia. The third large group is composed of countries where nominal labour costs grew between 4 and 7 % (see **Graph 11**).

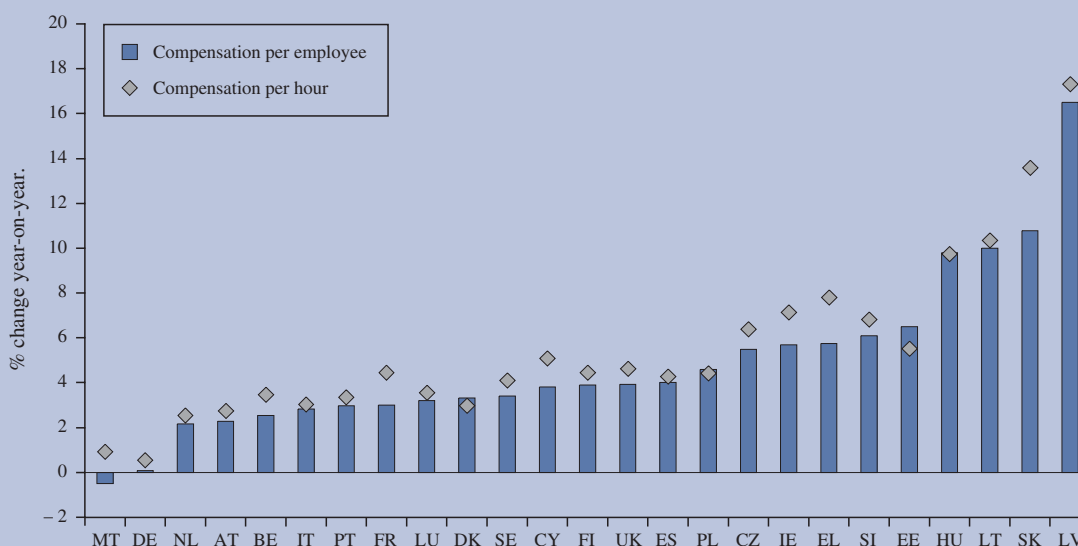
The clustering would be only slightly different if the reference series is labour costs in manufacturing. Manufacturing represents a declining share in total economic activity, but it seems to still set the pace in overall labour cost growth in many countries. High labour cost growth in manufacturing is observed in Hungary, Lithuania and Slovakia.

Assessment of recent labour cost developments

Labour cost growth in the new Member States can be assessed with respect to four criteria:

- The 2004 observation could be a continuation of a past trend or a deviation from it.
- The differences in real labour cost growth could imply a convergence of wage levels, countries with

Graph 11: Nominal labour cost growth in the EU Member States, 2004



Source: Commission services.

higher labour cost growth might catch up with the labour cost level in the rest of the EU.

- The observed differences in wage growth could be justified through similar increases in productivity.
- Finally, differences in real unit labour costs could reflect local market conditions, i.e. declining real unit labour costs in countries with high unemployment and rising real unit labour costs in countries with a tight labour market.

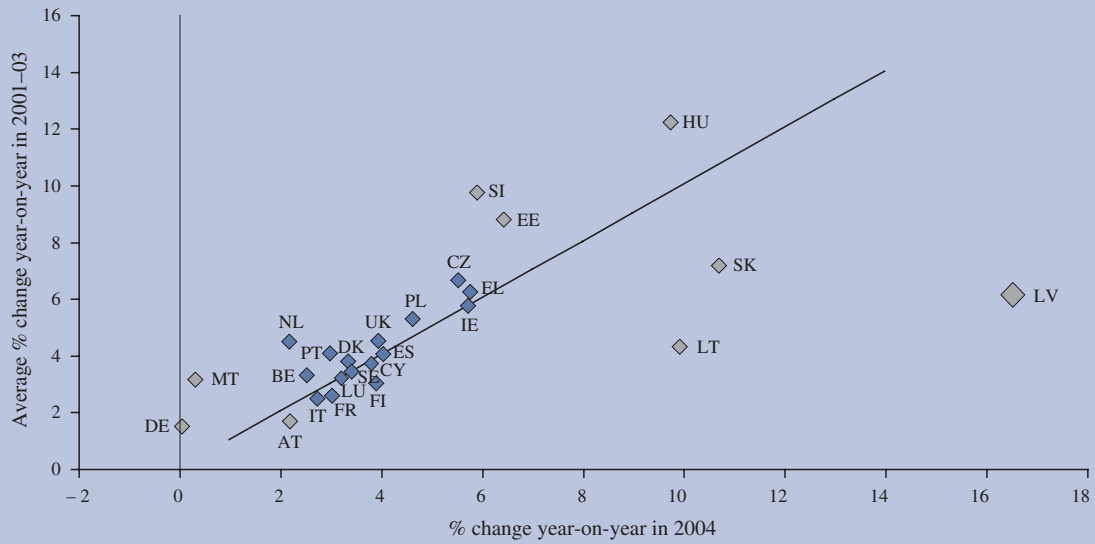
If labour cost growth over the period 2001–03 is compared with labour cost growth in 2004, it is obvious that in most countries their position in 2004 is a continuation of the trend in the previous three years (see **Graph 12**). The following exceptions should be mentioned. At the lower end of the spectrum, special cases are Malta, where labour cost growth in 2004 was a clear deceleration from the average labour cost growth of about 3 % in 2001–03. On the other side of the spectrum, labour cost growth in Lithuania, Latvia and Slovakia accelerated in 2004, while that in Hungary had already been high in 2001–03 and continued to be so in 2004. Labour cost growth in Estonia and Slovenia, which had been high in

2001–03, had converged to the lower labour cost growth in the other EU Member States.

High labour cost growth in the new Member States, which are endowed with a much lower labour cost level than the EU-15 Member States, suggests that labour cost growth could be driven by the process of catching up with the average EU level. Evidence in favour of convergence, which would show up in an inverse relationship between labour cost level and labour cost growth is not strong. For instance, this relationship is neither visible within the group of the EU-15 nor for the 10 new Member States and neither for nominal nor for real labour cost growth in 2004.

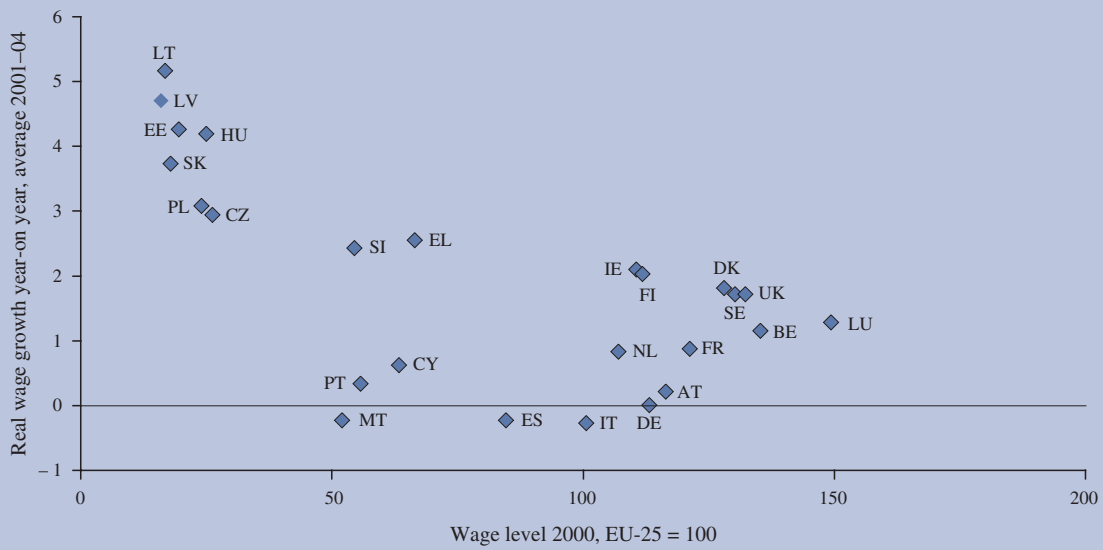
However, some patterns of convergence are visible if real labour cost growth over the period 2001–04 is looked at (see **Graph 13**). For instance, the Baltic countries had the lowest labour cost level in 2000 and the highest average real labour cost growth in 2001–04. Hungary, Slovakia, the Czech Republic and Poland also formed a relatively coherent group in terms of their labour cost level in 2000 and average labour cost growth in 2001–04. Slovenia, Malta and Cyprus have a labour cost level below the EU-15 average.

Graph 12: Nominal labour cost growth in the EU Member States, 2004 and average 2001–03



Source: Commission services.

Graph 13: Labour cost level and labour cost growth in the EU Member States, 2004



Source: Commission services.

Labour market and wage developments in 2004

Real unit labour costs, which adjust wages by labour productivity, fell in most of the new Member States in 2004 (see **Graph 14**). High real wage growth was not a real cause of concern since it was backed up by equivalent or stronger increases in labour productivity in most new Member States. For instance, relatively high wage growth in Estonia, Poland, the Czech Republic, Malta, Slovenia and Lithuania was more than offset by high labour productivity growth, leading to falling real unit labour costs. There are only few countries where real unit labour cost increased. While it rose by 1 % in Latvia, it increased by less than 1 % in Hungary and Slovakia. This measure is, however, strongly influenced by the pro-cyclical behaviour of labour productivity.

If labour productivity is adjusted for the cyclical component, the broadly favourable picture holds true. However, high increases in real unit labour costs of about 2 % are observed in Latvia, Slovakia and Hungary. The latter case is particularly worrisome because it means a continuation of increasing cyclically-adjusted real unit labour costs since 2000, only briefly interrupted in 2003. It also coincides with a 0.5 % reduction in employment in 2004 in this country. Concerning Latvia and Slovakia, the 2004 observation means a cutback of the gains in trend real unit labour costs registered in 2001–03. In the Czech Republic, real unit labour costs declined in 2004 after having risen for several years, representing an encouraging trend reversal.

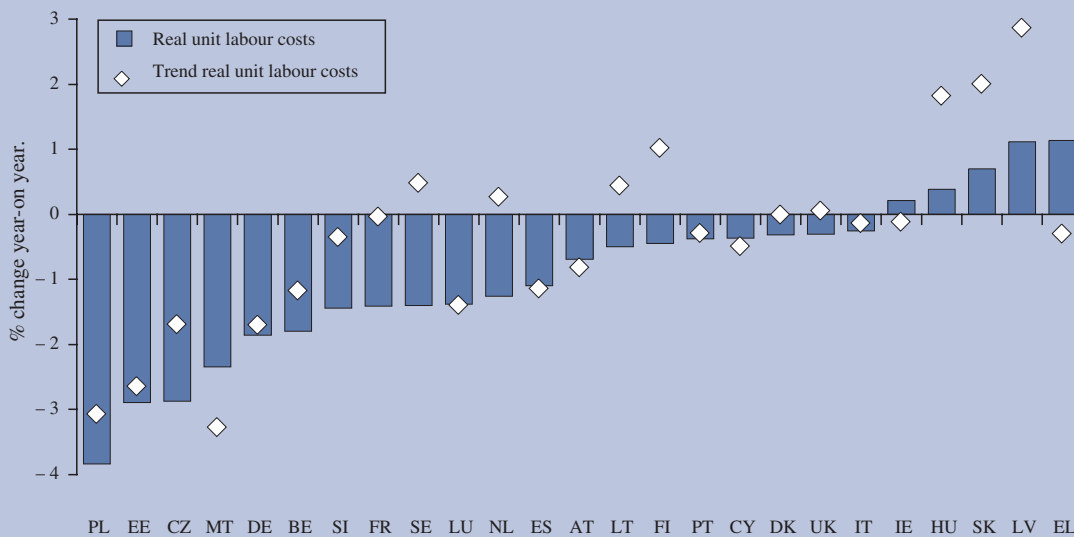
Table 10

Real unit labour costs — percentage change per annum

	1999	2000	2001	2002	2003	2004	2005 ⁽¹⁾	04-Q1	04-Q2	04-Q3	04-Q4
Belgium	0.1	-1.1	2.6	1.1	-1.1	-1.9	-1	:	:	:	:
Denmark	-0.1	-1.3	1.4	0.7	-0.2	-0.6	-0.2	-0.1	-1.3	-0.4	-0.7
Germany	-0.1	1.2	-0.1	-0.7	-0.5	-1.8	-0.2	-1.9	-2.3	-1.8	-1.4
Greece	0.1	-1.8	-2.8	1.6	-2.6	1.2	0.3	:	:	:	:
Spain	-0.7	-0.5	-0.7	-1.1	-0.5	-0.9	-0.8	-0.1	-0.3	-1.3	-1.6
France	0.4	-0.1	0.7	0	0.4	-1.4	-0.4	-0.9	-2.8	:	:
Ireland	-3.7	-1.4	-1	-3.7	1.4	0.3	-0.7	:	:	:	:
Italy	-0.2	-0.4	0.4	0.2	0.8	-0.3	-0.1	0.6	-0.6	-1.6	0.6
Luxembourg	-1.2	-2.5	6.1	3.1	-1	-1.2	-1.3	:	:	:	:
Netherlands	0.2	-0.8	0.2	2.2	0.8	-1.2	-0.8	-1.4	-2	-2.2	-1.9
Austria	-0.6	-2	-0.7	-0.7	-0.2	-0.6	-1.3	0.6	-0.6	-1.6	-0.9
Portugal	0.3	1.5	1.1	0	0.5	-0.4	0	:	:	:	:
Finland	1.5	-2.2	2.1	-0.8	0.5	-0.4	0.7	0.3	-1	-0.1	-0.8
Sweden	-1.7	4.1	3	-0.6	-0.8	-1.4	-0.4	-0.9	-1.7	-1.7	-1.1
United Kingdom	:	:	:	:	:	:	:	0.5	-0.2	-1	0.4
Cyprus	-0.6	-4.1	-3.9	0.8	0.4	-0.3	-1	:	:	:	:
Czech Republic	0.8	-0.4	0.2	3.2	0.8	-2.7	-1.4	:	:	:	:
Estonia	4.8	-5.6	-3.4	-0.3	2.1	-2.6	-2.4	1.9	1.1	2.3	-2.8
Hungary	-4.2	1.2	2.8	-0.1	-0.6	0.3	-1.2	:	:	:	:
Latvia	-2.4	-6.5	-4.2	-4	1.7	1.1	-2.4	4.7	7.1	-1.8	:
Lithuania	5.3	-8.6	-5.9	-1.2	1.7	-0.5	-1.1	-0.9	-5.1	-1.5	-4.3
Malta	-0.6	7.8	6.2	-1.4	-2	-1.2	-2.2	-4.2	-0.9	-1.6	-1
Portugal	0.3	1.5	1.1	0	0.5	-0.4	0	:	:	:	:
Slovak Republic	:	:	:	:	:	:	:	-2.1	1	0.2	1.1
Slovenia	-2.9	5.1	0.1	-1.9	-0.6	-1.6	-1.7	:	:	:	:
New Member States (10 countries)	-0.9	-1	2.4	-1.4	-1.9	-2.1	-1.1	:	:	:	:
European Union (25 countries)	-0.1	0.2	0.6	-0.4	-0.3	-1.1	-0.4	-1.1	-1.9	-1.7	0.8
Euro area	-0.1	-0.1	0.1	-0.2	-0.1	-1.2	-0.5	-0.8	-1.8	-1.5	-1

⁽¹⁾ Commission spring 2005 forecast.

Graph 14: Real unit labour costs in the EU Member States, 2004



Source: Commission services.

The cross-country variation in the growth of trend real unit labour costs is only loosely related to indicators of labour market tightness. Among the countries with an increase in trend real unit labour costs in 2004, two witnessed a rising rate of unemployment, namely Hungary and Slovakia. Unemployment fell despite an increase in trend real unit labour costs in Latvia and Lithuania. However, declining unemployment could be observed in conjunction with falling trend real unit labour costs in Estonia, Malta, Poland and Slovenia.

4.5. Overall summary on labour cost developments

Indicators of labour cost development clearly point to a continuation of the trend of wage moderation in 2004 in the euro area, the EU as a whole and in most Member States. Nominal labour cost growth was particularly high in some of the new Member States, which can be seen in conjunction with their low labour cost level and a strong increase in labour productivity. In Hungary, Slovakia and Latvia, labour cost growth nevertheless outpaced labour productivity growth. Among the old Member States, the same observation holds — if productivity is not adjusted for the cyclical component — for Greece and Ireland.

As regards the euro area, some of the indicators even suggest a further reduction in wage growth in 2004 compared to already low nominal labour cost growth in the preceding year. More detailed analysis suggests that the hypothesis of further deceleration should be taken with a grain of salt. The magnitude of the further deceleration was small, varying between zero and around a quarter of a percentage point. The decline is also not universally shared by all Member States but driven to a large extent by special developments in Italy and Germany.

Labour cost growth neither fuelled inflation nor did it depress firm profitability at the aggregate level. The transitory pickup in economic activity, which was witnessed in 2003/04, has not led to an increase in aggregate labour cost pressure, which remains supportive to the cyclical situation and a rebound in employment growth. While the change in real unit labour costs points to a marked easing of labour cost pressure, most of this decline is due to cyclical factors. If these are taken into account, there was still a slackening of wage pressure, but it was more modest than the drop in real unit labour costs indicates.

Wage claims and agreements in 2005 as well as those concluded in 2004 with effects on 2005 suggest a continua-

*Labour market and wage
developments in 2004*

tion of moderate wage growth. The Commission forecast envisages a marginal increase in nominal labour cost growth in the euro area in 2005 and 2006, which would — in constant prices — remain below labour productivity growth. Thus, provided that productivity expectations materialise, the pickup in labour cost growth in 2005 and 2006 would remain supportive to job creation and price

stability in the euro area. The forecast also assumes that labour costs will grow more in line with productivity developments in those new Member States that recorded an increase in real unit labour costs in 2004. The new Member States may afford continuously high labour cost growth conditional on equivalently high improvement in their productivity performance.

5. Special issue:

Risks of jobless growth in the EU

5.1. Background: the debate on a jobless recovery in the United States

Concern in the United States that the current economic cycle is not 'normal' as regards employment

Although employment responds with a lag of one or two quarters to changes in output, over the cycle employment and output are usually strongly correlated. Employment falls when the economy is contracting and rises when the economy is expanding. Firms usually decide to respond to demand of their output by adjusting their productivity and their employment. At the early stages of recoveries, when the information about their demand is limited, firms adjust productivity more than employment. Productivity and employment are pro-cyclical but, because of costs of hiring and firing, productivity fluctuates more than employment.

The recent US employment performance during the recovery has challenged the impression that business cycles are all alike. The recession, which put an end to the longest expansion of the US economy, was relatively short-lived, with mild impact on consumption and strong productivity growth. At the early stages of the recovery, US employment grew more slowly than what can be explained by sluggish output growth alone. The gains in employment during the recovery were less than what was observed for the average cycle and made the recovery jobless. Despite the employment growth of the second half of 2003, it was only in January 2004 that employment increased above the level recorded at the trough. The total number of hours worked also resumed very slowly compared to previous recoveries.

The feature that got a lot of attention was the long period of negative employment growth. This feature made many observers consider that the employment and unemployment behaviour was different from that observed for the average cycle and induced them to label the recovery as 'jobless' or 'jobs-loss' depending on the time horizon on which the post-recession employment behaviour is analysed (see **Graph 15**).

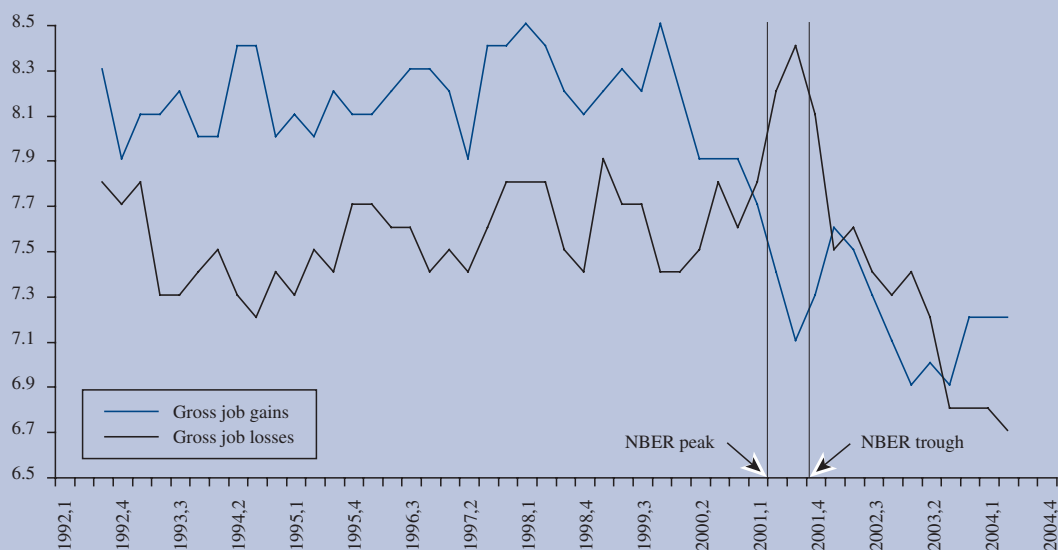
Different explanations have been given to the slow employment growth during the last recovery. Some have emphasised the role of economic restructuring, while others have focussed on the introduction of just-in-time employment practices, on the rationalisation of production after periods of long expansion or on the uncertainties on the timing and the strength of the recovery. **Box 5.1** briefly reviews the explanations given for the US lacklustre employment performance.

Is there a risk of jobless growth in the EU?

Will Europe experience the same employment patterns? Will these patterns be the same across European countries or will there be different mechanisms which will resume employment growth? Or, put differently, will Member States face the same employment challenges during the current recovery?

The remainder of this focus section tries to answer these questions. To this end, the next section provides some evidence of whether the recent EU recovery is unusual as far as the labour market is concerned. This is done by evaluating the conformity of behaviour of employment, unemployment, and the activity rate observed during the last cycle with that of the average of past cycles. On the basis of this analysis, Section 5.3 tries to identify the risks of jobless growth in Europe.

Graph 15: Job creation and job destruction in the United States (Gross job gains and losses as share of payroll employment)



Source: Bureau of Labor statistics.

Box 5.1: Explanations of jobless recovery in the United States

At least four different, and sometime complementary explanations of the slow employment growth during the last recovery in the United States have been given.

The first explanation relates the weak employment growth to the effects of *a non-temporary sectoral reallocation on job creation*. When sectoral shifts modify the relative demand of labour across industries, the need of a greater sectoral reallocation increases temporarily the natural rate of unemployment and reduces employment growth, especially when aggregate demand is uncertain. Displaced workers who have to find jobs in sectors different from those where they have acquired skills and competencies experience spells of unemployment longer than those who can search for jobs in the same sector ⁽¹⁾. In addition, the hiring process is lengthened when the proportion of permanent layoffs is high, which implies an increase in the median unemployment duration ⁽²⁾.

(1) The sectoral shift hypothesis of unemployment rate suggested by Lilien (1982) can be explained by different factors including labour and capital market imperfections that limit the possibility of moving of resources between sectors and imperfect matching due to the lack of the skills of displaced workers who have to fill positions in new expanding sectors.

(2) According to the Bureau of Labor Statistics (BLS) figures, the median weeks of unemployment reached 11.4 weeks in June 2003, the highest level since the historical maximum of 12.3 was achieved in May 1983. The Mass Layoff Statistics (MLSs) of the BLS track the effects of major job cutbacks, yield information on an individual's entire spell of unemployment, to the point when regular unemployment insurance benefits are exhausted. The MLSs provide detailed information on employment cutbacks and the resultant unemployment, including the location and industry of the firm experiencing the layoff, the reason for the layoff, the number of initial claimants for unemployment insurance (UI) benefits, the total number of persons separated and recall expectations. These characteristics are collected at two points in time — when an initial claim is filed and when the claimant exhausts regular UI benefits. In between these points, the unemployment status of claimants is tracked through the monitoring of certifications for unemployment (continued claims) filed under the regular State UI programme.

(Continued on the next page)

Box 5.1 (continued)

As jobs are permanently destroyed in some sectors, employment growth depends on new positions being opened in different industries, particularly in expanding industries, something very unlikely when uncertainties on the recovery prevail. The anaemic US employment performance in the quarters following the 2001 recession is unlikely to have been determined by a permanent sectoral reallocation, as suggested by the low rate of job creation and job destruction (**Graph 15**)⁽¹⁾. In addition, although the Lillien index of sectoral reallocation support the view that structural shifts occur in coincidence with recessions, during the last recession the index was neither too high nor persistent, suggesting that restructuring is unlikely to have played a significant role⁽²⁾.

A second explanation of the moderate employment growth is based on the idea that *flexible personnel policies contribute to the lacklustre employment performance* (Aaronson et al. (2004), Schreft and Singh (2003)). With uncertainties about the recovery, just-in-time employment practices allow firms to wait before opening new vacancies and hiring full-time workers until the signs of a robust recovery materialise in strong demand for their goods and services. Without such flexible arrangements, in periods of broad uncertainties some firms would hire people at the cost of running into the risk of poor profits if the demand for their products is weak. In contrast, other firms would wait before hiring, with the risk of not being able to sell as much as they could if their demand picks up. More flexible working arrangements change firms' hiring decision problem and give the opportunity of increasing employment 'just-in-time' when needed. Of course, since at the early stages of recovery, uncertainties prevail about the robustness of the pickup, firms respond to increasing demand entirely through higher productivity rather than through rising employment. Flexible arrangements give firms the possibility of exercising the option of hiring, conditional to demand conditions being satisfactory. This is the same problem of firms' investment under uncertainty. The possibility to tailor action to the contingency, specifically to refrain from hiring if demand conditions are weak or uncertain, gives a value to postponing the decision. Hence, it is not necessary to see large changes in the number of flexible working arrangements, as these practices give firms an option not to hire as they would have done otherwise⁽³⁾.

A third possible explanation of jobless recoveries relates to *the rationalisation of production after long periods of over-investment and over-hiring*. The weak recovery of employment is the outcome of firms' decision that, following long booms, take the opportunity of recessions to go through a period of a cleansing structural change. Koenders and Jorgenson (2005) claim that inefficiencies in the use of labour within firms emerge over time and that because of the costs of reorganisation of production activities, firms postpone restructuring (shedding labour in excess) until the next recession occurs. Hence, after a period of long expansion, where a large number of firms should have delayed internal restructuring, high aggregate job destruction would occur as many firms go through a period of internal organisation and shedding of labour. This would delay the moment at which employment would start to grow again during the recovery. The introduction of flexible personnel strategies amid a reorganisation of the overall production in a more efficient way may have combined the option value of waiting before hiring with the need of reducing inefficiencies in the use of labour accumulated during the 1990s⁽⁴⁾. Together with the experience of the recovery which began in the 1970s, the recent US experience gives some support to this view.

⁽¹⁾ According to the BLS business employment dynamics data, total job flows, after averaging at about 16% in the 1992–2001 period, fell to the lowest level since 1992 (14%). *Gross job gains* include the sum of all jobs added at either opening or expanding establishments while *gross job losses* include the sum of all jobs lost in either closing or contracting establishments. Hence, the sum of the two flows is a measure of the overall job reallocation. For the average quarter, the sum of all job flows (creation and destruction) corresponded to 16% of all employment flows in the current and previous quarters.

⁽²⁾ However, the most cited paper in the press refers to the measure by Groshen and Potter (2003) from the New York Fed, which considers each cyclical event as unique. On the basis of this measure, they argue that the level of restructuring was quite high. Their index has been criticised by Aaronson et al. (2004), from the Chicago Fed, as it does not capture the magnitude of across-industry variability of employment growth. These authors use the original Lillien index of structural reallocation corrected to respond to the Abraham and Katz (1986) critique that the index does not separate changes due to structural relocation from differential sectoral response to normal aggregate business cycle activity (e.g. Aaronson et al (2004) and Rissman (1997)).

⁽³⁾ Schreft and Singh (2003) show that, during jobless recoveries, permanent workers are substituted with workers hired from temporary work agencies, full-time with part-time workers, overtime with straight-time hours. These patterns were also partly observed in the first four quarters following the 2001 recession. The increase in overtime hours was more limited than in the average cycle and offset the decline in the non-overtime hours, which made the recovery 'hour-less'.

⁽⁴⁾ Performance-related pay of the chief executive and the decline of the number of workers covered by union contracts may encourage a more efficient work reorganisation. A reorganisation of production is also possible thanks to the introduction of new technologies which improve the inventories-sales ratio.

(Continued on the next page)

Box 5.1 (continued)

A somewhat different type of explanation of jobless recoveries, which is part linked to the argument on more flexible employment policies concerns *macroeconomic uncertainty*, which can be considered to be a stand alone reason for low employment growth at the early stages of economic recoveries ⁽¹⁾. Firms usually respond to increases in aggregate demand with more productivity growth rather than with employment growth. As the signals of the recovery consolidate, labour demand increases follow the initial increase in productivity and profit margins. The combined effect of increasing trend productivity growth with a temporary pause of aggregate demand may further delay the time at which employment starts growing again. Okun's law postulates a negative relationship over the cycle between the deviation of unemployment from its natural rate and the output gap. If potential output grows because of new breakthrough technology, while demand fails to keep pace with such increasing potential, then with an unchanged labour force much more GDP growth is needed for the employment rate to increase above its trend. According to this interpretation, unemployment is expected to start decreasing and employment increasing as the recovery consolidates. In addition, the employment losses would be only temporary if part of the increase in productivity growth is permanent and not simply transitory ⁽²⁾.

(1) During the last cyclical episode, productivity growth played a prominent role in bringing the US economy out of the recession. According to calculations of the Fed of Boston, from the recession trough to 2003:4 output grew by 8.5%, hourly productivity by 9.9% while employment and hours per worker fell respectively by 0.6% and 0.7%.

(2) In reality, one should distinguish the effects on employment of increases in trend productivity due to the introduction of labour saving innovation and technologies and those made possible by the introduction of new products at higher value added (i.e. product innovations). In the case of product innovations, the effects on labour demand are direct and positive. In the second, they depend on productivity increases being transferred in lower producer's and consumer's prices, which boost demand for goods produced. Of course, the process is smoother the more competitive are the product markets (including retail trade and distribution).

5.2. Is the European cyclical labour market performance unusual?

5.2.1 Employment and productivity

Comparison of current cycle with a 'reference' cycle based on past trends

This section compares the behaviour of employment, the unemployment rate and activity rate around the last cycle with the behaviour observed during the 'average' cycle (see **Box 5.2** for an explanation of the method used to compute the average cycle). Different cycles are characterised by different rates of growth of GDP. Hence, it is not correct to compare the behaviour of employment in different cycles without explicitly taking into account the growth rates of GDP. Hence, we look at the evolution of output during past cyclical turning points, which helps identify whether the dynamics of productivity at the early stages of recovery are as those seen during the average recovery in the past.

Some differences in employment developments in this economic cycle

For the five largest countries, **Graph 16** shows the path of GDP and employment before and after the trough for both the average business cycle (the panels in the first row) and the last cyclical episode (the panels in the sec-

ond row). Data for quarters to the right (left) of the trough are an indicator of labour market reaction to the recovery (slowdown). The trough quarter of GDP is indicated by the vertical dotted line. At the trough, the level of employment is normalised to 1. A value larger than 1, say 1.01, indicates that employment in that quarter was 1 % higher than the level at the trough. Since we want to understand if and how the current employment behaviour is unusual by historical standards, the recent episode does not enter into the determination of the average cycle. The area coinciding with the gap between the blue line (GDP) and the black line (employment) shows the evolution of productivity in the quarters approaching the trough and four quarters into the recovery. For example, in France, GDP was about 3 % higher than the trough four quarters into the recovery that started in the second quarter of 2003, a performance not so different from what was seen in the average of past recoveries. However, contrary to what was observed in the average recovery, during the last cycle, employment after one year of recovery was still below the level observed at the trough.

Compared to the average recovery, employment behaviour at this stage of the cycle clearly appears to be much more dynamic in all five countries but France. During the last upturn, employment kept growing in Spain, Italy and the United Kingdom, while in Germany it declined

Box 5.2: How to analyse the conformity of the current cycle with that of the average cycle

To gauge whether the current employment performance is unusual, it is necessary to have some reference cycle against which one can compare the current behaviour. A natural way to do this is to look at past peaks and troughs of the GDP cycle (i.e. the deviation of GDP from its trend, its cyclical component) to identify contractions and expansions and then average the behaviour of labour market variables over all contractions and expansions to get a representation of the average cycle. A contraction is defined as a fall of the cyclical component from a peak to a trough while an expansion is defined as an increase in the cyclical component from troughs to peaks. Obviously contractions do not coincide with recessions which are usually rare events.

Since our analysis is at quarterly frequency, it was not possible to identify cyclical troughs and peaks with Directorate-General for Economic and Financial Affairs estimates of the yearly output gap. Baxter and King (BK) have proposed a band-pass filter that is designed to filter out all high and low frequencies of the business cycles. BK adopted a filter which filters out components of the time series leaving only fluctuations between six and 32 quarters (i.e. 1.5 years and eight years). In empirical applications, one has to approximate the ideal band-pass filter, which is an infinite weighted moving average, with a finite moving average implying that a certain number of observations are lost by the procedure. To avoid this problem, Artis et al. (2003) approximate the BK cycle subtracting the HP trend with smoothing parameter $\lambda=0.52$, which defines a low-pass filter dampening fluctuations with a period smaller than four quarters, from the HP trend with smoothing parameter $\lambda=677$, which in turn defines a low pass filter dampening fluctuations with a period smaller than eight years. The difference between the two HP filters is a two-sided HP filter which considers only fluctuations between five quarters and eight years and approximate closely the BK cycle. This two-sided HP filter is used to date the cycle.

The time coverage differs for the countries considered in the analysis and therefore the number of expansions and contractions differ as well. The method adopted to date the cycle gave the troughs quarters in the table below. Since the dating of the cycle depends on the extraction of the trend component from GDP, it should be considered as subject to margin of errors.

Germany			1982q4	1989q3	1993q2	1998q4	2003q2
Spain	1979q2		1981q2	1986q2	1993q3	1998q4	2002q4
France		1981q1	1987q1	1993q3	1997q1	1999q1	2003q1
Italy	1972q4	1975q2	1977q4	1983q1	1993q3	1996q4	1999q1
UK	1972q1	1975q3		1981q1	1985q4	1992q3	1999q2

Once the troughs have been identified, it is possible to compute the growth rate of any variable of interest with respect to the level assumed at the trough. In symbol, let x_0^i be the level of (say) employment at the trough of cycle i and x_j^i the level of employment j quarters before or after the trough (with $j=-4,-3,-2,-1,0,1,2,3,4$). The quantity x_j^i/x_0^i is one plus the cumulated growth j quarters following the trough of cycle i . The average of this quantity over all the identified cycles

$$\frac{\sum_{i=1}^n x_j^i}{n x_0^i}$$

is a measure of the cumulated growth j quarters following the trough of the average cycle.

in the four quarters before the trough, approximately as much as in the average cycle, and reached employment levels above the trough only after one year. In France, employment grew more than in the average cycle up to one quarter before the lowest point of the GDP cycle, and, contrary to historical record, fell during the following four quarters of the recovery.

.... which also translates into 'unusual' productivity developments

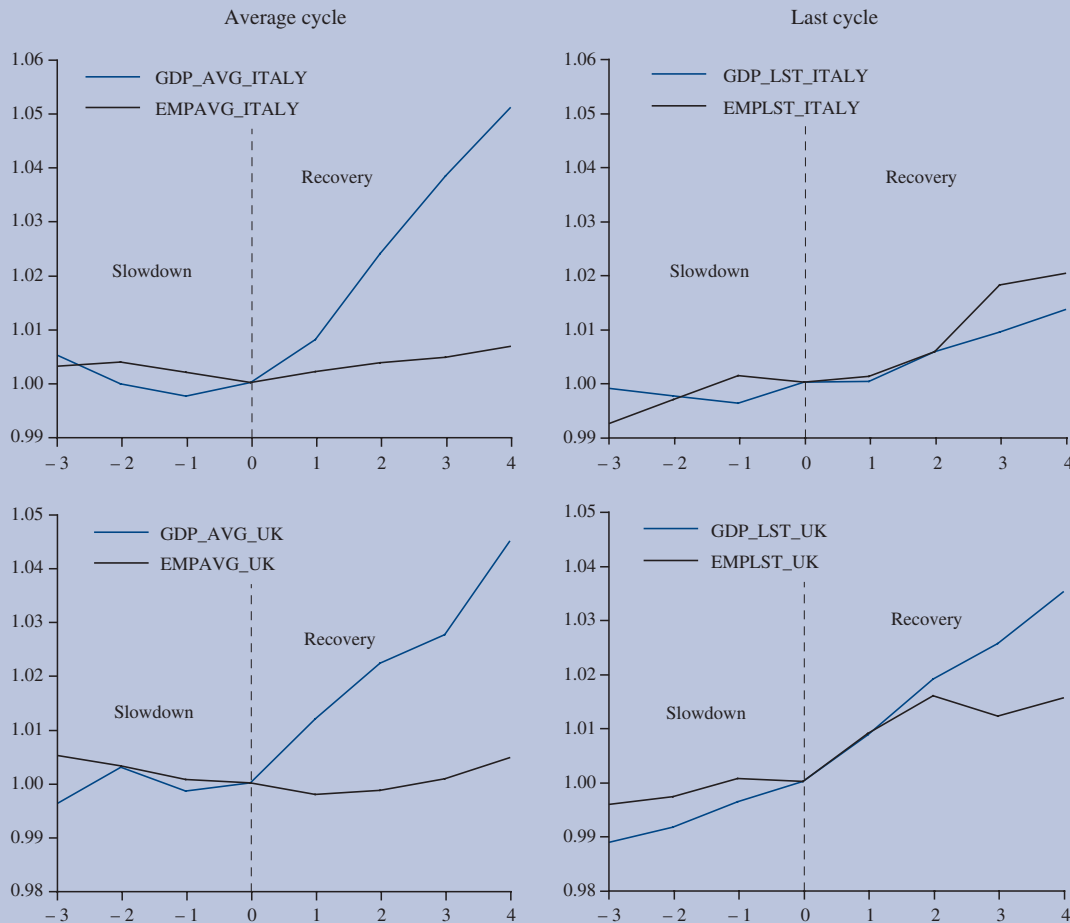
During the last cyclical episode these employment paths translated into unusual dynamics of productivity. An increase in productivity at the early stages of recovery is not surprising, as productivity tends to behave pro-cyclical.

Graph 16: An unusual cycle? A comparison of the current cycle with past cycles in five EU Member States (Employment and GDP patterns in selected countries)



(Continued on the next page)

Graph 16 (continued)



NB: Each series is rescaled setting equal to 1 the value registered in the quarter in which the cycle bottoms out. Each panel plots the relative performance of employment (GDP) in the period leading to the trough; quarters to the right show the data during the subsequent recession and recovery. The average cycle has been constructed for all recessions and recoveries excluded the last episode. For example quarter 4 is the fourth quarter into the recovery as quarter 0 is the quarter of the trough. Recessions and recoveries are identified as in Artis, Marcellino and Proietti (2003) by a two-sided HP filter which considers only fluctuations between five quarters and eight years.

Source: Commission services, OECD quarterly labour force statistics.

cally in all industrialised countries. What is more unusual is that productivity rises occur because of positive output growth and negative employment growth. The past evidence seems to suggest that initially firms respond to increases in aggregate demand more through higher productivity than through higher labour demand, especially in Germany, Italy and the United Kingdom. During the last recovery they did the opposite, particularly in Spain and Italy, and to a less extent in the United Kingdom. France is the only country with an increase in productivity much larger than what is typically seen during the average recovery, reflecting an unusual negative

response of employment to changes in output. The flat or negative employment growth in countries such as Germany and France after one year of the minimum output gap point is unusual and may be related to labour hoarding during the slowdown. Similarly unusual is the flat or declining productivity growth in Spain and Italy.

Need to consider structural employment and productivity developments

At the early stages of the last recovery, a dynamics of employment and productivity different from that

observed for the average cycle is not sufficient to identify the sources of such difference. A change in productivity and employment growth may reflect either a change in the trend components or a temporary response of firms to the business cycle, with different implications in terms of employment growth. When the increase in productivity is permanent, the labour demand is expected to increase (in the **Graph 17** below it shifts from L^0 to L^1). In contrast, a temporary increase in productivity may also occur with a modest or negative employment growth, especially when uncertainties prevail on the path of the recovery (in the extreme case that an increase in output is not accompanied by an increase in employment, the labour demand curve in the graph below does not move i.e. productivity rises). In this case, the pause in employment growth would be longer the more delayed is the pickup in economic activity. In the remaining part of this section, we analyse the evolution of trend employment and trend productivity and then of its temporary components.

Annex 4 explains the measure of structural employment and trend productivity used in this section. During the first half of the 1990s, the actual employment rate was below its structural rate with a gap that started to close during the second half of the decade (see **Table 11** and **Graph A4.1** in Annex 4). From 2000, the actual employment rate has been growing at its potential in Spain and Italy (but in the latter only until 2003) and above it in France and the United Kingdom. In Germany, the employment rate was below its trend over all the time period. If, as suggested by the small EU-15 employment gap, the employment rate is at around its equilibrium level, then there are risks that the recovery may soon meet the limit of a low participation rate. The labour market may rapidly become tight and the recovery will be either short-lived or a jobless one.

The growth of trend productivity (see **Graph A4.2** in Annex 4), which, notwithstanding the recent rebound in Italy and France, appears to slow down in the main countries of the euro area, gives rise to the question of whether increasing employment rates not accompanied by a growing labour supply are sustainable in the long-run — an issue we start to explore below after having examined the cyclical behaviour of employment and participation. In terms of **Graph 17** above, as the recovery takes momentum, the consequent increase in labour demand not accommodated by an increase in the labour supply (or counteracted by a decrease in labour supply due to demographic developments, with a shift from

E^0 to E^1) would raise wage pressures which outweigh the initial increase in the demand for labour.

Different developments across Member States

While an increase in trend productivity growth leads to an increase in labour demand, temporary deviations of productivity may not necessarily be associated with increases in the amount of employment required (by the existing production processes) ⁽¹⁾. The deviations of productivity and employment from their respective trends provide important information on the mechanism that should bring actual productivity (and employment) back towards its long term path.

From 2002, the gap between actual and trend productivity has been increasingly negative for Italy and Spain ⁽²⁾, while in France and the United Kingdom it started to decline between 2003 and 2004. In Germany, where actual productivity was above trend, the gap closed during the recent slowdown.

In terms of employment rate, in Spain where it is rising along its long-term trend, the adjustment of productivity should not necessarily imply a significant change in employment growth, while an acceleration of the output driven by the domestic demand should contribute to closing the gap ⁽³⁾. In France, where the employment rate was about 1 % above trend from 2001 and 2003, a quite strong adjustment occurred between 2003 and 2004 which made these years ‘jobless’ and brought the level of the actual employment rate to around its trend. Consequently, the adjustment of productivity toward its trend should be driven by increases in output rather than by reductions in employment.

Different is the case of Italy and Germany. In Italy, the trend employment rate has been growing at slightly less than 1 % per year since 1996, with no apparent change during the years 2000–04. However, from 2003, the actual employment rate has been increasingly above its trend. With actual productivity below its trend and actual employment above trend, a period of moderate low or even negative employment growth, with a pattern simi-

⁽¹⁾ However, see footnote 2 of the box on page 40 for the conditions of a trend-productivity-induced reduction of employment being temporary.

⁽²⁾ This finding does not change when trend productivity is computed from trend GDP and not from potential GDP.

⁽³⁾ According to the Commission Spring Forecasts, employment growth is unchanged at about 2 % for the 2004–06 period. Commission (2004) Spring Forecasts.

Graph 17: The impact of a permanent increase in productivity on labour market equilibrium

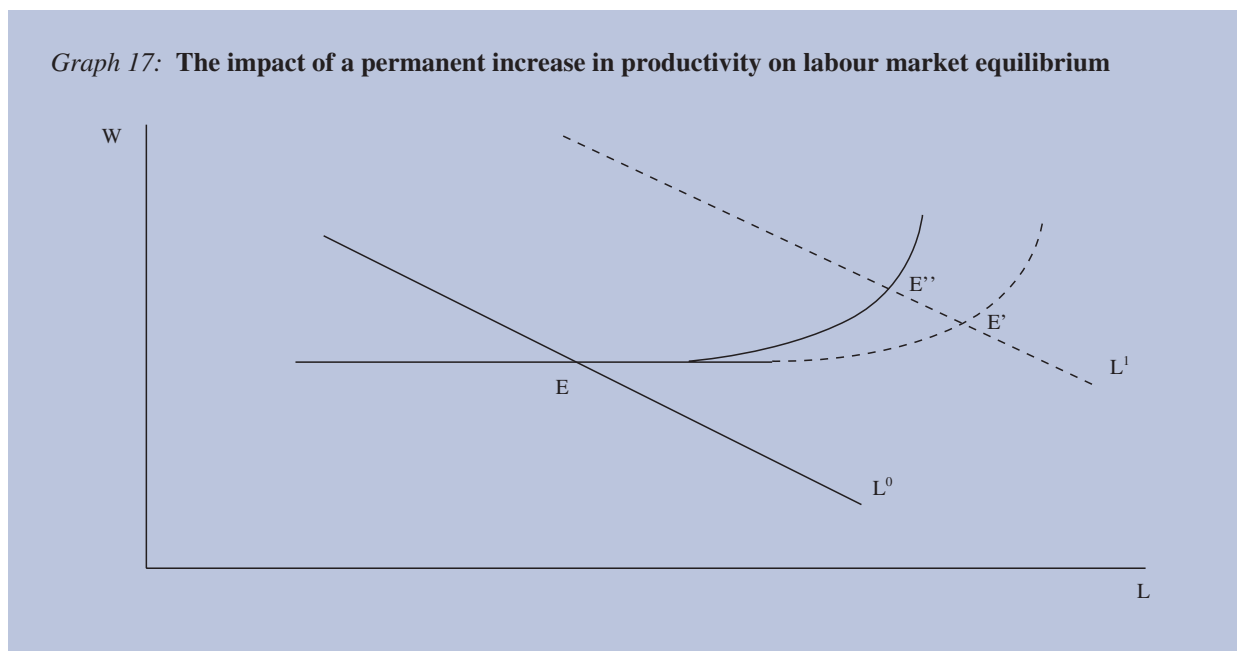


Table 11

Employment and productivity growth in the 1990s

	EU-15 ⁽¹⁾		Germany ⁽¹⁾		Spain		France		Italy		United Kingdom	
	trend	actual	trend	actual	trend	actual	trend	actual	trend	actual	trend	actual
Employment												
1991-95	0.7	-0.3	0.6	-0.9	1.8	-0.2	0.2	-0.1	-0.8	-1.8	0.5	-0.2
1995-2004	0.8	1.2	0.0	0.0	2.3	3.6	0.9	1.1	0.8	1.3	0.6	0.8
Productivity												
1991-95	1.4	1.7	1.7	2.2	0.9	1.4	1.5	1.2	2.2	3.1	1.6	2.7
1995-2004	1.3	0.9	1.4	1.2	0.7	-0.3	1.2	1.0	0.8	0.2	2.2	2.0

⁽¹⁾ For 1995-2003 for EU-15 and Germany.

Source: own calculations on AMECO database.

lar to that observed in France, cannot be excluded for Italy. In Germany, until 1997, productivity was growing above trend while the employment rate was rapidly falling below trend. Since then, actual productivity gap returned back towards its trend while the employment rate remained stubbornly below trend. With the current productivity at about its long-term trend and with employment below its structural level, the German economy suffers a problem of insufficient labour demand which is only partly related to weakness of the cycle as suggested by the stable employment rate trend.

5.2.2 Unemployment and participation rates

An unusual cycle in terms of unemployment

The employment patterns seen at the early stage of recoveries are only partially transferred to the unemployment rate as the participation rate also tends to move over the cycle. Usually, participation increases over the cycle as those who gave up job-search because of the perceived poor employment prospects decided to start searching again when their perception of employment chances shifted. To get an insight into the relationship between

employment, activity rate and unemployment rate, **Graph 18** provides a comparison of the behaviour of the unemployment rate and the activity rate at the turning points of the average cycle and of the last cycle ⁽¹⁾.

In terms of unemployment rate, the recent behaviour appears for all countries different from that of the average recovery. One year into the average recovery, unemployment was still higher than at the trough, suggesting both a delayed response (as in the United Kingdom, France and Germany) and high persistency (as for Spain and Italy). In the last recovery, the unemployment cycle became much more synchronous with the GDP cycle in Spain, it rapidly went up in Germany and France (by almost 0.5 p.p.), while it continued its long-term fall in Italy and the United Kingdom. Similar unemployment patterns may hide completely different participation and labour demand behaviour over the cycle. For example, in France and Germany, unemployment increased respectively from 9.4 % and 9 % in the second quarter of 2003 (the trough of the GDP cycle for these countries) to 9.6 % in the fourth quarter of 2004 (the latest available figure as of writing). However, while in Germany the increase in the unemployment rate is associated with an increase in participation, in France the increase in the unemployment rate occurs with a moderately declining employment and participation rate, an indication in the latter country of both weak labour demand and probably of some form of discouragement of labour supply.

An increase or decrease in the participation rate over the cycle is not necessarily a sign of a falling labour supply as it might reflect people's discouragement in finding a job rather than a simple voluntary choice. We provide evidence of the discouragement effect indirectly through a simple statistical model, looking at the average unemployment duration and describing the annual gross flows of workers between the three labour market statuses of the ILO (employed, unemployed and inactive).

Sign of worsening labour market performance: a look at the average duration of unemployment spells...

The behaviour of participation in France seems to be related to the diminished labour market opportunities.

Graph 19 shows the short-term (less than 12 months) average unemployment duration and the total unemployment rate for the five largest EU countries. With the only exception of Germany, where the average duration of spells of unemployment increased only temporarily in 2003 (just off the all time high), in the remaining countries there is a decline trend in the average number of months needed for unemployed (by less than one year) to find a job. And this average did not increase at levels recorded in other recessions or periods of high unemployment. However, the divergence between the unemployment rate and the average duration of short-term unemployment observed in Germany and France in 2003 and 2004 suggests a lengthening of the unemployment spells for those unemployed for more than 12 months.

...and the transition rates from different labour market conditions...

Useful information on the dynamics of the labour market can be obtained from the inter-temporal flows among the States of employment, unemployment and out of the labour force, details of which are described in **Annex 5** ⁽²⁾. The tables and graphs there (Table A5 and Graphs A5.1-A5.3) show the proportion of people in each of the three ILO States (unemployed, employed, inactive) conditional on being in one of the other two States one year earlier. As regards the main transition, the following observations emerge:

- *The transition from employment to different labour market status:* the probability that an employed person will be out of the labour force one year later fell in Italy, Germany, and the United Kingdom while it slightly increased in Spain and in France. With the only exception of Germany, the number of unemployed that were employed one year earlier declined in all countries. In the last years, this number increased further for Germany and slightly for France. The persistence ⁽³⁾ of employment picked up very slowly after the decline that followed the recession of the early 1990s.
- *The transition from inactivity to different labour market status:* there is much less persistence over-

⁽¹⁾ Data for the activity rates and employment rates at quarterly frequencies are not available. The quarterly employment rates have been calculated from the OECD quarterly LFS statistics dividing employment by the 15–64 working age population. The quarterly figures for the population have been obtained by interpolation assuming constant population growth within the year. Then the activity rates are derived from the unemployment and the employment rates.

⁽²⁾ Unfortunately, this information is available only at annual frequency. Hence it is not possible to identify infra-year transitions highly informative for understanding the cyclical behaviour of the participation rate.

⁽³⁾ In this context, we define persistence as remaining in the same status (i.e. employed, unemployed or inactive) conditional of being in that status one year before.

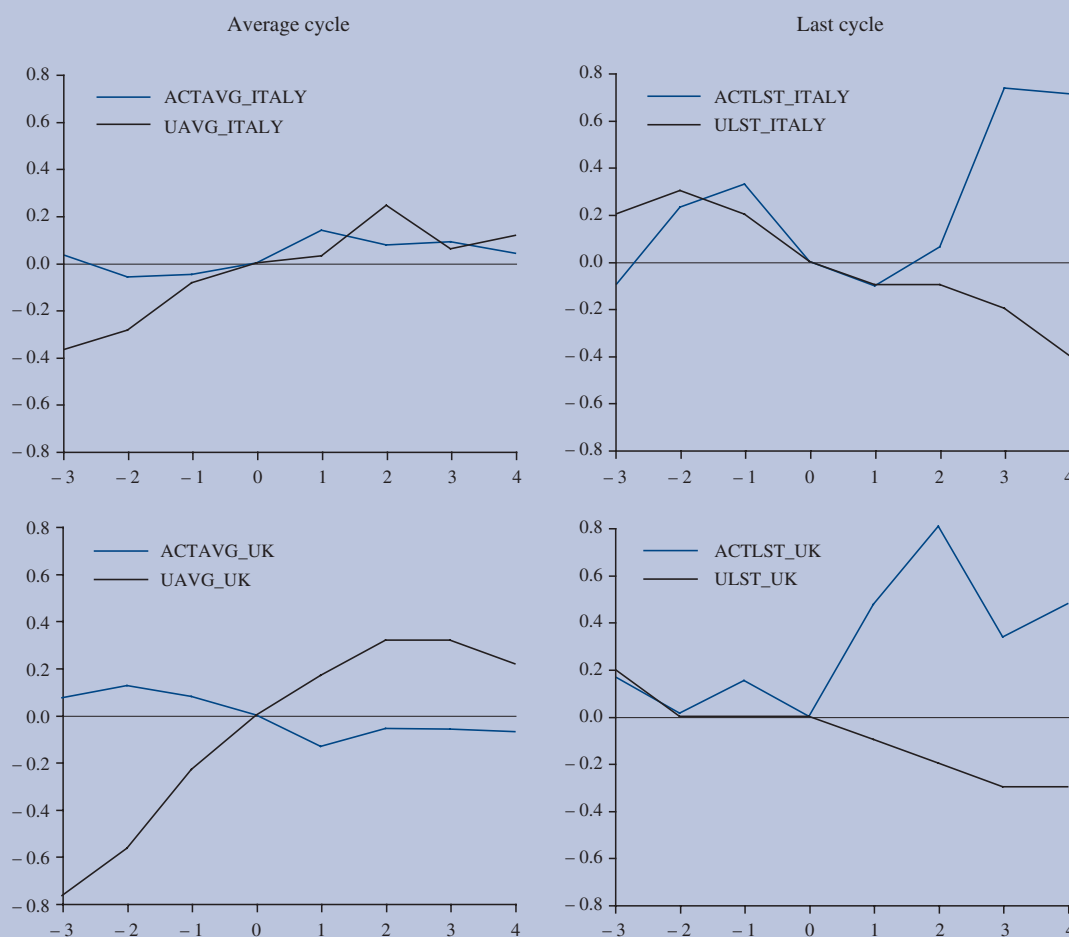
Graph 18: An unusual cycle in terms of unemployment? Evidence from five EU Member States (Unemployment and participation rates patterns in selected countries)



(Continued on the next page)

Labour market and wage developments in 2004

Graph 18 (continued)



NB: Each series is rescaled setting equal to 0 the value registered in the quarter in which the cycle bottoms out. Each panel plots the relative performance of activity rate and unemployment around the business cycle trough, which is denoted as quarter 0. Quarters to the left show the evolution of activity rate (unemployment) in the period leading to the trough; quarters to the right show the data during the subsequent recession and recovery. For example, quarter 4 is the fourth quarter into the recovery as quarter 0 is the quarter of the trough. Recessions and recoveries are identified as in Artis and Marcelino by a two-sided HP filter which considers only fluctuations between five quarters and eight years. The average cycle has been constructed for all recessions and recoveries excluded the last episode.

Source: OECD quarterly labour force statistics.

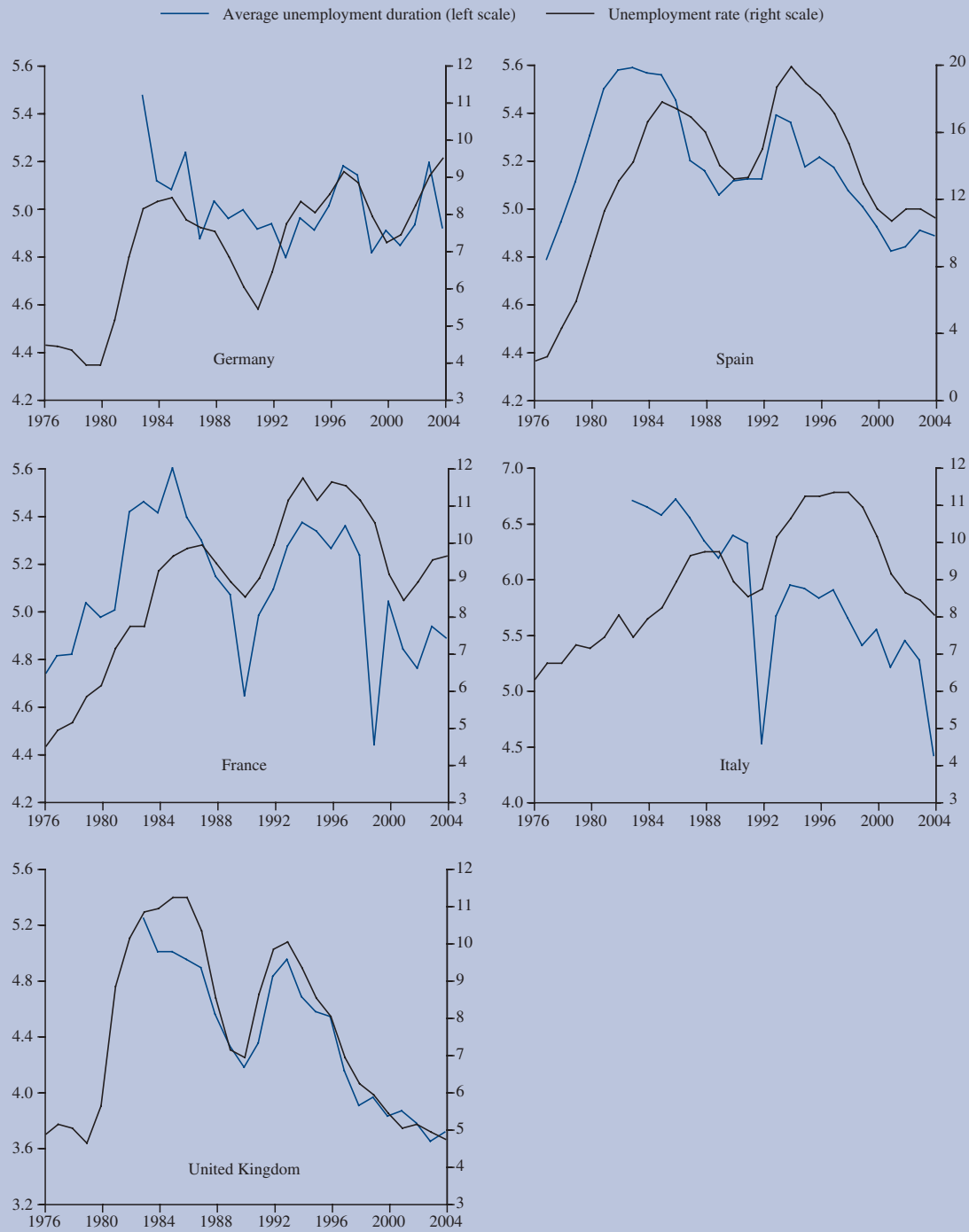
time in the status of inactivity in countries such as Germany, Spain and Italy. These patterns are matched by significant increases in the transition out of inactivity in employment. For the United Kingdom, the persistence into inactivity picked up during the early 1990s without returning to the low levels seen at the beginning of the decade.

- *The transition from unemployment to different labour market status:* the persistence of unemployment dropped in all countries but Germany, with increases in the transition to employment in Italy,

Spain and the United Kingdom. In addition, since 1997 in France, there has been a significant increase in the proportion of inactive people that were unemployed one year earlier (from about 15 % in 1997 to 30 % in 2002). An increase in transitions out of unemployment into inactivity is also observed in Germany, Italy and Spain.

With all the caution needed to interpret cyclical patterns from annual data, this evidence suggests that there are signs of an increase in the proportion of those out of the labour force that were in the labour force one year before

Graph 19: Recent unemployment developments in five EU Member States
(Unemployment rate and short-term (less than 12 months) average unemployment duration)



Source: Commission services' calculation on OECD and Eurostat data.

the survey ('discouraged workers'), especially in Spain and France ⁽¹⁾. If this change is temporary, then as the recovery gains in strength, it is likely that this reduced labour market attachment will be temporary as well. However, the fact that the increase is not only limited to the last downturn, especially in countries such as France, should warn against the risks of falling labour supply. One might argue that the lower the labour supply is, the lower the unemployment rate. However, this is certainly not a desirable outcome, because it would imply that the labour demand would meet the constraint of the labour supply sooner than otherwise. The consequence could be a rise in real wages which would curb labour demand, thereby delaying the creation of jobs until strong signs of recovery materialised.

...and some evidence from a statistical model

In order to gauge the existence of cyclically-induced changes in participation, a simple statistical model has been estimated which expresses the activity rate as a function of its lagged values and of potential output, assumed to be a proxy of trend participation ⁽²⁾. Trend participation has been simulated out of a sample from the model estimated in the period of the first quarter of 1980 to the fourth quarter of 2001. As shown in **Graph 21**, from the first quarter of 2002 to the fourth quarter of 2003, participation fell below the value predicted by potential output in all countries but Italy, where it kept growing above the estimated long-term trend. However, the gap between the actual and the simulated activity rate appears statistically different from zero only in the United Kingdom, France and Spain. This indirect evidence seems to confirm some form of discouragement related to the cycle, in particular in the United Kingdom and France.

5.3. What risks for jobless growth in Europe?

Overall, some evidence of an unusual cycle in several EU Member States

The evidence provided in the last section suggests that at the early stages of the current recovery, the performance of the labour market has been different from that seen

⁽¹⁾ However the LFS for Spain has a large outlier in the proportion of the inactive people that were unemployed one year before the survey.

⁽²⁾ Quarterly activity rates are calculated from the employment rates and from the standardised unemployment rates; see footnote 1, page 46. Of course, potential output is not necessarily a good proxy of trend activity. These findings should be considered only as provisional.

during the average cycle. In the largest countries of the EU, this specific cyclical behaviour has taken different forms rather than a common pattern (see **Table 12** for a summary of the main features of recent labour market behaviour in each of the countries). The increase in output in Spain and Italy between 2003 and 2004 translated almost entirely into higher employment. In France, where one year after the trough the recovery was jobless, the increase in productivity was higher than that seen during the average recovery while the participation rate seems to have been less responsive to the recovery than in the average cycle. In the United Kingdom, employment continued to increase up to two quarters ahead of the trough of GDP and stagnated for the remaining part of the year. In Germany, the recovery seems to be less atypical as the disappointing economic recovery was accompanied by modest employment growth.

Are the US-type explanations valid for the EU?

In order to identify where the risks of jobless or job-loss growth are, it is useful to discuss whether the explanations given for the job-loss in the United States (see Box 5.1 above) may also be valid for Europe.

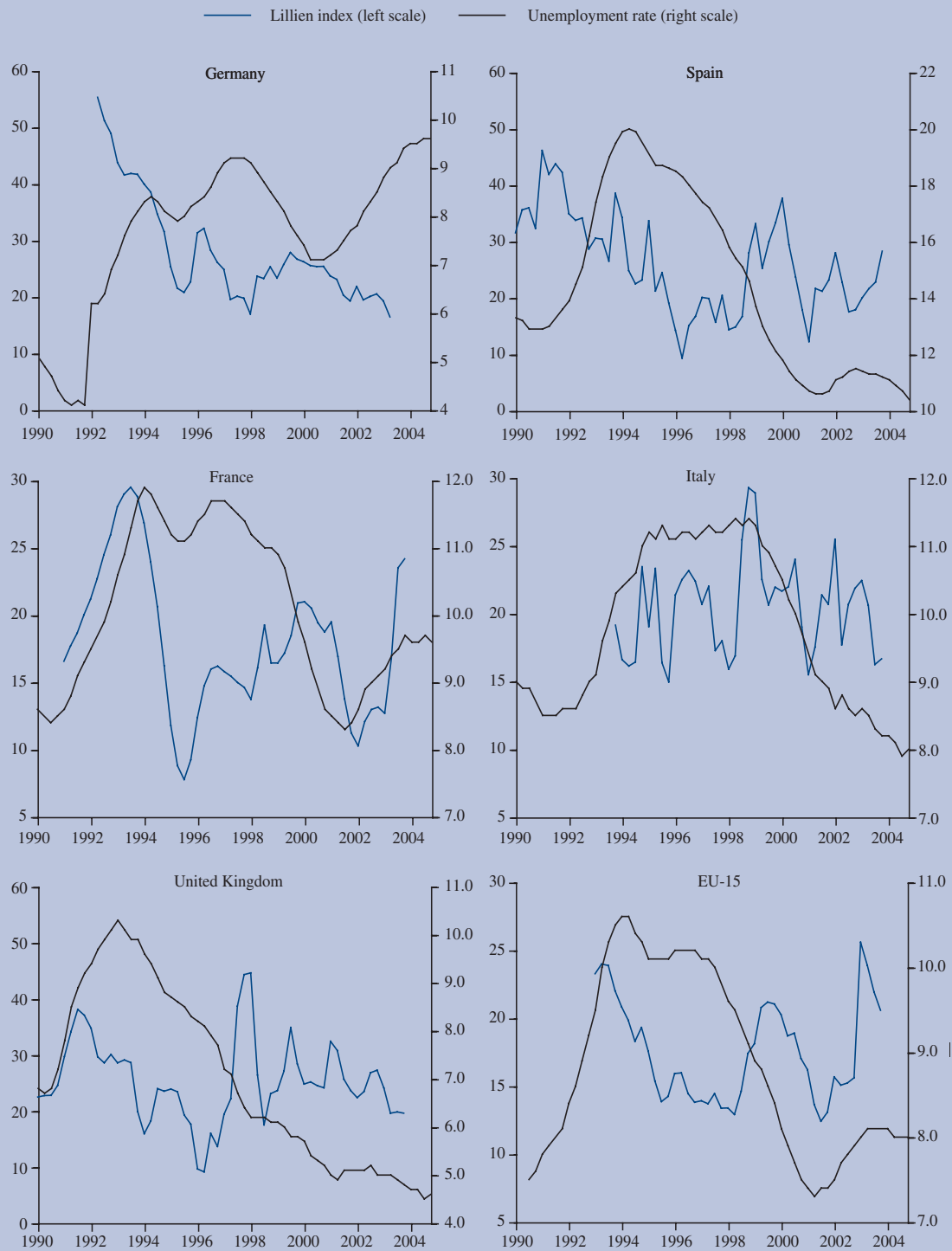
The *sectoral shifts hypothesis* contends that periods with increasing unemployment rates or low employment growth should be times of high dispersion of employment growth. In addition, this effect should be higher in countries where labour cannot be reallocated costlessly. As evidenced by the Lillien measure ⁽³⁾ of sectoral reallocation calculated for each of the six main EU countries, the EU-15 and the euro area (see **Graph 20**), the fact that sectoral shocks can be the source of low employment growth at the early stages of the recovery can be a possibility only for France, which seems to drive the EU-15 and the euro area pattern. For the other countries, the value of the index is either steadily declining or at about the 1990s' average, suggesting a relatively low level of

⁽³⁾ The Lillien' hypothesis is that labour market turbulence may be a source of (frictional) unemployment. Lillien (1982) proposes as a measure of sectoral reallocation the standard deviation across industries of the employment growth rates. The main idea is that changing shares of employment goes with reallocation of workers from one sector to the other. This process may require time and lead to higher unemployment rates. In symbols,

$$\sigma_t = \sum_i s_{it} (g_{it} - g_t)^2 \quad \text{where } s_{it} \text{ is the employment share of sector } i$$

at time t ; g_{it} is the employment growth rate of sector i at time t ; g_t is the total employment growth rate at time t . If all sectors grow at the same rate, the index is zero. The measure is always positive and larger when individual industries growth rates diverge more from the average employment growth.

Graph 20: A measure of sectoral reallocation (Lillien index)



Source: Commission services' calculation on Eurostat data.

sectoral reallocation⁽¹⁾. However, the pattern of this index of sectoral reallocation should be interpreted with caution as it may reflect different income elasticities of labour demand across sectors rather than an indication of sectoral reallocation of employment.

To respond to both firms' demand of less compelling labour market restrictions and to workers' need for *more flexible organisation of working time*, several countries have eased in the 1990s the use of flexible forms of work organisations and contracts. Although we do not have hard evidence of the behaviour of personnel management strategies over the cycle, the possibility of drawing from different forms of flexible working arrangements may have given firms a (potential or 'optional') cost advantage that has allowed them to decide not to take permanent hiring decisions until their capacity utilisation has reached a certain threshold. However, if this is the case the poor job prospects would be strictly dependent on the poor economic perspectives. This is something we discuss soon after having rapidly reviewed the other arguments for jobless growth.

Although it cannot be excluded that after the recession of the early 1990s, inefficiencies were accumulated in the production activities and that these were gradually removed during the last recession, there is no hard evidence that may support this explanation of the low employment growth in some countries.

For the EU as a whole, *the hypothesis that it will take longer for the European employment growth to start increasing again following a period of long over-accumulation of capital* (human and physical) is not very convincing as the expansion of the 1990s was much less long and strong than the one seen in the United States. However, it cannot be excluded that in countries such as France the pickup in productivity at the early stage of the recovery was a response of firms to an over-accumulation of labour inputs to which the introduction of the 35 hours contributed. However, this argument would imply that productivity growth falls at the early stage of the

recovery when firms reorganise their production activities and then gradually picks up when successful reorganisation allow more efficient production techniques to be implemented. This last prediction does not seem to be supported by the aggregate data⁽²⁾.

We turn next to the role of *macroeconomic uncertainty*. The evidence provided by the analysis of the structural employment rate suggests that a change may have occurred in the trend employment growth in the second half of the 1990s. There is also evidence of a change in the long-run demand for labour. The analysis in **Annex 3** evidences a stronger response over the cycle in the second half of the 1990s of both the employment and the participation rates to temporary shocks to aggregate demand. The employment rate (activity rate) seems also more reactive to temporary deviations of the activity rate (employment rate) from the long-term trend. With these two types of changes (one in the trend and one in the cyclical response), a modest recovery is likely to be accompanied by a larger employment gap, implying that actual employment would be much more below trend than otherwise. The role of the cyclical condition is confirmed by a small statistical model used to simulate where employment and participation rates should be with respect to their long-term trends⁽³⁾. The model has been estimated over the period 1980:1-2001:4, to make an out-of-sample forecast for the 2002:1-2003:4 of the employment rate gap, the activity rate gap and of the output gap (**Graph 21**). The performance of the labour market during the current recovery reflects the level of cyclical slack of economic activity, suggesting that risks of low-employment growth are strongly related to the risks that a period of modest GDP growth starts having its effect on the labour market.

Apart from the links with the cycle, it is worth mentioning that the decline in trend productivity growth observed in all countries but the United Kingdom raises doubts about the long-run sustainability of high employment growth.

(1) The index is based on seven sectors of economic activity. Data are from the European LFS. Sectors included are 'Agriculture, hunting, forestry and fishing'; 'Total industry (excluding construction)'; 'Construction'; 'Wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods; hotels and restaurants'; 'Transport, storage and communication'; 'Financial intermediation; real estate, renting and business activities'; 'Public administration and defence, compulsory social security; education; health and social work; other community, social and personal service activities; private households with employed persons; extra-territorial organisations and bodies'. Of course, a sectoral reallocation within rather than between these sectors can occur and is not captured by the measure considered in the text.

(2) We leave a more careful analysis of these issues for future work.

(3) In the VAR used for studying the cyclical behaviour of employment and participation, not all coefficients are statistically different from zero. A more parsimonious model was developed by testing whether a restricted reduced form encompasses the VAR (Hendry and Mizon (1993)). This is done by deleting the lags of the variables with coefficients non-significantly different from zero. The resulting equations estimated with full information maximum likelihood are used to compute the impulse response functions. The validity of this reduction is tested through a test of over-identifying restrictions, distributed as a χ^2 under the null of validity of restrictions. With a value of 16.3 (p-value 0.90) the restrictions imposed on the VAR are accepted by the data. With the exception of few episodes of instability which do not diffuse in the system of equations, the restricted system is well specified.

Graph 21: Out-of-sample forecasts of the employment and participation rate gaps



Source: Commission services.

These doubts are reinforced by possible risks that temporary exit from the labour market gives rise to decline in labour supply. Indeed, with lower labour supply, an

increase in labour demand may meet the constraint of labour shortage sooner than otherwise, implying that the recovery will be jobless or *job-low* growth.

Table 12

An overview of labour market developments in five Member States

Labour market behaviour one year into the recovery		Deviation of actual from trend (based on annual data)		Transition probabilities (based on annual LFS)		Main challenges at the current juncture	
Productivity	Employment	Participation	Unemployment	Productivity	Employment rate	Transition probabilities (based on annual LFS)	Main challenges at the current juncture
Increases by less than in the average cycle	Behaves as in the average cycle	Increasing in the last cycle; moderately decreasing in the average cycle	Increases more than in the average cycle	Productivity above trend since 1991; during the slowdown the gap closes	Below trend	Increasing probability of finding a job when unemployed or inactive. The risks of inactivity decline over time. During the slowdown, the exit rates from unemployment to employment falls	The modest GDP growth in the first year of recovery may impinge on employment growth. The behaviour of participation rate gives hope that with the recovery taking strength the employment will grow without meeting the constrain of the labour supply
Productivity growth languishes in the last cycle	No lulls in strong employment growth during the last cycle	Behaves as in the average cycle and not very sensitive to cycle	Unemployment cycle more synchronous with GDP cycle. Falling	During the slowdown productivity goes below trend	Growing at the same rate as trend	The probability of being employed when inactive (unemployed) is strongly (moderately) trending upward. During the slowdown only for those already unemployed, the unemployment risks worsen. Low risks of leaving the labour market during the last slowdown	The current evolution of employment seems to be consistent with its trend while the increase in participation may help to sustain such employment increases. However, the recovery of productivity depends on the acceleration of output growth
Productivity growth stronger than in the average cycle	Falling	Falling	Increasing	Productivity below potential during slowdown but the gap closing with the recovery	Actual above trend during the slowdown but rapid downward adjustment during the recovery	During the last slowdown, the probability of being employed declines while the probability of leaving the labour market when unemployed or inactive rises	The important adjustment in term of employment observed at the early stages of the recovery helped to bring productivity back toward its long term trend. However, the signs of a pause if not decline in participation should ring the bell of a further adjustment in terms of employment.
Productivity growth languishes in the last cycle	Employment grows more than in the average cycle	Increasing; while in the average cycle stagnates	Decline more than in the average cycle	Rapid fall of actual productivity below trend	During the recovery employment 'overshoots' the trend level	Increasing trend in the probability of being in employment. Since 2000, increase in the transition rates into inactivity from unemployment	The overshooting of employment and the undershooting of productivity with respect to the relative trends raise serious doubts on the sustainability of the actual levels of employment rate in the short term
Productivity grows less than in the average cycle	Employment grows more than in the average cycle	Stagnating	No signs of increases in unemployment in the last cycle	Productivity declines below trend during the slowdown and then picks up during the recovery	Oscillating pro-cyclically around its trend	The probability of being employed when inactive is trending upward. The probability of becoming inactive when jobless declines suddenly during the recovery. The probability of being without job when unemployed or inactive falls	The behaviour of the UK labour markets does not seem to be unusual

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Annex 1 Decomposing changes in employment rates: taking account of the population effect and participation rate effect

By applying a simple shift-share analysis, we have algebraically decomposed changes over time (from time 0 to time 1) in the overall participation rate (PR) in three components, a population composition effect, a participation rate effect and an interaction effect:

$$PR^1 - PR^0 = \sum_i (PR_i^1 \times p_i^1) - \sum_i (PR_i^0 \times p_i^0)$$

where PR = participation rate, p = share of population

Thus, adding

$$\sum_i [(PR_i^1 \times p_i^0) + (PR_i^0 \times p_i^0) + (PR_i^0 \times p_i^1)] - \sum_i [(PR_i^1 \times p_i^0) + (PR_i^0 \times p_i^0) + (PR_i^0 \times p_i^1)]$$

and rearranging one obtains:

$$PR^1 - PR^0 = \sum_i PR_i^0 \times (p_i^1 - p_i^0) + \sum_i p_i^0 \times (PR_i^1 - PR_i^0) + \sum_i (p_i^1 - p_i^0) \times (PR_i^1 - PR_i^0)$$

where the first part is the population composition effect, due to changes in the demographic structure; the second part is the participation rate effect, due to changes in participation rate of specific cohort and the third represents the interaction effect. Even if the participation rate effect is assumed to be zero (when PR¹=PR⁰), the overall participation rate may change because of changing demographic structure (changes in p_i).

The same decomposition can be applied to the overall employment rate (ER) or to the number of employees or the size of labour supply for each age-cohort. For example, for the number of employees (E) in a given age-cohort *i*, the change over time can be expressed as:

$$E_i^1 - E_i^0 = [p_i^0 \times (ER_i^1 - ER_i^0)] + [ER_i^0 \times (p_i^1 - p_i^0)] + [(p_i^1 - p_i^0) \times (ER_i^1 - ER_i^0)]$$

Results of such decompositions for each Member State are reproduced in Tables A1.1–A1.3.

*Labour market and wage
developments in 2004*

Table A1.1

Decomposing contribution to employment growth, 2001–04

Country	Employment growth 2000–04											
	Contribution to growth by gender and age groups (in percentage points)											
	TOTAL:	Young	Prime age	Older	MALE:	Young	Prime age	Older	FEMALE:	Young	Prime age	Older
BE	0.3	-0.1	0.0	0.4	0.4	0.0	0.2	0.2	0.3	0.0	0.2	0.2
DK	-0.1	-0.3	-0.5	0.7	-0.1	-0.3	-0.1	0.3	0.0	-0.1	-0.3	0.4
DE	-0.7	-0.2	-0.5	0.0	-0.7	-0.1	-0.5	0.0	0.0	-0.1	0.0	0.1
GR	1.4	-0.4	1.7	0.1	0.6	-0.2	0.8	0.1	0.8	-0.2	0.9	0.0
ES	4.0	0.0	3.4	0.5	1.9	0.0	1.5	0.3	2.1	0.0	1.8	0.2
FR	1.0	0.3	0.1	0.7	0.3	0.2	-0.2	0.4	0.7	0.1	0.3	0.3
IE	2.4	-0.2	2.1	0.6	1.1	-0.2	1.0	0.3	1.3	-0.1	1.1	0.3
IT	1.5	-0.1	1.4	0.3	0.3	-0.1	0.3	0.1	1.2	-0.1	1.0	0.2
LU	1.5	0.1	1.1	0.3	0.5	0.0	0.4	0.1	0.6	-0.3	0.8	0.1
NL	0.5	0.0	-0.2	0.7	-0.1	0.0	-0.5	0.4	0.6	0.0	0.3	0.3
AT	0.2	0.1	0.0	0.1	-0.2	0.1	-0.3	0.0	0.4	0.1	0.2	0.1
PT	0.4	-0.7	1.0	0.1	0.0	-0.4	0.4	0.0	0.4	-0.3	0.6	0.1
FI	0.1	-0.2	-0.8	1.0	-0.1	-0.1	-0.5	0.5	0.2	0.0	-0.3	0.5
SE	0.9	0.3	-0.3	1.0	0.5	0.1	-0.1	0.5	0.4	0.1	-0.2	0.5
UK	0.0	0.2	-0.2	0.0	0.3	0.1	-0.2	0.4	0.4	0.1	0.0	0.3
Euro area	1.8	0.0	1.3	0.4	0.7	0.0	0.5	0.2	1.0	0.0	0.8	0.2
EU-15	0.4	0.0	0.4	0.0	0.1	0.0	-0.1	0.2	0.7	0.0	0.4	0.2
CY	3.5	0.0	3.1	0.4	1.6	0.1	1.1	0.3	1.9	-0.1	2.0	0.0
CZ	-0.2	-1.0	0.1	0.8	0.0	-0.5	0.1	0.4	-0.2	-0.5	0.0	0.3
EE	0.9	-0.1	0.6	0.3	0.3	0.1	0.3	-0.1	0.6	-0.1	0.4	0.3
HU	0.1	-1.5	0.9	0.7	-0.1	-0.8	0.5	0.3	0.1	-0.6	0.4	0.4
LT	0.9	-0.4	1.0	0.3	0.9	-0.1	0.9	0.1	0.0	-0.2	0.1	0.2
LV	1.9	0.3	1.1	0.5	1.0	0.2	0.8	0.1	0.8	0.1	0.3	0.4
MT	0.9	-0.2	0.8	0.3	0.6	0.0	0.4	0.2	0.0	-0.4	0.4	0.0
PL	-1.2	-0.2	-1.0	0.0	-0.7	-0.1	-0.7	0.0	-0.5	-0.2	-0.3	0.0
SK	0.7	-0.4	0.7	0.4	0.6	-0.1	0.4	0.3	0.1	-0.3	0.2	0.1
SI	1.1	-0.1	0.8	0.4	0.6	0.0	0.3	0.3	0.5	-0.1	0.4	0.1
EU-25	0.6	-0.1	0.3	0.4	0.1	0.0	-0.1	0.2	0.6	0.0	0.4	0.2

Source: Commission services, DG ECFIN.

Table A1.2

Decomposing contribution to changes in employment rate, 2004

Country	Employ- ment rate 2004	% change 2003-04	Contribution to changes by gender and age groups (in percentage points unless otherwise indicated)														
			Contribution of group-specific shifts of employment rate to changes of aggregate exchange rate							Demographic effect							
			Total	Young	Prime age	Older	Male:	Young	Prime age	Older	Female:	Young	Prime age	Older	Total	Young	Prime age
BE	60.3	0.7	0.9	0.1	0.5	0.3	0.3	0.1	0.5	0.1	0.2	0.2	0.2	-0.1	0.0	-0.2	0.1
DK	75.6	0.5	0.6	0.5	0.2	0.0	0.1	0.2	-0.1	0.0	0.6	0.3	0.3	-0.1	0.1	-0.3	0.1
DE	64.2	-0.7	-0.7	-0.5	-0.6	0.4	-0.4	-0.2	-0.4	0.2	-0.3	-0.3	-0.2	0.0	0.2	0.0	-0.1
GR	59.31	0.7	0.3	0.3	0.4	-0.3	0.0	0.1	0.0	-0.2	0.4	0.1	0.4	0.3	-0.2	0.5	0.0
ES	61.1	1.3	1.0	0.2	0.8	0.1	0.1	0.1	0.1	0.0	0.9	0.1	0.7	0.2	-0.3	0.4	0.1
FR	63.1	-0.1	0.1	0.0	0.1	0.1	-0.1	0.0	-0.1	0.0	0.2	0.0	0.2	-0.3	0.0	-0.5	0.2
IE	66.3	0.8	0.7	0.1	0.6	0.1	0.3	0.0	0.3	0.0	0.4	0.0	0.3	0.1	-0.2	0.2	0.1
IT	57.6	1.5	1.5	0.4	1.0	0.1	0.2	0.2	0.0	-0.1	1.3	0.2	1.0	0.1	-0.2	0.1	0.2
LU	61.6	-1.2	-1.1	-0.7	0.0	0.1	-0.7	-0.4	0.0	-0.3	-0.4	-0.3	0.0	-0.5	0.0	-0.7	0.1
NL	73.1	-0.5	-0.3	-0.4	0.0	0.2	-0.3	-0.2	-0.1	0.0	0.0	-0.2	0.1	-0.2	0.0	-0.5	0.2
AT	67.8	-1.2	-1.1	0.1	-1.0	-0.2	-0.7	0.0	-0.6	-0.1	-0.4	0.1	-0.4	-0.1	0.2	-0.3	0.0
PT	67.8	-0.2	-0.5	-0.3	0.1	-0.2	-0.5	-0.2	-0.1	-0.2	0.0	-0.2	0.2	0.2	-0.2	0.4	0.0
FI	67.6	-0.1	0.1	-0.1	-0.1	0.2	0.1	-0.1	0.2	0.0	0.0	0.0	-0.2	-0.2	0.0	-0.5	0.4
SE	72.1	-0.8	-0.6	-0.4	-0.4	0.1	-0.2	-0.2	-0.1	0.0	-0.4	-0.2	-0.3	-0.2	0.1	-0.6	0.2
UK	71.6	0.2	0.3	0.0	0.2	0.1	0.1	0.0	0.0	0.1	0.2	0.0	0.1	-0.1	0.1	-0.4	0.2
Euro area	62.7	0.2	0.1	-0.1	0.1	0.1	-0.1	0.0	-0.1	0.0	0.2	-0.1	0.2	-0.1	0.0	-0.2	0.1
EU-15	64.5	0.1	0.2	0.0	0.1	0.1	-0.1	0.0	-0.1	0.0	0.3	0.0	0.2	0.0	-0.1	0.0	0.1
CY	69.1	-0.1	-0.2	0.0	0.0	0.0	0.5	0.2	0.1	0.2	-0.7	-0.4	-0.1	-0.1	0.0	-0.2	0.0
CZ	64.1	-0.6	-0.6	-0.4	-0.2	0.1	-0.4	-0.2	-0.2	0.0	-0.2	-0.2	0.0	0.0	-0.1	-0.2	0.2
EE	63.1	0.2	0.2	-0.5	0.6	0.0	-0.3	-0.3	0.2	-0.2	0.6	-0.1	0.4	-0.1	0.0	-0.1	0.0
HU	56.8	-0.3	-0.3	-0.6	-0.1	0.3	-0.2	-0.3	0.1	0.0	-0.1	-0.3	-0.2	0.0	-0.1	0.1	0.1
LT	61.2	0.1	0.2	-0.5	0.4	0.4	0.4	-0.3	0.6	0.2	-0.2	-0.2	-0.2	-0.2	0.1	-0.2	0.0
LV	62.3	0.5	0.6	-0.2	0.1	0.6	0.2	-0.1	-0.1	0.3	0.4	-0.1	0.2	-0.1	0.1	-0.1	-0.1
MT	54.1	-0.1	0.1	0.2	0.0	-0.2	0.5	0.4	0.3	-0.1	-0.4	-0.1	-0.1	0.1	0.0	0.1	0.0
PL	51.7	0.5	0.5	0.1	0.4	-0.1	0.3	0.1	0.3	-0.1	0.1	0.0	0.1	0.0	-0.1	0.0	0.1
SK	57.0	-0.8	-0.9	-0.3	-0.9	0.3	-0.2	-0.2	-0.2	0.2	-0.7	-0.1	-0.7	0.1	-0.3	0.1	0.2
SI	65.3	2.7	2.7	1.0	0.8	0.9	1.4	0.5	0.3	0.6	1.3	0.4	0.6	0.1	-0.2	0.2	0.1
EU-25	63.0	0.0	0.1	-0.1	0.0	0.1	-0.1	0.0	-0.1	0.0	0.2	0.0	0.1	-0.1	-0.1	-0.1	0.1

Source: Commission services, DG ECFIN.

Table A1.3

Decomposing contribution to changes in participation rate, 2004

Country	Participation rate change 2003-04	Participation rate 2003-04																				
		Contribution to changes by gender and age groups (in percentage points unless otherwise indicated)							Contribution of group-specific shifts of employment rate to changes of aggregate employment rate													
		Total	Young	Prime age	Older	Male:	Young	Prime age	Older	Female:	Young	Prime age	Older	Total	Young	Prime age	Older					
BE	65.9	1.0	1.1	0.1	0.7	0.4	0.4	0.4	0.0	0.0	0.3	0.1	0.8	0.1	0.8	0.1	0.4	0.2	-0.2	0.0	-0.2	0.1
DK	80.1	0.7	0.7	0.4	0.3	0.1	0.2	0.2	0.2	-0.1	0.1	0.1	0.6	0.2	0.3	0.1	0.3	0.1	-0.1	0.1	-0.3	0.1
DE	72.1	0.0	0.0	-0.3	-0.1	0.5	0.0	0.0	-0.1	-0.1	0.3	0.0	0.0	-0.2	0.0	0.2	0.0	0.2	0.0	0.2	0.0	-0.2
GR	66.5	1.3	1.0	0.4	0.9	-0.2	0.1	0.2	0.1	0.2	0.1	-0.1	0.8	0.2	0.7	-0.1	0.7	-0.1	0.3	-0.2	0.6	0.0
ES	68.7	1.1	0.8	0.1	0.6	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.8	0.1	0.6	0.1	0.6	0.1	0.2	-0.3	0.4	0.1
FR	69.5	0.1	0.4	0.1	0.2	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.0	0.2	0.1	0.2	0.1	-0.3	0.0	-0.6	0.3
IE	69.5	0.7	0.6	0.0	0.5	0.1	0.3	0.0	0.0	0.2	0.0	0.0	0.3	0.0	0.2	0.1	0.2	0.1	0.1	-0.3	0.2	0.1
IT	62.7	1.2	1.2	0.3	0.8	0.1	0.1	0.1	0.1	0.0	0.0	0.0	1.1	0.2	0.9	0.1	0.2	0.1	0.0	-0.3	0.1	0.2
LU	64.6	-0.5	-0.1	-0.8	0.3	0.1	0.3	0.1	-0.1	0.3	0.1	0.1	-0.4	-0.3	0.0	-0.1	-0.3	0.0	-0.6	0.0	-0.7	0.1
NL	76.6	0.2	0.4	-0.2	0.4	0.2	0.0	-0.1	0.1	0.1	0.1	0.1	0.3	-0.1	0.3	0.2	0.3	0.2	-0.2	0.0	-0.5	0.2
AT	71.3	-0.7	-0.7	0.4	-0.7	-0.3	-0.6	0.1	-0.6	-0.2	0.0	-0.2	0.0	0.3	-0.2	-0.2	-0.2	-0.2	-0.1	0.2	-0.4	0.0
PT	73.0	0.1	-0.2	-0.3	0.3	-0.1	-0.4	-0.1	-0.4	-0.1	0.0	-0.2	0.2	-0.2	0.2	0.3	0.1	0.1	0.2	-0.3	0.5	0.0
FI	74.2	-0.2	0.0	-0.2	-0.1	0.2	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	0.2	0.2	-0.2	0.0	-0.6	0.4
SE	77.2	-0.1	0.0	-0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.0	-0.1	0.0	0.1	0.0	0.1	-0.2	0.1	-0.6	0.3
UK	75.2	0.0	0.1	0.0	0.0	0.1	-0.1	-0.1	-0.1	-0.1	0.1	0.1	0.2	0.0	0.1	0.1	0.1	0.1	-0.1	0.1	-0.4	0.2
Euro area	69.1	0.4	0.5	0.0	0.3	0.2	0.1	0.0	0.0	0.0	0.0	0.1	0.4	0.0	0.3	0.1	0.3	0.1	0.0	-0.1	0.0	0.1
EU-15	70.4	0.3	0.4	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.1	0.4	0.0	0.3	0.1	0.3	0.1	-0.1	-0.1	-0.2	0.1
CY	72.6	0.3	0.2	0.1	0.2	-0.1	1.2	0.2	0.2	0.0	0.0	0.0	0.0	-0.3	0.4	-0.1	0.4	-0.1	-0.1	0.0	-0.2	0.0
CZ	70.0	-0.2	-0.2	-0.3	0.0	0.2	-0.1	-0.1	-0.1	0.0	0.0	0.0	-0.1	-0.2	0.0	0.1	-0.2	0.0	-0.1	-0.1	-0.2	0.3
EE	70.0	-0.2	-0.2	-0.5	0.5	-0.1	-0.7	-0.2	-0.2	0.2	0.2	-0.2	0.1	-0.3	0.4	0.1	-0.3	0.4	-0.1	0.0	-0.1	0.0
HU	60.5	-0.1	-0.2	-0.6	0.0	0.4	-0.4	-0.3	-0.3	0.0	0.0	0.0	0.0	-0.3	0.0	0.3	0.0	0.3	0.0	-0.2	0.1	0.1
LT	69.1	-0.8	-0.6	-0.8	-0.1	0.3	-0.6	-0.3	-0.3	0.1	0.1	0.1	-0.4	-0.5	-0.1	0.2	-0.5	-0.1	-0.2	0.1	-0.2	0.0
LV	69.7	0.4	0.4	-0.3	0.0	0.7	0.3	-0.1	0.0	0.0	0.3	0.3	0.3	-0.1	0.0	0.4	0.3	0.1	-0.1	0.1	-0.1	-0.1
MT	58.3	-0.4	-0.3	0.1	-0.3	-0.2	0.0	0.3	0.0	0.0	-0.1	-0.4	-0.4	-0.2	0.0	-0.2	0.0	-0.2	0.1	0.0	0.1	0.0
PL	64.0	0.0	0.1	-0.1	0.3	-0.1	0.2	-0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	-0.1	0.0	0.1
SK	69.7	-0.3	-0.4	-0.4	-0.4	0.4	-0.2	-0.2	-0.2	-0.1	0.2	0.2	-0.3	-0.2	-0.2	0.2	-0.2	0.2	0.0	-0.4	0.2	0.2
SI	69.8	2.7	2.6	1.0	0.7	0.9	2.5	0.5	0.5	0.1	0.6	1.3	0.6	0.5	0.6	0.2	0.5	0.6	0.1	-0.2	0.2	0.1
EU-25	69.5	0.2	0.3	0.0	0.2	0.1	-0.1	0.0	0.0	0.0	0.1	0.1	0.3	0.0	0.2	0.1	0.0	0.2	-0.1	-0.1	-0.1	0.1

Source: Commission services, DG ECFIN.

Annex 2 Remaining path toward Lisbon targets

Current employment gap

The European Council of March 2005 has revamped the Lisbon strategy by focusing more on growth and employment in Europe, in accordance with the Commission's proposals.

Table A2.1 summarises progress towards the Lisbon employment rate targets since 2000. The overall employment rate in the EU-25 has risen by almost 1 percentage point only during the period 2000–04 to reach 63 %. It needs to rise by 1 percentage point per year over the remaining six years to reach the target (70 %) in 2010. This implies that about 26 million additional jobs are to be created between 2004 and 2010. This would require an employment growth in the order of 2.2 % per year. Although this is close to the growth rates achieved in the late 1990s (1997–2000), it is also by far above the rate recorded over the most recent period (2001–03) and well above the historical average. In other words, a rapid

return to the economic performance of the late 1990s would be needed in order to hit the Lisbon target. The contribution to the fulfilment of the Lisbon targets (which are targets for the overall EU economy) varies a great deal among Member States, as can be clearly observed in **Graphs A2.1** and **A2.2**. Only three countries (DK, SE, UK) already exceed all three targets. The female target (60 %) is already achieved by eight Member States (DK, AT, NL, FI, PT, SE, SI, UK) and the one for older workers by seven (DK, AT, EE, FI, PT, SE, CY). Four countries stand out as particularly far from the three targets (IT, PL, MT and GR).

While a strong economic recovery would help meet the Lisbon employment targets, on its own it would not suffice and additional labour market reforms, especially in some countries, are also needed. It should also be borne in mind that the analysis carried out before has pointed out that there is a delayed reaction in terms of employment growth to the upturn in output.

Table A2.1

Lisbon employment targets: required job performance

European Union (25 countries)									
LISBON PROJECTIONS		2000	2004	2010	Required		Pro memoria		
					Jobs	Employment growth	Employment growth		
Total (15-64)					2004-2010	Annual	1997-2000	2001-2003	1997-2003
Employees (15-64)	(1000)	186175	191229	217375	26133	2.2%	2.4%	0.4%	1.6%
Employment rate (%)		62.3	63.2	70					
Population (15-64)	(1000)	299027	302580	310537					
Older workers (55-64)		2000	2004	2010	New jobs	Employment growth			
Employees (55-64)	(1000)	17808	21027	28539	7508	5.2%	1.5%	5.8%	3.0%
Employment rate (%)		36.4	40.7	50					
Population (55-64)	(1000)	48944	51646	57078					
Female		2000	2004	2010	New jobs	Employment growth			
Employees (15-64)	(1000)	80110	84406	92963	9092	1.6%	3.0%	1.0%	2.2%
Employment rate (%)		53.5	55.44	60					
Population (15-64)	(1000)	149770	152241	154939					

Source: Commission services, DG ECFIN calculation using Eurostat figures (Europop 2004 demographic projections).

As regards the employment targets for specific groups, the target for females seems to be more easily achievable. Since 2000, the employment rate of women has increased by almost 2 percentage points. In 2004, the gap was only 4.5 p.p., which requires an average annual growth of only 1.7 % in 2004–10 compared with 2.2 % seen in 1997–2003. Given changes in cultural attitudes, women from younger generations show higher participation than women from older generations. This cohort effect, fostered further by the increasing average level of female education, might be strongly contributing to getting closer to the Lisbon target for female employment.

In 2004, the employment rate of **older workers** across the EU-25 as a whole was around 41 %. Despite considerable recent improvements, the employment rate of those age 55–64 in 2004 (40.7 % for EU-25) is still a long way from the target of 50 % established by the Council of Stockholm in 2001. In order to reach this target, more than 7.5 million additional jobs are to be created in the EU-25 between 2004 and 2010 for persons aged 55–64. This implies that employment would need to grow in the order of 5.2 % per year. This is a pace that is close to that registered in the most recent period (2001–03), but twice as high as the one for the whole period 1997–2003.

To sum up, the employment target remains very ambitious, especially if we consider that the Lisbon strategy involves efforts on both to improve labour market performance and to raise productivity growth. This implies a need for a substantial acceleration in the medium-term labour productivity growth ⁽¹⁾.

Issues for consideration in the setting of national employment rate targets for 2010

The Commission on 12 April 2005 put forward its communication on integrated guidelines for growth and jobs (2005–08) ⁽²⁾. The integrated guidelines reflect the new economic governance approach following the outcome of the mid-term review of the Lisbon strategy. The new

set of BEPGs and EGs translates the Spring European Council conclusions on the vital strands of the new start of Lisbon into guidelines for economic and employment policies for the three-year period 2005–08.

According to the new Integrated Guideline No 16 on **implement employment policies aimed at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion**, policies should contribute to achieving an average employment rate for the European Union (EU) of 70 % overall, of at least 60 % for women and of 50 % for older workers (55–64), and to reduce unemployment and inactivity. Member States should set national employment rate targets for 2008 and 2010 (Integrated guideline No 16).

The setting of national employment rate targets represents a novelty of the strategy as it was launched five years ago. When deciding upon national targets for employment rates, there is a need to be realistic: this implies taking duly account of the impact of demographic change, the economic cycle and labour market reforms on employment rates.

In order to provide some insight on feasible national targets for the year 2010 and on how and whether these will or will not lead to the fulfilment of the overall EU-25 targets, **we have run a set of simulations**. Taking into account Eurostat's most recent demographic projections for the year 2010, we have calculated for each Member State what would be the national employment rates if the creation of additional jobs over the remaining five years (2005–10) were to continue at the same pace as registered over the most recent period (employment growth rates used in the simulation are reproduced in **Table A2.2**). For the EU-15, we consider three different periods:

1. the most recent (2001–03), featuring a low rate of employment growth as a result of the economic slowdown;
2. the period of buoyant economic and employment growth (1997–2000);
3. the overall period 1997–2003, which averages a very strong performance in the first half with the period of slowdown.

⁽¹⁾ For a detailed analysis of the linkages between employment and productivity growth see European Commission (2004) 'Labour markets in the EU: an economic analysis of recent performance and prospects', Chapter 4 in The EU Economy Review.

⁽²⁾ The Integrated Guidelines present in a single document both the Commission recommendation on the Broad Economic Policy Guidelines and its proposal on the Employment Guidelines. This integration is meant to be an important element of the new governance architecture set up by the European Council of 23 March 2005.

Graph A2.1: Progress towards the Lisbon targets: total and female employment rate, 2004



NB: EU objective 2010: 70 % for total employment rate, 60 % for female employment rate.
Source: Commission services.

Graph A2.2: Progress towards the Lisbon targets: total and older workers employment rate, 2004



Source: Commission services.

Table A2.2

Employment growth rate used in the simulation

	Annual growth rate in percentage points unless otherwise indicated								
	1997 - 2003			1997 - 2000			2001 - 2003		
	Total	Female	Older	Total	Female	Older	Total	Female	Older
BE	1.0	2.0	4.9	2.1	3.4	5.5	0.2	1.3	8.5
DK	0.1	0.4	7.4	0.6	1.3	7.5	-0.6	-1.0	6.8
DE	0.3	1.1	-0.5	1.0	1.7	-0.5	-0.9	0.0	0.5
GR	1.9	2.4	-1.4	2.4	2.6	-5.2	2.3	3.3	4.9
ES	3.9	5.5	3.9	5.1	6.6	2.7	2.3	4.1	4.1
FR	1.6	2.0	5.9	1.8	2.0	0.4	0.9	1.8	14.9
IE	4.7	6.0	7.3	7.4	9.0	7.6	1.6	2.6	7.1
IT	1.4	2.5	1.2	1.4	2.5	-0.6	1.3	1.9	4.3
LU	1.8	3.4	4.5	2.3	4.1	6.3	0.5	2.0	8.7
NL	2.0	3.1	10.3	3.1	4.3	9.8	0.2	1.2	13.9
AT	0.6	1.2	2.7	1.0	1.1	2.5	0.1	1.4	4.6
PT	2.0	2.2	0.4	3.6	3.4	-0.6	0.0	0.6	2.2
FI	1.8	2.1	9.3	3.3	3.3	7.2	-0.1	0.4	9.8
SE	1.6	1.6	6.3	1.6	1.7	5.6	-0.1	0.2	5.3
UK	1.1	1.2	4.9	1.5	1.5	3.5	0.7	0.8	7.0
CY	2.6	4.5	4.6	2.6	4.5	4.6	2.6	4.5	4.6
EE	1.2	1.2	2.2	1.2	1.2	2.2	1.2	1.2	2.2
HU	0.6	1.1	12.4	0.6	1.1	12.4	0.6	1.1	12.4
LT	3.1	1.9	4.7	3.1	1.9	4.7	3.1	1.9	4.7
LV	2.3	1.6	6.0	2.3	1.6	6.0	2.3	1.6	6.0
MT	0.3	1.4	9.8	0.3	1.4	9.8	0.3	1.4	9.8
PL	1.0	1.0	2.6	1.0	1.0	2.6	1.0	1.0	2.6
SK	0.9	0.4	5.2	0.9	0.4	5.2	0.9	0.4	5.2
SI	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

Source: Commission services, DG ECFIN.

For the new Members States, we have assumed the employment growth rate in 2001–03 (setting the growth rate for Poland equal to +1, while it was actually negative), because figures in the previous period were not available.

Results of the simulation for each country are presented in **Table A2.3**. It can be noticed that only if each country sets a target that reflects a rapid return to the high growth rate of employment recorded in the period 1997–2000, will this translate into an overall employment rate close to the 70 % target. Yet, for some countries (Ireland, the Netherlands, Portugal, Finland), such a brisk pace of employment growth would lead to incredibly (and unre-

alistically) high employment rates. Thus, if the overall target is to be achieved, some of the laggard countries should try to contribute substantially more than what has been done over the last five to eight years. For the female target, the situation is much less problematic, as the 60 % target could be hit with a return to employment growth close to the average of the period 1997–2003. The result for the older workers deserves attention. The target would be achieved only if the strong acceleration in the employment growth of older workers over the most recent period (2001–03), mainly as a result of recent reforms in pension systems in some countries, will be maintained.

Table A2.3

Employment rate in 2010, alternative simulations

Targets: Country	Alternative country-targets														
	Overall employment rate in 2010			Employment rate of females in 2010			Employment rate of older workers in 2010								
	Rates in 2010 using employment growth rate in:			Rates in 2010 using employment growth rate in:			Rates in 2010 using employment growth rate in:								
	2004	1997–2003	1997–2000	1998–2000	2001–03	2004	1997–2003	1997–2000	1998–2000	2001–03	2004	1997–2003	1997–2000	1998–2000	2001–03
BE	60.3	62.4	66.9	70.0	59.5	52.7	57.6	62.5	65.6	55.4	29.6	33.7	35.0	40.6	41.5
DK	75.7	75.5	77.6	78.6	72.2	71.6	72.7	76.5	76.4	66.8	60.3	88.1	88.3	104.8	84.8
DE	64.3	65.2	68.0	68.5	60.9	58.5	62.6	65.0	65.9	58.5	41.4	42.4	42.4	41.9	45.1
GR	59.4	62.9	64.5	59.5	64.1	45.2	49.9	50.6	49.0	52.8	39.5	31.9	25.2	32.6	46.1
ES	63.9	74.3	79.3	81.3	67.7	50.3	64.2	68.3	73.3	59.2	42.3	46.0	42.9	43.2	46.5
FR	63.1	66.3	67.0	67.9	63.7	57.4	62.1	62.2	62.8	61.5	37.5	42.7	31.0	34.4	69.6
IE	66.3	82.7	96.5	92.6	69.1	56.5	76.0	90.2	85.6	62.7	49.9	63.6	64.7	64.5	63.0
IT	57.6	62.6	62.3	63.3	61.9	45.2	52.7	52.6	53.9	50.8	30.5	31.4	28.1	28.4	37.6
LU	61.6	64.2	66.2	68.5	59.6	50.7	58.2	60.5	65.0	53.7	29.9	33.5	37.1	44.5	42.5
NL	73.1	80.7	86.0	86.1	72.5	65.8	77.3	82.8	83.8	68.8	45.4	71.7	69.6	75.7	86.6
AT	67.8	69.3	70.8	71.8	67.4	60.7	64.8	64.2	64.2	65.4	28.7	34.6	34.3	37.4	38.6
PT	67.8	76.1	83.5	74.4	67.3	61.6	70.0	75.3	70.7	63.5	50.4	46.1	43.5	49.8	51.3
FI	67.6	74.2	80.8	79.2	66.1	65.5	73.2	78.5	78.5	66.4	51.2	74.3	66.0	77.2	76.1
SE	72.1	77.3	77.5	79.7	70.0	70.5	75.8	75.9	81.1	69.5	69.2	97.3	93.5	93.6	92.3
UK	71.6	72.8	74.4	75.2	70.8	65.6	67.7	68.9	70.4	66.1	56.3	69.5	64.0	69.1	78.4
EU-15	65.0	68.9	71.3	71.8	65.2	57.0	63.1	65.1	66.4	60.1	42.6	46.9	42.7	44.5	55.1
CY	69.1	70.0	70.0	70.0	70.0	59.0	67.7	67.7	67.7	67.7	50.6	48.9	48.9	48.9	53.6
CZ	64.1	65.3	65.3	65.3	65.3	56.0	60.1	60.1	60.1	60.1	42.8	78.0	78.0	45.1	78.0
EE	63.1	68.7	68.7	68.7	68.7	59.9	65.5	65.5	65.5	65.5	52.5	56.2	56.2	32.3	56.2
HU	56.8	58.7	58.7	58.7	58.7	50.7	54.2	54.2	54.2	54.2	31.0	55.1	55.1	68.5	55.1
LT	61.2	73.7	73.7	73.7	73.7	57.9	65.1	65.1	65.1	65.1	47.1	57.1	58.8	43.4	61.4
LV	62.3	73.4	73.4	73.4	73.4	58.6	66.5	66.5	66.5	66.5	47.8	65.9	62.2	44.5	69.8
MT	54.1	51.0	51.0	51.0	51.0	32.7	33.2	33.2	33.2	33.2	31.1	31.8	23.8	22.5	37.0
PL	51.7	52.8	52.8	52.8	52.8	46.2	47.4	47.4	47.4	47.4	26.4	22.8	22.8	10.9	22.8
SK	57.0	58.7	58.7	58.7	58.7	50.9	51.1	51.1	51.1	51.1	27.0	26.3	24.8	18.1	28.1
SI	65.3	69.1	69.1	69.1	69.1	60.5	64.6	64.6	64.6	64.6	29.3	26.3	26.3	17.5	26.3
EU-25	63.5	67.1	69.1	69.5	64.1	55.8	61.3	63.0	64.1	58.8	41.0	45.7	42.1	41.7	52.6

Source: Commission services, DG ECFIN.

Annex 3 Model-based learning on recent employment behaviour and its outlook in the euro area

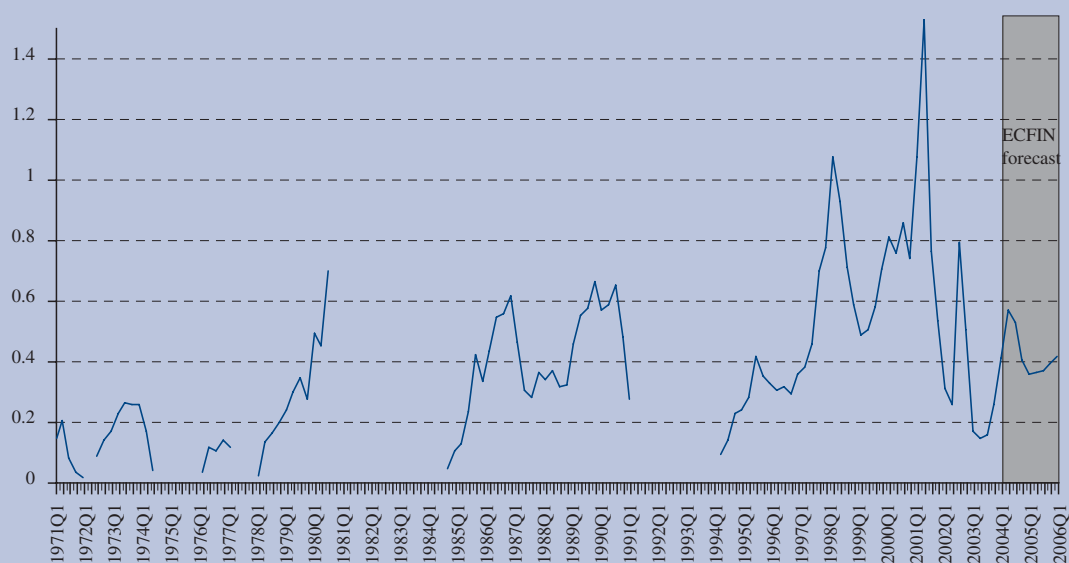
The purpose of this box is to provide an in-depth analysis of employment developments by applying a quantitative model of the euro area. It is structured in three sections of which the first presents an equation that accurately models employment in the euro area. The second section analyses the resilience of employment observed since the start of the current economic downturn in 2001 and examines whether the employment pattern changed compared with the economic boom of the late 1990s. The final section discusses the outlook for employment using ECFIN's official forecast and the employment equation. This analysis considers employment in terms of persons employed, as data on hours worked or full-time equivalents are not available on a quarterly basis, are more difficult to forecast and often less reliable.

Modelling employment growth in the euro area

The ratio of employment growth to real GDP growth indicates that real GDP growth has been more job intensive in the euro area for almost 10 years, compared with that in the late 1980s and first half of the 1990s, as shown by **Graph A3.1**.

When estimating a traditional labour demand equation (equation 1) for the euro area as a whole, using an error correction model (ECM), it can be shown that the lagged impact of economic growth and real labour costs, a total factor productivity trend and employment growth 'inertia'

Graph A3.1: Job content of economic growth: empirical elasticity of employment to GDP growth (ratio of employment growth to GDP growth trimmed to avoid too high and negative values)



Source: Commission services, DG ECFIN calculation using data from Eurostat, AMECO database and Fagan et al. (1999).

Standard employment equation (without a break)

$$\begin{aligned}
 DLOG(EMP) = & 0.557 * DLOG(EMP(-1)) + 0.048 * DLOG(GDP(-2)) + 0.061 * DLOG(GDP(-1)) \\
 & - 0.010 * DLOG(REALWAGE(-5)) - 0.038 * [LOG(EMP(-1)) - LOG(GDP(-1))] \\
 & + 0.385 * LOG(REALWAGE(-1)) - 0.00014 * TIMETREND - 0.0016 * D752 - 0.002 * D841 \\
 & + 0.0029 * D894 - 0.0036 * D923 - 0.05387
 \end{aligned}
 \tag{1}$$

R squared=0.77, *Adjusted R-squared* = 0.74, *DW* = 1.76, *P-value Q(2)* = 0.71, *P-value Q(4)* = 0.53

Equation with a structural break from 1997 onwards

$$\begin{aligned}
 DLOG(EMP) = & 0.565 * DLOG(EMP(-1)) + 0.061 * DLOG(GDP(-1)) + 0.0630 * DLOG(GDP(-2)) \\
 & - 0.019 * DLOG(REALWAGE(-4)) - 0.022 * [LOG(EMP(-1)) - LOG(GDP(-1))] + 0.456 * LOG(REALWAGE(-1))] \\
 & - 7.7e-05 * TIMETREND + 0.0013 * DUMMY(YEAR > 1996) \\
 & - 0.0014 * D752 - 0.0020 * D841 + 0.0028 * D894 - 0.0040 * D923 - 0.030
 \end{aligned}
 \tag{2}$$

R squared=0.80, *Adjusted R-squared* = 0.78, *DW* = 2.0, *P-value Q(2)* = 0.90, *P-value Q(4)* = 0.45

can account for most of the employment developments between 1970 and the early 1990s⁽¹⁾. However, these traditional determinants can only explain part of the employment development seen in the last eight years (1997–2004). In a recent paper, Mourre (2004)⁽²⁾ finds robust evidence of a structural break in the aggregated labour demand equation in the euro area in the late 1990s. Using a similar CES specification with updated data⁽³⁾, an ECM employment equation (equation 2) with a break, featured by a dummy for the period starting from 1997, is derived.

Graph A3.2 presents the dynamic simulation of both the standard equation and the employment equation with a break from 1997 onwards. While the latter fits well into the actual employment data over a long period and in particular in the late 1990s and the first half of the 2000s, the standard equation without a break systematically underrates the employment per-

formance from the late 1990s inclusive⁽⁴⁾. Mourre (2004) shows that the break is still very significant when employment is expressed in full-time equivalents or hours worked.

The break is interpreted as a shift in the long-run labour demand. It corresponds to an upward shift in the long-term relationship (employment levels), which translates into a temporarily higher employment growth rate until the new long-term level is reached⁽⁵⁾. It may be interpreted as a rise in the labour-intensity of the method of production. The likely causes are the labour market reforms carried out since the mid-1990s in many euro-area countries, the growth in part-time work and the gradual shift of the sectoral composition of the euro-area economy towards services, which are growing faster and are more job intensive than manufacturing.

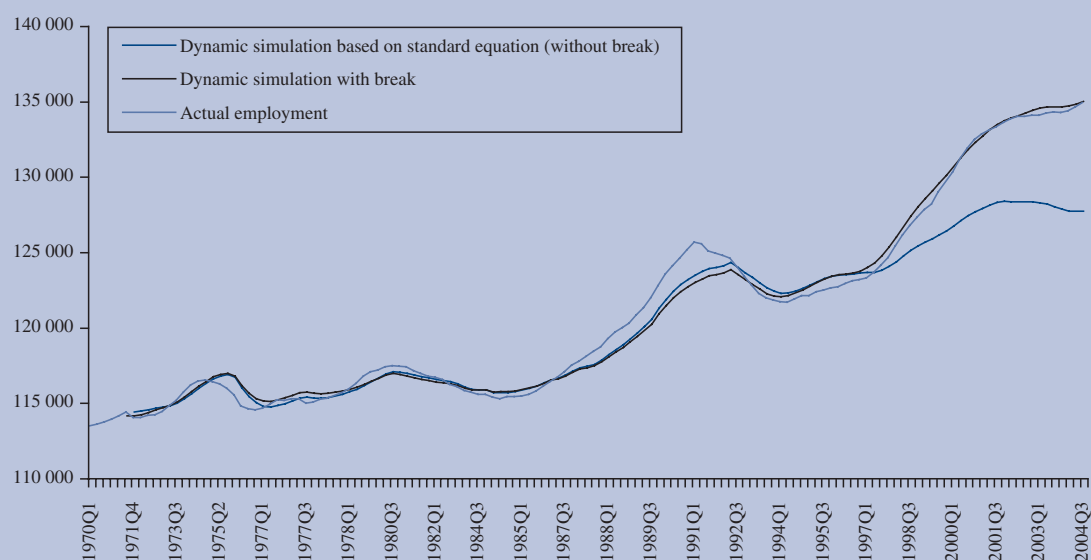
Analysing the resilience of employment in the recent slowdown

Employment was resilient to the economic downturn of 2001–03, as shown by the relatively high job intensity of

(¹) The employment level depends on total output, a labour productivity trend and real labour costs. In the long run, everything remaining equal, a 1 % increase in GDP leads to a 1 % rise in employment (the restriction of an unit elasticity has been imposed to the model), while a 1 % increase in real labour costs leads to a decline of 0.4 %–0.5 % in employment. The trend technical progress, growing at 1.4 % per year, negatively contributes to employment growth and defines the minimum GDP growth rate needed to maintain positive employment growth assuming constant real labour costs.
 (²) Mourre, G., (2004), 'Did the pattern of aggregate employment growth change in the euro area in the late 1990s?', *ECB Working Paper Series*, No 358, May. Forthcoming in *Applied Economics* 2005.
 (³) Data are coming from Fagan, G., J. Henry and R. Mestre, (1999), 'An area-wide model (AWM) for the euro Area', *ECB Working Paper Series*, No. 42, January. The most recent quarters have been extended using Eurostat ESA95 national accounts and ECFIN spring forecasts.

(⁴) The standard equation (without break) has been estimated over the period of the second quarter of 1971 to the fourth quarter of 1996, as its coefficients start to be very unstable from 1997 on, according to recursive estimates. When estimating it over the full period of the second quarter of 1971 to the third quarter of 2004, the dynamic simulation performs quite poorly in the 1990s (i.e. far from actual employment series) and the error correction term is barely significant.
 (⁵) Indeed, this extra employment is gradually offset by the ECM mechanism.

Graph A3.2: Dynamic simulation of employment in the euro area



Source: Commission services.

growth, compared with the past slowdowns ⁽¹⁾ (see Graph A3.1). The key question is whether this development reflects the normal behaviour of employment over the cycle or whether it is due to a change in the long-run determinants of employment or in its cyclical pattern.

In order to shed some light on this issue, the equation was run up to the end of the past expansion and the model-based forecast of employment over 2001–04 was compared with actual employment. Graph A3.3 presents the performance of this out-of-sample forecast of employment. It comes out that the behaviour of employment seen in the period of strong employment growth in the late 1990s did not change during the downturn. The resilience during the recent slowdown is therefore mainly accounted for by the job-richer economic growth already recorded between 1997 and 2000, which is likely related to structural factors (past and ongoing labour market reforms, part-time work developments and more favourable sectoral structure).

The equation with a break is also useful to explain the profile of employment growth over the recent period (2001–04), which cannot be related to any recent structural change arisen in the recent cyclical downturn but reflects the normal dynamics of employment. In 2001–02, employment growth remained very high relative to the weak GDP growth, while it strongly declined in 2003 and remained quite low in 2004 despite a pickup in economic growth in 2004. This is a likely consequence of the usually long lag with which employment responds to economic conditions. According to the equation with a break, employment growth reacts slowly to GDP growth with a mean lag of around three years.

Employment outlook for 2005 and 2006

According to the Directorate-General for Economic and Financial Affairs spring forecast, euro-area employment is predicted to grow at 0.7 % in 2005 and 0.9 % in 2006 compared with only 0.6 % in 2004. This rise would reflect the foreseen developments in GDP growth from 2.0 % in 2004 to 2.1 % in 2006.

As shown in **Graph A3.4**, the employment equation with break confirms that this profile is reasonable and

⁽¹⁾ In the past downturns, the elasticity of employment to output growth was often even negative (see the trimmed part of Graph A3.1)

Model-based learning on recent employment behaviour and its outlook in the euro area

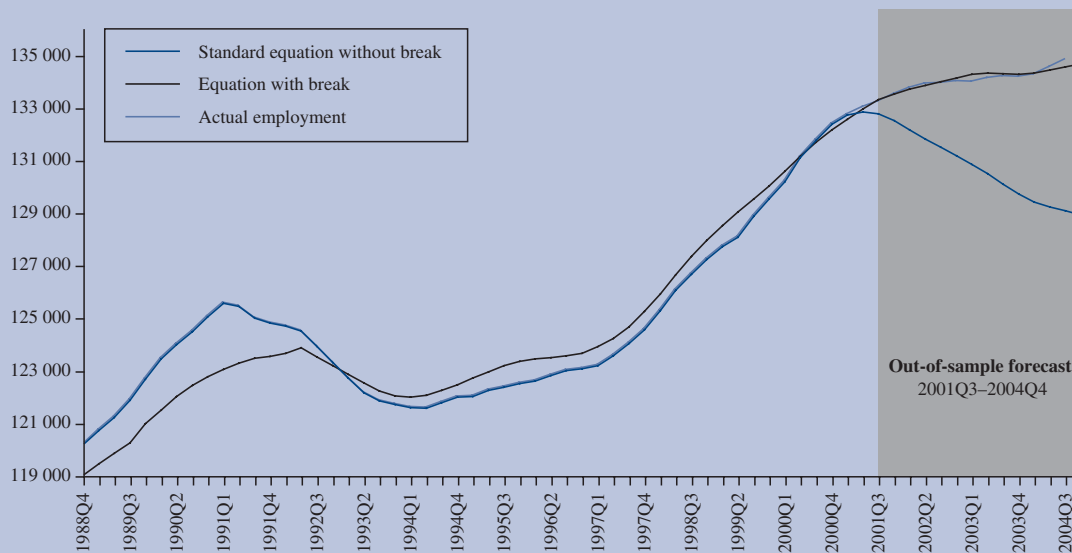
that no strong recovery in employment should be expected in the coming two years, with an increase very likely below 1 % per annum ⁽¹⁾. Moreover, the Spring forecasts appear more in line with the equation with break, which describes much better employment growth since 1997 than the standard equation without break.

The Directorate-General for Economic and Financial Affairs Spring forecasts confirm that employment growth is not expected to exceed 0.8 % per year on average in 2005–06. However, the forecasts derived from the equation with break remain even below this subdued outlook of the ECFIN Spring forecast ⁽²⁾.

⁽¹⁾ The employment forecasts derived from the equations are based on Directorate-General for Economic and Financial Affairs Spring Forecast of GDP and real labour costs.

⁽²⁾ This subdued outlook has also been stressed in the September 2004 issue of the quarterly report on the euro area.

Graph A3.3: Actual employment and out-of-sample forecast in the recent economic slowdown



Source: Commission services.

Graph A3.4: Forecast employment growth (employment equations and Directorate-General for Economic and Financial Affairs forecasts)



Source: Commission services.

Annex 4 The measure of structural employment and trend productivity

Trend productivity has been determined from potential output and from an estimate of the structural employment rate derived from the NAIRU. Potential output and the NAIRU are the official DG ECFIN estimates available in the AMECO database. A direct measure for the structural employment level is not necessary if one can rely on estimates of the structural unemployment and of the participation rate. If the NAIRU is a measure of the equilibrium unemployment conditional to existing labour market institutions and size and composition of labour supply, then the structural employment rate can be derived from the NAIRU and a measure of the structural participation rate. For the participation rate, a trend component is obtained by simply applying a HP filter to the original participation rates. Of course, the structural participation rate is affected both by demographic factors and by age/sex specific labour supply behaviour. Temporary changes in participation may also affect the structural component of participation when poor labour market prospects discourage people from looking for a job. Hence, prolonged periods of weak economic activity cause trend participation to fall. In contrast, the ageing of the population leads to an ‘automatic’ but temporary increase in overall participation, as cohorts entering into the central age class have high participation. Since

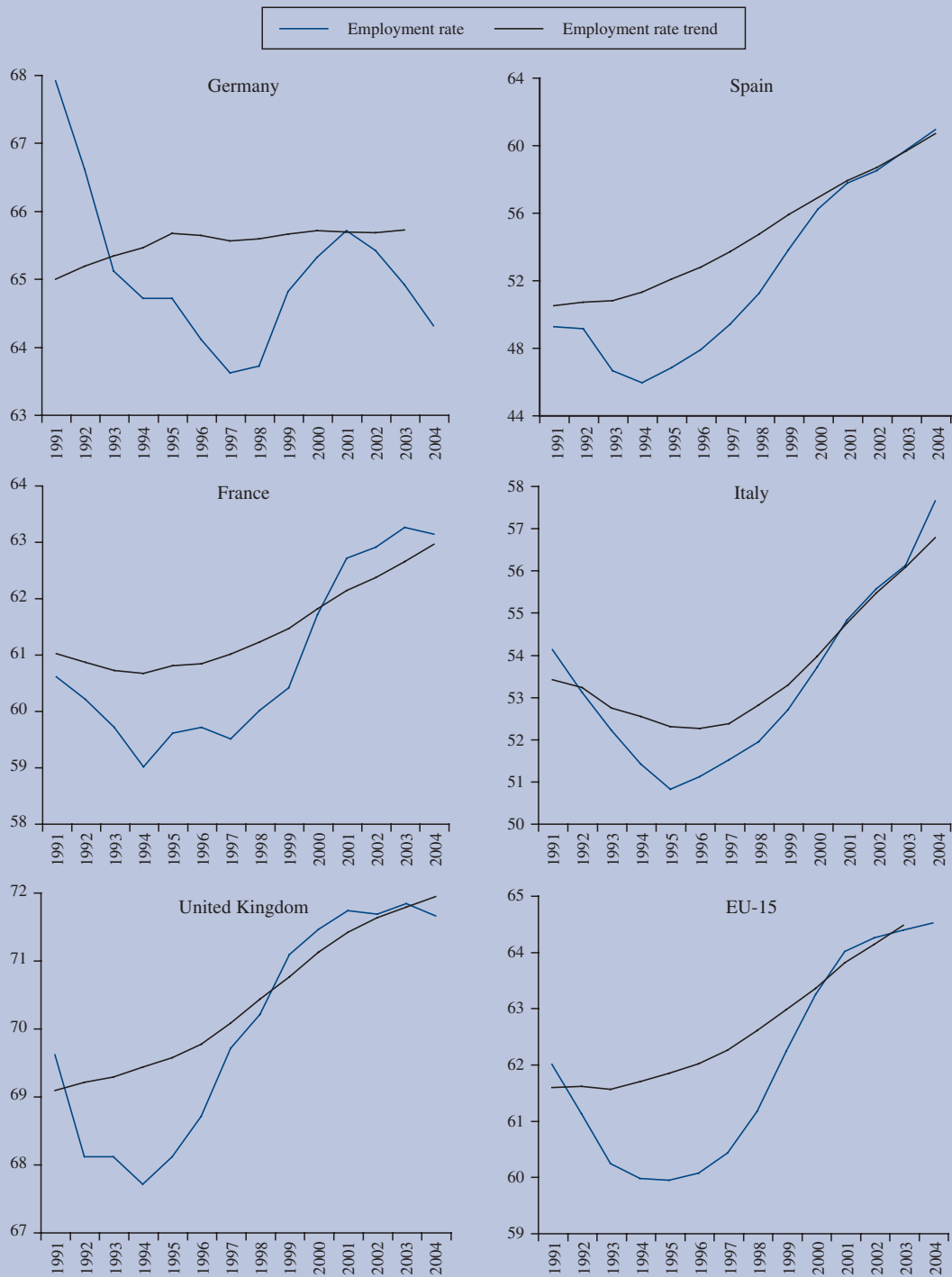
these two effects go in different directions, our estimate is likely to be biased. Hence the results should be interpreted only as a broad description of trends rather than a precise estimate of the structural employment rate.

The employment and participation rates used in the calculation are relative to the 15–64 population. Since the NAIRU is based on the overall population (i.e. 15+) the estimate of the structural employment rate is biased⁽¹⁾. Caution is therefore warranted in analysing the structural employment and productivity estimates, in particular at the end points of our sample. Once the structural employment rate has been obtained, an estimate of structural employment can be derived from the actual working-age population. Finally, the productivity trend is the ratio between potential output and structural employment (**Graphs A4.1** and **A4.2**).

⁽¹⁾ The bias is equal to the ratio between the NAIRU for the 15+ population and the NAIRU for the total 15–64 population. When the NAIRU for the total population is higher than the NAIRU for the 15–64 age group, the estimated employment rate is biased downward, otherwise it is biased upward. This implies that potential productivity is respectively biased upward or downward.

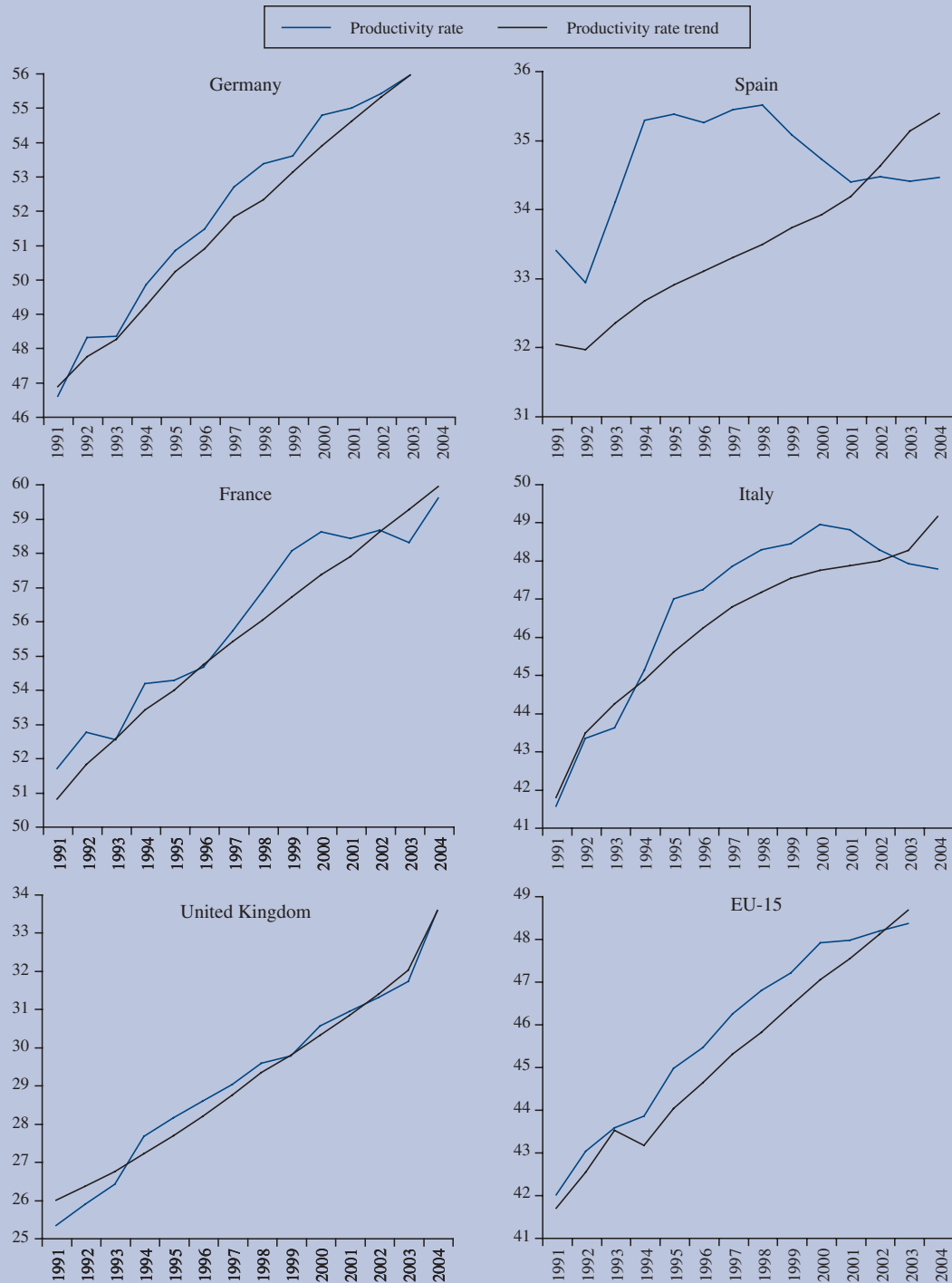
Labour market and wage developments in 2004

Graph A4.1: Structural and actual employment



Source: Commission services' calculations on LFS, Eurostat.

Graph A4.2: Potential and actual productivity (1991=100)



Source: Commission services' calculations on AMECO and Eurostat data.

Annex 5 Transition from different labour market status in the labour market

The European Union labour force survey collects information on the situation with regard to labour market status one year before the survey. This information is used to assess mobility between employment, unemployment and inactivity. The information is annual and provides only an indication of changes between two points in time. It is therefore not possible to identify intra-year movements. Let n_{it} be the number of people in the state $i = \text{employed, unemployed and inactive}$ in year t . Somebody in the state i in the year t may end up in the state $j = \text{employed, unemployed, inactive}$ in the year $t+1$. Let's n_{it}^j be the number of those in state j in year t that were in the state i one year before. For each state, it is then possible to compute the proportion of those in state j that were in state i one year before, namely: $100 * n_{it}^j / n_{it}$. Of course, the sum over all states j equals n_{it} . **Table A5** provides the transition probabilities for the EU-25, EU-15 and the largest Member States. The time series for these countries are shown in **Graphs A5.1–A5.3**. Data are from the EU labour force survey. The following should be taken into account:

- Germany: until 1990 included, the data refer to the former ‘West Germany’.
- France: there is a codification problem in 1991 for the values of the variable ‘status 1 year before’. Eurostat is checking the data.
- Spain: For information, 1996 to 2004 data will be updated using the new population census in June with significant changes expected in totals.
- United Kingdom: the new population census results have been introduced in the 2004 survey but not yet in the former years. Significant revisions are expected on the 1992–2003 data in a couple of weeks to provide comparable data with the 2004 results we have.
- Italy: the quarterly continuous survey was implemented in 2004 (the data are now available) but with comparability problems. For the previous years, the series are coherent.

Table A5

Transition matrix for selected EU countries

	1983	1990	1995	2000	2001	2002	2003	2004
TRANSITION FROM EMPLOYED TO UNEMPLOYED								
(Proportion of unemployed in the year t, employed one year earlier)								
EU-25				2.6	2.7	3.0	2.9	
EU-15			3.0	2.6	2.3	2.8	2.7	
EU-10				3.1	4.3	4.1	3.7	3.5
DE	2.9	1.7	2.8	2.7	2.6	3.2	3.5	
ES		4.6	5.7	4.0	3.4	4.1	4.1	4.2
FR	2.7	3.4	3.9	3.5	3.1	3.5		
IT	1.2		1.8	1.4				
UK	4.0	2.7	2.8	2.1	1.8	2.2	2.1	1.9

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*Transition from different labour market status
in the labour market*

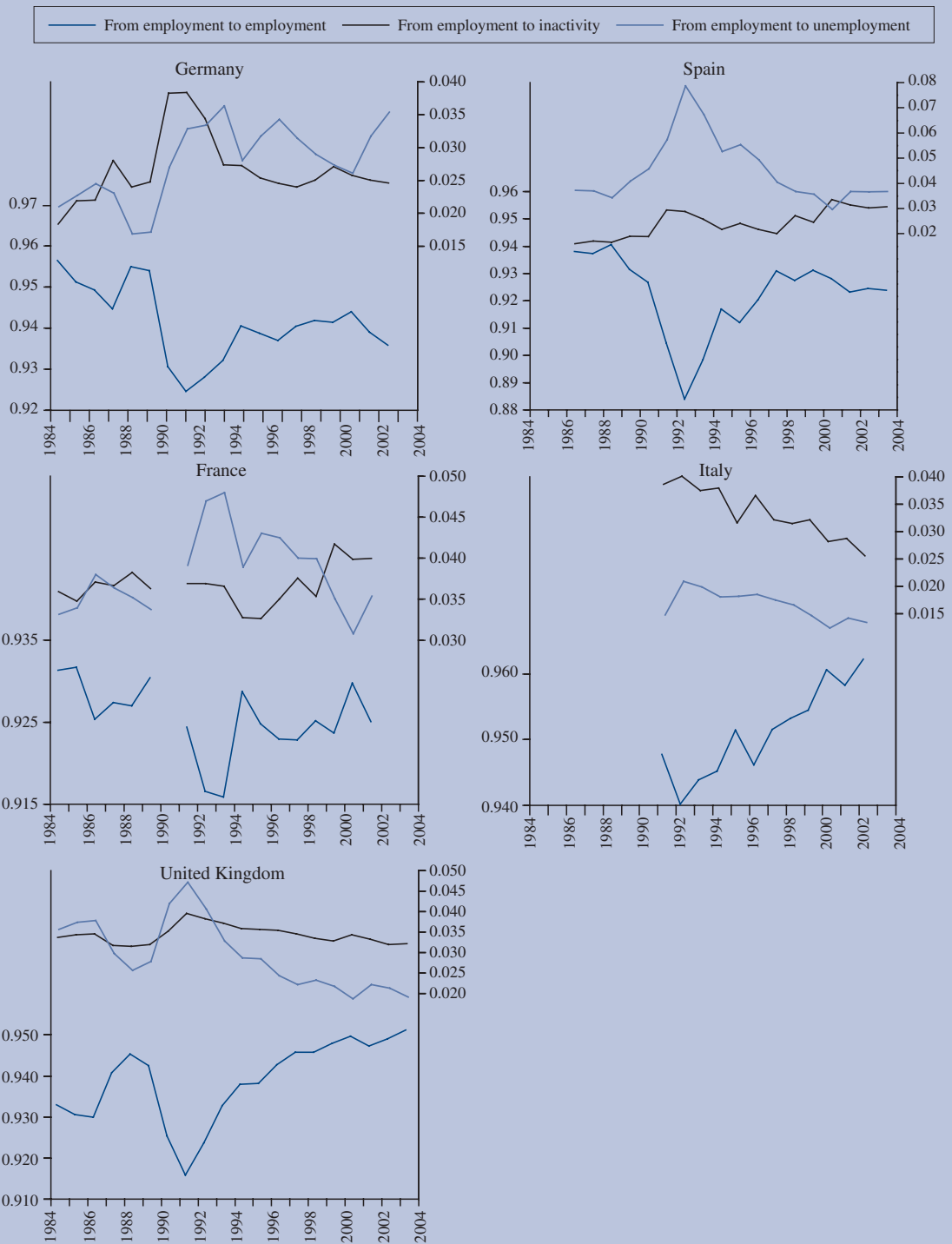
Table A5 (continued)

	1983	1990	1995	2000	2001	2002	2003	2004
TRANSITION FROM EMPLOYED TO INACTIVE								
(Proportion of inactive in the year t, employed one year earlier)								
EU-25				3.3	3.3	3.2	2.9	
EU-15			3.2	3.1	3.2	3.9	2.8	
EU-10				5.5	3.9	3.7	3.4	3.8
DE	2.2	2.5	2.7	2.7	2.6	2.5	2.4	
ES		2.4	2.6	3.0	3.8	3.6	3.5	3.5
FR	4.5	3.6	3.3	4.2	4.0	4.0		
IT	1.9		3.7	3.2	2.8	2.8	2.6	
UK	3.7	3.1	3.5	3.2	3.3	3.2	3.1	3.1
TRANSITION FROM UNEMPLOYED TO EMPLOYED								
(Proportion of employed in the year t, unemployed one year earlier)								
EU-25				35.4	31.6	31.1	30.1	
EU-15			29.9	35.6	34.0	33.6	32.1	
EU-10				32.3	24.4	23.8	25.3	24.9
DE	30.2	18.9	30.0	27.4	25.9	25.2	22.0	
ES		36.2	29.3	43.4	43.6	43.7	44.2	43.7
FR	35.1	31.0	34.6	35.9	34.5	32.1		
IT	32.0		25.0	36.8	31.3	34.9	32.0	
UK	27.8	40.9	36.3	42.4	47.3	43.6	45.4	50.5
TRANSITION FROM UNEMPLOYED TO INACTIVE								
(Proportion of inactive in the year t, unemployed one year earlier)								
EU-25				20.3	22.8	22.2	20.9	
EU-15			19.5	19.8	23.9	23.2	21.4	
EU-10				28.0	19.4	19.4	19.8	18.6
DE	11.8	30.9	22.3	20.7	20.7	20.4	18.6	
ES		5.5	7.2	6.8	19.1	15.7	15.0	14.9
FR	17.4	23.0	14.0	22.0	27.2	28.6		
IT	6.1		28.2	23.2	26.9	25.2	26.1	
UK	15.5	14.8	16.2	18.1	17.9	18.1	19.3	16.3
TRANSITION FROM INACTIVE TO EMPLOYED								
(Proportion of employed in the year t, inactive one year earlier)								
EU-25				9.8	9.5	9.6	9.5	
EU-15			8.4	9.8	1.1	1.2	1.2	
EU-10				9.0	7.1	7.0	7.0	6.9
DE	7.6	8.1	9.4	12.6	12.3	12.3	12.2	
ES		5.3	4.6	6.6	6.5	6.5	7.0	7.2
FR	9.5	8.9	8.8	9.5	9.7	9.1		
IT	4.2		5.0	4.8	6.3	7.6	7.2	
UK	12.3	18.5	14.6	16.4	16.2	16.0	15.4	16.3
TRANSITION FROM INACTIVE TO UNEMPLOYED								
(Proportion of unemployed in the year t, inactive one year earlier)								
EU-25				4.0	4.0	3.9	4.3	
EU-15			4.6	4.1	3.5	3.5	3.9	
EU-10				2.8	6.1	5.6	5.6	5.3
DE	2.0	2.6	3.5	2.8	2.5	2.7	3.2	
ES		3.4	5.3	4.9	3.6	4.0	4.2	4.0
FR	4.4	3.7	5.4	4.1	3.5	3.5		
IT	4.3		4.4	4.5	3.8	3.8	3.9	
UK	5.5	5.9	5.2	4.6	4.1	4.0	4.0	4.1

Source: Eurostat, LFS.

Labour market and wage developments in 2004

Graph A5.1: Proportion of people in one of the three statuses that were in employment one year earlier



Source: LFS, Eurostat.

*Transition from different labour market status
in the labour market*

Graph A5.2: Proportion of people in one of the three statuses that were in inactivity one year earlier



Source: LFS, Eurostat.

Labour market and wage developments in 2004

Graph A5.3: Proportion of people in one of the three statuses that were in unemployment one year earlier



Source: Commission services, DG ECFIN.

Annex 6 An estimate of Okun's law within a VAR system framework

In its original formulation, the Okun's law postulates a negative relationship over the cycle between changes in the unemployment rate and changes in real GDP. Movements in the gap between actual and potential output have a proportionate negative effect on the gap between actual and the natural rate of unemployment. Formally the Okun's law amounts to estimating the following equation:

$$u_t - u_t^* = -\beta_1(y_t - y_t^*) + \varepsilon_t \quad (1)$$

with u : the unemployment rate; y : the log of GDP at constant prices. Variables with a star represent the trend components of the unemployment rate and GDP. β is the so-called Okun coefficient, estimated originally by Okun for the United States at approximately 1/3. Although the negative relationship has been stable over time, the value of the coefficient is time varying and differs across countries. ⁽¹⁾

Static estimates do not consider the short-term dynamics of the unemployment rate (employment rate)-output relationship. To capture delayed response of unemployment (employment) rate gap to the output gap and account for more complex dynamics to remove possible serial correlation in the unemployment rate, the static relationship is augmented including lagged values of output and unemployment rate (always as deviations from trend levels). This method used by Gordon (1984) amounts to estimating the following auto regressive distributed lag model ($ARDL(p_1, p_2)$):

$$u_t - u_t^* = A(L)(u_t - u_t^*) + B(L)(y_t - y_t^*) + \varepsilon_t$$

⁽¹⁾ The traditional version of the Okun relationship assumes that the cyclical components of capacity utilisation, of hours worked and of the labour force do not affect the cyclical component of output. Prachowny (1993) showed that the Okun's law can be formally derived from a Cobb-Douglas production function where output is a function of the capacity utilisation rate, hours per worker, labour force and number of workers. He showed that when the Okun relationship is derived from a production function, the value of $1/\beta$ estimated for the United States over the period 75:1-88:4 is in a ballpark around 0.7.

where $A(L) = \sum_{i=1}^{p_1} a_i L^i$ and $B(L) = \sum_{i=0}^{p_2} b_i L^i$ are

polynomial of degree p in L . The Okun's coefficient is

the 'medium-run effect given by $\beta_2 = \frac{B(1)}{1-A(1)}$ '. ⁽²⁾

One difficulty of this dynamic formulation is that it treats current output as an exogenous variable. Hence, shocks to the unemployment rate are independent from shocks to real GDP. While this assumption may hold when the Okun relationship is analysed on yearly data, at higher frequencies it is very unlikely that temporary shocks to the unemployment rate do not feedback on current GDP. To account for the potential endogeneity of both the output gap and unemployment gap, a VAR approach is a more appropriate description of the cyclical relationship between unemployment and output. Blanchard (1989) used this approach to estimate the short-run Keynesian model within a structural VAR framework with five variables (GNP, unemployment, wages, price level and money). He finds the contemporaneous response of unemployment to GDP of between 0.18 and 0.42.

We model the relationship between the unemployment (employment) rate gap and the output gap in a VAR framework before imposing specific restrictions on each equation. A general-to-specific approach has been adopted to choose optimally the lag structure i.e. the number of lags needed to deal with the serial correlation problems associated with the estimate. The VAR has been estimated over three periods 1980:1-1989:4, 1990:1-2004:4 and 1995:1-2004:1. This approach, adapted from Blanchard (1989) and Weber (1995), is based on a structural vector autoregressive representation.

Before testing the VAR, we need to compute the cyclical components of unemployment and GDP. With quarterly data, it is not possible to use Directorate-General for Economic and Financial Affairs yearly estimates of the potential output and the NAIRU as proxy of equilibrium

⁽²⁾ This is the medium run effect because the gaps are all zero in the long run (i.e. in steady state).

levels of GDP and unemployment. We use the HP filter to decompose the series into their trend and cyclical components with a smoothing parameter set at 1600.

Starting with an unrestricted VAR with eight lags, we adopt a sequential testing procedure to determine the appropriate lag structure. Lags have been selected checking the validity of all VARs with lags 1 to 8 through test of encompassing and diagnostic checks (autocorrelation, normality, heteroskedasticity, functional form, etc.). A VAR of order 3 for the 1980s and 1990:1-2004:4 and a VAR of order 2 were sufficient to have almost well-behaved residuals, i.e. independent and identically distributed as normal (IIN). Dummies for 1991:1 and for 1992:2 were necessary to have normal residuals. The estimated VAR is used to compute the impulse response functions. Shocks are identified with Choleski with the order: output gap, activity rate gap and employment rate gap. This identification imposes a recursive structure in the relationships between the contemporaneous structural shocks implying that a shock that hits a variable that comes earlier has a contemporaneous effect on those coming after but not vice-versa.

Table A6 reports the estimates of the response of employment and participation rate to the output gap for three different periods: 1980:1-1989:4; 1990:1-2004:4; 1995:1-2004:4. The contemporaneous response of employment to a shock to the output gap is stable over time. In addition, the contemporaneous response of employment to a shock

to participation decreases over time. Participation responds to a shock to the output gap with a positive sign only in the 1990:1-2004 period. **Graph A6** presents selected results taken from the dynamic simulation obtained with the VAR models estimated over the three periods. The simulations are calculated for only 20 periods (five years). The dark blue lines are the impulse response function for the 1980s, the thick black lines for 1990:1-2004:1 and the light blue lines for 1995:1-2004:1. The impulse response functions suggest the following:

- An unexpected temporary shock to the output gap, achieves its maximum after about one year. The response of employment over the cycle has been higher and more persistent in the recent periods. The activity rate responds more strongly in the recent periods. This implies that the unemployment is much less responsive to unexpected shocks to the output gap.
- Unexpected temporary shocks to the labour supply (captured by the participation rate) have a positive effect on employment over the cycle and tend to be less persistent in the late 1990s. The output gap deteriorates but much more in the second half of the 1990s.

Finally, a shock to the employment rate has positive effects over the cycle on the economic activity and on the participation rate. This effect is much more persistent in the 1990s.

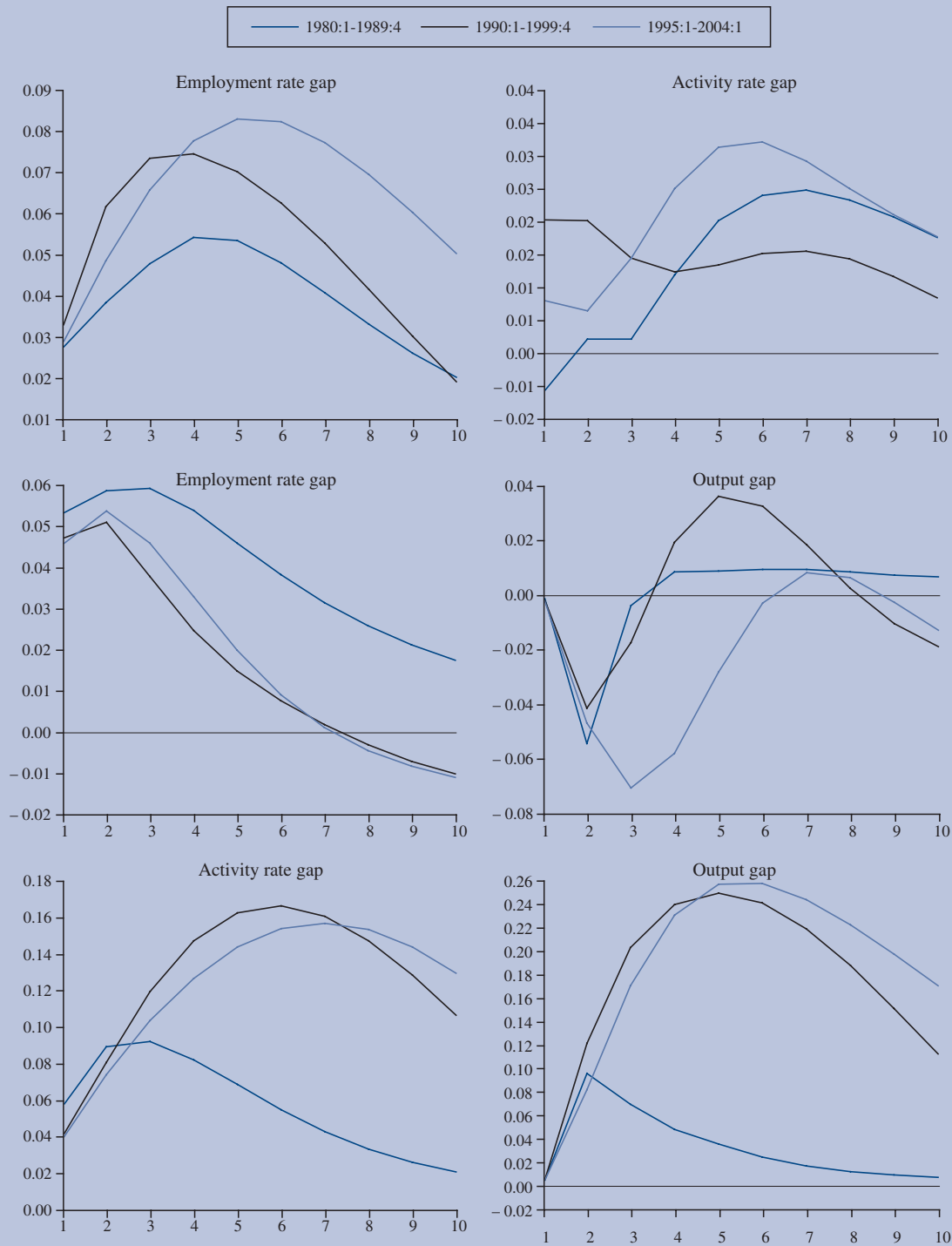
Table A6

Estimates of the Okun coefficients: SVAR model

Elasticity of → To ↓	Employment		Participation	
	1980:1-1989:4			
Output gap	0.08 (3.4)		- 0.02 (- 0.49)	
Participation	0.70 (5.82)		:	
1990:1-2004:4				
Output gap	0.07 (3.70)		0.07 (2.00)	
Participation	0.62 (9.00)		:	
1995:1-2004:4				
Output gap	0.08 (3.7)		0.03 (0.62)	
Participation	0.58 (7.22)			

Structural shocks identified assuming recursive structure with order: Output gap, Activity rate gap, Employment rate gap

Graph A6: Impulse responses for the euro area



NB: The dark blue lines are the response for the period 1980:1 to 1989:4, the black lines are the response for the period 1990:1 to 1999:4 and the light blue lines the response for the period 1995:1 to 2004:1. Shocks are identified with Choleski with the order: output gap, activity rate gap and employment rate gap. Source: Commission services.

Statistical annex

Country tables

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Work status of persons Belgium

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	10 239	10 263	10 310	10 356	10 396	0.4	%
2. Population (working age: 15-64)		6 719	6 729	6 758	6 791	6 819	0.4	%
	<i>as % of total population</i>	65.6	65.6	65.5	65.6	65.6	0.0	p.p.
3. Labour force (15-64)	1 000 pers.	4 376	4 320	4 378	4 409	4 496	2.0	%
	<i>Male</i>	2 496	2 479	2 490	2 493	2 530	1.5	%
	<i>Female</i>	1 881	1 841	1 888	1 917	1 966	2.6	%
4. Activity rate (as a % of population 15-64)		65.1	64.2	64.8	64.9	65.9	1.0	p.p.
	Young (15-24)	35.3	35.7	35.7	35.0	35.5	0.5	p.p.
	Prime age (25-54)	82.4	81.2	81.9	82.3	83.4	1.1	p.p.
	Older (55-64)	27.1	25.9	27.7	28.9	31.2	2.3	p.p.
	<i>Male</i>	73.7	73.2	73.2	72.9	73.5	0.6	p.p.
	Young (15-24)	38.7	39.6	38.9	38.4	37.9	- 0.5	p.p.
	Prime age (25-54)	91.8	91.0	91.3	90.9	91.8	0.9	p.p.
	Older (55-64)	37.5	36.4	37.5	38.9	40.4	1.5	p.p.
	<i>Female</i>	56.4	55.1	56.3	56.9	58.3	1.4	p.p.
	Young (15-24)	31.8	31.7	32.4	31.4	33.0	1.6	p.p.
	Prime age (25-54)	72.8	71.2	72.4	73.6	74.7	1.2	p.p.
	Older (55-64)	17.1	15.9	18.2	19.3	22.1	2.8	p.p.
5. Employment rate (as a % of population 15-64)		60.5	59.9	59.9	59.6	60.3	0.7	p.p.
	Young (15-24)	29.1	29.7	29.4	27.3	27.8	0.5	p.p.
	Prime age (25-54)	77.4	76.6	76.5	76.5	77.3	0.8	p.p.
	Older (55-64)	26.3	25.1	26.6	28.1	30.0	1.9	p.p.
	<i>Male</i>	69.5	68.8	68.3	67.3	67.9	0.6	p.p.
	Young (15-24)	32.8	33.2	32.1	29.9	30.1	0.2	p.p.
	Prime age (25-54)	87.3	86.5	86.1	85.0	85.8	0.8	p.p.
	Older (55-64)	36.4	35.1	36.0	37.8	39.1	1.3	p.p.
	<i>Female</i>	51.5	50.9	51.4	51.8	52.7	0.8	p.p.
	Young (15-24)	25.4	26.0	26.5	24.7	25.4	0.7	p.p.
	Prime age (25-54)	67.2	66.5	66.8	67.8	68.5	0.7	p.p.
	Older (55-64)	16.6	15.4	17.6	18.6	21.1	2.4	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		4 068	4 033	4 047	4 047	4 114	67	Th.
	<i>Male (as a % of total)</i>	57.8	57.8	57.4	56.8	56.8	0.0	p.p.
	<i>Female (as a % of total)</i>	42.2	42.2	42.6	43.2	43.2	0.0	p.p.
7. Employment growth (%) (National accounts)		1.9	1.5	- 0.3	0.0	0.7		p.p.
Employment growth (%) (LFS - age 15-64)		2.2	- 0.8	0.4	0.0	1.6		p.p.
	<i>Male</i>	2.1	- 0.9	- 0.3	- 1.0	1.6		p.p.
	<i>Female</i>	2.3	- 0.9	1.3	1.3	1.8		p.p.
8. Self employed (as a % of total employment)		9.0	8.7	8.7	8.6	8.3	- 0.3	p.p.
	<i>Male</i>	10.5	10.0	10.1	10.0	9.9	- 0.1	p.p.
	<i>Female</i>	7.0	6.9	6.8	6.9	6.2	- 0.7	p.p.
9. Temporary employment (as a % of total employment)		9.1	8.8	8.1	8.4	8.7	0.4	p.p.
	<i>Male</i>	6.7	6.3	5.7	6.2	6.4	0.2	p.p.
	<i>Female</i>	12.3	12.0	11.2	11.1	11.7	0.6	p.p.
10. Part time (as a % of total employment)		17.5	18.4	19.0	20.3	20.9	0.6	p.p.
	<i>Male</i>	4.7	4.9	5.3	6.1	6.2	0.2	p.p.
	<i>Female</i>	35.1	36.8	37.4	39.0	40.2	1.2	p.p.
11. Unemployment rate (harmonised: 15-74)		6.9	6.7	7.3	8.0	7.8	- 0.2	p.p.
	Young (15-24)	17.5	17.1	17.8	21.8	21.6	- 0.2	p.p.
	Prime age (25-54)	6.1	5.6	6.6	7.1	7.3	0.3	p.p.
	Older (55-64)	2.8	3.0	3.9	2.9	3.9	1.0	p.p.
	<i>Male</i>	5.6	6.0	6.7	7.6	7.0	- 0.6	p.p.
	Young (15-24)	15.4	16.3	17.3	22.1	20.7	- 1.4	p.p.
	Prime age (25-54)	4.9	4.9	5.7	6.5	6.5	0.0	p.p.
	Older (55-64)	2.9	3.6	3.9	2.8	3.3	0.5	p.p.
	<i>Female</i>	8.5	7.6	8.2	8.4	8.8	0.4	p.p.
	Young (15-24)	20.2	17.9	18.1	21.3	23.0	1.7	p.p.
	Prime age (25-54)	7.6	6.5	7.8	7.8	8.4	0.6	p.p.
	Older (55-64)	2.8	3.2	3.8	3.5	4.8	1.3	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	54.2	48.6	48.8	45.4	49.1	3.7	p.p.
13. Worked hours (average actual weekly hours)		37.1	37.1	37.1	36.7	36.5	- 0.5	%
	<i>Male</i>	40.6	40.5	40.3	40.2	40.1	- 0.2	%
	<i>Female</i>	32.4	32.4	32.7	32.0	31.8	- 0.8	%
14. Sectoral employment growth								
	Agriculture	- 3.8	- 2.0	- 1.0	0.0	:		p.p.
	Building and construction	2.2	1.3	- 2.1	- 0.9	:		p.p.
	Services	2.4	1.8	0.7	0.8	:		p.p.
	Manufacturing industry	0.6	0.6	- 4.0	- 3.1	- 1.5		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments Belgium

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	2.1	3.7	4.2	2.0	2.5	:	:	:	:
Compensation of employees per hour worked	4.1	2.5	4.3	2.5	3.6	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	2.0	5.0	4.9	:	:	:	:	:	:
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:
Nominal unit labour costs	0.1	4.4	3.0	0.8	0.3	:	:	:	:
Real unit labour costs deflated by GDP deflator	-1.1	2.6	1.1	-1.1	-1.9	:	:	:	:
Wage and salaries	3.4	3.0	2.3	:	:	:	:	:	:
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	70.1	71.6	72.5	71.6	70.7	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	32.0	:	32.9	29.0	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	68.1	:	67.2	71.0	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	60.3	:	54.4	54.4	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	30.8	:	30.6	28.9	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	1.2	:	1.1	0.1	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	1.9	-0.7	1.2	1.2	2.1	3.1	2.4	1.9	:
Hourly labour productivity	3.4	-2.3	1.3	1.5	3.3	:	:	:	:
GDP	3.9	0.7	0.9	1.3	2.9	3.6	2.9	2.7	2.4
ECFIN NAIRU estimate	7.5	7.5	7.5	7.4	7.2	:	:	:	:
Output gap (%)	1.9	0.5	-0.6	-1.3	-0.8	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	2.7	2.4	1.6	1.5	1.9	1.2	2.0	2.0	2.3
Underlying inflation (exc. energy and unprocessed food)	1.1	2.1	2.1	1.7	1.4	1.7	1.4	1.4	1.2
GDP deflator	1.3	1.8	1.8	1.9	2.3	2.3	2.4	2.4	2.1
Sectoral breakdown of unit labour costs									
Agriculture and fishery	-0.6	18.2	-5.8	8.9	:	:	:	:	:
Industry excluding construction	-3.2	4.4	0.3	0.3	:	:	:	:	:
of which: manufacturing	-2.4	4.3	-0.6	-0.4	:	:	:	:	:
Construction	-2.5	2.0	2.0	3.7	:	:	:	:	:
Trade, transport and communication	0.6	2.7	0.7	2.7	:	:	:	:	:
Finance and business services	5.3	6.2	2.8	-1.2	:	:	:	:	:
Non-market related services	1.3	4.1	4.9	2.3	:	:	:	:	:
Market-related sectors	0.4	4.3	2.0	:	:	:	:	:	:
Sectoral breakdown of compensation per employee									
Total industries	2.0	3.7	3.7	2.5	:	:	:	:	:
Agriculture and fishery	4.4	6.9	7.2	5.4	:	:	:	:	:
Industry excluding construction	1.2	3.5	4.2	3.4	:	:	:	:	:
of which: manufacturing	1.7	3.7	3.6	3.6	:	:	:	:	:
Construction	2.8	1.9	2.6	4.2	:	:	:	:	:
Trade, transport and communication	2.3	3.3	4.9	2.8	:	:	:	:	:
Finance and business services	1.5	6.7	1.7	2.4	:	:	:	:	:
Non-market related services	2.3	3.0	4.4	2.3	:	:	:	:	:
Sectoral breakdown of labour productivity									
Agriculture and fishery	5.0	-9.6	13.8	-3.2	6.7	3.9	7.2	7.3	:
Industry excluding construction	4.5	-0.9	3.8	3.0	4.6	4.5	5.0	5.4	:
of which: manufacturing	4.2	-0.6	4.2	4.0	:	:	:	:	:
Construction	5.4	-0.1	0.6	0.5	5.9	1.9	8.1	5.5	:
Trade, transport and communication	1.7	0.6	4.1	0.1	1.0	0.2	0.3	0.8	:
Finance and business services	-3.6	0.5	-1.0	3.7	0.1	3.4	0.4	-0.5	:
Non-market related services	1.0	-1.0	-0.5	0.1	0.6	1.6	1.0	-0.1	:
Market-related sectors	1.5	-0.2	2.1	1.9	2.2	2.7	2.4	2.0	:

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Czech Republic

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	10 222	10 176	10 171	10 179	10 196	0.2	%
2. Population (working age: 15-64)		7 116	7 121	7 149	7 182	7 231	0.7	%
	<i>as % of total population</i>	69.6	70.0	70.3	70.6	70.9	0.4	p.p.
3. Labour force (15-64)	1 000 pers.	5 076	5 045	5 048	5 044	5 063	0.4	%
	<i>Male</i>	2 800	2 786	2 799	2 792	2 815	0.8	%
	<i>Female</i>	2 277	2 259	2 249	2 252	2 248	-0.2	%
4. Activity rate (as a % of population 15-64)		71.3	70.8	70.6	70.2	70.0	-0.2	p.p.
	Young (15-24)	44.4	41.5	38.7	36.8	35.2	-1.6	p.p.
	Prime age (25-54)	88.4	88.4	88.2	87.8	87.8	0.0	p.p.
	Older (55-64)	38.2	39.0	42.5	44.2	45.1	0.9	p.p.
	<i>Male</i>	79.1	78.6	78.6	78.0	77.9	-0.1	p.p.
	Young (15-24)	48.3	45.1	42.3	39.6	38.7	-0.9	p.p.
	Prime age (25-54)	94.9	94.9	94.8	94.4	94.5	0.1	p.p.
	Older (55-64)	54.5	55.0	59.2	59.9	60.2	0.3	p.p.
	<i>Female</i>	63.6	63.2	62.7	62.5	62.2	-0.4	p.p.
	Young (15-24)	40.6	37.9	35.2	33.9	31.5	-2.4	p.p.
	Prime age (25-54)	81.8	81.8	81.5	81.0	80.9	-0.1	p.p.
	Older (55-64)	23.7	24.5	27.2	30.0	31.3	1.4	p.p.
5. Employment rate (as a % of population 15-64)		65.0	65.0	65.4	64.7	64.1	-0.6	p.p.
	Young (15-24)	36.4	34.2	32.2	30.0	27.8	-2.2	p.p.
	Prime age (25-54)	81.6	82.1	82.5	81.7	81.4	-0.3	p.p.
	Older (55-64)	36.3	37.1	40.8	42.3	42.6	0.4	p.p.
	<i>Male</i>	73.2	73.2	73.9	73.1	72.3	-0.8	p.p.
	Young (15-24)	39.3	37.0	35.2	32.4	30.1	-2.3	p.p.
	Prime age (25-54)	89.3	89.7	90.2	89.7	89.2	-0.5	p.p.
	Older (55-64)	51.7	52.6	57.1	57.5	57.2	-0.3	p.p.
	<i>Female</i>	56.9	56.9	57.0	56.3	56.0	-0.3	p.p.
	Young (15-24)	33.6	31.4	29.1	27.6	25.4	-2.2	p.p.
	Prime age (25-54)	73.7	74.4	74.7	73.5	73.4	-0.1	p.p.
	Older (55-64)	22.4	23.2	25.8	28.5	29.4	0.9	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		4 625	4 631	4 677	4 647	4 638	-9	Th.
	<i>Male (as a % of total)</i>	56.0	56.0	56.3	56.4	56.4	0.0	p.p.
	<i>Female (as a % of total)</i>	44.0	44.0	43.7	43.6	43.6	0.0	p.p.
7. Employment growth (%) (National accounts)		-0.5	0.4	1.5	-0.1	-0.5		p.p.
Employment growth (%) (LFS - age 15-64)		-0.6	0.1	1.0	-0.6	-0.2		p.p.
	<i>Male</i>	-0.7	0.2	1.4	-0.5	-0.2		p.p.
	<i>Female</i>	-0.5	0.0	0.5	-0.8	-0.2		p.p.
8. Self employed (as a % of total employment)		10.3	10.6	11.3	12.2	12.1	-0.1	p.p.
	<i>Male</i>	12.9	13.3	14.4	15.5	15.5	0.0	p.p.
	<i>Female</i>	6.9	7.0	7.3	8.0	7.7	-0.3	p.p.
9. Temporary employment (as a % of total employment)		7.2	7.2	7.3	8.4	8.4	0.0	p.p.
	<i>Male</i>	6.1	6.3	6.1	7.1	7.0	0.0	p.p.
	<i>Female</i>	8.6	8.3	8.7	10.0	10.0	0.1	p.p.
10. Part time (as a % of total employment)		4.7	4.3	4.3	4.5	4.4	-0.1	p.p.
	<i>Male</i>	1.6	1.6	1.7	1.7	1.7	0.0	p.p.
	<i>Female</i>	8.6	7.7	7.8	8.0	7.8	-0.2	p.p.
11. Unemployment rate (harmonised: 15-74)		8.7	8.0	7.3	7.8	8.3	0.5	p.p.
	Young (15-24)	18.0	17.6	16.9	18.5	21.0	2.4	p.p.
	Prime age (25-54)	7.7	7.1	6.5	7.0	7.3	0.3	p.p.
	Older (55-64)	5.2	4.8	4.0	4.4	5.4	1.1	p.p.
	<i>Male</i>	7.3	6.7	5.9	6.2	7.1	0.9	p.p.
	Young (15-24)	18.6	17.9	16.7	18.2	22.2	4.0	p.p.
	Prime age (25-54)	6.0	5.5	4.9	5.0	5.6	0.6	p.p.
	Older (55-64)	5.0	4.4	3.5	3.9	5.0	1.0	p.p.
	<i>Female</i>	10.3	9.7	9.0	9.9	9.9	0.0	p.p.
	Young (15-24)	17.3	17.2	17.2	18.7	19.5	0.8	p.p.
	Prime age (25-54)	9.8	9.1	8.3	9.3	9.3	0.0	p.p.
	Older (55-64)	5.3	5.6	5.1	5.0	6.1	1.1	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	48.8	52.1	50.3	48.7	51.0	2.3	p.p.
13. Worked hours (average actual weekly hours)		43.4	41.5	41.7	41.8	41.7	-0.4	%
	<i>Male</i>	45.4	43.3	43.7	43.9	43.7	-0.5	%
	<i>Female</i>	40.8	39.0	38.9	38.9	39.0	0.1	%
14. Sectoral employment growth								
	Agriculture	-3.3	-8.4	-8.9	1.6	:		p.p.
	Building and construction	1.5	-2.1	-6.2	0.1	:		p.p.
	Services	1.5	0.7	2.9	-0.5	:		p.p.
	Manufacturing industry	-4.2	2.9	3.3	0.1	-4.0		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments Czech Republic

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	5.4	7.4	6.0	6.6	5.5	:	:	:	:
Compensation of employees per hour worked	4.3	11.8	8.5	7.4	6.7	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	:	:	:	:	:	:	:	:	:
Negotiated wages (euro area only)									
Nominal unit labour costs	1.0	5.1	6.0	2.6	0.9	:	:	:	:
Real unit labour costs deflated by GDP deflator	-0.4	0.2	3.2	0.8	-2.7	:	:	:	:
Wage and salaries	-0.2	7.0	4.6	4.2	:	:	:	:	:
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	57.6	57.5	59.6	59.9	58.9	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	28.0	28.0	28.2	28.2	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	72.0	72.0	71.8	71.8	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	63.7	62.9	62.9	63.0	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	26.6	26.6	26.9	26.9	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	1.4	1.4	1.3	1.3	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	4.4	2.2	0.0	3.9	4.6	5.2	4.9	4.3	4.1
Hourly labour productivity	4.4	7.0	1.5	5.5	5.6	:	:	:	:
GDP	3.9	2.6	1.5	3.7	4.0	3.8	4.0	4.0	4.3
ECFIN NAIRU estimate	6.3	7.3	7.6	7.7	7.8	:	:	:	:
Output gap (%)	-2.3	-1.4	-2.2	-1.3	-0.3	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	3.9	4.5	1.4	-0.1	2.6	2.0	2.5	3.0	2.7
Underlying inflation (exc. energy and unprocessed food)	:	3.1	2.0	0.4	2.4	1.6	2.5	3.0	2.5
GDP deflator	1.4	4.9	2.8	1.9	3.7	4.0	3.4	4.0	3.3
Sectoral breakdown of unit labour costs									
Agriculture and fishery	0.0	9.6	1.1	:	:	:	:	:	:
Industry excluding construction	-1.0	17.9	10.1	:	:	:	:	:	:
of which: manufacturing	-2.3	11.8	-2.7	-1.5	-5.6	:	:	:	:
Construction	10.7	16.8	9.7	2.8	:	:	:	:	:
Trade, transport and communication	8.3	4.7	20.3	:	:	:	:	:	:
Finance and business services	7.6	2.6	25.6	:	:	:	:	:	:
Non-market related services	5.1	13.2	21.3	:	:	:	:	:	:
Market-related sectors	:	:	:	:	:	:	:	:	:
Sectoral breakdown of compensation per employee									
Total industries	9.3	12.2	17.2	3.1	:	:	:	:	:
Agriculture and fishery	9.4	11.2	14.2	:	:	:	:	:	:
Industry excluding construction	10.7	9.7	15.7	:	:	:	:	:	:
of which: manufacturing	6.9	5.0	4.3	6.6	5.5	:	:	:	:
Construction	8.5	9.6	20.5	2.3	:	:	:	:	:
Trade, transport and communication	12.0	13.3	16.0	:	:	:	:	:	:
Finance and business services	8.5	11.6	12.7	:	:	:	:	:	:
Non-market related services	4.5	15.5	21.1	:	:	:	:	:	:
Sectoral breakdown of labour productivity									
Agriculture and fishery	9.4	1.5	13.0	-2.5	13.0	-3.0	-20.9	15.3	34.8
Industry excluding construction	11.8	-6.9	5.0	6.9	6.7	6.9	8.9	6.9	8.9
of which: manufacturing	9.4	-6.1	7.2	8.2	11.7	:	:	:	:
Construction	-2.0	-6.2	9.8	-0.5	-7.5	9.7	3.7	-7.4	-5.9
Trade, transport and communication	3.4	8.3	-3.6	1.0	7.8	4.8	-0.6	2.3	1.4
Finance and business services	0.9	8.7	-10.3	6.0	3.2	1.5	10.0	10.4	6.9
Non-market related services	-0.6	2.1	-0.1	0.2	-0.5	1.4	0.6	-1.4	-3.8
Market-related sectors	6.2	1.4	0.3	4.0	5.0	5.4	4.6	5.4	6.0

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Denmark

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	5 298	5 322	5 339	5 359	5 379	0.4	%
2. Population (working age: 15-64)		3 532	3 545	3 538	3 548	3 559	0.3	%
	<i>as % of total population</i>	66.7	66.6	66.3	66.2	66.2	0.0	p.p.
3. Labour force (15-64)	1 000 pers.	2 825	2 832	2 815	2 820	2 853	1.2	%
	<i>Male</i>	1 502	1 502	1 493	1 503	1 511	0.5	%
	<i>Female</i>	1 323	1 330	1 322	1 317	1 342	1.9	%
4. Activity rate (as a % of population 15-64)		80.0	79.9	79.6	79.5	80.1	0.7	p.p.
	Young (15-24)	70.7	68.0	68.6	65.6	67.9	2.3	p.p.
	Prime age (25-54)	87.9	87.9	87.8	87.8	88.2	0.4	p.p.
	Older (55-64)	58.3	60.5	60.4	63.3	63.9	0.6	p.p.
	<i>Male</i>	84.2	83.8	83.6	83.8	84.0	0.3	p.p.
	Young (15-24)	73.4	70.2	70.7	67.7	69.7	2.0	p.p.
	Prime age (25-54)	91.7	91.4	91.9	91.7	91.5	-0.2	p.p.
	Older (55-64)	66.7	68.3	67.1	70.5	71.2	0.8	p.p.
	<i>Female</i>	75.6	75.9	75.4	75.1	76.2	1.0	p.p.
	Young (15-24)	67.8	65.8	66.4	63.5	66.0	2.5	p.p.
	Prime age (25-54)	84.0	84.4	83.7	83.7	84.7	1.0	p.p.
	Older (55-64)	48.9	51.9	53.0	55.9	56.5	0.6	p.p.
5. Employment rate (as a % of population 15-64)		76.3	76.2	75.9	75.1	75.7	0.5	p.p.
	Young (15-24)	65.9	62.3	63.5	59.5	62.3	2.8	p.p.
	Prime age (25-54)	84.2	84.4	84.1	83.5	83.7	0.2	p.p.
	Older (55-64)	55.7	57.9	57.8	60.1	60.3	0.2	p.p.
	<i>Male</i>	80.8	80.3	80.0	79.6	79.7	0.1	p.p.
	Young (15-24)	68.5	64.6	65.5	61.6	63.5	2.0	p.p.
	Prime age (25-54)	88.5	88.2	88.3	87.9	87.6	-0.3	p.p.
	Older (55-64)	64.2	65.5	64.5	67.3	67.3	0.0	p.p.
	<i>Female</i>	71.6	72.0	71.7	70.5	71.6	1.0	p.p.
	Young (15-24)	63.4	60.0	61.4	57.6	61.0	3.5	p.p.
	Prime age (25-54)	79.8	80.6	79.9	79.0	79.8	0.8	p.p.
	Older (55-64)	46.5	49.7	50.4	52.9	53.2	0.2	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		2 694	2 700	2 685	2 666	2 694	28	Th.
	<i>Male (as a % of total)</i>	53.5	53.3	53.2	53.6	53.2	-0.4	p.p.
	<i>Female (as a % of total)</i>	46.5	46.7	46.8	46.4	46.8	0.4	p.p.
7. Employment growth (%) (National accounts)		0.3	0.3	-0.4	-0.9	0.0		p.p.
Employment growth (%) (LFS - age 15-64)		0.5	0.2	-0.6	-0.7	1.1		p.p.
	<i>Male</i>	-0.1	-0.1	-0.7	0.0	0.2		p.p.
	<i>Female</i>	1.1	0.7	-0.5	-1.5	2.0		p.p.
8. Self employed (as a % of total employment)		3.7	4.0	3.9	4.0	4.1	0.2	p.p.
	<i>Male</i>	5.1	5.7	5.4	5.4	5.8	0.4	p.p.
	<i>Female</i>	2.0	2.1	2.1	2.3	2.3	0.0	p.p.
9. Temporary employment (as a % of total employment)		9.7	9.1	9.1	9.2	9.4	0.2	p.p.
	<i>Male</i>	8.5	7.7	7.8	8.1	8.6	0.5	p.p.
	<i>Female</i>	11.1	10.7	10.3	10.4	10.3	-0.1	p.p.
10. Part time (as a % of total employment)		21.0	19.6	19.4	20.7	21.7	1.0	p.p.
	<i>Male</i>	9.9	9.4	10.2	10.8	11.1	0.3	p.p.
	<i>Female</i>	33.8	31.2	29.8	32.1	33.7	1.6	p.p.
11. Unemployment rate (harmonised: 15-74)		4.4	4.3	4.6	5.6	5.4	-0.2	p.p.
	Young (15-24)	6.7	8.5	7.4	9.3	8.3	-1.0	p.p.
	Prime age (25-54)	4.2	4.0	4.2	4.9	5.0	0.2	p.p.
	Older (55-64)	4.4	4.2	4.3	5.0	5.5	0.6	p.p.
	<i>Male</i>	4.1	3.9	4.4	5.3	5.1	-0.2	p.p.
	Young (15-24)	6.7	7.9	7.3	9.1	8.8	-0.3	p.p.
	Prime age (25-54)	3.6	3.5	3.8	4.2	4.3	0.1	p.p.
	Older (55-64)	3.7	4.2	3.8	4.4	5.5	1.1	p.p.
	<i>Female</i>	4.8	4.9	4.7	5.9	5.6	-0.3	p.p.
	Young (15-24)	6.5	8.8	7.6	9.3	7.6	-1.8	p.p.
	Prime age (25-54)	5.1	4.5	4.5	5.7	5.9	0.2	p.p.
	Older (55-64)	4.9	4.1	4.9	5.4	5.9	0.6	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	21.7	19.7	19.2	20.4	21.6	1.3	p.p.
13. Worked hours (average actual weekly hours)		35.6	35.6	35.3	35.0	34.7	-0.9	%
	<i>Male</i>	38.3	38.3	37.9	37.8	37.6	-0.5	%
	<i>Female</i>	32.3	32.3	32.2	31.7	31.3	-1.3	%
14. Sectoral employment growth								
	Agriculture	-1.9	-1.0	-1.0	-1.9	-1.0		p.p.
	Building and construction	4.3	0.0	-1.8	-1.8	1.8		p.p.
	Services	0.6	0.8	0.4	-0.3	0.7		p.p.
	Manufacturing industry	-1.7	-1.3	-3.5	-3.2	-1.9		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments

Denmark

	Annual % change									
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4	
Different measures of wage/labour costs:										
Compensation per employee	4.2	4.6	3.2	3.6	3.3	3.8	3.2	3.2	3.3	
Compensation of employees per hour worked	6.1	3.0	5.5	2.6	3.2	:	:	:	:	
Hourly labour costs (Eurostat labour cost index)	4.2	4.5	3.8	3.6	3.1	3.3	3.7	2.8	3.0	
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:	
Nominal unit labour costs	1.6	3.6	2.3	2.0	0.9	1.7	0.6	1.3	0.3	
Real unit labour costs deflated by GDP deflator	-1.3	1.4	0.7	-0.2	-0.6	-0.1	-1.3	-0.4	-0.7	
Wage and salaries	5.6	3.9	1.5	3.1	3.0	:	:	:	:	
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:	
Adjusted wage share (% of GDP at current market prices)	67.0	68.1	68.8	68.5	68.2	:	:	:	:	
Structure of labour costs										
Share of indirect costs in total labour costs	10.7	12.3	12.6	13.4	:	:	:	:	:	
Total wage (as a % of total labour costs) ANNUAL	89.3	87.7	87.4	86.6	:	:	:	:	:	
Direct remuneration and bonuses (as a % of total labour costs)	71.8	70.5	70.3	69.8	:	:	:	:	:	
Employers' social security contributions (as a % of total labour costs)	8.1	9.4	10.0	10.6	:	:	:	:	:	
Other indirect costs (as a % of total labour costs)	2.6	3.0	2.6	2.8	:	:	:	:	:	
Memo items: determinants or benchmarks according to which wage developments can be assessed										
Labour productivity (GDP/person employed)	2.5	1.0	0.9	1.6	2.4	2.0	2.6	1.9	3.0	
Hourly labour productivity	4.3	-0.7	3.1	0.7	2.1	:	:	:	:	
GDP	2.8	1.3	0.5	0.7	2.4	1.3	2.9	2.4	2.9	
ECFIN NAIRU estimate	5.0	4.8	4.7	4.7	4.5	:	:	:	:	
Output gap (%)	1.8	1.3	0.3	-1.0	-0.8	:	:	:	:	
Headline inflation (harmonised consumer price index 1996=100)	2.7	2.3	2.4	2.0	0.9	0.7	0.8	1.0	1.2	
Underlying inflation (exc. energy and unprocessed food)	1.7	2.3	2.5	2.2	0.9	1.2	0.8	0.7	0.8	
GDP deflator	3.0	2.1	1.6	2.2	1.6	1.7	1.9	1.7	1.1	
Sectoral breakdown of unit labour costs										
Agriculture and fishery	-4.1	3.6	3.6	-2.1	-3.3	:	:	:	:	
Industry excluding construction	-0.7	3.4	3.0	1.1	2.0	:	:	:	:	
of which: manufacturing	-0.4	3.7	0.9	0.9	0.2	:	:	:	:	
Construction	6.6	7.9	4.3	0.4	0.3	:	:	:	:	
Trade, transport and communication	-4.2	0.3	1.2	2.4	-1.0	:	:	:	:	
Finance and business services	5.8	4.7	3.2	0.7	2.4	:	:	:	:	
Non-market related services	3.8	4.1	2.7	3.0	3.9	:	:	:	:	
Market-related sectors	-0.4	3.4	2.5	1.2	:	:	:	:	:	
Sectoral breakdown of compensation per employee										
Total industries	4.0	4.7	3.5	3.6	3.2	0.0	0.0	0.0	0.0	
Agriculture and fishery	4.0	3.2	-0.3	3.3	2.4	:	:	:	:	
Industry excluding construction	4.3	5.3	4.9	4.3	3.2	:	:	:	:	
of which: manufacturing	4.6	5.5	4.5	4.3	3.3	:	:	:	:	
Construction	3.9	3.8	1.9	2.6	3.3	:	:	:	:	
Trade, transport and communication	3.0	3.2	3.1	3.4	2.6	:	:	:	:	
Finance and business services	4.9	5.5	4.1	4.4	3.0	:	:	:	:	
Non-market related services	3.7	4.9	3.5	3.8	3.8	:	:	:	:	
Sectoral breakdown of labour productivity										
Agriculture and fishery	8.4	-0.4	-3.8	5.5	5.9	:	:	:	:	
Industry excluding construction	5.0	1.7	1.9	3.1	1.1	:	:	:	:	
of which: manufacturing	5.1	1.8	3.5	3.4	3.1	:	:	:	:	
Construction	-2.5	-3.8	-2.3	2.2	3.0	:	:	:	:	
Trade, transport and communication	7.6	2.9	1.9	0.9	3.6	:	:	:	:	
Finance and business services	-0.8	0.8	0.8	3.7	0.7	:	:	:	:	
Non-market related services	0.0	0.7	0.7	0.7	-0.1	:	:	:	:	
Market-related sectors	4.1	1.8	1.2	2.3	2.2	:	:	:	:	

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Germany

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	81 107	81 284	81 535	81 596	81 563	0.0	%
2. Population (working age: 15-64)		55 077	54 998	54 870	54 695	54 501	- 0.4	%
	<i>as % of total population</i>	67.9	67.7	67.3	67.0	66.8	- 0.2	p.p.
3. Labour force (15-64)	1 000 pers.	39 097	39 221	39 229	39 414	39 280	- 0.3	%
	<i>Male</i>	21 876	21 850	21 770	21 770	21 701	- 0.3	%
	<i>Female</i>	17 222	17 371	17 459	17 644	17 579	- 0.4	%
4. Activity rate (as a % of population 15-64)		71.0	71.3	71.5	72.1	72.1	0.0	p.p.
	Young (15-24)	50.4	50.4	50.0	49.5	47.5	- 2.0	p.p.
	Prime age (25-54)	85.4	85.6	85.7	86.1	85.9	- 0.2	p.p.
	Older (55-64)	42.9	42.8	43.2	45.1	47.5	2.4	p.p.
	<i>Male</i>	78.8	78.8	78.7	79.0	79.0	- 0.1	p.p.
	Young (15-24)	53.7	53.4	52.7	52.2	50.5	- 1.7	p.p.
	Prime age (25-54)	93.7	93.5	93.3	93.2	92.9	- 0.4	p.p.
	Older (55-64)	52.4	52.0	52.7	54.5	57.2	2.7	p.p.
	<i>Female</i>	63.0	63.7	64.2	65.0	65.1	0.1	p.p.
	Young (15-24)	47.1	47.3	47.3	46.7	44.4	- 2.4	p.p.
	Prime age (25-54)	77.0	77.5	78.0	78.8	78.8	0.0	p.p.
	Older (55-64)	33.4	33.6	33.8	35.8	37.9	2.1	p.p.
5. Employment rate (as a % of population 15-64)		65.3	65.7	65.4	64.9	64.3	- 0.7	p.p.
	Young (15-24)	46.1	46.5	45.4	44.0	41.3	- 2.7	p.p.
	Prime age (25-54)	79.3	79.4	78.8	78.1	77.2	- 1.0	p.p.
	Older (55-64)	37.4	37.7	38.4	39.4	41.4	2.0	p.p.
	<i>Male</i>	72.7	72.6	71.8	70.9	70.0	- 0.9	p.p.
	Young (15-24)	48.6	48.6	46.9	45.0	42.7	- 2.3	p.p.
	Prime age (25-54)	87.4	86.9	85.7	84.4	83.1	- 1.3	p.p.
	Older (55-64)	46.2	46.1	47.1	47.7	49.8	2.1	p.p.
	<i>Female</i>	57.8	58.7	58.8	58.9	58.5	- 0.5	p.p.
	Young (15-24)	43.6	44.3	43.8	43.0	39.8	- 3.1	p.p.
	Prime age (25-54)	71.1	71.7	71.8	71.6	71.1	- 0.6	p.p.
	Older (55-64)	28.7	29.3	29.8	31.2	33.1	1.9	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		35 977	36 145	35 869	35 523	35 022	- 501	Th.
	<i>Male (as a % of total)</i>	56.1	55.7	55.4	55.0	54.9	- 0.1	p.p.
	<i>Female (as a % of total)</i>	43.9	44.3	44.6	45.0	45.1	0.1	p.p.
7. Employment growth (%) (National accounts)		1.9	0.4	- 0.6	- 1.0	0.4		p.p.
Employment growth (%) (LFS - age 15-64)		0.7	0.5	- 0.8	- 1.0	- 1.4		p.p.
	<i>Male</i>	0.2	- 0.3	- 1.4	- 1.6	- 1.5		p.p.
	<i>Female</i>	1.3	1.4	0.0	- 0.1	- 1.3		p.p.
8. Self employed (as a % of total employment)		4.8	4.8	4.8	5.2	5.5	0.4	p.p.
	<i>Male</i>	5.7	5.6	5.8	6.2	6.7	0.5	p.p.
	<i>Female</i>	3.7	3.6	3.7	3.9	4.1	0.2	p.p.
9. Temporary employment (as a % of total employment)		12.8	12.4	12.0	12.2	12.5	0.3	p.p.
	<i>Male</i>	12.5	12.2	11.8	12.2	12.7	0.5	p.p.
	<i>Female</i>	13.1	12.7	12.3	12.3	12.2	- 0.1	p.p.
10. Part time (as a % of total employment)		19.1	19.9	20.3	21.2	:	:	p.p.
	<i>Male</i>	4.5	4.7	5.2	5.5	:	:	p.p.
	<i>Female</i>	37.7	39.0	39.2	40.4	:	:	p.p.
11. Unemployment rate (harmonised: 15-74)		7.2	7.4	8.2	9.0	9.5	0.5	p.p.
	Young (15-24)	8.5	7.8	9.3	11.0	13.0	2.0	p.p.
	Prime age (25-54)	7.1	7.2	8.0	9.3	10.2	0.9	p.p.
	Older (55-64)	12.7	12.0	11.2	12.6	12.8	0.2	p.p.
	<i>Male</i>	6.0	6.3	7.1	8.2	8.7	0.5	p.p.
	Young (15-24)	9.5	9.0	11.1	13.7	15.4	1.7	p.p.
	Prime age (25-54)	6.7	7.1	8.1	9.4	10.5	1.1	p.p.
	Older (55-64)	11.8	11.4	10.6	12.4	12.9	0.5	p.p.
	<i>Female</i>	8.7	8.9	9.4	10.1	10.5	0.4	p.p.
	Young (15-24)	7.4	6.4	7.3	8.1	10.2	2.2	p.p.
	Prime age (25-54)	7.6	7.4	7.9	9.1	9.8	0.7	p.p.
	Older (55-64)	14.2	12.8	12.1	13.0	12.6	- 0.3	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	51.5	50.4	47.9	50.0	51.8	1.8	p.p.
13. Worked hours (average actual weekly hours)		38.0	37.8	37.4	36.9	36.9	0.0	%
	<i>Male</i>	42.4	42.3	41.9	41.4	41.5	0.2	%
	<i>Female</i>	32.3	31.9	31.7	31.2	31.2	0.0	%
14. Sectoral employment growth								
	Agriculture	- 1.1	- 1.2	- 2.2	- 2.7	0.6		p.p.
	Building and construction	- 3.1	- 6.2	- 6.1	- 4.8	- 3.1		p.p.
	Services	3.0	1.3	0.5	- 0.1	1.2		p.p.
	Manufacturing industry	0.8	0.4	- 2.2	- 2.7	- 1.6		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments Germany

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	1.9	1.6	1.4	1.5	0.1	0.8	0.5	-0.6	-0.3
Compensation of employees per hour worked	3.2	2.4	2.1	1.1	0.4	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	3.4	2.5	2.5	2.1	1.3	1.6	1.0	1.0	1.1
Negotiated wages (euro area only)									
Nominal unit labour costs	1.0	1.2	0.8	0.7	-1.1	-0.9	-1.2	-1.3	-1.1
Real unit labour costs deflated by GDP deflator	1.2	-0.1	-0.7	-0.5	-1.8	-1.9	-2.3	-1.8	-1.4
Wage and salaries	2.0	1.6	-0.2	-0.2	-0.2	0.4	0.3	-0.8	-1.0
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	67.4	67.3	66.8	66.6	65.4	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	:	23.5	:	:	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	:	76.5	:	:	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	:	64.0	:	:	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	:	22.8	:	:	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	:	0.7	:	:	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	1.0	0.4	0.6	0.8	1.2	1.7	1.6	0.7	0.8
Hourly labour productivity	2.2	1.3	1.4	0.7	1.9	:	:	:	:
GDP	2.9	0.8	0.1	-0.1	1.6	1.6	1.9	1.2	1.5
ECFIN NAIRU estimate	7.9	8.1	8.3	8.4	8.5	:	:	:	:
Output gap (%)	1.0	0.7	-0.2	-1.2	-0.8	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	1.4	1.9	1.3	1.0	1.8	1.0	1.9	2.0	2.1
Underlying inflation (exc. energy and unprocessed food)	0.2	1.2	1.5	0.9	1.7	1.4	1.8	1.7	1.8
GDP deflator	-0.3	1.3	1.5	1.1	0.7	1.0	1.2	0.5	0.3
Sectoral breakdown of unit labour costs									
Agriculture and fishery	1.9	-4.8	5.1	-4.4	-3.4	-5.9	-4.5	-4.7	-5.3
Industry excluding construction	-1.5	0.8	0.5	-0.6	-3.5	-2.2	-5.7	-4.7	-2.4
of which: manufacturing	-0.8	2.8	0.1	-1.0	-3.8	:	:	:	:
Construction	1.6	0.7	-0.2	2.0	0.1	-1.0	-1.5	1.6	-0.3
Trade, transport and communication	-1.9	0.7	0.7	1.0	-1.9	-2.2	-2.9	-1.7	-2.6
Finance and business services	5.2	1.2	1.8	1.2	0.4	1.8	0.9	1.8	-0.8
Non-market related services	0.4	1.5	-0.1	1.0	0.4	0.2	1.1	-0.7	0.0
Market-related sectors	0.3	0.4	0.5	0.1	-2.0	-1.0	-2.7	-1.6	-1.8
Sectoral breakdown of compensation per employee									
Total industries	1.9	1.6	1.4	1.5	0.3	0.0	0.0	0.0	0.0
Agriculture and fishery	2.6	0.1	0.9	0.1	-1.5	-0.9	-0.9	-1.0	-1.8
Industry excluding construction	4.1	1.9	1.4	2.1	2.1	3.0	1.8	0.8	2.3
of which: manufacturing	4.1	1.9	1.6	1.9	2.0	:	:	:	:
Construction	1.4	1.6	1.8	1.9	0.5	2.3	-1.0	-1.0	-0.8
Trade, transport and communication	0.2	1.7	1.2	1.4	-0.9	-0.9	-1.2	-1.2	-1.3
Finance and business services	2.0	1.6	2.0	1.2	-0.1	0.8	0.7	0.4	-1.7
Non-market related services	0.9	1.0	1.6	1.2	-0.2	0.0	0.9	-1.5	-0.8
Sectoral breakdown of labour productivity									
Agriculture and fishery	0.7	5.1	-4.0	4.7	1.9	5.3	3.8	3.8	3.7
Industry excluding construction	5.7	1.0	0.9	2.7	5.9	5.3	8.0	5.8	4.8
of which: manufacturing	4.9	-0.9	1.5	2.9	6.0	:	:	:	:
Construction	-0.2	0.9	2.0	-0.1	0.4	3.3	0.5	-2.5	-0.5
Trade, transport and communication	2.1	1.1	0.5	0.4	1.0	1.4	1.7	0.6	1.3
Finance and business services	-3.0	0.4	0.2	0.0	-0.5	-1.0	-0.2	-1.4	-0.9
Non-market related services	0.5	-0.4	1.7	0.2	-0.6	-0.2	-0.2	-0.9	-0.9
Market-related sectors	2.1	1.5	1.0	1.5	2.3	2.2	3.1	1.5	1.8

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Estonia

	2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 366	1 361	1 356	1 350	1 349	- 0.1	%
2. Population (working age: 15-64)	916	916	913	911	910	- 0.2	%
<i>as % of total population</i>	67.1	67.3	67.3	67.5	67.4	0.0	p.p.
3. Labour force (15-64)	644	641	632	639	636	- 0.4	%
<i>Male</i>	331	328	325	326	322	- 1.2	%
<i>Female</i>	313	313	307	313	314	0.4	%
4. Activity rate (as a % of population 15-64)	70.2	70.0	69.3	70.1	70.0	- 0.2	p.p.
<i>Young (15-24)</i>	37.4	36.5	34.2	37.1	34.8	- 2.2	p.p.
<i>Prime age (25-54)</i>	86.9	86.3	85.4	85.7	86.5	0.8	p.p.
<i>Older (55-64)</i>	51.2	53.0	55.9	56.2	55.6	- 0.6	p.p.
<i>Male</i>	75.6	74.8	74.7	75.0	74.4	- 0.7	p.p.
<i>Young (15-24)</i>	41.8	42.1	40.2	43.2	41.4	- 1.9	p.p.
<i>Prime age (25-54)</i>	90.8	90.2	90.1	89.6	90.1	0.5	p.p.
<i>Older (55-64)</i>	63.3	62.2	64.1	64.5	60.9	- 3.5	p.p.
<i>Female</i>	65.4	65.5	64.3	65.7	65.9	0.3	p.p.
<i>Young (15-24)</i>	32.7	30.1	28.0	30.8	27.8	- 3.1	p.p.
<i>Prime age (25-54)</i>	83.3	82.8	80.9	82.1	83.2	1.1	p.p.
<i>Older (55-64)</i>	41.8	45.8	49.9	50.3	51.6	1.3	p.p.
5. Employment rate (as a % of population 15-64)	60.4	61.0	62.0	62.9	63.1	0.2	p.p.
<i>Young (15-24)</i>	28.4	28.0	28.1	29.2	27.1	- 2.1	p.p.
<i>Prime age (25-54)</i>	75.6	76.0	76.8	77.8	78.8	1.0	p.p.
<i>Older (55-64)</i>	46.2	48.5	51.6	52.3	52.4	0.1	p.p.
<i>Male</i>	64.4	65.0	66.5	67.3	66.4	- 0.9	p.p.
<i>Young (15-24)</i>	31.5	33.9	34.5	35.9	32.8	- 3.1	p.p.
<i>Prime age (25-54)</i>	78.3	78.7	80.2	81.0	81.6	0.6	p.p.
<i>Older (55-64)</i>	55.8	57.0	58.3	58.6	56.3	- 2.3	p.p.
<i>Female</i>	56.9	57.4	57.9	59.0	59.9	1.0	p.p.
<i>Young (15-24)</i>	24.6	21.8	21.5	22.6	21.8	- 0.8	p.p.
<i>Prime age (25-54)</i>	73.1	73.5	73.5	74.9	76.3	1.4	p.p.
<i>Older (55-64)</i>	39.3	42.4	46.7	47.4	49.6	2.2	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)	554	559	566	573	574	1	Th.
<i>Male (as a % of total)</i>	50.9	51.0	51.1	51.0	50.2	- 0.9	p.p.
<i>Female (as a % of total)</i>	49.2	49.1	48.9	49.0	49.8	0.8	p.p.
7. Employment growth (%) (National accounts)	- 1.5	0.8	1.3	1.5	0.2		p.p.
Employment growth (%) (LFS - age 15-64)	- 1.8	0.9	1.2	1.3	0.1		p.p.
<i>Male</i>	- 1.5	1.2	1.4	1.1	- 1.6		p.p.
<i>Female</i>	- 2.0	0.6	0.8	1.5	1.7		p.p.
8. Self employed (as a % of total employment)	5.1	4.7	4.7	5.6	6.0	0.3	p.p.
<i>Male</i>	6.5	6.4	6.2	7.4	7.7	0.4	p.p.
<i>Female</i>	3.8	2.8	3.1	3.8	4.3	0.5	p.p.
9. Temporary employment (as a % of total employment)	3.0	2.5	2.7	2.5	2.6	0.1	p.p.
<i>Male</i>	4.4	3.3	4.0	3.3	3.5	0.2	p.p.
<i>Female</i>	2.0	2.2	2.1	2.5	2.2	- 0.4	p.p.
10. Part time (as a % of total employment)	7.4	7.3	6.9	7.3	7.5	0.2	p.p.
<i>Male</i>	4.9	4.8	4.6	5.0	4.2	- 0.9	p.p.
<i>Female</i>	9.8	10.0	9.2	9.7	11.2	1.5	p.p.
11. Unemployment rate (harmonised: 15-74)	12.5	11.8	9.5	10.2	9.2	- 1.0	p.p.
<i>Young (15-24)</i>	24.1	23.3	17.9	21.1	22.1	1.0	p.p.
<i>Prime age (25-54)</i>	13.0	11.9	10.1	9.3	8.8	- 0.4	p.p.
<i>Older (55-64)</i>	9.7	8.6	7.7	6.9	5.7	- 1.1	p.p.
<i>Male</i>	13.4	11.5	10.1	10.5	10.3	- 0.2	p.p.
<i>Young (15-24)</i>	24.7	19.4	14.2	17.0	20.8	3.8	p.p.
<i>Prime age (25-54)</i>	13.8	12.7	10.9	9.5	9.4	- 0.1	p.p.
<i>Older (55-64)</i>	11.8	8.3	9.0	9.1	7.7	- 1.4	p.p.
<i>Female</i>	11.5	12.0	8.9	9.9	8.1	- 1.8	p.p.
<i>Young (15-24)</i>	25.0	27.6	23.4	26.8	21.6	- 5.2	p.p.
<i>Prime age (25-54)</i>	12.2	11.2	9.1	8.8	8.4	- 0.4	p.p.
<i>Older (55-64)</i>	6.1	7.5	6.4	5.8	4.0	- 1.8	p.p.
12. Long-term unemployment rate							
<i>(as a % of total unemployment)</i>	45.4	48.0	51.9	46.3	52.5	6.2	p.p.
13. Worked hours (average actual weekly hours)	40.6	40.2	40.1	39.7	39.8	0.3	%
<i>Male</i>	42.1	41.7	41.4	41.3	41.3	- 0.1	%
<i>Female</i>	38.9	38.6	38.6	38.0	38.2	0.6	%
14. Sectoral employment growth							
<i>Agriculture</i>	- 13.1	- 3.0	1.8	- 9.7	:		p.p.
<i>Building and construction</i>	1.6	- 1.5	- 1.0	10.2	:		p.p.
<i>Services</i>	- 2.0	1.9	4.1	0.8	:		p.p.
<i>Manufacturing industry</i>	5.1	3.6	- 4.3	4.5	5.1		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments

Estonia

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	8.8	7.8	10.2	8.4	6.5	9.1	9.8	13.6	11.3
Compensation of employees per hour worked	8.5	7.9	11.3	8.6	5.6	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	:	:	:	:	:	:	:	:	:
Negotiated wages (euro area only)									
Nominal unit labour costs	-0.5	2.2	4.1	4.6	0.5	4.5	4.8	5.2	4.7
Real unit labour costs deflated by GDP deflator	-5.6	-3.4	-0.3	2.1	-2.6	1.9	1.1	2.3	-2.8
Wage and salaries	14.7	1.2	9.0	4.9	12.5	13.4	12.3	14.6	10.2
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	58.8	56.8	56.8	58.0	55.9	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	26.9	26.9	27.2	26.9	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	73.1	73.1	72.8	73.1	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	:	:	:	:	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	25.5	25.5	25.8	25.4	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	1.4	1.4	1.5	1.5	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	9.4	5.5	5.9	3.6	5.9	4.4	4.8	8.0	6.3
Hourly labour productivity	9.5	4.6	6.7	4.8	5.1	:	:	:	:
GDP	7.8	6.4	7.2	5.1	6.2	6.8	5.9	6.1	5.9
ECFIN NAIRU estimate	9.9	10.5	10.5	10.0	9.3	:	:	:	:
Output gap (%)	-1.2	-0.1	1.0	0.0	-0.2	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	3.9	5.6	3.6	1.4	3.0	0.6	3.2	3.9	4.4
Underlying inflation (exc. energy and unprocessed food)	3.5	4.6	2.6	1.9	2.5	1.4	2.8	3.0	3.0
GDP deflator	5.3	5.8	4.4	2.4	3.3	2.5	3.6	2.8	7.7
Sectoral breakdown of unit labour costs									
Agriculture and fishery	-2.7	14.8	6.1	0.3	15.4	21.9	41.2	14.8	2.5
Industry excluding construction	1.1	1.4	2.2	3.6	0.6	4.0	2.0	-0.8	-0.4
of which: manufacturing	-0.4	3.7	3.8	3.6	3.3	2.0	1.7	0.9	-0.5
Construction	-7.0	10.1	-13.4	8.3	5.1	1.1	1.1	11.4	9.3
Trade, transport and communication	-0.2	-4.6	0.6	0.4	1.7	-4.8	2.1	4.5	2.5
Finance and business services	-4.0	11.6	13.0	12.7	8.6	12.6	4.9	9.1	6.7
Non-market related services	1.7	3.3	8.6	9.5	9.4	9.6	7.6	10.1	10.4
Market-related sectors	-1.1	2.7	3.0	3.7	3.3	3.2	3.7	3.8	2.9
Sectoral breakdown of compensation per employee									
Total industries	8.8	8.0	10.1	8.4	11.4	0.0	0.0	0.0	0.0
Agriculture and fishery	10.6	14.1	3.5	9.8	23.0	18.1	56.8	30.8	6.5
Industry excluding construction	12.2	10.1	21.0	7.4	2.3	11.0	-3.8	-9.2	12.6
of which: manufacturing	10.7	10.5	23.7	7.3	7.9	12.2	0.7	-5.4	18.1
Construction	5.8	14.8	7.2	5.5	7.5	1.8	10.5	10.2	13.3
Trade, transport and communication	6.3	4.1	3.5	10.5	13.4	-0.2	13.0	30.0	10.9
Finance and business services	1.8	26.2	0.7	15.0	28.2	27.8	27.5	46.4	9.7
Non-market related services	11.8	0.3	9.9	6.5	12.8	11.6	12.8	14.2	12.4
Sectoral breakdown of labour productivity									
Agriculture and fishery	13.7	-0.6	-2.5	9.5	6.5	-3.1	11.0	13.9	3.9
Industry excluding construction	10.9	8.5	18.4	3.7	1.7	6.7	-5.6	-8.4	13.0
of which: manufacturing	11.1	6.6	19.2	3.6	4.5	9.9	-1.0	-6.2	18.7
Construction	13.8	4.3	23.8	-2.6	2.3	0.7	9.4	-1.1	3.6
Trade, transport and communication	6.5	9.1	2.9	10.0	11.4	4.8	10.7	24.5	8.2
Finance and business services	6.0	13.1	-10.9	2.1	18.0	13.5	21.5	34.2	2.8
Non-market related services	10.0	-2.9	1.2	-2.7	3.1	1.8	4.8	3.7	1.8
Market-related sectors	9.1	7.9	7.2	5.2	7.2	4.8	5.6	9.5	8.5

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Greece

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	10 472	10 504	10 542	10 578	10 616	0.4	%
2. Population (working age: 15-64)		7 078	7 100	7 111	7 119	7 129	0.1	%
	<i>as % of total population</i>	67.6	67.6	67.5	67.3	67.2	- 0.2	p.p.
3. Labour force (15-64)	1 000 pers.	4 519	4 492	4 566	4 640	4 740	2.1	%
	<i>Male</i>	2 715	2 714	2 739	2 771	2 801	1.1	%
	<i>Female</i>	1 804	1 778	1 827	1 870	1 939	3.7	%
4. Activity rate (as a % of population 15-64)		63.8	63.3	64.2	65.2	66.5	1.3	p.p.
	Young (15-24)	39.0	36.5	36.2	34.7	36.7	2.0	p.p.
	Prime age (25-54)	78.1	77.8	78.8	79.8	81.1	1.3	p.p.
	Older (55-64)	40.5	39.9	40.9	42.7	41.2	- 1.4	p.p.
	<i>Male</i>	77.4	77.1	77.6	78.3	79.0	0.7	p.p.
	Young (15-24)	41.7	39.2	39.3	38.0	40.0	2.0	p.p.
	Prime age (25-54)	94.4	94.1	94.1	94.3	94.6	0.3	p.p.
	Older (55-64)	57.3	57.8	58.2	60.5	58.9	- 1.7	p.p.
	<i>Female</i>	50.5	49.7	51.0	52.2	54.1	1.9	p.p.
	Young (15-24)	36.2	33.8	33.1	31.2	33.5	2.3	p.p.
	Prime age (25-54)	62.0	61.6	63.4	65.2	67.5	2.3	p.p.
	Older (55-64)	25.4	23.9	25.2	26.4	25.2	- 1.2	p.p.
5. Employment rate (as a % of population 15-64)		56.5	56.3	57.5	58.7	59.4	0.7	p.p.
	Young (15-24)	27.6	26.3	26.5	25.3	26.8	1.5	p.p.
	Prime age (25-54)	70.5	70.6	71.6	72.9	73.5	0.6	p.p.
	Older (55-64)	39.0	38.3	39.2	41.3	39.5	- 1.9	p.p.
	<i>Male</i>	71.5	71.4	72.3	73.4	73.7	0.4	p.p.
	Young (15-24)	32.7	30.7	31.4	30.9	32.4	1.5	p.p.
	Prime age (25-54)	88.5	88.5	88.7	89.2	89.3	0.0	p.p.
	Older (55-64)	55.3	55.3	55.9	58.7	56.4	- 2.3	p.p.
	<i>Female</i>	41.7	41.5	42.9	44.3	45.2	1.0	p.p.
	Young (15-24)	22.4	21.7	21.4	19.7	21.3	1.5	p.p.
	Prime age (25-54)	52.7	52.8	54.5	56.4	57.5	1.1	p.p.
	Older (55-64)	24.3	22.8	24.0	25.6	24.0	- 1.6	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		3 996	3 999	4 087	4 182	4 235	53	Th.
	<i>Male (as a % of total)</i>	62.8	62.9	62.4	62.1	61.7	- 0.3	p.p.
	<i>Female (as a % of total)</i>	37.3	37.1	37.6	37.9	38.3	0.4	p.p.
7. Employment growth (%) (National accounts)		0.3	- 0.3	0.1	1.4	3.1		p.p.
Employment growth (%) (LFS - age 15-64)		1.5	0.1	2.2	2.3	1.3		p.p.
	<i>Male</i>	1.1	0.2	1.4	1.8	0.7		p.p.
	<i>Female</i>	2.2	- 0.2	3.5	3.2	2.2		p.p.
8. Self employed (as a % of total employment)		23.4	22.5	23.0	23.0	21.7	- 1.3	p.p.
	<i>Male</i>	26.8	25.8	26.1	26.2	24.9	- 1.3	p.p.
	<i>Female</i>	17.5	17.0	17.9	17.8	16.6	- 1.2	p.p.
9. Temporary employment (as a % of total employment)		13.5	13.2	11.7	11.2	12.0	0.8	p.p.
	<i>Male</i>	11.8	11.6	10.5	9.7	10.5	0.8	p.p.
	<i>Female</i>	16.0	15.7	13.6	13.3	14.1	0.8	p.p.
10. Part time (as a % of total employment)		4.0	3.6	3.9	3.8	:	:	p.p.
	<i>Male</i>	2.2	1.8	1.8	1.8	:	:	p.p.
	<i>Female</i>	7.2	6.6	7.4	7.1	:	:	p.p.
11. Unemployment rate (harmonised: 15-74)		11.3	10.8	10.3	9.7	10.5	0.8	p.p.
	Young (15-24)	29.2	28.2	26.9	26.9	26.9	0.0	p.p.
	Prime age (25-54)	9.8	9.3	9.1	8.7	9.5	0.8	p.p.
	Older (55-64)	3.9	4.1	4.1	3.2	4.3	1.2	p.p.
	<i>Male</i>	7.5	7.3	6.8	6.2	6.6	0.4	p.p.
	Young (15-24)	21.5	21.7	20.0	18.8	19.2	0.4	p.p.
	Prime age (25-54)	6.2	5.9	5.8	5.4	5.6	0.2	p.p.
	Older (55-64)	3.6	4.3	3.9	3.1	4.2	1.1	p.p.
	<i>Female</i>	17.2	16.2	15.6	15.0	16.2	1.2	p.p.
	Young (15-24)	38.2	35.8	35.2	36.8	36.5	- 0.3	p.p.
	Prime age (25-54)	15.1	14.4	14.0	13.5	14.8	1.3	p.p.
	Older (55-64)	4.1	4.6	4.6	3.2	4.9	1.7	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	54.8	51.5	51.4	55.0	53.2	- 1.8	p.p.
13. Worked hours (average actual weekly hours)		42.1	42.2	41.8	41.9	41.9	- 0.1	%
	<i>Male</i>	43.6	43.8	43.4	43.5	43.6	0.2	%
	<i>Female</i>	39.2	39.5	39.0	39.1	39.0	- 0.4	%
14. Sectoral employment growth								
	Agriculture	- 3.1	- 5.0	- 3.6	- 3.0	- 2.7		p.p.
	Building and construction	2.1	1.4	3.6	8.6	1.0		p.p.
	Services	1.4	0.9	1.4	2.7	5.9		p.p.
	Manufacturing industry	- 1.0	- 0.3	- 3.1	- 2.5	- 0.5		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments Greece

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	5.8	5.2	9.5	4.1	5.7	:	:	:	:
Compensation of employees per hour worked	8.1	7.4	7.4	4.5	9.8	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	:	:	:	:	:	:	:	:	:
Negotiated wages (euro area only)									
Nominal unit labour costs	1.6	0.6	5.6	0.8	4.6	:	:	:	:
Real unit labour costs deflated by GDP deflator	-1.8	-2.8	1.6	-2.6	1.2	:	:	:	:
Wage and salaries	:	:	:	:	:	:	:	:	:
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	67.1	64.9	66.3	64.1	64.6	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	23.1	22.5	21.9	21.2	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	76.9	77.5	78.1	78.8	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	70.4	70.8	71.3	71.7	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	22.9	22.5	22.1	21.7	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	0.2	0.1	-0.1	-0.3	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	4.2	4.6	3.7	3.2	1.0	:	:	:	:
Hourly labour productivity	5.7	4.6	2.9	2.7	3.2	:	:	:	:
GDP	4.5	4.3	3.8	4.7	4.2	4.0	:	:	:
ECFIN NAIRU estimate	9.8	9.9	10.0	10.0	10.4	:	:	:	:
Output gap (%)	-0.6	0.2	0.5	1.3	2.4	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	2.9	3.7	3.9	3.4	3.0	2.9	3.1	3.0	3.2
Underlying inflation (exc. energy and unprocessed food)	1.8	3.8	3.9	3.1	3.5	3.3	3.5	3.7	3.3
GDP deflator	3.4	3.5	4.0	3.5	3.4	2.5	:	:	:
Sectoral breakdown of unit labour costs									
Agriculture and fishery	3.1	10.2	12.7	7.2	-7.0	:	:	:	:
Industry excluding construction	-4.1	0.3	2.0	-0.4	5.3	:	:	:	:
of which: manufacturing	-0.3	1.6	1.6	0.1	1.5	:	:	:	:
Construction	0.7	-7.8	9.6	2.2	2.4	:	:	:	:
Trade, transport and communication	-3.3	-3.7	4.6	0.2	1.9	:	:	:	:
Finance and business services	-3.0	2.9	8.6	-2.1	7.4	:	:	:	:
Non-market related services	2.0	2.0	4.4	2.5	9.3	:	:	:	:
Market-related sectors	:	:	:	:	:	:	:	:	:
Sectoral breakdown of compensation per employee									
Total industries	2.4	4.0	9.5	4.1	5.8	:	:	:	:
Agriculture and fishery	2.3	11.7	15.5	6.2	5.7	:	:	:	:
Industry excluding construction	2.0	3.9	7.6	5.1	5.7	:	:	:	:
of which: manufacturing	5.3	5.3	7.3	5.3	5.3	:	:	:	:
Construction	4.2	4.0	7.4	5.5	5.1	:	:	:	:
Trade, transport and communication	1.7	3.9	7.0	5.6	4.9	:	:	:	:
Finance and business services	-1.9	0.0	6.3	-1.1	4.2	:	:	:	:
Non-market related services	4.0	4.5	11.6	3.9	5.5	:	:	:	:
Sectoral breakdown of labour productivity									
Agriculture and fishery	-0.7	1.4	2.5	-1.0	13.6	:	:	:	:
Industry excluding construction	6.4	3.6	5.5	5.5	0.4	:	:	:	:
of which: manufacturing	5.7	3.6	5.7	5.2	3.7	:	:	:	:
Construction	3.5	12.8	-2.0	3.3	2.7	:	:	:	:
Trade, transport and communication	5.2	7.9	2.3	5.4	3.0	:	:	:	:
Finance and business services	1.2	-2.8	-2.0	0.9	-3.0	:	:	:	:
Non-market related services	1.9	2.4	6.9	1.4	-3.5	:	:	:	:
Market-related sectors	4.6	5.7	2.2	4.4	3.1	:	:	:	:

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Spain

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	39 591	39 972	41 063	41 753	42 440	1.6	%
2. Population (working age: 15-64)		27 170	27 437	28 231	28 729	29 227	1.7	%
	<i>as % of total population</i>	68.6	68.6	68.8	68.8	68.9	0.1	p.p.
3. Labour force (15-64)	1 000 pers.	17 758	17 707	18 681	19 428	20 073	3.3	%
	<i>Male</i>	10 704	10 764	11 225	11 558	11 834	2.4	%
	<i>Female</i>	7 054	6 942	7 456	7 870	8 239	4.7	%
4. Activity rate (as a % of population 15-64)		65.4	64.5	66.2	67.6	68.7	1.1	p.p.
	Young (15-24)	43.6	42.4	43.7	44.5	45.2	0.7	p.p.
	Prime age (25-54)	78.0	76.5	78.2	79.6	80.6	1.0	p.p.
	Older (55-64)	40.9	41.9	42.7	43.8	44.4	0.7	p.p.
	<i>Male</i>	78.8	78.3	79.1	79.9	80.4	0.4	p.p.
	Young (15-24)	47.7	47.6	48.8	49.5	50.2	0.7	p.p.
	Prime age (25-54)	93.0	91.6	92.1	92.5	92.5	0.0	p.p.
	Older (55-64)	60.5	61.4	62.1	62.9	62.7	-0.2	p.p.
	<i>Female</i>	51.9	50.7	53.1	55.1	56.8	1.7	p.p.
	Young (15-24)	39.5	37.1	38.5	39.2	39.8	0.6	p.p.
	Prime age (25-54)	62.9	61.2	64.1	66.5	68.3	1.8	p.p.
	Older (55-64)	22.6	23.6	24.4	25.7	27.2	1.5	p.p.
5. Employment rate (as a % of population 15-64)		56.2	57.7	58.5	59.8	61.1	1.3	p.p.
	Young (15-24)	32.3	33.5	34.0	34.4	35.2	0.8	p.p.
	Prime age (25-54)	68.3	69.4	70.2	71.4	72.7	1.2	p.p.
	Older (55-64)	37.1	39.2	39.6	40.7	41.3	0.6	p.p.
	<i>Male</i>	71.1	72.4	72.6	73.2	73.8	0.6	p.p.
	Young (15-24)	37.9	39.7	39.7	39.9	40.8	0.9	p.p.
	Prime age (25-54)	85.6	85.8	85.7	85.9	86.1	0.2	p.p.
	Older (55-64)	55.2	57.9	58.4	59.2	58.9	-0.3	p.p.
	<i>Female</i>	41.2	43.0	44.4	46.3	48.3	2.0	p.p.
	Young (15-24)	26.5	27.1	28.0	28.6	29.3	0.7	p.p.
	Prime age (25-54)	51.0	52.8	54.4	56.6	58.9	2.3	p.p.
	Older (55-64)	20.1	21.7	22.0	23.3	24.6	1.4	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		15 264	15 839	16 527	17 188	17 861	673	Th.
	<i>Male (as a % of total)</i>	63.3	62.9	62.3	61.6	60.8	-0.7	p.p.
	<i>Female (as a % of total)</i>	36.7	37.1	37.7	38.4	39.2	0.7	p.p.
7. Employment growth (%) (National accounts)		3.5	2.4	1.5	1.8	2.1		p.p.
Employment growth (%) (LFS - age 15-64)		5.5	3.8	4.3	4.0	3.9		p.p.
	<i>Male</i>	4.1	3.0	3.4	2.8	2.7		p.p.
	<i>Female</i>	8.2	5.1	5.9	6.0	5.9		p.p.
8. Self employed (as a % of total employment)		12.1	12.4	11.6	10.8	10.7	-0.1	p.p.
	<i>Male</i>	13.6	14.0	13.3	12.3	12.2	-0.1	p.p.
	<i>Female</i>	9.5	9.7	8.8	8.5	8.4	-0.1	p.p.
9. Temporary employment (as a % of total employment)		32.1	31.8	31.1	30.6	30.7	0.1	p.p.
	<i>Male</i>	30.7	30.1	29.0	28.7	28.7	0.1	p.p.
	<i>Female</i>	34.2	34.3	34.2	33.5	33.5	0.1	p.p.
10. Part time (as a % of total employment)		7.8	7.9	7.6	7.6	8.0	0.3	p.p.
	<i>Male</i>	2.6	2.6	2.4	2.4	2.4	0.0	p.p.
	<i>Female</i>	16.7	16.7	16.2	16.1	16.6	0.5	p.p.
11. Unemployment rate (harmonised: 15-74)		11.3	10.6	11.3	11.3	10.8	-0.5	p.p.
	Young (15-24)	26.0	21.0	22.3	22.7	22.0	-0.7	p.p.
	Prime age (25-54)	12.4	9.3	10.3	10.3	9.8	-0.5	p.p.
	Older (55-64)	9.4	6.3	7.3	7.0	7.1	0.1	p.p.
	<i>Male</i>	7.9	7.5	8.0	8.2	7.9	-0.3	p.p.
	Young (15-24)	20.4	16.5	18.5	19.5	18.7	-0.8	p.p.
	Prime age (25-54)	8.0	6.3	6.9	7.1	6.9	-0.2	p.p.
	Older (55-64)	8.7	5.6	6.0	5.9	6.0	0.1	p.p.
	<i>Female</i>	16.7	15.4	16.4	15.9	14.9	-1.0	p.p.
	Young (15-24)	32.9	27.0	27.3	27.0	26.4	-0.6	p.p.
	Prime age (25-54)	18.9	13.7	15.1	14.9	13.8	-1.0	p.p.
	Older (55-64)	11.2	8.1	10.1	9.4	9.4	0.0	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	41.9	36.7	34.2	34.1	32.8	-1.3	p.p.
13. Worked hours (average actual weekly hours)		38.7	38.7	38.5	38.4	38.2	-0.3	%
	<i>Male</i>	40.5	40.5	40.3	40.2	40.2	-0.1	%
	<i>Female</i>	35.4	35.4	35.4	35.3	35.1	-0.6	%
14. Sectoral employment growth								
	Agriculture	-3.6	0.1	-3.8	-2.1	:		p.p.
	Building and construction	8.1	6.2	2.9	3.7	:		p.p.
	Services	3.9	2.2	2.3	2.9	:		p.p.
	Manufacturing industry	2.4	1.7	-0.3	-1.7	-0.8		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments

Spain

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	3.8	3.9	4.1	4.2	4.0	4.0	4.2	4.1	4.1
Compensation of employees per hour worked	2.9	3.2	4.6	4.7	4.4	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	4.7	5.6	5.3	4.9	4.1	4.3	3.8	3.8	4.3
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:
Nominal unit labour costs	2.9	3.5	3.3	3.5	3.4	3.4	3.7	3.6	3.5
Real unit labour costs deflated by GDP deflator	-0.5	-0.7	-1.1	-0.5	-0.9	-0.1	-0.3	-1.3	-1.6
Wage and salaries	3.9	3.4	3.7	3.7	3.9	4.4	5.0	5.1	4.9
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	67.0	66.4	65.6	65.6	65.3	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	25.3	26.3	26.3	26.4	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	74.7	73.7	73.7	73.6	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	64.7	:	:	:	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	24.5	24.6	25.0	25.0	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	0.9	1.7	1.2	1.4	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	0.9	0.4	0.7	0.7	0.6	0.5	0.5	0.5	0.6
Hourly labour productivity	-0.7	-0.7	0.7	0.6	1.0	:	:	:	:
GDP	4.4	2.8	2.2	2.5	2.7	2.7	2.6	2.7	2.8
ECFIN NAIRU estimate	12.0	11.5	11.4	11.0	10.5	:	:	:	:
Output gap (%)	1.1	0.4	-0.8	-2.0	-2.2	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	3.5	2.8	3.6	3.1	3.1	2.2	3.2	3.3	3.5
Underlying inflation (exc. energy and unprocessed food)	2.5	2.6	3.9	3.0	2.8	2.4	2.8	2.9	2.9
GDP deflator	3.4	4.2	4.5	4.0	4.4	3.6	4.0	4.9	5.2
Sectoral breakdown of unit labour costs									
Agriculture and fishery	4.3	2.0	0.4	0.7	1.7	-0.8	1.1	1.3	0.8
Industry excluding construction	-2.1	1.9	1.6	2.4	2.0	0.3	-0.4	0.5	2.6
of which: manufacturing	2.4	4.0	2.9	1.0	0.5	:	:	:	:
Construction	9.1	4.9	4.9	5.2	4.5	4.4	3.7	5.2	4.8
Trade, transport and communication	9.5	4.5	4.0	3.6	3.7	2.9	5.4	6.1	4.2
Finance and business services	9.2	3.3	3.2	2.1	1.3	6.8	6.8	5.0	3.6
Non-market related services	1.5	2.7	2.8	2.8	3.0	4.7	4.2	3.0	3.1
Market-related sectors	8.4	3.8	4.2	4.2	3.2	3.0	3.6	3.9	3.6
Sectoral breakdown of compensation per employee									
Total industries	0.5	3.6	3.3	3.1	3.2	0.0	0.0	0.0	0.0
Agriculture and fishery	8.0	1.5	-0.2	0.2	0.7	1.9	1.9	2.5	2.9
Industry excluding construction	-3.4	3.2	3.3	4.2	3.9	4.0	3.7	4.2	2.9
of which: manufacturing	3.9	4.4	3.8	4.0	3.6	:	:	:	:
Construction	-4.1	4.0	4.0	4.3	3.7	4.9	4.2	4.5	3.8
Trade, transport and communication	5.8	4.0	3.3	2.5	2.9	2.2	2.9	3.0	3.1
Finance and business services	-2.4	3.6	2.5	2.1	2.5	1.9	2.6	2.4	3.5
Non-market related services	1.8	3.5	3.9	3.6	3.8	5.7	5.9	5.7	5.9
Sectoral breakdown of labour productivity									
Agriculture and fishery	3.6	-0.4	-0.5	-0.5	-1.0	2.7	0.9	1.3	2.0
Industry excluding construction	-1.4	1.3	1.7	1.8	1.9	3.7	4.1	3.8	0.4
of which: manufacturing	1.4	0.3	0.9	3.0	3.1	:	:	:	:
Construction	-12.1	-0.9	-0.9	-0.9	-0.7	0.4	0.5	-0.7	-1.0
Trade, transport and communication	-3.4	-0.5	-0.7	-1.1	-0.8	-0.7	-2.4	-2.9	-1.1
Finance and business services	-10.6	0.3	-0.6	0.1	1.2	-4.6	-4.0	-2.5	-0.1
Non-market related services	0.2	0.8	1.0	0.7	0.7	0.9	1.6	2.6	2.7
Market-related sectors	-4.4	0.1	-0.2	-0.2	0.1	0.2	-0.1	-0.4	-0.3

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons France

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	57 152	57 616	57 908	58 255	58 534	0.5	%
2. Population (working age: 15-64)		37 317	37 619	37 787	37 983	38 194	0.6	%
	<i>as % of total population</i>	65.3	65.3	65.3	65.2	65.3	0.1	p.p.
3. Labour force (15-64)	1 000 pers.	25 661	25 814	26 060	26 357	26 539	0.7	%
	<i>Male</i>	13 853	13 968	14 103	14 169	14 206	0.3	%
	<i>Female</i>	11 808	11 846	11 957	12 188	12 333	1.2	%
4. Activity rate (as a % of population 15-64)		68.8	68.6	69.0	69.4	69.5	0.1	p.p.
	Young (15-24)	35.5	35.7	36.9	38.1	38.4	0.3	p.p.
	Prime age (25-54)	86.4	86.1	86.1	86.2	86.5	0.3	p.p.
	Older (55-64)	31.7	32.6	35.6	38.8	39.6	0.8	p.p.
	<i>Male</i>	75.2	75.1	75.5	75.5	75.2	-0.2	p.p.
	Young (15-24)	38.6	39.2	41.0	42.1	42.4	0.4	p.p.
	Prime age (25-54)	94.3	94.0	93.9	93.5	93.5	0.0	p.p.
	Older (55-64)	35.4	36.9	40.5	43.2	43.4	0.3	p.p.
	<i>Female</i>	62.5	62.3	62.6	63.5	63.9	0.4	p.p.
	Young (15-24)	32.4	32.3	32.7	34.1	34.3	0.3	p.p.
	Prime age (25-54)	78.6	78.4	78.6	79.2	79.8	0.6	p.p.
	Older (55-64)	28.2	28.5	31.0	34.6	35.9	1.2	p.p.
5. Employment rate (as a % of population 15-64)		61.7	62.7	62.9	63.2	63.1	-0.1	p.p.
	Young (15-24)	28.2	29.3	29.9	30.6	30.4	-0.2	p.p.
	Prime age (25-54)	78.4	79.4	79.4	79.5	79.6	0.2	p.p.
	Older (55-64)	29.4	30.7	33.7	36.8	37.3	0.5	p.p.
	<i>Male</i>	68.8	69.8	69.6	69.4	68.9	-0.4	p.p.
	Young (15-24)	31.3	32.9	33.8	34.0	34.0	0.0	p.p.
	Prime age (25-54)	87.3	88.3	87.6	87.1	86.9	-0.2	p.p.
	Older (55-64)	32.9	34.9	38.1	40.9	41.0	0.1	p.p.
	<i>Female</i>	54.8	55.7	56.4	57.2	57.4	0.2	p.p.
	Young (15-24)	25.1	25.7	25.9	27.1	26.7	-0.4	p.p.
	Prime age (25-54)	69.6	70.8	71.5	72.0	72.5	0.5	p.p.
	Older (55-64)	26.1	26.7	29.6	32.9	33.8	0.9	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		23 029	23 584	23 784	24 017	24 099	82	Th.
	<i>Male (as a % of total)</i>	55.0	55.1	54.7	54.2	54.0	-0.2	p.p.
	<i>Female (as a % of total)</i>	45.0	44.9	45.3	45.8	46.0	0.2	p.p.
7. Employment growth (%) (National accounts)		2.7	1.7	0.7	0.2	-0.1		p.p.
Employment growth (%) (LFS - age 15-64)		2.7	2.4	0.8	1.0	0.3		p.p.
	<i>Male</i>	2.6	2.5	0.1	0.2	-0.1		p.p.
	<i>Female</i>	3.0	2.2	1.7	1.9	0.8		p.p.
8. Self employed (as a % of total employment)		5.7	5.5	5.4	5.8	5.4	-0.4	p.p.
	<i>Male</i>	7.3	6.9	7.0	7.3	6.8	-0.5	p.p.
	<i>Female</i>	3.8	3.7	3.6	3.9	3.7	-0.2	p.p.
9. Temporary employment (as a % of total employment)		15.4	14.9	14.1	12.7	12.9	0.1	p.p.
	<i>Male</i>	14.6	13.6	12.5	11.4	11.8	0.4	p.p.
	<i>Female</i>	16.4	16.3	16.0	14.2	14.0	-0.2	p.p.
10. Part time (as a % of total employment)		16.8	16.3	16.1	16.4	16.3	-0.1	p.p.
	<i>Male</i>	5.2	4.9	4.9	5.2	5.0	-0.2	p.p.
	<i>Female</i>	30.9	30.3	29.6	29.7	29.6	-0.1	p.p.
11. Unemployment rate (harmonised: 15-74)		9.1	8.4	8.9	9.5	9.7	0.2	p.p.
	Young (15-24)	20.6	18.0	18.9	19.8	21.0	1.2	p.p.
	Prime age (25-54)	9.3	7.7	7.8	7.8	8.0	0.2	p.p.
	Older (55-64)	7.3	5.8	5.3	5.2	5.7	0.5	p.p.
	<i>Male</i>	7.6	7.0	7.9	8.6	8.8	0.2	p.p.
	Young (15-24)	19.0	16.0	17.5	19.2	19.9	0.7	p.p.
	Prime age (25-54)	7.4	6.0	6.7	6.8	7.0	0.2	p.p.
	Older (55-64)	7.2	5.5	5.9	5.3	5.6	0.3	p.p.
	<i>Female</i>	10.9	10.0	10.0	10.5	10.7	0.2	p.p.
	Young (15-24)	22.5	20.5	20.8	20.5	22.4	1.9	p.p.
	Prime age (25-54)	11.4	9.7	9.0	9.0	9.1	0.1	p.p.
	Older (55-64)	7.4	6.4	4.6	5.0	5.8	0.8	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	39.7	36.8	32.7	39.5	40.5	1.0	p.p.
13. Worked hours (average actual weekly hours)		38.4	38.1	37.6	36.4	36.6	0.5	%
	<i>Male</i>	41.6	41.1	40.6	39.3	39.6	0.8	%
	<i>Female</i>	34.5	34.4	33.9	32.7	32.9	0.5	%
14. Sectoral employment growth								
	Agriculture	-0.9	-0.5	-1.3	-0.2	:		p.p.
	Building and construction	4.0	2.8	1.5	0.6	:		p.p.
	Services	3.1	1.9	1.2	0.7	:		p.p.
	Manufacturing industry	1.0	1.1	-1.7	-2.2	-3.0		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments

France

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	2.0	2.9	2.7	2.2	3.0	3.5	3.0	:	:
Compensation of employees per hour worked	5.3	4.7	5.7	2.6	4.5	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	5.7	4.8	3.9	2.4	3.0	3.3	3.0	3.0	2.9
Negotiated wages (euro area only)									
Nominal unit labour costs	0.9	2.5	2.2	1.9	0.4	0.6	-1.0	:	:
Real unit labour costs deflated by GDP deflator	-0.1	0.7	0.0	0.4	-1.4	-0.9	-2.8	:	:
Wage and salaries	3.9	4.5	2.3	1.3	:	3.4	3.2	2.9	2.1
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	66.7	66.8	66.7	66.9	66.3	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	32.2	32.0	32.3	32.8	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	67.8	68.0	67.7	67.2	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	58.3	58.4	57.9	57.2	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	28.0	27.6	27.6	27.8	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	4.2	4.4	4.7	5.1	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	1.1	0.4	0.5	0.3	2.6	2.9	4.0	:	:
Hourly labour productivity	4.1	1.9	3.3	0.7	4.2	:	:	:	:
GDP	3.8	2.1	1.2	0.5	2.5	2.8	4.0	1.9	1.9
ECFIN NAIRU estimate	9.9	9.7	9.7	9.5	9.4	:	:	:	:
Output gap (%)	2.0	1.8	1.0	-0.6	-0.3	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	1.8	1.8	1.9	2.2	2.3	2.0	2.6	2.4	2.3
Underlying inflation (exc. energy and unprocessed food)	0.7	1.5	2.2	2.2	2.4	2.6	2.5	2.6	1.8
GDP deflator	1.0	1.8	2.3	1.5	1.8	1.5	1.9	1.8	1.5
Sectoral breakdown of unit labour costs									
Agriculture and fishery	2.0	5.7	-1.0	:	:	-4.8	-9.6	-11.4	-8.9
Industry excluding construction	9.6	1.2	0.9	:	:	-1.7	-3.5	-1.9	-0.9
of which: manufacturing	-1.5	0.6	0.5	-0.3	-2.2	:	:	:	:
Construction	-12.7	2.7	4.2	:	:	4.3	3.2	3.7	4.3
Trade, transport and communication	5.6	2.5	1.0	:	:	1.6	-0.2	1.6	0.6
Finance and business services	-0.9	4.4	2.6	:	:	0.1	-1.0	1.5	1.1
Non-market related services	-0.4	1.8	3.7	:	:	1.6	0.6	2.2	2.0
Market-related sectors	2.6	2.7	1.6	1.4	:	0.1	-1.5	0.2	0.2
Sectoral breakdown of compensation per employee									
Total industries	2.0	2.9	2.7	2.4	:	0.0	0.0	0.0	0.0
Agriculture and fishery	5.2	4.0	6.2	:	:	1.9	1.8	2.2	2.7
Industry excluding construction	2.2	2.2	4.2	:	:	3.4	3.2	2.7	3.0
of which: manufacturing	2.1	2.4	3.2	1.5	3.3	:	:	:	:
Construction	1.5	4.2	1.0	:	:	3.8	3.4	2.6	3.0
Trade, transport and communication	2.1	2.5	1.2	:	:	3.2	2.9	2.4	2.3
Finance and business services	0.0	1.8	1.8	:	:	2.5	2.0	1.7	1.9
Non-market related services	2.8	3.8	4.0	:	:	5.3	4.4	3.6	2.2
Sectoral breakdown of labour productivity									
Agriculture and fishery	3.2	-1.6	7.3	-9.5	:	7.0	12.7	15.4	12.8
Industry excluding construction	-6.8	0.9	3.3	0.5	:	5.2	6.9	4.7	4.0
of which: manufacturing	3.6	1.8	2.7	1.8	5.7	:	:	:	:
Construction	16.3	1.4	-3.0	3.6	:	-0.5	0.2	-1.0	-1.2
Trade, transport and communication	-3.3	0.0	0.2	1.3	:	1.6	3.1	0.8	1.7
Finance and business services	0.9	-2.6	-0.8	1.5	:	2.4	3.0	0.2	0.7
Non-market related services	3.1	2.0	0.3	0.4	:	3.6	3.8	1.4	0.2
Market-related sectors	-1.1	-0.5	0.6	1.0	:	2.9	4.3	2.1	2.2

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Ireland

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	3 800	3 859	3 926	3 991	4 060	1.7	%
2. Population (working age: 15-64)		2 546	2 601	2 661	2 711	2 762	1.9	%
	<i>as % of total population</i>	67.0	67.4	67.8	67.9	68.0	0.1	p.p.
3. Labour force (15-64)	1 000 pers.	1 736	1 783	1 825	1 866	1 919	2.8	%
	<i>Male</i>	1 023	1 045	1 059	1 079	1 109	2.7	%
	<i>Female</i>	714	739	765	787	811	3.0	%
4. Activity rate (as a % of population 15-64)		68.2	68.5	68.6	68.8	69.5	0.7	p.p.
	Young (15-24)	54.2	53.1	52.0	52.3	52.4	0.1	p.p.
	Prime age (25-54)	78.3	78.9	79.1	79.1	79.9	0.8	p.p.
	Older (55-64)	46.5	48.1	49.2	50.2	50.8	0.5	p.p.
	<i>Male</i>	79.9	79.9	79.2	79.3	79.9	0.6	p.p.
	Young (15-24)	58.1	57.4	55.7	56.0	55.9	- 0.1	p.p.
	Prime age (25-54)	92.0	91.8	91.2	91.0	91.8	0.7	p.p.
	Older (55-64)	64.8	66.2	66.6	66.3	66.9	0.7	p.p.
	<i>Female</i>	56.3	57.1	57.8	58.3	59.0	0.7	p.p.
	Young (15-24)	50.0	48.8	48.2	48.4	48.8	0.4	p.p.
	Prime age (25-54)	64.6	66.0	66.9	67.2	68.0	0.8	p.p.
	Older (55-64)	27.9	29.4	31.5	33.7	34.5	0.8	p.p.
5. Employment rate (as a % of population 15-64)		65.2	65.8	65.5	65.5	66.3	0.8	p.p.
	Young (15-24)	50.4	49.4	47.6	47.5	47.8	0.2	p.p.
	Prime age (25-54)	75.3	76.3	76.0	75.9	76.8	0.9	p.p.
	Older (55-64)	45.3	46.8	48.1	49.0	49.4	0.4	p.p.
	<i>Male</i>	76.3	76.6	75.4	75.2	75.9	0.7	p.p.
	Young (15-24)	54.2	53.0	50.6	50.5	50.7	0.1	p.p.
	Prime age (25-54)	88.2	88.6	87.4	87.0	87.8	0.8	p.p.
	Older (55-64)	63.2	64.8	65.1	64.7	65.0	0.3	p.p.
	<i>Female</i>	53.9	54.9	55.4	55.7	56.5	0.8	p.p.
	Young (15-24)	46.5	45.4	44.4	44.4	44.6	0.2	p.p.
	Prime age (25-54)	62.4	64.0	64.7	64.8	65.9	1.1	p.p.
	Older (55-64)	27.3	28.8	30.7	33.2	33.7	0.5	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		1 660	1 712	1 742	1 776	1 830	55	Th.
	<i>Male (as a % of total)</i>	58.8	58.5	57.9	57.7	57.5	- 0.1	p.p.
	<i>Female (as a % of total)</i>	41.2	41.5	42.1	42.3	42.5	0.1	p.p.
7. Employment growth (%) (National accounts)		4.6	3.0	1.8	2.0	3.0		p.p.
Employment growth (%) (LFS - age 15-64)		3.7	3.1	1.8	2.0	3.1		p.p.
	<i>Male</i>	3.2	2.6	0.7	1.5	2.9		p.p.
	<i>Female</i>	4.4	3.9	3.3	2.5	3.3		p.p.
8. Self employed (as a % of total employment)		10.7	10.4	10.4	10.2	10.3	0.1	p.p.
	<i>Male</i>	15.4	15.1	15.2	14.9	15.1	0.3	p.p.
	<i>Female</i>	4.0	3.7	3.8	3.9	3.8	0.0	p.p.
9. Temporary employment (as a % of total employment)		5.9	5.2	5.3	5.1	4.1	- 1.0	p.p.
	<i>Male</i>	4.9	4.4	4.5	4.4	3.7	- 0.7	p.p.
	<i>Female</i>	7.1	6.2	6.3	6.0	4.7	- 1.3	p.p.
10. Part time (as a % of total employment)		16.2	16.2	16.1	16.4	16.2	- 0.2	p.p.
	<i>Male</i>	6.5	6.1	6.0	6.1	5.8	- 0.3	p.p.
	<i>Female</i>	30.1	30.3	30.0	30.4	30.4	0.0	p.p.
11. Unemployment rate (harmonised: 15-74)		4.3	3.9	4.3	4.6	4.5	- 0.1	p.p.
	Young (15-24)	7.1	7.1	8.5	9.1	8.8	- 0.3	p.p.
	Prime age (25-54)	3.9	3.3	3.8	4.1	3.9	- 0.2	p.p.
	Older (55-64)	2.5	2.8	2.3	2.4	2.6	0.1	p.p.
	<i>Male</i>	4.3	4.0	4.6	4.9	4.9	0.0	p.p.
	Young (15-24)	6.7	7.6	9.1	9.7	9.4	- 0.4	p.p.
	Prime age (25-54)	4.1	3.5	4.2	4.4	4.3	- 0.1	p.p.
	Older (55-64)	2.6	2.2	2.3	2.4	2.9	0.5	p.p.
	<i>Female</i>	4.3	3.8	4.0	4.2	3.9	- 0.3	p.p.
	Young (15-24)	7.1	6.9	7.9	8.3	8.6	0.3	p.p.
	Prime age (25-54)	3.5	3.1	3.3	3.6	3.1	- 0.5	p.p.
	Older (55-64)	2.2	2.0	2.7	1.6	2.3	0.7	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	37.3	33.0	30.2	32.9	35.0	2.1	p.p.
13. Worked hours (average actual weekly hours)		38.9	38.5	38.0	37.5	37.3	- 0.4	%
	<i>Male</i>	43.1	42.7	42.2	41.6	41.5	- 0.2	%
	<i>Female</i>	32.6	32.3	32.0	31.6	31.4	- 0.9	%
14. Sectoral employment growth								
	Agriculture	- 6.9	- 3.7	- 1.6	- 3.2	:		p.p.
	Building and construction	15.4	6.8	2.4	4.8	:		p.p.
	Services	5.5	3.8	3.6	3.1	:		p.p.
	Manufacturing industry	2.1	0.3	- 4.0	- 1.9	- 2.5		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments Ireland

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	8.6	7.7	5.0	4.7	5.7	:	:	:	:
Compensation of employees per hour worked	9.3	9.0	6.0	8.9	7.6	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	7.2	8.9	6.7	:	:	:	:	:	:
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:
Nominal unit labour costs	3.4	4.6	0.6	3.0	3.3	:	:	:	:
Real unit labour costs deflated by GDP deflator	-1.4	-1.0	-3.7	1.4	0.3	:	:	:	:
Wage and salaries	9.9	6.1	0.1	:	:	3.7	3.7	4.9	7.1
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	56.7	55.5	53.5	54.6	55.2	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	:	:	:	:	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	:	:	:	:	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	:	:	:	:	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	:	:	:	:	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	:	:	:	:	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	5.0	2.9	4.3	1.6	2.4	3.5	2.5	1.8	-1.0
Hourly labour productivity	5.0	3.6	5.0	5.3	3.9	:	:	:	:
GDP	9.9	6.0	6.1	3.7	5.4	6.4	5.2	5.2	2.8
ECFIN NAIRU estimate	5.8	4.9	4.4	4.0	3.8	:	:	:	:
Output gap (%)	5.2	3.6	2.7	0.0	-0.7	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	5.3	4.0	4.7	4.0	2.3	2.1	2.1	2.5	2.6
Underlying inflation (exc. energy and unprocessed food)	4.6	4.2	5.1	4.3	2.1	2.3	2.0	2.1	2.0
GDP deflator	4.8	5.7	4.5	1.6	2.9	2.1	4.2	3.3	4.3
Sectoral breakdown of unit labour costs									
Agriculture and fishery	:	:	:	:	:	:	:	:	:
Industry excluding construction	:	:	:	:	:	:	:	:	:
of which: manufacturing	2.3	-2.1	-8.3	-3.2	-0.1	:	:	:	:
Construction	:	:	:	:	:	:	:	:	:
Trade, transport and communication	:	:	:	:	:	:	:	:	:
Finance and business services	:	:	:	:	:	:	:	:	:
Non-market related services	:	:	:	:	:	:	:	:	:
Market-related sectors	:	:	:	:	:	:	:	:	:
Sectoral breakdown of compensation per employee									
Total industries	8.7	7.9	5.4	4.7	:	0.0	0.0	0.0	0.0
Agriculture and fishery	4.5	8.2	-2.1	:	:	5.6	3.6	2.9	2.4
Industry excluding construction	8.7	4.8	4.6	:	:	4.8	4.6	3.7	3.2
of which: manufacturing	8.8	3.8	4.6	5.8	4.5	:	:	:	:
Construction	11.3	8.8	10.1	:	:	2.5	4.5	5.4	10.6
Trade, transport and communication	6.5	7.0	5.4	:	:	-4.2	-1.0	-0.7	3.6
Finance and business services	13.0	10.2	3.6	:	:	7.8	6.3	6.9	6.9
Non-market related services	6.9	8.1	5.4	:	:	10.4	9.4	10.0	9.5
Sectoral breakdown of labour productivity									
Agriculture and fishery	:	:	:	:	:	:	:	:	:
Industry excluding construction	:	:	:	:	:	:	:	:	:
of which: manufacturing	6.3	6.1	14.1	9.3	4.6	:	:	:	:
Construction	:	:	:	:	:	:	:	:	:
Trade, transport and communication	:	:	:	:	:	:	:	:	:
Finance and business services	:	:	:	:	:	:	:	:	:
Non-market related services	:	:	:	:	:	:	:	:	:
Market-related sectors	:	:	:	:	:	:	:	:	:

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Italy

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	57 044	57 229	57 382	57 399	57 442	0.1	%
2. Population (working age: 15-64)		38 642	38 646	38 676	38 692	38 292	- 1.0	%
	<i>as % of total population</i>	67.7	67.5	67.4	67.4	66.7	- 0.7	p.p.
3. Labour force (15-64)	1 000 pers.	23 239	23 429	23 631	23 797	24 014	0.9	%
	<i>Male</i>	14 252	14 264	14 345	14 429	14 274	- 1.1	%
	<i>Female</i>	8 987	9 165	9 287	9 368	9 740	4.0	%
4. Activity rate (as a % of population 15-64)		60.1	60.6	61.1	61.5	62.7	1.2	p.p.
	Young (15-24)	38.4	36.6	35.5	34.6	36.1	1.5	p.p.
	Prime age (25-54)	74.3	75.1	75.7	76.3	77.5	1.3	p.p.
	Older (55-64)	29.0	29.2	30.2	31.5	31.8	0.4	p.p.
	<i>Male</i>	74.1	74.1	74.3	74.7	74.9	0.2	p.p.
	Young (15-24)	42.5	40.6	39.9	39.2	40.5	1.3	p.p.
	Prime age (25-54)	90.6	90.7	91.0	91.5	91.4	0.0	p.p.
	Older (55-64)	42.8	42.3	43.0	44.4	44.0	- 0.4	p.p.
	<i>Female</i>	46.3	47.3	47.9	48.3	50.6	2.3	p.p.
	Young (15-24)	34.3	32.6	31.0	29.9	31.7	1.9	p.p.
	Prime age (25-54)	57.9	59.3	60.3	60.9	63.6	2.7	p.p.
	Older (55-64)	16.1	16.9	18.1	19.3	20.4	1.2	p.p.
5. Employment rate (as a % of population 15-64)		53.7	54.8	55.5	56.1	57.6	1.5	p.p.
	Young (15-24)	26.4	26.3	25.8	25.2	27.6	2.4	p.p.
	Prime age (25-54)	68.0	69.2	70.1	70.7	72.2	1.5	p.p.
	Older (55-64)	27.7	28.0	28.9	30.3	30.5	0.3	p.p.
	<i>Male</i>	68.0	68.5	69.1	69.6	70.1	0.5	p.p.
	Young (15-24)	30.7	30.4	30.3	29.7	32.1	2.4	p.p.
	Prime age (25-54)	84.9	85.5	86.0	86.5	86.7	0.1	p.p.
	Older (55-64)	40.9	40.4	41.2	42.8	42.2	- 0.6	p.p.
	<i>Female</i>	39.6	41.1	42.0	42.7	45.2	2.6	p.p.
	Young (15-24)	22.1	22.1	21.3	20.6	23.1	2.5	p.p.
	Prime age (25-54)	50.9	52.8	54.0	54.9	57.8	2.9	p.p.
	Older (55-64)	15.3	16.3	17.3	18.5	19.6	1.2	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		20 752	21 169	21 478	21 710	22 060	350	Th.
	<i>Male (as a % of total)</i>	63.0	62.4	62.1	61.9	60.5	- 1.4	p.p.
	<i>Female (as a % of total)</i>	37.0	37.6	37.9	38.1	39.5	1.4	p.p.
7. Employment growth (%) (National accounts)		1.9	2.0	1.8	1.1	0.9		p.p.
Employment growth (%) (LFS - age 15-64)		1.9	2.0	1.5	1.1	1.6		p.p.
	<i>Male</i>	1.2	1.0	1.0	0.8	- 0.6		p.p.
	<i>Female</i>	3.2	3.8	2.2	1.5	5.2		p.p.
8. Self employed (as a % of total employment)		11.0	11.3	11.0	10.7	17.7	7.0	p.p.
	<i>Male</i>	13.1	13.5	13.1	12.7	19.9	7.3	p.p.
	<i>Female</i>	7.4	7.7	7.5	7.4	14.2	6.8	p.p.
9. Temporary employment (as a % of total employment)		10.1	9.8	9.9	9.9	11.8	2.0	p.p.
	<i>Male</i>	8.7	8.3	8.4	8.2	9.9	1.7	p.p.
	<i>Female</i>	12.2	11.9	12.0	12.2	14.5	2.3	p.p.
10. Part time (as a % of total employment)		8.3	8.3	8.5	8.4	8.1	- 0.3	p.p.
	<i>Male</i>	3.5	3.3	3.3	3.0	2.8	- 0.2	p.p.
	<i>Female</i>	16.4	16.6	16.9	17.3	16.3	- 0.9	p.p.
11. Unemployment rate (harmonised: 15-74)		10.1	9.1	8.6	8.4	8.0	- 0.4	p.p.
	Young (15-24)	31.1	28.2	27.2	27.1	23.5	- 3.6	p.p.
	Prime age (25-54)	8.5	7.9	7.5	7.2	6.9	- 0.3	p.p.
	Older (55-64)	4.5	4.3	4.1	3.8	4.1	0.2	p.p.
	<i>Male</i>	7.8	7.1	6.7	6.5	6.4	- 0.1	p.p.
	Young (15-24)	27.6	25.0	24.0	24.2	20.6	- 3.6	p.p.
	Prime age (25-54)	6.3	5.8	5.6	5.4	5.2	- 0.2	p.p.
	Older (55-64)	4.4	4.5	4.0	3.6	4.1	0.5	p.p.
	<i>Female</i>	13.6	12.2	11.5	11.3	10.5	- 0.8	p.p.
	Young (15-24)	35.4	32.2	31.4	30.9	27.2	- 3.7	p.p.
	Prime age (25-54)	12.1	11.1	10.5	10.0	9.2	- 0.7	p.p.
	Older (55-64)	4.6	4.1	4.4	4.3	4.0	- 0.3	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	61.8	62.2	59.6	58.1	49.1	- 9.0	p.p.
13. Worked hours (average actual weekly hours)		39.3	39.2	38.4	38.3	38.1	- 0.5	%
	<i>Male</i>	41.4	41.4	40.5	40.5	41.0	1.3	%
	<i>Female</i>	35.5	35.5	34.6	34.5	33.5	- 3.0	%
14. Sectoral employment growth								
	Agriculture	- 0.7	1.0	- 1.8	- 3.0	- 0.1		p.p.
	Building and construction	2.6	5.1	2.8	3.1	3.6		p.p.
	Services	2.8	2.5	2.4	1.6	1.1		p.p.
	Manufacturing industry	- 0.2	- 0.1	0.8	0.2	- 0.3		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments

Italy

	Annual % change									
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4	
Different measures of wage/labour costs:										
Compensation per employee	2.9	2.8	1.8	2.9	2.7	3.5	3.9	1.0	2.8	
Compensation of employees per hour worked	3.5	4.1	3.1	3.8	3.0	:	:	:	:	
Hourly labour costs (Eurostat labour cost index)	2.1	2.6	3.6	2.1	2.2	3.6	2.5	1.4	1.5	
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:	
Nominal unit labour costs	1.8	3.0	3.2	3.8	2.4	3.6	2.7	0.5	2.7	
Real unit labour costs deflated by GDP deflator	-0.4	0.4	0.2	0.8	-0.3	0.6	-0.6	-1.6	0.6	
Wage and salaries	3.9	3.4	1.7	2.8	3.5	3.3	4.6	1.7	4.2	
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:	
Adjusted wage share (% of GDP at current market prices)	63.9	63.7	63.9	64.2	64.1	:	:	:	:	
Structure of labour costs										
Share of indirect costs in total labour costs	:	30.9	31.0	:	:	:	:	:	:	
Total wage (as a % of total labour costs) ANNUAL	:	69.1	69.0	:	:	:	:	:	:	
Direct remuneration and bonuses (as a % of total labour costs)	:	62.5	62.7	:	:	:	:	:	:	
Employers' social security contributions (as a % of total labour costs)	:	29.5	29.5	:	:	:	:	:	:	
Other indirect costs (as a % of total labour costs)	:	1.4	1.5	:	:	:	:	:	:	
Memo items: determinants or benchmarks according to which wage developments can be assessed										
Labour productivity (GDP/person employed)	1.1	-0.2	-1.4	-0.9	0.3	-0.1	1.1	0.6	0.1	
Hourly labour productivity	1.5	0.6	-0.8	-0.2	0.8	:	:	:	:	
GDP	3.0	1.8	0.4	0.3	1.2	0.8	2.0	1.3	0.8	
ECFIN NAIRU estimate	10.1	9.4	8.9	8.6	8.2	:	:	:	:	
Output gap (%)	2.0	2.1	0.8	-0.6	-1.3	:	:	:	:	
Headline inflation (harmonised consumer price index 1996=100)	2.6	2.3	2.6	2.8	2.3	2.3	2.3	2.2	2.2	
Underlying inflation (exc. energy and unprocessed food)	1.9	2.1	2.8	2.7	2.3	2.3	2.3	2.3	2.3	
GDP deflator	2.2	2.6	3.1	2.9	2.6	3.0	3.4	2.1	2.1	
Sectoral breakdown of unit labour costs										
Agriculture and fishery	1.4	2.3	3.4	6.3	-9.1	-7.8	-14.1	-10.9	-2.2	
Industry excluding construction	0.7	2.8	3.0	3.5	2.5	1.8	1.2	1.4	5.3	
of which: manufacturing	0.2	3.2	4.2	4.1	3.2	2.2	1.6	2.5	6.3	
Construction	2.1	3.9	2.4	3.8	4.4	1.5	2.8	7.8	5.2	
Trade, transport and communication	-0.9	1.1	2.8	3.6	1.6	3.0	-0.1	1.8	1.7	
Finance and business services	3.3	3.5	4.6	2.4	4.9	4.8	4.2	5.9	4.9	
Non-market related services	3.8	3.6	2.8	4.1	0.9	3.2	5.4	-4.6	-0.4	
Market-related sectors	0.7	2.4	3.0	3.3	2.5	2.8	1.3	2.4	3.5	
Sectoral breakdown of compensation per employee										
Total industries	2.9	2.8	1.8	2.9	2.7	0.0	0.0	0.0	0.0	
Agriculture and fishery	-0.8	0.8	1.3	3.9	0.9	0.0	0.0	-0.7	4.6	
Industry excluding construction	3.3	2.7	2.1	2.3	3.3	3.9	3.7	2.9	2.4	
of which: manufacturing	3.4	2.8	2.1	2.4	3.5	3.9	4.0	3.3	2.6	
Construction	3.1	1.9	2.3	2.9	3.6	2.5	3.9	4.0	3.6	
Trade, transport and communication	1.8	2.4	2.0	1.8	2.4	1.9	0.5	4.1	3.4	
Finance and business services	2.0	2.1	0.9	1.5	1.1	0.5	1.1	1.2	1.8	
Non-market related services	3.6	3.6	1.5	4.2	3.2	4.8	7.3	-2.3	3.3	
Sectoral breakdown of labour productivity										
Agriculture and fishery	-2.2	-1.5	-2.1	-2.3	10.9	8.5	16.5	11.5	7.0	
Industry excluding construction	2.6	-0.1	-1.0	-1.1	0.7	2.1	2.5	1.4	-2.8	
of which: manufacturing	3.2	-0.4	-2.0	-1.6	0.3	1.6	2.3	0.8	-3.5	
Construction	0.9	-1.9	-0.1	-0.8	-0.8	1.0	1.1	-3.5	-1.5	
Trade, transport and communication	2.8	1.3	-0.8	-1.8	0.9	-1.1	0.6	2.3	1.7	
Finance and business services	-1.2	-1.3	-3.6	-0.8	-3.6	-4.1	-3.0	-4.4	-2.9	
Non-market related services	-0.2	0.1	-1.2	0.1	2.4	1.6	1.8	2.4	3.6	
Market-related sectors	1.8	0.0	-1.1	-1.0	-0.1	-0.3	0.8	0.1	-0.8	

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Cyprus

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	667	673	679	688	711	3.3	%
2. Population (working age: 15-64)		438	444	447	458	476	3.9	%
	<i>as % of total population</i>	65.7	66.0	65.8	66.6	66.9	0.3	p.p.
3. Labour force (15-64)	1 000 pers.	302	314	317	331	345	4.3	%
	<i>Male</i>	172	175	174	180	191	5.9	%
	<i>Female</i>	130	139	143	150	154	2.9	%
4. Activity rate (as a % of population 15-64)		68.9	70.7	70.9	72.3	72.6	0.3	p.p.
	Young (15-24)	41.6	41.9	39.5	40.7	41.4	0.7	p.p.
	Prime age (25-54)	81.7	83.5	84.7	85.8	86.1	0.4	p.p.
	Older (55-64)	50.8	51.5	50.7	52.9	52.5	- 0.3	p.p.
	<i>Male</i>	81.5	81.8	80.9	81.8	83.0	1.2	p.p.
	Young (15-24)	42.5	43.9	40.0	42.5	45.2	2.7	p.p.
	Prime age (25-54)	95.0	95.7	95.1	95.2	95.2	0.0	p.p.
	Older (55-64)	68.8	68.8	69.7	73.5	73.8	0.3	p.p.
	<i>Female</i>	57.3	60.4	61.6	63.0	62.8	- 0.2	p.p.
	Young (15-24)	39.6	41.3	39.1	41.3	38.0	- 3.3	p.p.
	Prime age (25-54)	68.3	72.0	74.3	76.4	77.6	1.2	p.p.
	Older (55-64)	33.3	35.3	32.4	33.3	32.1	- 1.2	p.p.
5. Employment rate (as a % of population 15-64)		65.3	67.8	68.7	69.2	69.1	- 0.1	p.p.
	Young (15-24)	37.1	39.5	37.2	37.2	37.3	0.1	p.p.
	Prime age (25-54)	77.8	80.8	82.0	82.8	82.7	- 0.1	p.p.
	Older (55-64)	49.2	48.5	49.3	50.0	50.2	0.2	p.p.
	<i>Male</i>	78.7	79.4	79.1	79.1	80.0	0.9	p.p.
	Young (15-24)	40.0	39.0	37.5	40.0	42.1	2.1	p.p.
	Prime age (25-54)	92.1	93.6	93.7	92.5	92.8	0.3	p.p.
	Older (55-64)	65.6	68.8	66.7	67.6	70.1	2.4	p.p.
	<i>Female</i>	52.9	57.0	59.1	60.1	59.0	- 1.1	p.p.
	Young (15-24)	35.4	37.0	34.8	37.0	33.1	- 3.9	p.p.
	Prime age (25-54)	64.1	68.7	71.7	73.2	73.1	- 0.2	p.p.
	Older (55-64)	33.3	32.4	32.4	33.3	30.4	- 3.0	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		286	301	307	317	329	12	Th.
	<i>Male (as a % of total)</i>	58.0	56.5	55.4	54.9	55.9	1.0	p.p.
	<i>Female (as a % of total)</i>	42.0	43.5	44.6	45.1	44.1	- 1.0	p.p.
7. Employment growth (%) (National accounts)		2.2	2.2	1.1	1.1	1.9		p.p.
Employment growth (%) (LFS - age 15-64)		4.4	5.2	2.0	3.3	3.7		p.p.
	<i>Male</i>	3.1	2.4	0.0	2.4	5.6		p.p.
	<i>Female</i>	7.1	9.2	4.6	4.4	1.4		p.p.
8. Self employed (as a % of total employment)		14.0	13.0	13.0	13.6	12.9	- 0.7	p.p.
	<i>Male</i>	18.1	17.1	17.1	17.8	16.5	- 1.3	p.p.
	<i>Female</i>	8.3	7.6	8.0	7.7	8.0	0.4	p.p.
9. Temporary employment (as a % of total employment)		10.7	10.8	9.1	12.6	13.0	0.4	p.p.
	<i>Male</i>	7.6	7.0	5.7	8.1	8.6	0.5	p.p.
	<i>Female</i>	14.3	14.8	12.8	17.1	17.6	0.5	p.p.
10. Part time (as a % of total employment)		7.7	7.3	6.2	7.6	:	:	p.p.
	<i>Male</i>	3.6	3.5	2.9	3.4	:	:	p.p.
	<i>Female</i>	13.3	12.2	10.9	12.6	:	:	p.p.
11. Unemployment rate (harmonised: 15-74)		5.2	4.4	3.9	4.5	5.0	0.5	p.p.
	Young (15-24)	10.8	5.6	5.9	8.6	9.9	1.3	p.p.
	Prime age (25-54)	4.7	3.3	3.2	3.5	4.0	0.5	p.p.
	Older (55-64)	3.0	5.9	2.9	5.4	4.3	- 1.1	p.p.
	<i>Male</i>	3.2	2.9	3.0	3.9	4.0	0.1	p.p.
	Young (15-24)	5.9	11.1	6.3	5.9	7.0	1.1	p.p.
	Prime age (25-54)	3.0	2.2	1.5	2.9	2.5	- 0.3	p.p.
	Older (55-64)	4.5	0.0	4.3	8.0	5.1	- 2.9	p.p.
	<i>Female</i>	7.8	6.4	4.9	5.2	6.3	1.1	p.p.
	Young (15-24)	10.5	10.5	11.1	10.5	13.0	2.4	p.p.
	Prime age (25-54)	6.1	4.6	3.5	4.2	5.9	1.7	p.p.
	Older (55-64)	0.0	8.3	0.0	0.0	5.6	5.6	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	25.7	21.2	20.1	24.0	27.4	3.4	p.p.
13. Worked hours (average actual weekly hours)		39.3	38.5	38.3	38.0	39.7	4.6	%
	<i>Male</i>	41.2	40.2	40.1	40.0	41.9	4.7	%
	<i>Female</i>	36.5	36.4	36.0	35.6	36.9	3.7	%
14. Sectoral employment growth								
	Agriculture	- 1.6	- 2.0	- 1.6	- 0.8	- 0.8		p.p.
	Building and construction	0.0	5.0	6.5	6.8	2.9		p.p.
	Services	3.9	3.3	1.5	0.9	2.4		p.p.
	Manufacturing industry	- 2.6	- 3.5	- 3.1	- 1.7	- 0.6		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments

Cyprus

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	2.2	1.0	4.1	6.1	3.8	:	:	:	:
Compensation of employees per hour worked	5.0	5.6	7.8	8.2	5.0	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	:	:	:	:	:	:	:	:	:
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:
Nominal unit labour costs	-0.6	-0.8	3.1	5.2	1.9	:	:	:	:
Real unit labour costs deflated by GDP deflator	-4.1	-3.9	0.8	0.4	-0.3	:	:	:	:
Wage and salaries	:	:	:	:	:	:	:	:	:
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	61.9	59.8	60.7	63.1	62.7	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	13.4	13.6	13.8	15.4	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	86.6	86.4	86.2	84.6	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	86.6	86.4	86.2	84.6	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	13.4	13.6	13.8	15.4	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	:	:	:	:	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	2.8	1.8	1.0	0.9	1.8	:	:	:	:
Hourly labour productivity	2.9	3.2	1.6	2.9	3.3	:	:	:	:
GDP	5.0	4.1	2.1	2.0	3.7	3.7	4.1	4.0	3.1
ECFIN NAIRU estimate	4.8	4.7	4.6	4.6	4.6	:	:	:	:
Output gap (%)	1.5	1.9	0.2	-0.9	-1.1	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	4.9	2.0	2.8	4.0	1.9	1.0	1.2	2.5	2.8
Underlying inflation (exc. energy and unprocessed food)	2.8	1.6	2.1	3.1	0.8	0.4	0.6	0.8	1.4
GDP deflator	3.7	3.3	2.2	4.8	2.2	1.5	0.8	2.7	3.8
Sectoral breakdown of unit labour costs									
Agriculture and fishery	19.7	-17.7	11.0	:	:	:	:	:	:
Industry excluding construction	-1.9	1.5	3.6	:	:	:	:	:	:
of which: manufacturing	-2.9	-0.6	2.3	1.7	2.7	:	:	:	:
Construction	-1.8	7.1	5.5	:	:	:	:	:	:
Trade, transport and communication	1.2	1.5	3.5	:	:	:	:	:	:
Finance and business services	12.2	-2.5	5.9	:	:	:	:	:	:
Non-market related services	6.1	3.3	2.5	:	:	:	:	:	:
Market-related sectors	:	:	:	:	:	:	:	:	:
Sectoral breakdown of compensation per employee									
Total industries	3.3	0.4	4.4	4.4	:	:	:	:	:
Agriculture and fishery	12.6	-14.6	17.0	:	:	:	:	:	:
Industry excluding construction	1.5	1.7	6.7	:	:	:	:	:	:
of which: manufacturing	1.0	2.3	6.2	6.1	3.3	:	:	:	:
Construction	-6.5	3.7	3.4	:	:	:	:	:	:
Trade, transport and communication	3.2	1.4	3.2	:	:	:	:	:	:
Finance and business services	11.9	-0.3	6.4	:	:	:	:	:	:
Non-market related services	2.8	-0.9	1.5	:	:	:	:	:	:
Sectoral breakdown of labour productivity									
Agriculture and fishery	-5.9	3.8	5.4	:	:	:	:	:	:
Industry excluding construction	3.4	0.3	2.9	:	:	:	:	:	:
of which: manufacturing	4.0	2.9	3.9	4.3	0.6	:	:	:	:
Construction	-4.8	-3.1	-2.0	:	:	:	:	:	:
Trade, transport and communication	2.0	-0.1	-0.3	:	:	:	:	:	:
Finance and business services	-0.2	2.3	0.5	:	:	:	:	:	:
Non-market related services	-3.1	-4.1	-1.0	:	:	:	:	:	:
Market-related sectors	1.0	0.5	0.8	:	:	:	:	:	:

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Latvia

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	2 382	2 364	2 344	2 330	2 319	- 0.5	%
2. Population (working age: 15-64)		1 600	1 594	1 590	1 588	1 587	0.0	%
	<i>as % of total population</i>	67.2	67.4	67.8	68.2	68.4	0.3	p.p.
3. Labour force (15-64)	1 000 pers.	1 073	1 080	1 094	1 099	1 106	0.6	%
	<i>Male</i>	554	556	564	564	568	0.7	%
	<i>Female</i>	519	525	530	535	537	0.5	%
4. Activity rate (as a % of population 15-64)		67.0	67.8	68.8	69.2	69.7	0.4	p.p.
	Young (15-24)	37.5	37.0	39.0	38.4	37.2	- 1.2	p.p.
	Prime age (25-54)	85.5	86.3	85.7	86.3	86.3	0.0	p.p.
	Older (55-64)	39.8	41.5	46.3	47.9	52.3	4.4	p.p.
	<i>Male</i>	72.4	72.8	74.1	74.1	74.3	0.3	p.p.
	Young (15-24)	43.6	42.1	44.6	44.4	43.3	- 1.2	p.p.
	Prime age (25-54)	87.8	89.2	89.2	89.7	89.7	0.0	p.p.
	Older (55-64)	54.0	52.9	57.3	56.1	60.3	4.1	p.p.
	<i>Female</i>	62.2	63.2	63.9	64.7	65.3	0.5	p.p.
	Young (15-24)	31.1	31.7	33.4	32.2	31.0	- 1.2	p.p.
	Prime age (25-54)	83.3	83.3	82.3	83.1	83.1	0.0	p.p.
	Older (55-64)	29.5	33.2	38.2	41.8	46.2	4.3	p.p.
5. Employment rate (as a % of population 15-64)		57.3	58.8	60.4	61.8	62.3	0.5	p.p.
	Young (15-24)	29.1	28.9	30.9	31.5	30.5	- 1.0	p.p.
	Prime age (25-54)	73.5	75.6	76.1	77.7	77.9	0.2	p.p.
	Older (55-64)	36.0	37.2	41.7	44.2	47.8	3.6	p.p.
	<i>Male</i>	61.1	62.1	64.3	66.1	66.4	0.3	p.p.
	Young (15-24)	34.1	32.6	36.4	37.0	36.5	- 0.5	p.p.
	Prime age (25-54)	74.5	77.2	78.0	80.7	80.4	- 0.2	p.p.
	Older (55-64)	48.0	45.9	50.6	51.5	56.0	4.5	p.p.
	<i>Female</i>	53.8	55.8	56.9	57.9	58.6	0.6	p.p.
	Young (15-24)	24.0	25.1	25.3	25.6	24.4	- 1.1	p.p.
	Prime age (25-54)	72.7	74.4	74.3	74.9	75.5	0.7	p.p.
	Older (55-64)	26.8	30.4	35.2	38.9	42.0	3.1	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		917	938	960	981	989	7	Th.
	<i>Male (as a % of total)</i>	51.0	50.6	51.0	51.3	51.3	0.0	p.p.
	<i>Female (as a % of total)</i>	49.0	49.4	49.0	48.8	48.8	0.0	p.p.
7. Employment growth (%) (National accounts)		- 2.9	2.2	1.6	1.7	1.0		p.p.
Employment growth (%) (LFS - age 15-64)		- 2.3	2.2	2.4	2.2	0.7		p.p.
	<i>Male</i>	- 4.1	1.4	3.3	2.8	0.7		p.p.
	<i>Female</i>	- 0.3	3.1	1.6	1.6	0.7		p.p.
8. Self employed (as a % of total employment)		6.2	5.7	5.9	5.7	6.0	0.3	p.p.
	<i>Male</i>	6.5	6.3	6.4	6.7	6.9	0.2	p.p.
	<i>Female</i>	5.8	5.1	5.5	4.7	5.1	0.4	p.p.
9. Temporary employment (as a % of total employment)		6.5	6.7	13.8	11.2	9.5	- 1.7	p.p.
	<i>Male</i>	8.7	8.5	16.9	13.2	11.6	- 1.6	p.p.
	<i>Female</i>	4.4	5.0	10.6	9.1	7.3	- 1.9	p.p.
10. Part time (as a % of total employment)		10.6	9.3	9.0	9.6	9.7	0.1	p.p.
	<i>Male</i>	9.2	7.9	7.0	7.4	7.1	- 0.3	p.p.
	<i>Female</i>	12.0	11.0	11.1	12.0	12.4	0.4	p.p.
11. Unemployment rate (harmonised: 15-74)		13.7	12.9	12.6	10.4	9.8	- 0.6	p.p.
	Young (15-24)	22.4	21.8	20.8	18.0	18.1	0.1	p.p.
	Prime age (25-54)	14.1	12.3	11.1	10.0	9.7	- 0.2	p.p.
	Older (55-64)	9.6	10.3	9.9	7.8	8.6	0.8	p.p.
	<i>Male</i>	14.4	14.2	13.6	10.1	9.2	- 0.9	p.p.
	Young (15-24)	21.9	22.6	18.3	16.8	15.6	- 1.2	p.p.
	Prime age (25-54)	15.2	13.5	12.5	10.1	10.3	0.2	p.p.
	Older (55-64)	11.2	13.3	11.6	8.2	7.0	- 1.2	p.p.
	<i>Female</i>	12.9	11.5	11.4	10.6	10.3	- 0.3	p.p.
	Young (15-24)	23.1	20.8	24.2	20.6	21.2	0.6	p.p.
	Prime age (25-54)	12.8	10.8	9.8	9.9	9.1	- 0.7	p.p.
	Older (55-64)	9.2	8.4	7.9	7.0	9.0	2.0	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	58.4	54.9	45.1	41.6	43.7	2.1	p.p.
13. Worked hours (average actual weekly hours)		42.2	42.7	41.8	41.7	41.0	- 1.5	%
	<i>Male</i>	43.4	44.3	43.5	43.1	42.6	- 1.0	%
	<i>Female</i>	40.9	41.1	40.1	40.1	39.3	- 2.1	%
14. Sectoral employment growth								
	Agriculture	- 15.6	5.5	3.6	- 10.1	:		p.p.
	Building and construction	- 4.0	19.4	- 11.4	19.2	:		p.p.
	Services	0.1	1.2	3.9	2.2	:		p.p.
	Manufacturing industry	- 0.4	- 2.8	- 2.7	5.6	3.3		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments

Latvia

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	6.9	3.4	4.0	11.1	16.5	17.8	14.4	16.1	:
Compensation of employees per hour worked	8.7	4.6	6.0	14.5	17.5	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	:	:	:	:	:	:	:	:	:
Negotiated wages (euro area only)									
Nominal unit labour costs	-2.9	-2.2	-0.8	5.2	8.4	9.3	13.8	6.7	:
Real unit labour costs deflated by GDP deflator	-6.5	-4.2	-4.0	1.7	1.1	4.7	7.1	-1.8	:
Wage and salaries	7.2	6.7	0.5	16.7	19.8	18.7	21.9	21.1	:
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	55.2	52.7	50.3	51.6	52.2	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	22.7	22.1	22.1	21.4	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	77.3	77.9	77.9	78.6	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	71.2	71.8	71.7	72.4	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	22.4	21.8	21.8	20.8	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	0.3	0.3	0.3	0.7	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	10.1	5.7	4.8	5.6	7.5	7.8	0.5	8.8	:
Hourly labour productivity	10.2	7.1	5.4	7.7	8.4	:	:	:	:
GDP	6.9	8.0	6.4	7.5	8.5	8.7	7.7	9.1	8.6
ECFIN NAIRU estimate	13.4	12.8	12.2	11.4	10.4	:	:	:	:
Output gap (%)	-1.5	0.1	-0.3	0.4	1.3	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	2.6	2.5	2.0	2.9	6.2	4.3	5.8	7.4	7.2
Underlying inflation (exc. energy and unprocessed food)	2.2	1.4	1.6	2.9	5.8	4.2	5.7	6.5	6.6
GDP deflator	3.8	2.1	3.4	3.4	7.3	4.4	6.3	8.7	9.1
Sectoral breakdown of unit labour costs									
Agriculture and fishery	-21.2	7.2	14.4	-11.5	6.6	25.4	7.6	2.3	:
Industry excluding construction	13.5	-9.5	-8.2	-6.9	1.9	5.7	3.3	3.1	:
of which: manufacturing	-0.1	-9.9	-6.7	2.7	5.7	5.5	5.6	2.1	:
Construction	-2.1	7.0	-15.5	1.6	11.8	19.2	14.2	10.6	:
Trade, transport and communication	8.4	-1.4	-11.1	-2.9	2.8	7.1	7.4	4.9	:
Finance and business services	22.0	-17.7	1.3	-4.1	14.2	12.1	24.3	17.3	:
Non-market related services	15.8	8.2	4.6	1.2	6.7	10.2	10.2	10.3	:
Market-related sectors	:	:	:	4.3	:	9.7	8.1	6.6	:
Sectoral breakdown of compensation per employee									
Total industries	19.6	3.3	0.3	0.7	12.4	0.0	0.0	0.0	0.0
Agriculture and fishery	4.1	7.7	15.4	-0.6	16.9	43.3	20.5	7.3	:
Industry excluding construction	19.1	2.0	1.4	-3.9	13.1	24.2	11.2	14.3	:
of which: manufacturing	7.1	2.2	4.4	6.1	10.4	25.5	16.1	15.2	:
Construction	9.7	-3.7	4.7	-2.6	2.8	4.1	-7.2	-0.8	:
Trade, transport and communication	17.3	7.0	-5.4	2.4	12.3	10.1	15.8	22.9	:
Finance and business services	29.2	-4.9	2.4	-2.8	18.0	32.2	20.9	13.5	:
Non-market related services	18.8	8.7	1.6	4.9	11.8	15.2	17.9	17.5	:
Sectoral breakdown of labour productivity									
Agriculture and fishery	32.1	0.5	0.9	12.4	9.7	14.3	12.0	4.9	:
Industry excluding construction	4.9	12.7	10.5	3.3	10.9	17.4	7.7	10.9	:
of which: manufacturing	7.2	13.4	11.9	3.3	4.4	19.0	9.9	12.8	:
Construction	12.1	-10.0	24.0	-4.1	-8.0	-12.6	-18.7	-10.3	:
Trade, transport and communication	8.2	8.5	6.4	5.5	9.3	2.8	7.8	17.2	:
Finance and business services	5.9	15.5	1.1	1.4	3.4	17.9	-2.8	-3.3	:
Non-market related services	2.6	0.4	-2.9	3.7	4.8	4.6	7.0	6.5	:
Market-related sectors	11.9	7.6	7.3	5.2	7.4	8.4	4.7	8.5	:

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Lithuania

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	2 802	2 796	3 453	3 445	3 434	- 0.3	%
2. Population (working age: 15-64)		2 318	2 311	2 303	2 305	2 311	0.2	%
	<i>as % of total population</i>	82.7	82.7	66.7	66.9	67.3	0.4	p.p.
3. Labour force (15-64)	1 000 pers.	1 636	1 609	1 602	1 611	1 596	- 0.9	%
	<i>Male</i>	828	816	813	814	811	- 0.4	%
	<i>Female</i>	807	792	790	797	785	- 1.4	%
4. Activity rate (as a % of population 15-64)		70.6	69.6	69.6	69.9	69.1	- 0.8	p.p.
	Young (15-24)	36.1	32.8	31.0	30.0	26.2	- 3.8	p.p.
	Prime age (25-54)	88.8	88.5	88.5	88.8	88.7	- 0.1	p.p.
	Older (55-64)	45.3	44.9	46.8	50.6	52.6	2.0	p.p.
	<i>Male</i>	74.2	73.7	73.6	73.5	72.8	- 0.6	p.p.
	Young (15-24)	41.6	37.7	35.1	34.2	31.1	- 3.1	p.p.
	Prime age (25-54)	89.7	89.7	90.5	90.5	90.6	0.2	p.p.
	Older (55-64)	57.9	59.1	59.8	62.0	63.7	1.7	p.p.
	<i>Female</i>	67.1	65.8	65.8	66.5	65.6	- 1.0	p.p.
	Young (15-24)	30.4	27.6	26.7	25.8	21.5	- 4.3	p.p.
	Prime age (25-54)	87.9	87.4	86.7	87.2	86.8	- 0.4	p.p.
	Older (55-64)	36.0	33.9	37.1	41.8	44.1	2.3	p.p.
5. Employment rate (as a % of population 15-64)		58.8	57.3	59.9	61.1	61.2	0.1	p.p.
	Young (15-24)	25.3	22.5	23.7	22.5	20.3	- 2.2	p.p.
	Prime age (25-54)	75.0	73.9	76.9	78.9	79.4	0.6	p.p.
	Older (55-64)	40.2	38.9	41.6	44.8	47.1	2.4	p.p.
	<i>Male</i>	60.1	58.7	62.7	64.0	64.7	0.7	p.p.
	Young (15-24)	28.3	24.2	27.1	26.3	24.0	- 2.4	p.p.
	Prime age (25-54)	73.8	73.1	78.0	79.9	81.7	1.8	p.p.
	Older (55-64)	49.8	49.4	51.4	55.3	57.6	2.3	p.p.
	<i>Female</i>	57.5	56.0	57.2	58.4	57.9	- 0.6	p.p.
	Young (15-24)	22.2	21.1	20.5	18.5	16.5	- 2.0	p.p.
	Prime age (25-54)	76.1	74.5	75.8	78.0	77.3	- 0.7	p.p.
	Older (55-64)	32.9	31.0	34.1	36.8	39.3	2.4	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		1 362	1 324	1 379	1 409	1 413	5	Th.
	<i>Male (as a % of total)</i>	49.2	49.1	50.2	50.3	51.0	0.7	p.p.
	<i>Female (as a % of total)</i>	50.8	50.9	49.8	49.7	49.0	- 0.6	p.p.
7. Employment growth (%) (National accounts)		- 4.0	- 3.3	4.0	2.3	- 0.3		p.p.
Employment growth (%) (LFS - age 15-64)		- 4.8	- 2.8	4.1	2.2	0.3		p.p.
	<i>Male</i>	- 6.3	- 2.9	6.5	2.4	1.6		p.p.
	<i>Female</i>	- 3.2	- 2.7	1.9	1.9	- 1.0		p.p.
8. Self employed (as a % of total employment)		13.5	13.5	14.2	14.4	12.8	- 1.6	p.p.
	<i>Male</i>	16.7	17.1	17.0	17.3	15.2	- 2.1	p.p.
	<i>Female</i>	10.4	10.1	11.3	11.5	10.4	- 1.1	p.p.
9. Temporary employment (as a % of total employment)		4.5	5.8	7.3	7.2	6.3	- 0.9	p.p.
	<i>Male</i>	6.0	7.6	9.8	9.7	8.8	- 0.9	p.p.
	<i>Female</i>	3.2	4.2	4.9	4.8	3.9	- 0.9	p.p.
10. Part time (as a % of total employment)		10.0	9.6	10.6	9.2	9.5	0.2	p.p.
	<i>Male</i>	9.0	8.0	9.3	7.1	7.6	0.5	p.p.
	<i>Female</i>	10.8	11.2	11.9	11.4	11.4	0.0	p.p.
11. Unemployment rate (harmonised: 15-74)		16.4	16.4	13.5	12.7	10.8	- 1.9	p.p.
	Young (15-24)	30.0	31.3	23.3	25.1	22.5	- 2.6	p.p.
	Prime age (25-54)	15.6	16.5	13.2	11.2	10.4	- 0.8	p.p.
	Older (55-64)	11.2	13.5	11.1	11.5	10.4	- 1.1	p.p.
	<i>Male</i>	18.6	18.5	13.6	12.3	10.3	- 2.0	p.p.
	Young (15-24)	32.1	35.8	22.7	22.9	22.9	- 0.1	p.p.
	Prime age (25-54)	17.8	18.5	13.8	11.7	9.9	- 1.8	p.p.
	Older (55-64)	13.9	16.5	14.1	10.9	9.6	- 1.3	p.p.
	<i>Female</i>	14.1	14.3	13.4	13.1	11.3	- 1.8	p.p.
	Young (15-24)	27.0	23.7	23.1	28.2	23.4	- 4.8	p.p.
	Prime age (25-54)	13.5	14.7	12.6	10.6	11.0	0.4	p.p.
	Older (55-64)	8.5	8.4	7.9	11.9	11.0	- 0.9	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	49.8	57.4	53.3	48.2	51.4	3.3	p.p.
13. Worked hours (average actual weekly hours)		38.4	38.3	37.8	37.4	37.9	1.3	%
	<i>Male</i>	39.2	39.7	38.8	38.5	38.9	0.9	%
	<i>Female</i>	37.5	37.0	36.6	36.2	36.7	1.4	%
14. Sectoral employment growth								
	Agriculture	- 7.0	- 10.6	7.1	2.6	:		p.p.
	Building and construction	- 8.7	1.3	9.9	14.9	:		p.p.
	Services	- 2.0	- 1.3	2.2	1.0	:		p.p.
	Manufacturing industry	- 4.4	- 4.3	7.2	1.5	- 0.4		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments Lithuania

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	0.0	3.4	1.4	8.2	10.0	3.6	7.8	9.8	6.0
Compensation of employees per hour worked	1.2	7.1	4.9	8.9	10.4	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	:	:	:	:	:	:	:	:	:
Negotiated wages (euro area only)									
Nominal unit labour costs	-7.6	-6.0	-1.2	0.9	2.8	-1.7	-2.0	3.6	0.4
Real unit labour costs deflated by GDP deflator	-8.6	-5.9	-1.2	1.7	-0.5	-0.9	-5.1	-1.5	-4.3
Wage and salaries	-3.6	3.3	8.1	11.5	6.2	3.0	6.5	9.8	4.6
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	59.0	55.3	54.8	55.3	55.1	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	28.0	28.2	28.2	28.2	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	72.0	71.8	71.8	71.8	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	66.6	66.5	66.6	66.5	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	27.6	27.8	27.7	27.8	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	0.4	0.4	0.4	0.4	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	8.3	10.0	2.7	7.2	7.0	5.4	10.0	5.9	5.6
Hourly labour productivity	8.4	12.3	3.4	8.6	7.5	:	:	:	:
GDP	3.9	6.4	6.8	9.7	6.7	7.1	7.3	5.8	6.7
ECFIN NAIRU estimate	12.8	13.7	13.8	13.3	12.3	:	:	:	:
Output gap (%)	-4.5	-2.8	-1.6	1.7	2.0	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	0.9	1.3	0.4	-1.1	1.1	-1.1	0.5	2.3	3.0
Underlying inflation (exc. energy and unprocessed food)	:	:	0.7	0.7	0.7	-0.7	0.4	1.1	1.9
GDP deflator	1.0	-0.1	0.0	-0.8	3.3	-0.9	3.2	5.2	4.8
Sectoral breakdown of unit labour costs									
Agriculture and fishery	24.7	13.8	-41.2	14.5	8.4	-12.6	7.1	22.2	11.5
Industry excluding construction	6.3	-6.6	-12.6	2.7	-3.4	-7.2	-7.2	1.5	-2.3
of which: manufacturing	-15.6	-11.5	-4.1	-3.8	-2.0	:	:	:	:
Construction	18.7	4.4	-25.6	-4.6	12.8	12.5	10.1	12.1	15.1
Trade, transport and communication	6.3	-3.4	0.6	-3.6	1.5	0.2	1.6	3.6	0.7
Finance and business services	13.3	4.3	4.2	7.9	7.6	2.5	2.4	7.7	11.9
Non-market related services	4.2	3.4	-5.8	2.8	3.7	-0.4	2.5	4.3	9.7
Market-related sectors	:	-9.6	-24.8	1.6	-0.3	-1.2	-2.4	3.9	-2.0
Sectoral breakdown of compensation per employee									
Total industries	15.4	-22.6	44.8	8.3	7.0	0.0	0.0	0.0	0.0
Agriculture and fishery	40.3	31.0	-33.8	14.3	22.5	-9.0	19.2	36.8	41.0
Industry excluding construction	14.1	8.4	-2.1	16.9	9.3	9.6	8.6	12.5	4.8
of which: manufacturing	-3.1	4.5	-6.1	8.1	4.3	:	:	:	:
Construction	10.2	8.8	-10.8	1.2	8.2	12.7	0.5	10.9	10.2
Trade, transport and communication	16.0	6.5	19.1	2.4	5.3	5.1	10.7	4.1	1.5
Finance and business services	17.4	5.8	22.3	13.0	9.0	3.0	6.4	11.1	13.6
Non-market related services	13.9	3.0	7.2	6.1	4.8	-0.9	5.7	8.0	6.4
Sectoral breakdown of labour productivity									
Agriculture and fishery	12.5	15.2	12.5	-0.1	13.1	4.2	11.3	11.9	26.5
Industry excluding construction	7.3	16.0	12.1	13.8	13.2	18.0	17.0	10.9	7.3
of which: manufacturing	14.8	18.1	-2.1	12.4	6.4	:	:	:	:
Construction	-7.1	4.2	20.0	6.1	-4.1	0.2	-8.7	-1.1	-4.2
Trade, transport and communication	9.1	10.2	18.3	6.2	3.7	4.9	9.0	0.5	0.8
Finance and business services	3.6	1.4	17.4	4.7	1.3	0.5	3.9	3.1	1.5
Non-market related services	9.2	-0.4	13.8	3.2	1.1	-0.5	3.1	3.5	-3.0
Market-related sectors	7.8	14.0	14.8	7.4	8.3	6.8	11.6	6.3	8.5

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Luxembourg

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	430	433	435	442	447	1.1	%
2. Population (working age: 15-64)		287	294	295	298	302	1.3	%
	<i>as % of total population</i>	66.7	67.9	67.8	67.4	67.6	0.1	p.p.
3. Labour force (15-64)	1 000 pers.	184	189	193	194	195	0.5	%
	<i>Male</i>	111	113	115	113	114	0.9	%
	<i>Female</i>	74	75	78	81	82	1.2	%
4. Activity rate (as a % of population 15-64)		64.1	64.3	65.4	65.1	64.6	- 0.5	p.p.
	Young (15-24)	34.7	34.0	36.0	30.0	25.5	- 4.5	p.p.
	Prime age (25-54)	80.0	79.6	81.1	81.4	81.9	0.5	p.p.
	Older (55-64)	27.9	25.6	27.9	29.5	30.4	0.9	p.p.
	<i>Male</i>	76.6	76.4	77.2	75.3	75.0	- 0.3	p.p.
	Young (15-24)	40.0	36.0	40.0	28.0	26.9	- 1.1	p.p.
	Prime age (25-54)	94.0	94.1	95.1	94.2	95.1	1.0	p.p.
	Older (55-64)	38.1	33.3	36.4	40.9	41.7	0.8	p.p.
	<i>Female</i>	52.1	51.7	53.4	54.7	54.7	- 0.1	p.p.
	Young (15-24)	29.2	32.0	32.0	28.0	24.0	- 4.0	p.p.
	Prime age (25-54)	64.6	64.6	67.0	68.3	68.3	0.0	p.p.
	Older (55-64)	18.2	14.3	18.2	22.7	21.7	- 1.0	p.p.
5. Employment rate (as a % of population 15-64)		62.7	62.9	63.4	62.8	61.6	- 1.2	p.p.
	Young (15-24)	30.6	32.0	32.0	26.0	21.6	- 4.4	p.p.
	Prime age (25-54)	78.5	78.6	79.1	78.9	78.9	0.0	p.p.
	Older (55-64)	27.9	25.6	27.9	29.5	30.4	0.9	p.p.
	<i>Male</i>	75.2	75.0	75.2	73.3	72.4	- 1.0	p.p.
	Young (15-24)	36.0	36.0	36.0	28.0	23.1	- 4.9	p.p.
	Prime age (25-54)	92.0	93.1	93.1	92.2	92.2	0.0	p.p.
	Older (55-64)	38.1	33.3	36.4	40.9	37.5	- 3.4	p.p.
	<i>Female</i>	50.0	51.0	51.4	52.0	50.7	- 1.4	p.p.
	Young (15-24)	29.2	32.0	28.0	24.0	20.0	- 4.0	p.p.
	Prime age (25-54)	62.5	63.6	64.0	65.3	65.3	0.0	p.p.
	Older (55-64)	18.2	14.3	18.2	22.7	21.7	- 1.0	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		180	185	187	187	186	- 1	Th.
	<i>Male (as a % of total)</i>	60.6	60.0	59.9	58.8	59.1	0.3	p.p.
	<i>Female (as a % of total)</i>	39.4	40.0	40.1	41.2	40.9	- 0.3	p.p.
7. Employment growth (%) (National accounts)		5.7	5.7	3.0	1.8	2.4		p.p.
Employment growth (%) (LFS - age 15-64)		2.9	2.8	1.1	0.0	- 0.5		p.p.
	<i>Male</i>	1.9	1.8	0.9	- 1.8	0.0		p.p.
	<i>Female</i>	2.9	4.2	1.4	2.7	- 1.3		p.p.
8. Self employed (as a % of total employment)		2.8	2.2	2.1	5.9	4.8	- 1.0	p.p.
	<i>Male</i>	2.8	1.8	2.7	6.4	5.5	- 0.9	p.p.
	<i>Female</i>	2.8	2.7	1.3	5.2	3.9	- 1.2	p.p.
9. Temporary employment (as a % of total employment)		3.4	4.3	4.3	3.2	4.9	1.7	p.p.
	<i>Male</i>	2.6	3.7	4.0	2.5	4.1	1.6	p.p.
	<i>Female</i>	4.4	5.3	4.7	4.1	6.0	1.9	p.p.
10. Part time (as a % of total employment)		11.1	11.4	11.8	13.4	:	:	p.p.
	<i>Male</i>	1.8	1.8	1.8	1.8	:	:	p.p.
	<i>Female</i>	25.4	25.7	26.7	29.9	:	:	p.p.
11. Unemployment rate (harmonised: 15-74)		2.3	2.1	2.8	3.7	4.2	0.5	p.p.
	Young (15-24)	11.8	5.9	11.1	13.3	15.4	2.1	p.p.
	Prime age (25-54)	1.9	1.3	2.5	3.0	3.6	0.6	p.p.
	Older (55-64)	0.0	0.0	0.0	0.0	0.0	0.0	p.p.
	<i>Male</i>	1.8	1.7	2.1	3.0	3.4	0.4	p.p.
	Young (15-24)	10.0	0.0	10.0	0.0	14.3	14.3	p.p.
	Prime age (25-54)	2.1	1.0	2.1	2.1	3.1	1.0	p.p.
	Older (55-64)	0.0	0.0	0.0	0.0	10.0	10.0	p.p.
	<i>Female</i>	3.1	2.7	3.8	4.6	5.3	0.7	p.p.
	Young (15-24)	0.0	0.0	12.5	14.3	16.7	2.4	p.p.
	Prime age (25-54)	3.2	1.6	4.5	4.3	4.3	0.0	p.p.
	Older (55-64)	0.0	0.0	0.0	0.0	0.0	0.0	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	22.4	28.4	27.4	24.9	22.6	- 2.3	p.p.
13. Worked hours (average actual weekly hours)		39.2	38.6	38.6	37.8	37.9	0.3	%
	<i>Male</i>	42.4	41.9	41.7	40.7	41.4	1.7	%
	<i>Female</i>	34.2	33.7	33.9	33.4	32.5	- 2.7	%
14. Sectoral employment growth								
	Agriculture	0.0	- 13.3	0.0	0.0	:	:	p.p.
	Building and construction	2.8	5.0	3.7	1.4	:	:	p.p.
	Services	7.5	6.8	3.6	2.5	:	:	p.p.
	Manufacturing industry	- 0.9	2.1	- 1.2	- 2.1	0.0		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments Luxembourg

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	4.7	3.9	3.7	2.1	3.2	:	:	:	:
Compensation of employees per hour worked	4.2	5.4	4.6	2.5	3.8	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	3.6	5.2	3.5	4.2	2.5	3.3	2.3	1.8	2.4
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:
Nominal unit labour costs	1.5	8.1	4.2	1.0	1.4	:	:	:	:
Real unit labour costs deflated by GDP deflator	-2.5	6.1	3.1	-1.0	-1.2	:	:	:	:
Wage and salaries	:	:	:	:	:	:	:	:	:
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	58.9	62.0	63.6	63.2	63.5	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	15.4	15.5	15.6	:	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	84.6	84.5	84.4	:	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	71.7	71.7	71.6	:	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	14.0	14.0	14.1	:	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	1.5	:	:	:	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	3.2	-3.9	-0.5	1.1	1.7	:	:	:	:
Hourly labour productivity	2.3	-2.9	0.2	1.4	2.2	:	:	:	:
GDP	9.0	1.5	2.5	2.9	4.2	:	:	:	:
ECFIN NAIRU estimate	2.9	2.9	3.1	3.3	3.6	:	:	:	:
Output gap (%)	5.5	1.6	-0.4	-1.4	-1.3	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	3.8	2.4	2.1	2.5	3.2	2.2	3.3	3.5	3.9
Underlying inflation (exc. energy and unprocessed food)	2.1	2.8	2.8	2.8	2.5	2.6	2.6	2.6	2.3
GDP deflator	4.2	1.9	1.1	2.1	2.7	:	:	:	:
Sectoral breakdown of unit labour costs									
Agriculture and fishery	26.0	-24.5	1.4	8.9	9.0	:	:	:	:
Industry excluding construction	3.2	3.8	-3.0	4.2	-4.5	:	:	:	:
of which: manufacturing	-0.1	4.0	0.6	0.9	-2.2	:	:	:	:
Construction	4.2	0.8	1.4	0.0	9.0	:	:	:	:
Trade, transport and communication	0.6	1.9	5.2	0.8	4.8	:	:	:	:
Finance and business services	5.4	13.8	6.7	-3.3	0.0	:	:	:	:
Non-market related services	4.3	7.1	6.3	3.0	3.9	:	:	:	:
Market-related sectors	:	:	:	:	:	:	:	:	:
Sectoral breakdown of compensation per employee									
Total industries	5.1	3.8	3.7	1.8	2.6	:	:	:	:
Agriculture and fishery	16.9	-19.8	1.6	6.3	5.4	:	:	:	:
Industry excluding construction	10.3	1.9	1.7	6.8	2.5	:	:	:	:
of which: manufacturing	7.9	2.8	2.8	5.8	3.2	:	:	:	:
Construction	5.3	4.8	2.9	0.7	6.5	:	:	:	:
Trade, transport and communication	5.5	4.0	4.5	3.0	3.1	:	:	:	:
Finance and business services	2.3	4.4	4.0	-2.9	1.8	:	:	:	:
Non-market related services	1.7	4.8	4.0	3.5	3.5	:	:	:	:
Sectoral breakdown of labour productivity									
Agriculture and fishery	-7.2	6.2	0.2	-2.3	-3.4	:	:	:	:
Industry excluding construction	6.9	-1.8	4.9	2.6	7.3	:	:	:	:
of which: manufacturing	7.9	-1.2	2.2	4.8	5.5	:	:	:	:
Construction	1.1	4.0	1.5	0.7	-2.3	:	:	:	:
Trade, transport and communication	4.9	2.1	-0.7	2.1	-1.6	:	:	:	:
Finance and business services	-2.9	-8.3	-2.6	0.4	1.9	:	:	:	:
Non-market related services	-2.5	-2.1	-2.2	0.4	-0.4	:	:	:	:
Market-related sectors	2.3	-2.6	-0.4	1.2	1.4	:	:	:	:

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Hungary

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	9 925	10 038	10 013	9 980	9 944	- 0.4	%
2. Population (working age: 15-64)		6 765	6 852	6 849	6 836	6 826	- 0.1	%
	<i>as % of total population</i>	68.2	68.3	68.4	68.5	68.6	0.2	p.p.
3. Labour force (15-64)	1 000 pers.	4 068	4 085	4 090	4 141	4 127	- 0.4	%
	<i>Male</i>	2 248	2 246	2 239	2 251	2 239	- 0.5	%
	<i>Female</i>	1 820	1 839	1 851	1 891	1 888	- 0.1	%
4. Activity rate (as a % of population 15-64)		60.1	59.6	59.7	60.6	60.5	- 0.1	p.p.
	Young (15-24)	38.3	34.6	32.6	30.9	27.9	- 3.0	p.p.
	Prime age (25-54)	77.3	77.1	77.0	77.8	77.9	0.0	p.p.
	Older (55-64)	22.9	24.2	26.4	29.8	32.1	2.3	p.p.
	<i>Male</i>	67.9	67.2	67.1	67.6	67.2	- 0.4	p.p.
	Young (15-24)	43.2	39.2	35.9	34.6	31.4	- 3.1	p.p.
	Prime age (25-54)	84.4	84.2	84.3	84.8	85.0	0.1	p.p.
	Older (55-64)	34.5	35.5	36.9	39.0	39.6	0.6	p.p.
	<i>Female</i>	52.7	52.4	52.7	53.9	54.0	0.1	p.p.
	Young (15-24)	33.3	29.9	29.3	27.3	24.3	- 3.0	p.p.
	Prime age (25-54)	70.4	70.1	69.8	71.0	70.9	- 0.1	p.p.
	Older (55-64)	13.5	15.1	18.0	22.4	25.8	3.4	p.p.
5. Employment rate (as a % of population 15-64)		56.3	56.2	56.2	57.0	56.8	- 0.3	p.p.
	Young (15-24)	33.5	30.7	28.5	26.8	23.6	- 3.2	p.p.
	Prime age (25-54)	73.0	73.1	73.0	73.7	73.6	- 0.1	p.p.
	Older (55-64)	22.2	23.5	25.6	29.0	31.0	2.1	p.p.
	<i>Male</i>	63.1	62.9	62.9	63.5	63.1	- 0.3	p.p.
	Young (15-24)	37.3	34.4	31.2	29.8	26.3	- 3.5	p.p.
	Prime age (25-54)	79.2	79.4	79.8	80.1	80.5	0.3	p.p.
	Older (55-64)	33.2	34.1	35.5	37.8	38.4	0.6	p.p.
	<i>Female</i>	49.7	49.8	49.8	50.9	50.7	- 0.2	p.p.
	Young (15-24)	29.7	26.9	25.8	23.8	20.8	- 3.0	p.p.
	Prime age (25-54)	66.9	67.0	66.5	67.4	67.0	- 0.5	p.p.
	Older (55-64)	13.3	14.8	17.7	21.7	25.0	3.3	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		3 806	3 850	3 851	3 897	3 875	- 23	Th.
	<i>Male (as a % of total)</i>	54.9	54.6	54.5	54.2	54.2	0.0	p.p.
	<i>Female (as a % of total)</i>	45.1	45.4	45.4	45.8	45.8	0.0	p.p.
7. Employment growth (%) (National accounts)		1.0	0.5	0.1	1.3	- 0.5		p.p.
Employment growth (%) (LFS - age 15-64)		1.0	1.2	0.0	1.2	- 0.6		p.p.
	<i>Male</i>	0.9	0.6	- 0.1	0.6	- 0.5		p.p.
	<i>Female</i>	1.0	1.8	0.1	2.0	- 0.7		p.p.
8. Self employed (as a % of total employment)		9.1	8.1	7.8	7.6	7.7	0.2	p.p.
	<i>Male</i>	11.3	10.0	9.6	9.4	9.5	0.1	p.p.
	<i>Female</i>	6.4	6.0	5.7	5.4	5.7	0.3	p.p.
9. Temporary employment (as a % of total employment)		7.0	7.4	7.2	7.5	6.8	- 0.7	p.p.
	<i>Male</i>	7.6	8.0	7.8	8.3	7.5	- 0.8	p.p.
	<i>Female</i>	6.4	6.8	6.6	6.6	6.1	- 0.6	p.p.
10. Part time (as a % of total employment)		3.0	3.1	3.1	3.7	3.7	0.0	p.p.
	<i>Male</i>	1.6	1.7	1.8	2.2	2.2	0.0	p.p.
	<i>Female</i>	4.7	4.7	4.6	5.6	5.4	- 0.2	p.p.
11. Unemployment rate (harmonised: 15-74)		6.3	5.6	5.6	5.8	5.9	0.1	p.p.
	Young (15-24)	12.5	11.3	12.6	13.3	15.6	2.3	p.p.
	Prime age (25-54)	5.6	5.2	5.2	5.3	5.5	0.2	p.p.
	Older (55-64)	3.1	2.8	3.2	2.7	3.2	0.5	p.p.
	<i>Male</i>	6.8	6.1	6.0	6.0	5.8	- 0.2	p.p.
	Young (15-24)	13.6	12.2	13.3	13.8	16.3	2.5	p.p.
	Prime age (25-54)	6.2	5.7	5.4	5.5	5.3	- 0.2	p.p.
	Older (55-64)	3.8	3.8	3.9	3.1	3.2	0.1	p.p.
	<i>Female</i>	5.6	4.9	5.1	5.5	6.0	0.5	p.p.
	Young (15-24)	10.9	10.1	11.9	13.0	14.4	1.4	p.p.
	Prime age (25-54)	5.0	4.5	4.8	5.0	5.6	0.6	p.p.
	Older (55-64)	1.5	1.6	2.0	2.8	3.0	0.2	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	48.1	45.3	43.4	41.3	44.0	2.7	p.p.
13. Worked hours (average actual weekly hours)		41.5	40.7	41.0	40.8	40.6	- 0.6	%
	<i>Male</i>	43.1	42.1	42.2	42.3	41.9	- 0.8	%
	<i>Female</i>	39.6	39.1	39.3	39.1	39.0	- 0.3	%
14. Sectoral employment growth								
	Agriculture	- 8.3	- 3.3	- 1.0	- 10.7	- 4.8		p.p.
	Building and construction	4.2	1.4	- 0.1	10.5	3.1		p.p.
	Services	1.9	0.9	0.5	3.9	0.6		p.p.
	Manufacturing industry	0.3	3.2	- 0.1	- 3.6	- 3.4		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments Hungary

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	15.8	15.3	12.6	8.8	9.8	:	:	:	:
Compensation of employees per hour worked	17.0	19.5	12.1	9.5	8.9	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	:	:	:	:	:	:	:	:	:
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:
Nominal unit labour costs	11.2	11.6	8.9	7.0	5.0	:	:	:	:
Real unit labour costs deflated by GDP deflator	1.2	2.8	-0.1	-0.6	0.3	:	:	:	:
Wage and salaries	:	:	:	:	:	:	:	:	:
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	61.0	62.1	61.7	62.5	:	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	32.9	31.4	31.5	30.7	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	67.1	68.6	68.5	69.3	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	57.4	58.7	:	:	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	30.3	28.8	28.5	28.2	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	2.6	2.6	2.9	2.5	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	4.2	3.3	3.4	1.7	4.6	3.4	5.0	5.0	5.0
Hourly labour productivity	4.5	5.7	2.3	1.8	4.7	:	:	:	:
GDP	5.2	3.8	3.5	3.0	4.0	4.3	4.2	3.7	3.8
ECFIN NAIRU estimate	6.0	5.6	5.3	5.1	5.1	:	:	:	:
Output gap (%)	0.4	0.2	-0.2	-0.8	-0.7	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	10.0	9.1	5.2	4.7	6.8	6.8	7.4	7.0	5.9
Underlying inflation (exc. energy and unprocessed food)	:	:	5.8	4.9	6.4	6.9	6.7	6.3	5.6
GDP deflator	9.9	8.6	8.9	7.6	4.7	4.9	6.9	3.9	3.3
Sectoral breakdown of unit labour costs									
Agriculture and fishery	12.1	-9.8	20.1	-12.7	:	:	:	:	:
Industry excluding construction	9.8	12.4	6.1	-2.3	:	:	:	:	:
of which: manufacturing	10.0	9.5	-1.2	-0.4	2.0	:	:	:	:
Construction	1.6	8.1	9.6	1.0	:	:	:	:	:
Trade, transport and communication	13.7	11.7	5.6	4.7	:	:	:	:	:
Finance and business services	2.6	20.7	28.6	6.2	:	:	:	:	:
Non-market related services	7.7	18.7	28.2	7.9	:	:	:	:	:
Market-related sectors	:	:	:	:	:	:	:	:	:
Sectoral breakdown of compensation per employee									
Total industries	12.6	16.9	18.9	4.5	:	:	:	:	:
Agriculture and fishery	11.3	15.4	6.4	-5.7	:	:	:	:	:
Industry excluding construction	18.1	10.4	8.0	7.4	:	:	:	:	:
of which: manufacturing	21.7	8.7	1.9	8.8	9.8	:	:	:	:
Construction	14.3	12.4	23.6	-11.7	:	:	:	:	:
Trade, transport and communication	11.5	14.9	11.3	8.2	:	:	:	:	:
Finance and business services	2.2	21.8	32.3	-2.6	:	:	:	:	:
Non-market related services	10.8	23.9	30.2	4.5	:	:	:	:	:
Sectoral breakdown of labour productivity									
Agriculture and fishery	-0.7	28.0	-11.4	8.0	42.4	31.1	33.8	49.3	53.4
Industry excluding construction	7.6	-1.8	1.7	9.9	8.7	10.3	10.1	6.7	8.3
of which: manufacturing	10.7	-0.8	3.1	9.2	7.7	:	:	:	:
Construction	12.5	4.0	12.9	-12.6	6.9	5.7	-0.9	2.7	3.4
Trade, transport and communication	-1.9	2.9	5.4	3.4	5.6	4.0	6.2	5.2	2.2
Finance and business services	-0.4	0.9	2.8	-8.3	-4.4	-3.0	-2.2	-2.2	-1.7
Non-market related services	2.9	4.3	1.5	-3.2	1.2	-1.1	1.8	1.4	2.7
Market-related sectors	3.7	2.6	3.2	2.9	6.9	6.0	7.1	7.0	7.4

NB: available on an annual basis only.

Source: AMECO, Eurostat–National Account, ECB.

Work status of persons Malta

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	388	393	396	399	400	0.3	%
2. Population (working age: 15-64)		261	267	269	271	272	0.2	%
	<i>as % of total population</i>	67.3	67.9	68.0	68.0	67.9	- 0.1	p.p.
3. Labour force (15-64)	1 000 pers.	152	157	158	159	158	- 0.5	%
	<i>Male</i>	105	110	109	109	110	0.2	%
	<i>Female</i>	47	47	49	49	49	- 1.0	%
4. Activity rate (as a % of population 15-64)		58.2	58.8	58.5	58.7	58.3	- 0.4	p.p.
	Young (15-24)	58.6	64.4	58.8	56.6	57.0	0.4	p.p.
	Prime age (25-54)	64.5	64.3	64.9	65.4	65.0	- 0.4	p.p.
	Older (55-64)	29.7	27.5	30.6	33.7	32.3	- 1.4	p.p.
	<i>Male</i>	80.2	82.1	80.3	80.2	80.2	0.0	p.p.
	Young (15-24)	60.0	66.7	60.7	58.9	61.3	2.4	p.p.
	Prime age (25-54)	94.0	94.1	93.3	93.3	93.3	0.0	p.p.
	Older (55-64)	55.6	47.4	52.6	54.5	52.6	- 1.9	p.p.
	<i>Female</i>	36.2	35.3	36.6	36.6	36.0	- 0.6	p.p.
	Young (15-24)	60.7	62.1	56.8	53.8	52.1	- 1.7	p.p.
	Prime age (25-54)	34.1	33.7	36.3	36.6	36.5	- 0.1	p.p.
	Older (55-64)	10.0	9.5	10.7	13.1	10.7	- 2.4	p.p.
5. Employment rate (as a % of population 15-64)		54.4	54.7	54.4	54.2	54.1	- 0.1	p.p.
	Young (15-24)	51.7	52.5	50.8	47.1	47.9	0.8	p.p.
	Prime age (25-54)	60.8	61.3	61.7	61.8	61.8	0.0	p.p.
	Older (55-64)	29.7	27.5	30.0	32.5	31.1	- 1.4	p.p.
	<i>Male</i>	75.6	76.9	74.7	74.5	75.1	0.6	p.p.
	Young (15-24)	53.3	53.3	52.5	48.4	51.6	3.2	p.p.
	Prime age (25-54)	88.1	90.6	88.6	88.1	88.9	0.8	p.p.
	Older (55-64)	50.0	47.4	51.3	54.5	52.6	- 1.9	p.p.
	<i>Female</i>	33.1	33.1	33.8	33.6	32.7	- 0.9	p.p.
	Young (15-24)	53.6	51.7	49.2	44.4	43.6	- 0.9	p.p.
	Prime age (25-54)	32.9	32.5	34.2	34.8	34.4	- 0.4	p.p.
	Older (55-64)	10.0	9.5	10.7	13.1	10.7	- 2.4	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		142	146	147	147	147	0	Th.
	<i>Male (as a % of total)</i>	69.7	70.5	69.1	69.0	69.7	0.7	p.p.
	<i>Female (as a % of total)</i>	30.3	30.1	30.9	30.8	30.1	- 0.7	p.p.
7. Employment growth (%) (National accounts)		2.3	2.1	- 0.7	- 0.7	1.4		p.p.
Employment growth (%) (LFS - age 15-64)		:	2.8	0.3	0.3	0.0		p.p.
	<i>Male</i>	:	4.0	- 1.7	0.2	1.0		p.p.
	<i>Female</i>	:	2.3	2.8	0.0	- 2.2		p.p.
8. Self employed (as a % of total employment)		7.7	8.2	9.6	9.2	9.2	0.0	p.p.
	<i>Male</i>	10.1	9.7	11.9	11.1	11.5	0.4	p.p.
	<i>Female</i>	4.7	4.5	4.4	5.5	4.5	- 1.0	p.p.
9. Temporary employment (as a % of total employment)		3.9	4.1	4.2	3.6	3.8	0.3	p.p.
	<i>Male</i>	3.4	3.2	3.3	3.0	2.9	0.0	p.p.
	<i>Female</i>	5.1	6.1	6.0	4.8	5.7	0.9	p.p.
10. Part time (as a % of total employment)		:	:	8.4	8.8	:	:	p.p.
	<i>Male</i>	:	:	4.0	3.4	:	:	p.p.
	<i>Female</i>	:	:	19.2	21.0	:	:	p.p.
11. Unemployment rate (harmonised: 15-74)		6.8	7.7	7.7	8.0	7.3	- 0.7	p.p.
	Young (15-24)	11.8	18.4	13.5	16.8	15.9	- 0.8	p.p.
	Prime age (25-54)	5.6	4.6	5.0	5.6	5.0	- 0.7	p.p.
	Older (55-64)	0.0	0.0	2.0	3.6	3.8	0.1	p.p.
	<i>Male</i>	6.5	7.0	6.7	6.8	6.9	0.1	p.p.
	Young (15-24)	11.1	20.0	13.5	17.8	15.8	- 2.0	p.p.
	Prime age (25-54)	6.3	3.8	5.0	5.6	4.7	- 0.9	p.p.
	Older (55-64)	10.0	0.0	2.5	0.0	0.0	0.0	p.p.
	<i>Female</i>	7.4	9.1	9.8	10.7	8.3	- 2.4	p.p.
	Young (15-24)	11.8	16.7	13.4	17.5	16.4	- 1.1	p.p.
	Prime age (25-54)	3.6	3.6	5.7	4.9	5.6	0.8	p.p.
	Older (55-64)	0.0	0.0	0.0	0.0	0.0	0.0	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	56.0	43.3	44.1	41.6	47.1	5.4	p.p.
13. Worked hours (average actual weekly hours)		41.4	34.6	39.8	37.7	39.4	4.5	%
	<i>Male</i>	42.8	36.5	41.5	39.9	41.1	2.9	%
	<i>Female</i>	38.2	30.2	35.7	32.8	35.3	7.8	%
14. Sectoral employment growth								
	Agriculture	:	:	:	:	:		p.p.
	Building and construction	:	:	:	:	:		p.p.
	Services	:	:	:	:	:		p.p.
	Manufacturing industry	0.4	:	:	:	:		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments

Malta

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	12.6	5.5	2.3	1.7	0.4	3.1	1.3	1.6	3.2
Compensation of employees per hour worked	12.5	7.2	3.6	6.8	2.0	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	:	:	:	:	:	:	:	:	:
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:
Nominal unit labour costs	8.2	8.1	0.6	3.0	0.7	-0.5	-0.2	-0.7	0.5
Real unit labour costs deflated by GDP deflator	7.8	6.2	-1.4	-2.0	-1.2	-4.2	-0.9	-1.6	-1.0
Wage and salaries	:	:	:	:	:	:	:	:	:
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	57.2	61.1	60.4	58.7	59.4	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	:	:	:	8.9	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	:	:	:	91.1	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	:	:	:	:	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	:	:	:	7.4	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	:	:	:	:	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	4.0	-2.4	1.7	-1.2	-0.3	3.7	1.5	2.3	2.7
Hourly labour productivity	4.1	-1.1	2.4	0.7	1.2	:	:	:	:
GDP	6.4	-0.4	1.0	-1.9	1.0	2.3	-0.5	1.9	2.3
ECFIN NAIRU estimate	7.3	7.4	7.5	7.5	7.4	:	:	:	:
Output gap (%)	4.7	0.1	1.7	-1.6	-2.0	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	3.0	2.5	2.6	1.9	2.7	2.5	3.3	3.0	2.2
Underlying inflation (exc. energy and unprocessed food)	2.9	2.3	2.7	1.9	2.8	2.5	3.8	2.7	2.3
GDP deflator	0.4	1.8	2.0	5.0	2.0	3.9	0.7	1.0	1.5
Sectoral breakdown of unit labour costs									
Agriculture and fishery	:	:	:	:	:	:	:	:	:
Industry excluding construction	:	:	:	:	:	:	:	:	:
of which: manufacturing	:	:	:	:	:	:	:	:	:
Construction	:	:	:	:	:	:	:	:	:
Trade, transport and communication	:	:	:	:	:	:	:	:	:
Finance and business services	:	:	:	:	:	:	:	:	:
Non-market related services	:	:	:	:	:	:	:	:	:
Market-related sectors	:	:	:	:	:	:	:	:	:
Sectoral breakdown of compensation per employee									
Total industries	12.0	5.8	0.9	-2.8	-1.0	:	:	:	:
Agriculture and fishery	98.0	:	:	:	:	:	:	:	:
Industry excluding construction	8.4	:	:	:	:	:	:	:	:
of which: manufacturing	:	:	:	:	:	:	:	:	:
Construction	39.8	:	:	:	:	:	:	:	:
Trade, transport and communication	63.6	:	:	:	:	:	:	:	:
Finance and business services	81.2	:	:	:	:	:	:	:	:
Non-market related services	-9.0	:	:	:	:	:	:	:	:
Sectoral breakdown of labour productivity									
Agriculture and fishery	:	:	:	:	:	:	:	:	:
Industry excluding construction	:	:	:	:	:	:	:	:	:
of which: manufacturing	:	:	:	:	:	:	:	:	:
Construction	:	:	:	:	:	:	:	:	:
Trade, transport and communication	:	:	:	:	:	:	:	:	:
Finance and business services	:	:	:	:	:	:	:	:	:
Non-market related services	:	:	:	:	:	:	:	:	:
Market-related sectors	:	:	:	:	:	:	:	:	:

NB: available on an annual basis only.

Source: AMECO, Eurostat–National Account, ECB.

Work status of persons Netherlands

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	15 680	15 837	15 964	16 037	16 119	0.5	%
2. Population (working age: 15-64)		10 722	10 801	10 871	10 920	10 960	0.4	%
	<i>as % of total population</i>	68.4	68.2	68.1	68.1	68.0	- 0.1	p.p.
3. Labour force (15-64)	1 000 pers.	8 058	8 190	8 319	8 350	8 398	0.6	%
	<i>Male</i>	4 567	4 610	4 651	4 644	4 651	0.1	%
	<i>Female</i>	3 490	3 579	3 668	3 707	3 747	1.1	%
4. Activity rate (as a % of population 15-64)		75.1	75.8	76.5	76.5	76.6	0.2	p.p.
	Young (15-24)	72.9	73.8	73.7	72.9	71.6	- 1.4	p.p.
	Prime age (25-54)	83.7	84.3	84.8	85.3	85.9	0.6	p.p.
	Older (55-64)	39.0	40.2	43.3	45.5	46.9	1.4	p.p.
	<i>Male</i>	84.1	84.3	84.5	84.0	83.9	- 0.1	p.p.
	Young (15-24)	73.7	74.4	74.4	73.5	72.0	- 1.5	p.p.
	Prime age (25-54)	93.9	94.0	93.6	93.5	93.7	0.3	p.p.
	Older (55-64)	51.2	51.9	55.8	58.2	59.1	0.9	p.p.
	<i>Female</i>	66.0	67.1	68.3	68.7	69.2	0.5	p.p.
	Young (15-24)	72.0	73.1	73.0	72.3	71.1	- 1.2	p.p.
	Prime age (25-54)	73.2	74.3	75.8	77.0	77.9	0.9	p.p.
	Older (55-64)	26.7	28.4	30.6	32.6	34.4	1.9	p.p.
5. Employment rate (as a % of population 15-64)		72.9	74.1	74.4	73.6	73.1	- 0.5	p.p.
	Young (15-24)	68.7	70.4	70.0	68.3	65.9	- 2.5	p.p.
	Prime age (25-54)	81.7	82.8	82.8	82.6	82.5	0.0	p.p.
	Older (55-64)	38.2	39.6	42.3	44.3	45.3	0.9	p.p.
	<i>Male</i>	82.1	82.8	82.4	81.1	80.2	- 0.8	p.p.
	Young (15-24)	70.1	71.2	70.6	68.9	66.3	- 2.6	p.p.
	Prime age (25-54)	92.2	92.7	91.8	90.6	90.2	- 0.3	p.p.
	Older (55-64)	50.2	51.1	54.6	56.7	56.9	0.2	p.p.
	<i>Female</i>	63.5	65.3	66.2	66.0	65.8	- 0.2	p.p.
	Young (15-24)	67.3	69.5	69.5	67.8	65.4	- 2.4	p.p.
	Prime age (25-54)	70.8	72.5	73.6	74.4	74.6	0.3	p.p.
	Older (55-64)	26.1	28.0	29.9	31.8	33.4	1.6	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		7 819	8 005	8 089	8 042	8 014	- 28	Th.
	<i>Male (as a % of total)</i>	57.0	56.5	56.1	55.7	55.5	- 0.2	p.p.
	<i>Female (as a % of total)</i>	43.0	43.5	43.9	44.3	44.5	0.2	p.p.
7. Employment growth (%) (National accounts)		2.2	2.1	0.4	- 0.4	- 1.0		p.p.
Employment growth (%) (LFS - age 15-64)		3.5	2.4	1.0	- 0.6	- 0.3		p.p.
	<i>Male</i>	2.9	1.5	0.2	- 1.3	- 0.7		p.p.
	<i>Female</i>	4.4	3.6	2.1	0.3	0.1		p.p.
8. Self employed (as a % of total employment)		6.8	7.2	7.1	7.1	7.3	0.3	p.p.
	<i>Male</i>	7.5	7.8	7.8	8.0	8.1	0.1	p.p.
	<i>Female</i>	5.8	6.4	6.2	5.9	6.4	0.5	p.p.
9. Temporary employment (as a % of total employment)		13.5	14.3	14.2	14.4	14.6	0.3	p.p.
	<i>Male</i>	11.1	11.8	11.9	12.7	13.3	0.5	p.p.
	<i>Female</i>	16.7	17.4	17.0	16.3	16.3	0.0	p.p.
10. Part time (as a % of total employment)		41.2	41.9	43.6	44.6	44.9	0.3	p.p.
	<i>Male</i>	18.9	19.3	20.5	21.3	21.5	0.1	p.p.
	<i>Female</i>	70.9	71.2	73.0	73.9	74.1	0.2	p.p.
11. Unemployment rate (harmonised: 15-74)		2.8	2.2	2.8	3.7	4.6	0.9	p.p.
	Young (15-24)	5.8	4.6	5.0	6.3	7.9	1.6	p.p.
	Prime age (25-54)	2.4	1.8	2.3	3.3	4.0	0.7	p.p.
	Older (55-64)	2.0	1.5	2.2	2.6	3.5	0.9	p.p.
	<i>Male</i>	2.2	1.8	2.5	3.5	4.3	0.8	p.p.
	Young (15-24)	4.9	4.3	5.1	6.3	7.9	1.6	p.p.
	Prime age (25-54)	1.9	1.4	2.0	3.1	3.7	0.6	p.p.
	Older (55-64)	1.9	1.5	2.1	2.6	3.8	1.2	p.p.
	<i>Female</i>	3.6	2.8	3.1	3.9	4.8	0.9	p.p.
	Young (15-24)	6.6	4.9	4.8	6.3	8.1	1.7	p.p.
	Prime age (25-54)	3.2	2.4	2.8	3.4	4.2	0.8	p.p.
	Older (55-64)	2.1	1.5	2.1	2.4	2.9	0.6	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	:	:	26.0	27.6	34.1	6.5	p.p.
13. Worked hours (average actual weekly hours)		32.3	32.1	31.6	31.5	31.5	- 0.2	%
	<i>Male</i>	37.9	37.5	36.9	36.8	36.8	0.0	%
	<i>Female</i>	24.7	24.7	24.7	24.6	24.5	- 0.4	%
14. Sectoral employment growth								
	Agriculture	- 0.4	0.4	- 0.4	- 2.1	:		p.p.
	Building and construction	3.7	2.2	- 0.6	- 2.9	:		p.p.
	Services	2.6	2.6	0.9	0.3	:		p.p.
	Manufacturing industry	0.6	- 0.6	- 1.8	- 2.9	- 3.5		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments Netherlands

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	4.3	4.8	5.5	3.2	2.2	2.3	1.7	1.9	2.2
Compensation of employees per hour worked	3.7	5.3	7.2	2.0	2.4	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	5.7	5.6	6.4	3.6	2.4	2.6	2.3	2.2	2.3
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:
Nominal unit labour costs	3.1	5.5	5.3	3.8	-0.2	-0.2	-1.1	-1.0	-0.5
Real unit labour costs deflated by GDP deflator	-0.8	0.2	2.2	0.8	-1.2	-1.4	-2.0	-2.2	-1.9
Wage and salaries	4.3	2.8	1.4	-1.6	:	-0.8	-1.0	-1.1	-0.2
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	67.1	67.7	68.9	69.6	69.2	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	22.0	20.9	22.0	22.6	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	78.0	79.1	78.0	77.4	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	67.5	68.5	67.5	67.0	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	20.4	19.3	20.4	21.0	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	1.6	1.6	1.6	1.6	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	1.2	-0.6	0.2	-0.5	2.3	2.5	2.8	3.0	2.7
Hourly labour productivity	0.4	-0.3	1.6	-1.7	2.9	:	:	:	:
GDP	3.5	1.4	0.6	-0.9	1.3	1.2	1.4	1.6	1.6
ECFIN NAIRU estimate	3.4	2.9	2.8	3.0	3.2	:	:	:	:
Output gap (%)	3.3	2.1	0.5	-1.9	-1.9	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	2.3	5.1	3.9	2.2	1.4	1.4	1.6	1.2	1.4
Underlying inflation (exc. energy and unprocessed food)	1.3	4.4	3.9	2.1	1.3	1.4	1.3	1.1	1.3
GDP deflator	3.9	5.2	3.1	3.0	1.1	1.2	0.9	1.2	1.4
Sectoral breakdown of unit labour costs									
Agriculture and fishery	4.7	2.2	7.1	-0.6	:	1.4	-0.3	-1.1	-0.6
Industry excluding construction	0.7	3.5	4.1	3.2	:	-2.9	-4.6	-4.3	-1.6
of which: manufacturing	0.2	4.8	4.5	3.5	-1.4	:	:	:	:
Construction	3.3	5.9	9.0	5.6	:	-7.1	-1.8	-1.5	-5.8
Trade, transport and communication	1.3	5.4	4.3	3.3	:	-0.3	-3.8	-2.9	-2.3
Finance and business services	6.1	5.2	7.3	1.7	:	0.2	-1.2	0.4	1.3
Non-market related services	3.8	6.0	4.0	4.0	:	2.8	1.4	1.0	1.6
Market-related sectors	2.9	5.0	5.6	2.7	:	-1.3	-2.9	-2.1	-1.2
Sectoral breakdown of compensation per employee									
Total industries	4.3	4.8	5.5	3.2	1.8	0.0	0.0	0.0	0.0
Agriculture and fishery	6.6	-2.6	5.9	5.0	:	3.9	1.2	1.9	2.9
Industry excluding construction	3.8	4.7	5.6	3.6	:	2.5	1.9	2.0	2.6
of which: manufacturing	4.0	4.7	5.5	3.7	2.5	:	:	:	:
Construction	3.8	5.6	6.1	3.4	:	0.7	1.1	1.4	2.2
Trade, transport and communication	4.0	4.4	5.2	3.3	:	3.1	1.7	2.4	2.2
Finance and business services	6.4	6.0	6.6	4.1	:	3.5	2.8	2.4	3.8
Non-market related services	3.6	4.8	4.8	2.7	:	1.6	1.4	1.4	1.8
Sectoral breakdown of labour productivity									
Agriculture and fishery	1.9	-4.7	-1.1	5.6	:	2.5	1.5	3.1	3.5
Industry excluding construction	3.1	1.2	1.5	0.4	:	5.6	6.8	6.6	4.3
of which: manufacturing	3.8	-0.1	1.0	0.2	3.9	:	:	:	:
Construction	0.5	-0.3	-2.6	-2.2	:	8.4	3.0	2.9	8.5
Trade, transport and communication	2.7	-0.9	0.9	0.0	:	3.4	5.7	5.5	4.6
Finance and business services	0.3	0.8	-0.6	2.4	:	3.3	4.0	2.0	2.5
Non-market related services	-0.2	-1.1	0.8	-1.3	:	-1.2	0.0	0.5	0.2
Market-related sectors	1.7	-0.1	0.2	0.8	:	4.1	5.0	4.4	4.0

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Austria

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	7 944	7 963	7 893	7 907	8 045	1.7	%
2. Population (working age: 15-64)		5 375	5 404	5 357	5 373	5 484	2.1	%
	<i>as % of total population</i>	67.7	67.9	67.9	68.0	68.2	0.2	p.p.
3. Labour force (15-64)	1 000 pers.	3 816	3 835	3 835	3 871	3 911	1.0	%
	<i>Male</i>	2 144	2 140	2 111	2 122	2 141	0.9	%
	<i>Female</i>	1 672	1 695	1 723	1 749	1 770	1.2	%
4. Activity rate (as a % of population 15-64)		71.0	71.0	71.6	72.0	71.3	-0.7	p.p.
	Young (15-24)	55.4	54.5	55.1	54.9	57.5	2.5	p.p.
	Prime age (25-54)	85.3	85.5	86.6	87.3	86.3	-1.1	p.p.
	Older (55-64)	30.4	30.1	30.8	31.8	29.9	-1.9	p.p.
	<i>Male</i>	80.1	79.5	79.6	79.8	78.5	-1.3	p.p.
	Young (15-24)	60.3	59.2	59.9	60.1	61.7	1.6	p.p.
	Prime age (25-54)	94.0	93.7	94.3	94.7	92.9	-1.8	p.p.
	Older (55-64)	43.6	42.1	42.2	42.7	40.6	-2.2	p.p.
	<i>Female</i>	62.0	62.5	63.7	64.4	64.2	-0.2	p.p.
	Young (15-24)	50.5	49.7	50.3	49.7	53.3	3.5	p.p.
	Prime age (25-54)	76.5	77.2	79.0	80.1	79.6	-0.5	p.p.
	Older (55-64)	18.1	18.9	20.1	21.6	19.9	-1.7	p.p.
5. Employment rate (as a % of population 15-64)		68.5	68.4	68.7	69.0	67.8	-1.2	p.p.
	Young (15-24)	52.6	51.4	51.7	51.1	51.9	0.8	p.p.
	Prime age (25-54)	82.6	82.7	83.6	84.1	82.6	-1.5	p.p.
	Older (55-64)	28.8	28.6	29.1	30.1	28.8	-1.3	p.p.
	<i>Male</i>	77.4	76.7	76.4	76.4	74.9	-1.5	p.p.
	Young (15-24)	57.3	55.8	56.0	55.7	56.0	0.3	p.p.
	Prime age (25-54)	91.3	90.9	91.1	91.2	89.4	-1.9	p.p.
	Older (55-64)	41.3	40.1	39.6	40.2	38.9	-1.3	p.p.
	<i>Female</i>	59.6	60.1	61.3	61.7	60.7	-1.0	p.p.
	Young (15-24)	47.9	47.0	47.4	46.5	47.9	1.4	p.p.
	Prime age (25-54)	73.8	74.5	76.2	77.1	75.8	-1.3	p.p.
	Older (55-64)	17.2	18.0	19.3	20.6	19.3	-1.4	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		3 680	3 696	3 682	3 706	3 716	11	Th.
	<i>Male (as a % of total)</i>	56.3	55.9	55.0	54.8	55.0	0.2	p.p.
	<i>Female (as a % of total)</i>	43.7	44.1	45.0	45.2	45.0	-0.2	p.p.
7. Employment growth (%) (National accounts)		1.0	0.6	-0.1	0.1	1.0		p.p.
Employment growth (%) (LFS - age 15-64)		0.5	0.4	-0.4	0.7	0.3		p.p.
	<i>Male</i>	0.3	-0.3	-1.9	0.2	0.6		p.p.
	<i>Female</i>	0.6	1.4	1.6	1.2	-0.1		p.p.
8. Self employed (as a % of total employment)		5.2	5.2	5.2	5.3	7.0	1.7	p.p.
	<i>Male</i>	5.6	5.6	5.5	5.6	7.7	2.0	p.p.
	<i>Female</i>	4.7	4.7	4.8	4.9	6.2	1.4	p.p.
9. Temporary employment (as a % of total employment)		8.3	8.1	7.5	7.0	9.7	2.7	p.p.
	<i>Male</i>	8.0	7.1	7.6	7.1	10.2	3.1	p.p.
	<i>Female</i>	8.7	9.4	7.3	6.7	9.0	2.3	p.p.
10. Part time (as a % of total employment)		16.3	16.7	18.6	18.6	:	:	p.p.
	<i>Male</i>	3.8	3.8	4.7	4.3	:	:	p.p.
	<i>Female</i>	32.4	33.1	35.6	36.0	:	:	p.p.
11. Unemployment rate (harmonised: 15-74)		3.7	3.6	4.2	4.3	4.5	0.2	p.p.
	Young (15-24)	5.1	5.7	6.2	7.0	9.7	2.7	p.p.
	Prime age (25-54)	3.1	3.2	3.5	3.7	4.2	0.5	p.p.
	Older (55-64)	5.2	4.9	5.4	5.5	3.8	-1.7	p.p.
	<i>Male</i>	3.1	3.1	3.9	3.9	3.9	0.0	p.p.
	Young (15-24)	4.9	5.9	6.5	7.4	9.3	1.9	p.p.
	Prime age (25-54)	2.8	2.9	3.4	3.6	3.8	0.2	p.p.
	Older (55-64)	5.2	4.9	6.1	5.8	4.1	-1.7	p.p.
	<i>Female</i>	4.3	4.2	4.4	4.7	5.2	0.5	p.p.
	Young (15-24)	5.2	5.3	5.7	6.5	10.1	3.6	p.p.
	Prime age (25-54)	3.5	3.5	3.6	3.8	4.8	1.0	p.p.
	Older (55-64)	4.8	4.8	3.9	4.5	3.0	-1.5	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	26.6	26.1	27.6	28.9	26.8	-2.1	p.p.
13. Worked hours (average actual weekly hours)		39.2	39.0	38.9	38.4	39.3	2.1	%
	<i>Male</i>	42.2	42.1	42.1	41.7	43.3	3.8	%
	<i>Female</i>	35.0	34.9	34.7	34.3	34.0	-0.7	%
14. Sectoral employment growth								
	Agriculture	-2.0	-1.1	-0.5	-0.7	1.6		p.p.
	Building and construction	-1.3	-3.3	-3.1	-0.5	-1.0		p.p.
	Services	2.2	1.7	0.7	0.7	1.5		p.p.
	Manufacturing industry	0.5	-0.6	-1.7	-1.4	-0.3		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments

Austria

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	2.0	1.2	2.0	2.0	2.3	2.3	2.4	2.2	2.2
Compensation of employees per hour worked	2.3	0.8	4.2	2.6	2.7	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	1.9	2.2	3.0	1.7	0.7	0.2	0.1	0.8	1.4
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:
Nominal unit labour costs	-0.3	1.0	0.7	1.3	1.2	2.1	1.2	0.3	1.2
Real unit labour costs deflated by GDP deflator	-2.0	-0.7	-0.7	-0.2	-0.6	0.6	-0.6	-1.6	-0.9
Wage and salaries	2.7	0.4	0.8	0.9	2.0	1.8	2.2	1.9	2.1
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	71.7	71.0	70.5	70.2	69.6	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	27.1	:	:	:	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	72.9	:	:	:	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	63.4	:	:	:	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	23.9	:	:	:	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	3.2	:	:	:	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	2.3	0.1	1.3	0.7	1.0	0.2	1.2	1.9	1.0
Hourly labour productivity	2.2	-0.5	3.5	1.2	1.7	:	:	:	:
GDP	3.4	0.7	1.2	0.8	2.0	1.1	2.0	2.9	2.2
ECFIN NAIRU estimate	4.0	4.0	4.1	4.0	4.1	:	:	:	:
Output gap (%)	2.2	0.8	0.1	-1.0	-0.8	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	2.0	2.3	1.7	1.3	2.0	1.4	2.0	2.0	2.4
Underlying inflation (exc. energy and unprocessed food)	0.9	2.2	2.0	1.3	1.6	1.6	1.6	1.5	1.8
GDP deflator	1.8	1.7	1.3	1.6	1.9	1.5	1.8	2.0	2.1
Sectoral breakdown of unit labour costs									
Agriculture and fishery	2.4	-1.8	2.1	-0.1	-1.3	-1.7	-3.4	-6.6	-6.4
Industry excluding construction	-3.9	-1.8	-1.5	0.4	-2.8	-1.3	-4.2	-3.4	-0.2
of which: manufacturing	-4.5	-0.9	-0.2	0.5	-0.4	:	:	:	:
Construction	-1.3	0.6	-1.9	-2.6	0.0	4.7	1.1	-2.2	-2.1
Trade, transport and communication	0.2	0.2	1.0	0.7	1.8	2.5	1.2	0.4	1.9
Finance and business services	2.3	4.4	1.3	1.7	2.2	2.8	2.2	2.0	2.6
Non-market related services	1.7	3.0	3.8	3.5	3.8	3.9	4.0	3.5	3.8
Market-related sectors	-1.4	0.3	0.0	0.6	0.2	1.5	-0.3	-0.8	0.7
Sectoral breakdown of compensation per employee									
Total industries	2.0	1.1	2.0	2.0	2.3	0.0	0.0	0.0	0.0
Agriculture and fishery	1.3	0.0	1.9	-0.6	2.5	2.2	1.5	1.9	1.1
Industry excluding construction	1.7	1.4	2.0	2.1	2.5	2.4	2.4	2.5	2.6
of which: manufacturing	1.7	1.6	2.0	2.2	2.8	:	:	:	:
Construction	1.7	0.4	1.9	2.7	2.6	2.6	2.4	2.2	2.2
Trade, transport and communication	2.3	1.9	3.6	2.6	1.6	1.9	1.6	1.4	1.3
Finance and business services	2.3	0.5	1.2	1.0	2.3	2.1	2.4	2.6	2.6
Non-market related services	1.9	0.6	1.2	1.7	2.7	2.6	3.1	2.6	2.6
Sectoral breakdown of labour productivity									
Agriculture and fishery	-1.1	1.9	-0.1	-0.6	3.9	4.0	5.0	9.1	8.0
Industry excluding construction	5.9	3.3	3.5	1.7	5.5	3.8	7.0	6.1	2.9
of which: manufacturing	6.5	2.5	2.2	1.7	3.2	:	:	:	:
Construction	3.1	-0.3	3.9	5.5	2.7	-2.0	1.3	4.5	4.4
Trade, transport and communication	2.0	1.6	2.6	1.8	-0.1	-0.6	0.4	1.0	-0.6
Finance and business services	0.0	-3.8	-0.1	-0.7	0.1	-0.7	0.2	0.5	0.0
Non-market related services	0.2	-2.4	-2.5	-1.7	-1.0	-1.3	-0.9	-0.9	-1.1
Market-related sectors	3.5	1.0	2.2	1.4	1.9	0.6	2.4	2.9	1.2

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Poland

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	30 597	30 842	31 063	30 953	31 123	0.5	%
2. Population (working age: 15-64)		25 739	25 986	26 160	26 030	26 142	0.4	%
	<i>as % of total population</i>	84.1	84.3	84.2	84.1	84.0	- 0.1	p.p.
3. Labour force (15-64)	1 000 pers.	16 928	17 030	16 894	16 643	16 728	0.5	%
	<i>Male</i>	9 120	9 171	9 126	9 006	9 077	0.8	%
	<i>Female</i>	7 808	7 859	7 768	7 638	7 651	0.2	%
4. Activity rate (as a % of population 15-64)		65.8	65.5	64.6	63.9	64.0	0.0	p.p.
	Young (15-24)	37.8	39.7	37.8	36.4	35.9	- 0.5	p.p.
	Prime age (25-54)	82.4	81.9	81.5	81.4	81.9	0.5	p.p.
	Older (55-64)	31.3	30.2	29.1	30.1	29.6	- 0.6	p.p.
	<i>Male</i>	71.7	71.5	70.6	70.0	70.1	0.2	p.p.
	Young (15-24)	40.9	43.1	41.6	40.5	39.7	- 0.8	p.p.
	Prime age (25-54)	88.3	87.7	87.2	87.1	87.8	0.7	p.p.
	Older (55-64)	40.4	39.6	38.7	39.7	39.1	- 0.6	p.p.
	<i>Female</i>	59.9	59.7	58.7	58.0	57.9	- 0.1	p.p.
	Young (15-24)	34.8	36.4	34.1	32.2	32.0	- 0.3	p.p.
	Prime age (25-54)	76.5	76.2	75.8	75.8	76.0	0.2	p.p.
	Older (55-64)	23.6	22.2	20.9	21.9	21.4	- 0.6	p.p.
5. Employment rate (as a % of population 15-64)		55.0	53.4	51.5	51.2	51.7	0.5	p.p.
	Young (15-24)	24.6	24.0	21.7	21.2	21.7	0.5	p.p.
	Prime age (25-54)	70.9	69.2	67.4	67.5	68.2	0.7	p.p.
	Older (55-64)	28.4	27.4	26.1	26.9	26.2	- 0.7	p.p.
	<i>Male</i>	61.2	59.2	56.9	56.5	57.2	0.7	p.p.
	Young (15-24)	27.3	26.6	24.2	23.9	24.8	0.8	p.p.
	Prime age (25-54)	77.6	75.4	73.0	73.0	73.9	0.9	p.p.
	Older (55-64)	36.7	35.6	34.6	35.2	34.1	- 1.1	p.p.
	<i>Female</i>	48.9	47.7	46.2	46.0	46.2	0.2	p.p.
	Young (15-24)	21.8	21.5	19.3	18.4	18.6	0.2	p.p.
	Prime age (25-54)	64.3	63.0	61.9	62.1	62.6	0.4	p.p.
	Older (55-64)	21.4	20.4	19.0	19.8	19.4	- 0.4	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		14 155	13 866	13 471	13 324	13 503	179	Th.
	<i>Male (as a % of total)</i>	55.0	54.8	54.6	54.6	54.8	0.2	p.p.
	<i>Female (as a % of total)</i>	45.0	45.2	45.4	45.4	45.2	- 0.2	p.p.
7. Employment growth (%) (National accounts)		- 1.6	- 2.2	- 3.0	- 1.2	0.0		p.p.
Employment growth (%) (LFS - age 15-64)		- 2.5	- 2.0	- 2.9	- 1.1	1.3		p.p.
	<i>Male</i>	- 1.8	- 2.5	- 3.2	- 1.1	1.8		p.p.
	<i>Female</i>	- 3.4	- 1.5	- 2.5	- 1.1	0.8		p.p.
8. Self employed (as a % of total employment)		17.8	18.3	18.3	17.4	16.7	- 0.7	p.p.
	<i>Male</i>	20.3	20.4	20.6	20.3	19.3	- 1.0	p.p.
	<i>Female</i>	14.7	15.8	15.4	14.0	13.5	- 0.5	p.p.
9. Temporary employment (as a % of total employment)		5.6	11.7	15.3	19.3	22.6	3.3	p.p.
	<i>Male</i>	6.3	12.3	16.3	20.7	23.6	2.9	p.p.
	<i>Female</i>	4.8	10.9	14.3	17.8	21.5	3.7	p.p.
10. Part time (as a % of total employment)		9.3	9.2	9.6	9.4	9.4	0.0	p.p.
	<i>Male</i>	6.9	7.2	7.5	7.2	7.1	- 0.1	p.p.
	<i>Female</i>	12.2	11.7	12.3	12.1	12.2	0.1	p.p.
11. Unemployment rate (harmonised: 15-74)		16.4	18.5	19.8	19.2	18.8	- 0.4	p.p.
	Young (15-24)	35.1	39.5	42.5	41.8	39.6	- 2.3	p.p.
	Prime age (25-54)	13.9	15.6	17.3	17.1	16.7	- 0.4	p.p.
	Older (55-64)	9.4	9.3	10.2	10.7	11.4	0.6	p.p.
	<i>Male</i>	14.6	17.1	19.0	18.6	18.0	- 0.6	p.p.
	Young (15-24)	33.3	38.2	41.9	40.9	37.7	- 3.2	p.p.
	Prime age (25-54)	12.1	14.0	16.3	16.2	15.8	- 0.4	p.p.
	Older (55-64)	9.2	10.1	10.8	11.2	12.6	1.4	p.p.
	<i>Female</i>	18.6	20.2	20.7	20.0	19.7	- 0.3	p.p.
	Young (15-24)	37.3	41.0	43.3	43.1	41.9	- 1.1	p.p.
	Prime age (25-54)	16.0	17.3	18.4	18.0	17.7	- 0.3	p.p.
	Older (55-64)	9.5	8.2	9.2	9.9	9.3	- 0.6	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	46.0	50.2	54.8	56.0	54.1	- 1.8	p.p.
13. Worked hours (average actual weekly hours)		40.6	40.3	40.2	40.4	40.4	0.0	%
	<i>Male</i>	42.6	42.4	42.4	42.6	42.7	0.2	%
	<i>Female</i>	38.0	37.6	37.6	37.6	37.5	- 0.2	%
14. Sectoral employment growth								
	Agriculture	:	:	:	:	:		p.p.
	Building and construction	- 5.9	- 10.7	- 8.9	- 8.5	:		p.p.
	Services	- 1.2	1.8	- 1.1	0.1	:		p.p.
	Manufacturing industry	- 5.8	- 5.3	- 4.5	- 1.2	- 0.6		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments

Poland

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	11.0	13.1	2.0	0.8	4.6	:	:	:	:
Compensation of employees per hour worked	10.5	12.5	1.9	2.1	4.6	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	:	:	:	:	:	:	:	:	:
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:
Nominal unit labour costs	5.1	9.5	-2.4	-4.1	-0.7	:	:	:	:
Real unit labour costs deflated by GDP deflator	-1.5	5.3	-3.7	-4.5	-3.5	:	:	:	:
Wage and salaries	4.5	-7.8	1.3	2.4	:	:	:	:	:
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	67.3	70.6	68.3	65.8	63.2	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	23.8	:	:	:	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	76.2	:	:	:	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	69.3	:	:	:	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	16.2	:	:	:	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	7.6	:	:	:	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	5.6	3.3	4.5	5.1	5.3	6.0	5.9	3.1	1.4
Hourly labour productivity	5.8	3.7	4.6	5.2	5.3	:	:	:	:
GDP	4.0	1.0	1.4	3.8	5.3	6.9	6.1	4.8	3.9
ECFIN NAIRU estimate	14.2	15.8	17.0	18.0	18.7	:	:	:	:
Output gap (%)	0.0	-2.0	-3.1	-1.9	0.1	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	10.1	5.3	1.9	0.7	3.6	1.8	3.4	4.7	4.5
Underlying inflation (exc. energy and unprocessed food)	9.8	5.1	2.0	0.6	2.8	1.6	2.7	3.5	3.3
GDP deflator	6.7	4.0	1.3	0.5	2.9	1.9	1.7	3.7	4.3
Sectoral breakdown of unit labour costs									
Agriculture and fishery	13.4	39.1	-13.6	:	:	:	:	:	:
Industry excluding construction	4.5	11.2	-10.6	:	:	:	:	:	:
of which: manufacturing	-0.8	1.2	-9.9	-5.0	-7.3	:	:	:	:
Construction	10.2	10.3	-12.6	:	:	:	:	:	:
Trade, transport and communication	9.9	9.6	-11.2	:	:	:	:	:	:
Finance and business services	14.7	19.0	1.8	:	:	:	:	:	:
Non-market related services	15.3	18.8	-1.5	:	:	:	:	:	:
Market-related sectors	:	:	:	:	:	:	:	:	:
Sectoral breakdown of compensation per employee									
Total industries	18.0	15.9	-3.7	-10.3	:	0.0	0.0	0.0	0.0
Agriculture and fishery	4.8	39.1	-11.6	:	:	:	:	:	:
Industry excluding construction	18.3	17.1	-7.0	:	:	:	:	:	:
of which: manufacturing	12.6	6.1	-4.1	4.9	5.3	:	:	:	:
Construction	17.4	13.8	-10.6	:	:	:	:	:	:
Trade, transport and communication	17.3	18.8	-3.6	:	:	:	:	:	:
Finance and business services	18.7	19.8	-1.3	:	:	:	:	:	:
Non-market related services	18.8	9.6	-0.1	:	:	:	:	:	:
Sectoral breakdown of labour productivity									
Agriculture and fishery	-7.6	0.0	2.3	73.9	:	:	:	:	:
Industry excluding construction	13.3	5.3	4.0	8.0	:	:	:	:	:
of which: manufacturing	13.6	4.8	6.4	10.5	13.6	:	:	:	:
Construction	6.5	3.1	2.3	6.1	:	:	:	:	:
Trade, transport and communication	6.7	8.4	8.5	1.9	:	:	:	:	:
Finance and business services	3.5	0.7	-3.0	3.2	:	:	:	:	:
Non-market related services	3.0	-7.8	1.5	4.7	:	:	:	:	:
Market-related sectors	6.7	1.5	3.6	22.6	:	:	:	:	:

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Portugal

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	10 211	10 284	10 357	10 436	10 504	0.7	%
2. Population (working age: 15-64)		6 909	6 950	6 993	7 038	7 084	0.7	%
	<i>as % of total population</i>	67.7	67.6	67.5	67.4	67.4	0.0	p.p.
3. Labour force (15-64)	1 000 pers.	4 934	5 009	5 082	5 133	5 170	0.7	%
	<i>Male</i>	2 684	2 718	2 753	2 759	2 768	0.3	%
	<i>Female</i>	2 249	2 290	2 329	2 374	2 403	1.2	%
4. Activity rate (as a % of population 15-64)		71.4	72.1	72.7	72.9	73.0	0.1	p.p.
	Young (15-24)	46.3	47.3	47.7	45.4	43.8	- 1.6	p.p.
	Prime age (25-54)	84.8	85.3	85.3	85.9	86.3	0.4	p.p.
	Older (55-64)	52.4	51.9	53.4	54.0	53.2	- 0.7	p.p.
	<i>Male</i>	79.2	79.6	80.0	79.6	79.1	- 0.5	p.p.
	Young (15-24)	51.5	52.4	53.0	49.2	47.9	- 1.3	p.p.
	Prime age (25-54)	92.5	92.6	92.5	92.3	92.2	- 0.2	p.p.
	Older (55-64)	64.4	63.6	64.3	65.2	62.8	- 2.4	p.p.
	<i>Female</i>	63.9	64.8	65.5	66.5	67.0	0.5	p.p.
	Young (15-24)	41.0	42.1	42.3	41.5	39.5	- 2.0	p.p.
	Prime age (25-54)	77.4	78.2	78.4	79.7	80.6	0.9	p.p.
	Older (55-64)	41.7	41.5	43.8	44.1	44.8	0.7	p.p.
5. Employment rate (as a % of population 15-64)		68.4	69.0	68.8	68.1	67.8	- 0.2	p.p.
	Young (15-24)	42.2	42.9	42.2	38.8	37.1	- 1.7	p.p.
	Prime age (25-54)	81.8	82.3	81.5	80.9	81.1	0.1	p.p.
	Older (55-64)	50.7	50.2	51.4	51.7	50.3	- 1.4	p.p.
	<i>Male</i>	76.5	77.0	76.5	75.0	74.2	- 0.8	p.p.
	Young (15-24)	48.1	48.7	47.8	43.1	41.4	- 1.7	p.p.
	Prime age (25-54)	89.9	90.1	89.2	87.8	87.4	- 0.3	p.p.
	Older (55-64)	62.1	61.6	61.9	62.1	59.0	- 3.1	p.p.
	<i>Female</i>	60.5	61.3	61.4	61.4	61.6	0.2	p.p.
	Young (15-24)	36.2	37.0	36.5	34.5	32.5	- 2.0	p.p.
	Prime age (25-54)	73.9	74.7	74.0	74.3	74.9	0.6	p.p.
	Older (55-64)	40.6	40.2	42.2	42.4	42.5	0.1	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		4 724	4 796	4 812	4 792	4 806	15	Th.
	<i>Male (as a % of total)</i>	54.9	54.8	54.7	54.2	54.0	- 0.2	p.p.
	<i>Female (as a % of total)</i>	45.1	45.2	45.3	45.8	46.0	0.2	p.p.
7. Employment growth (%) (National accounts)		1.7	1.7	0.4	- 0.4	0.1		p.p.
Employment growth (%) (LFS - age 15-64)		1.9	1.5	0.3	- 0.4	0.3		p.p.
	<i>Male</i>	1.7	1.3	0.2	- 1.3	- 0.1		p.p.
	<i>Female</i>	2.3	1.8	0.5	0.6	0.8		p.p.
8. Self employed (as a % of total employment)		14.2	15.4	15.1	15.1	14.4	- 0.7	p.p.
	<i>Male</i>	14.0	15.0	14.7	14.6	14.1	- 0.5	p.p.
	<i>Female</i>	14.5	15.9	15.5	15.7	14.7	- 1.0	p.p.
9. Temporary employment (as a % of total employment)		19.9	20.3	21.5	20.6	19.9	- 0.7	p.p.
	<i>Male</i>	18.2	18.4	19.9	19.0	18.7	- 0.3	p.p.
	<i>Female</i>	21.9	22.6	23.5	22.4	21.2	- 1.2	p.p.
10. Part time (as a % of total employment)		8.1	7.9	8.2	8.7	8.3	- 0.4	p.p.
	<i>Male</i>	3.6	3.5	4.0	4.2	4.0	- 0.2	p.p.
	<i>Female</i>	13.6	13.3	13.2	14.0	13.3	- 0.7	p.p.
11. Unemployment rate (harmonised: 15-74)		4.1	4.0	5.0	6.3	6.7	0.4	p.p.
	Young (15-24)	8.9	9.4	11.6	14.5	15.3	0.8	p.p.
	Prime age (25-54)	3.6	3.5	4.5	5.8	6.0	0.3	p.p.
	Older (55-64)	3.2	3.2	3.7	4.3	5.6	1.3	p.p.
	<i>Male</i>	3.3	3.2	4.1	5.4	5.9	0.5	p.p.
	Young (15-24)	6.5	7.1	9.7	12.3	13.5	1.2	p.p.
	Prime age (25-54)	2.8	2.6	3.5	4.9	5.1	0.2	p.p.
	Older (55-64)	3.6	3.2	3.6	4.8	6.0	1.3	p.p.
	<i>Female</i>	5.0	5.0	6.0	7.2	7.6	0.4	p.p.
	Young (15-24)	11.8	12.2	13.9	16.9	17.7	0.8	p.p.
	Prime age (25-54)	4.5	4.5	5.6	6.7	7.1	0.3	p.p.
	Older (55-64)	2.7	3.1	3.5	3.8	5.0	1.2	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	42.3	38.0	34.8	34.9	44.3	9.4	p.p.
13. Worked hours (average actual weekly hours)		39.1	38.8	38.6	38.2	38.4	0.6	%
	<i>Male</i>	40.9	40.5	40.5	40.0	40.2	0.4	%
	<i>Female</i>	36.9	36.6	36.4	36.0	36.1	0.4	%
14. Sectoral employment growth								
	Agriculture	- 5.6	0.0	0.7	:	:		p.p.
	Building and construction	4.6	- 1.0	- 1.4	:	:		p.p.
	Services	2.8	3.1	1.4	:	:		p.p.
	Manufacturing industry	1.3	0.3	- 1.7	- 3.2	- 2.7		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments Portugal

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	6.7	5.3	4.4	2.6	3.0	:	:	:	:
Compensation of employees per hour worked	10.1	5.5	4.9	4.6	3.5	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	4.7	5.4	5.4	2.4	3.3	2.9	3.6	3.4	2.7
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:
Nominal unit labour costs	5.0	5.4	4.4	3.3	2.1	:	:	:	:
Real unit labour costs deflated by GDP deflator	1.5	1.1	0.0	0.5	-0.4	:	:	:	:
Wage and salaries	:	:	:	:	:	:	:	:	:
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	75.7	76.0	76.4	77.2	76.4	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	19.9	20.1	20.1	20.1	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	80.1	79.9	79.9	79.9	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	71.3	71.3	71.3	71.3	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	19.2	19.4	19.4	19.4	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	0.7	0.7	0.7	0.7	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	1.6	0.0	0.0	-0.7	0.9	:	:	:	:
Hourly labour productivity	3.9	0.1	0.2	0.9	1.4	:	:	:	:
GDP	3.4	1.7	0.4	-1.1	1.0	:	:	:	:
ECFIN NAIRU estimate	4.6	4.7	4.9	5.2	5.4	:	:	:	:
Output gap (%)	2.5	1.9	0.4	-2.0	-2.5	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	2.8	4.4	3.7	3.3	2.5	2.2	2.8	2.5	2.5
Underlying inflation (exc. energy and unprocessed food)	2.6	3.6	4.5	3.3	2.6	2.6	3.0	2.4	2.2
GDP deflator	3.5	4.3	4.4	2.8	2.4	:	:	:	:
Sectoral breakdown of unit labour costs									
Agriculture and fishery	:	:	:	:	:	:	:	:	:
Industry excluding construction	:	:	:	:	:	:	:	:	:
of which: manufacturing	4.1	3.8	3.1	-1.2	-0.2	:	:	:	:
Construction	:	:	:	:	:	:	:	:	:
Trade, transport and communication	:	:	:	:	:	:	:	:	:
Finance and business services	:	:	:	:	:	:	:	:	:
Non-market related services	:	:	:	:	:	:	:	:	:
Market-related sectors	:	:	:	:	:	:	:	:	:
Sectoral breakdown of compensation per employee									
Total industries	:	:	:	:	:	:	:	:	:
Agriculture and fishery	:	:	:	:	:	:	:	:	:
Industry excluding construction	:	:	:	:	:	:	:	:	:
of which: manufacturing	5.5	5.5	3.8	2.5	2.9	:	:	:	:
Construction	:	:	:	:	:	:	:	:	:
Trade, transport and communication	:	:	:	:	:	:	:	:	:
Finance and business services	:	:	:	:	:	:	:	:	:
Non-market related services	:	:	:	:	:	:	:	:	:
Sectoral breakdown of labour productivity									
Agriculture and fishery	:	:	:	:	:	:	:	:	:
Industry excluding construction	:	:	:	:	:	:	:	:	:
of which: manufacturing	1.4	1.6	0.7	3.7	3.1	:	:	:	:
Construction	:	:	:	:	:	:	:	:	:
Trade, transport and communication	:	:	:	:	:	:	:	:	:
Finance and business services	:	:	:	:	:	:	:	:	:
Non-market related services	:	:	:	:	:	:	:	:	:
Market-related sectors	:	:	:	:	:	:	:	:	:

NB: available on an annual basis only.

Source: AMECO, Eurostat–National Account, ECB.

Work status of persons Slovenia

	2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total) 1 000 pers.	1 989	1 992	1 995	1 996	1 997	0.0	%
2. Population (working age: 15-64)	1 397	1 399	1 401	1 405	1 405	0.0	%
<i>as % of total population</i>	70.2	70.3	70.2	70.4	70.4	0.0	p.p.
3. Labour force (15-64) 1 000 pers.	942	953	950	943	981	4.0	%
<i>Male</i>	508	517	515	513	531	3.5	%
<i>Female</i>	434	437	435	430	451	4.7	%
4. Activity rate (as a % of population 15-64)	67.5	68.1	67.8	67.1	69.8	2.7	p.p.
Young (15-24)	39.1	37.2	36.7	35.2	40.3	5.1	p.p.
Prime age (25-54)	87.4	88.0	88.1	87.5	88.6	1.1	p.p.
Older (55-64)	24.1	26.6	25.3	24.2	29.9	5.7	p.p.
<i>Male</i>	71.9	72.9	72.6	72.0	74.5	2.5	p.p.
Young (15-24)	41.8	40.5	40.4	39.8	45.0	5.2	p.p.
Prime age (25-54)	90.6	91.1	91.2	90.6	91.0	0.4	p.p.
Older (55-64)	34.8	37.5	36.7	34.5	42.5	8.0	p.p.
<i>Female</i>	62.9	63.3	63.0	62.1	65.0	2.9	p.p.
Young (15-24)	36.4	33.6	32.5	30.4	35.5	5.1	p.p.
Prime age (25-54)	84.2	84.6	84.9	84.3	86.1	1.8	p.p.
Older (55-64)	14.0	16.0	14.5	15.1	18.0	2.9	p.p.
5. Employment rate (as a % of population 15-64)	62.9	63.8	63.4	62.6	65.3	2.7	p.p.
Young (15-24)	32.7	30.5	30.5	29.1	33.8	4.7	p.p.
Prime age (25-54)	82.5	83.6	83.4	82.5	83.8	1.3	p.p.
Older (55-64)	22.6	25.3	24.4	23.4	29.1	5.7	p.p.
<i>Male</i>	67.2	68.6	68.2	67.3	70.0	2.7	p.p.
Young (15-24)	35.7	34.2	34.5	33.6	38.8	5.2	p.p.
Prime age (25-54)	85.7	87.0	86.7	85.6	86.4	0.9	p.p.
Older (55-64)	32.4	35.6	35.2	33.3	40.9	7.6	p.p.
<i>Female</i>	58.4	58.8	58.6	57.6	60.5	2.8	p.p.
Young (15-24)	29.6	26.7	26.5	24.1	28.6	4.5	p.p.
Prime age (25-54)	79.2	80.1	80.0	79.3	81.2	1.9	p.p.
Older (55-64)	13.6	15.8	14.3	14.4	17.8	3.3	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)	878	893	889	879	918	39	Th.
<i>Male (as a % of total)</i>	54.1	54.5	54.4	54.5	54.3	-0.2	p.p.
<i>Female (as a % of total)</i>	45.9	45.5	45.6	45.4	45.7	0.2	p.p.
7. Employment growth (%) (National accounts)	3.2	0.5	-0.4	-0.3	0.1		p.p.
Employment growth (%) (LFS - age 15-64)	2.0	1.7	-0.4	-1.1	4.4		p.p.
<i>Male</i>	1.8	2.5	-0.6	-1.0	4.1		p.p.
<i>Female</i>	2.2	0.8	-0.2	-1.4	4.9		p.p.
8. Self employed (as a % of total employment)	6.5	7.1	6.9	6.1	5.9	-0.3	p.p.
<i>Male</i>	8.8	9.7	9.3	8.4	7.7	-0.6	p.p.
<i>Female</i>	3.7	4.0	3.9	3.6	3.6	0.0	p.p.
9. Temporary employment (as a % of total employment)	13.6	12.9	14.1	13.6	17.6	4.0	p.p.
<i>Male</i>	12.5	12.0	12.4	12.4	16.4	4.0	p.p.
<i>Female</i>	14.8	14.0	16.0	14.9	18.9	4.0	p.p.
10. Part time (as a % of total employment)	5.6	5.4	5.3	5.5	7.2	1.7	p.p.
<i>Male</i>	4.6	4.4	4.2	4.4	6.4	2.0	p.p.
<i>Female</i>	6.9	6.5	6.7	6.8	8.1	1.3	p.p.
11. Unemployment rate (harmonised: 15-74)	6.6	5.8	6.1	6.5	6.0	-0.5	p.p.
Young (15-24)	16.4	18.2	16.8	17.3	16.1	-1.1	p.p.
Prime age (25-54)	5.6	4.9	5.3	5.7	5.4	-0.3	p.p.
Older (55-64)	6.2	4.8	3.6	3.3	2.6	-0.7	p.p.
<i>Male</i>	6.4	5.5	5.8	6.0	5.6	-0.4	p.p.
Young (15-24)	14.7	15.6	14.6	15.5	13.7	-1.8	p.p.
Prime age (25-54)	5.4	4.5	5.0	5.6	5.0	-0.6	p.p.
Older (55-64)	6.8	5.2	3.9	3.5	3.8	0.3	p.p.
<i>Female</i>	6.8	6.2	6.5	7.0	6.5	-0.5	p.p.
Young (15-24)	18.8	20.5	18.3	20.7	19.4	-1.3	p.p.
Prime age (25-54)	5.9	5.4	5.8	6.0	5.8	-0.2	p.p.
Older (55-64)	3.2	1.4	1.5	4.3	1.2	-3.1	p.p.
12. Long-term unemployment rate							
<i>(as a % of total unemployment)</i>	61.4	60.4	55.6	53.0	51.4	-1.5	p.p.
13. Worked hours (average actual weekly hours)	41.3	40.8	40.8	40.8	40.2	-1.4	%
<i>Male</i>	42.1	41.6	41.7	41.8	41.3	-1.1	%
<i>Female</i>	40.2	39.7	39.7	39.6	38.9	-1.7	%
14. Sectoral employment growth							
Agriculture	:	-3.3	-2.7	-3.3	-3.7		p.p.
Building and construction	6.8	0.0	-1.3	-0.2	-1.2		p.p.
Services	:	1.6	1.2	1.5	1.7		p.p.
Manufacturing industry	4.3	0.4	-1.9	-2.2	-1.0		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments Slovenia

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	11.8	11.6	10.0	7.8	6.0	:	:	:	:
Compensation of employees per hour worked	10.6	13.7	11.0	10.3	7.0	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	:	:	:	:	:	:	:	:	:
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:
Nominal unit labour costs	11.1	9.2	6.0	4.8	1.4	:	:	:	:
Real unit labour costs deflated by GDP deflator	5.1	0.1	-1.9	-0.6	-1.6	:	:	:	:
Wage and salaries	:	:	:	:	:	:	:	:	:
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	76.8	76.6	75.7	75.2	73.6	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	18.6	19.2	19.4	19.3	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	81.4	80.8	80.6	80.7	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	65.9	65.4	65.2	65.3	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	14.1	14.5	14.6	14.3	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	4.4	4.7	4.8	5.0	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	0.7	2.2	3.7	2.8	4.5	4.5	5.1	4.7	3.7
Hourly labour productivity	0.8	3.6	4.4	4.9	5.3	:	:	:	:
GDP	3.9	2.7	3.3	2.5	4.6	4.1	4.9	5.0	4.3
ECFIN NAIRU estimate	6.5	6.3	6.0	5.7	5.6	:	:	:	:
Output gap (%)	1.0	-0.2	-0.5	-1.7	-0.7	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	8.9	8.6	7.5	5.7	3.6	3.7	3.8	3.6	3.5
Underlying inflation (exc. energy and unprocessed food)	:	7.4	8.4	6.3	3.7	4.1	3.8	3.6	3.1
GDP deflator	5.6	9.1	8.0	5.5	3.0	5.3	1.5	2.7	2.7
Sectoral breakdown of unit labour costs									
Agriculture and fishery	0.3	9.4	-4.9	11.6	:	:	:	:	:
Industry excluding construction	-2.2	0.5	-0.7	-0.8	:	:	:	:	:
of which: manufacturing	4.0	6.2	2.6	2.1	0.3	:	:	:	:
Construction	4.0	2.8	2.8	1.5	:	:	:	:	:
Trade, transport and communication	4.6	2.1	1.2	1.0	:	:	:	:	:
Finance and business services	16.0	4.6	11.6	-0.1	:	:	:	:	:
Non-market related services	-0.2	6.3	2.4	2.7	:	:	:	:	:
Market-related sectors	:	:	:	:	:	:	:	:	:
Sectoral breakdown of compensation per employee									
Total industries	5.7	5.8	6.0	4.2	:	:	:	:	:
Agriculture and fishery	4.0	-0.1	13.0	-2.6	:	:	:	:	:
Industry excluding construction	6.4	5.5	5.9	4.8	:	:	:	:	:
of which: manufacturing	8.6	11.1	9.6	8.6	6.8	:	:	:	:
Construction	-1.3	0.6	5.0	4.9	:	:	:	:	:
Trade, transport and communication	4.6	5.3	4.6	4.2	:	:	:	:	:
Finance and business services	14.6	5.7	12.2	0.8	:	:	:	:	:
Non-market related services	4.0	7.4	3.5	3.4	:	:	:	:	:
Sectoral breakdown of labour productivity									
Agriculture and fishery	3.6	-8.7	18.8	-12.7	15.9	15.3	15.6	15.6	14.8
Industry excluding construction	8.8	5.0	6.6	5.6	6.4	5.9	8.9	7.5	3.3
of which: manufacturing	4.5	4.7	6.9	6.3	6.5	:	:	:	:
Construction	-5.1	-2.2	2.2	3.4	3.2	4.1	-0.1	5.5	1.7
Trade, transport and communication	0.0	3.2	3.4	3.1	4.2	4.2	4.5	3.7	3.6
Finance and business services	-1.2	1.1	0.5	1.0	3.3	3.4	3.4	2.9	1.2
Non-market related services	4.2	1.0	1.1	0.7	0.2	0.6	0.0	-0.2	0.5
Market-related sectors	3.3	3.3	5.2	3.6	5.9	5.7	6.8	6.2	3.8

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Slovak Republic

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	5 377	5 379	5 384	5 389	5 370	- 0.4	%
2. Population (working age: 15-64)		3 693	3 723	3 728	3 733	3 792	1.6	%
	<i>as % of total population</i>	68.7	69.2	69.2	69.3	70.6	1.3	p.p.
3. Labour force (15-64)	1 000 pers.	2 580	2 623	2 605	2 614	2 643	1.1	%
	<i>Male</i>	1 398	1 421	1 413	1 417	1 437	1.5	%
	<i>Female</i>	1 182	1 201	1 192	1 198	1 205	0.6	%
4. Activity rate (as a % of population 15-64)		69.9	70.4	69.9	70.0	69.7	- 0.3	p.p.
	Young (15-24)	46.0	45.5	43.3	41.1	39.3	- 1.7	p.p.
	Prime age (25-54)	88.4	89.0	88.6	89.5	88.9	- 0.6	p.p.
	Older (55-64)	24.4	25.4	26.9	28.5	31.7	3.1	p.p.
	<i>Male</i>	76.7	77.4	76.7	76.7	76.5	- 0.2	p.p.
	Young (15-24)	49.4	49.8	47.5	44.9	42.9	- 2.0	p.p.
	Prime age (25-54)	93.9	94.0	93.4	94.1	93.8	- 0.3	p.p.
	Older (55-64)	40.9	43.2	46.2	48.1	51.7	3.6	p.p.
	<i>Female</i>	63.2	63.7	63.2	63.5	63.0	- 0.5	p.p.
	Young (15-24)	42.5	41.3	39.2	37.2	35.7	- 1.5	p.p.
	Prime age (25-54)	82.9	83.9	83.9	84.8	84.1	- 0.8	p.p.
	Older (55-64)	10.6	10.8	11.0	12.4	14.7	2.3	p.p.
5. Employment rate (as a % of population 15-64)		56.8	56.8	56.8	57.7	57.0	- 0.8	p.p.
	Young (15-24)	29.0	27.7	27.0	27.4	26.3	- 1.1	p.p.
	Prime age (25-54)	74.7	74.8	75.0	76.0	74.7	- 1.4	p.p.
	Older (55-64)	21.3	22.3	22.8	24.6	26.8	2.2	p.p.
	<i>Male</i>	62.2	62.0	62.4	63.3	63.2	- 0.2	p.p.
	Young (15-24)	29.8	28.8	28.7	29.3	27.9	- 1.4	p.p.
	Prime age (25-54)	79.6	79.0	79.5	80.5	80.0	- 0.5	p.p.
	Older (55-64)	35.4	37.7	39.0	41.1	43.8	2.8	p.p.
	<i>Female</i>	51.5	51.8	51.4	52.2	50.9	- 1.4	p.p.
	Young (15-24)	28.1	26.6	25.3	25.4	24.6	- 0.8	p.p.
	Prime age (25-54)	69.8	70.6	70.6	71.5	69.3	- 2.2	p.p.
	Older (55-64)	9.8	9.8	9.6	11.2	12.6	1.4	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		2 096	2 116	2 118	2 155	2 160	5	Th.
	<i>Male (as a % of total)</i>	54.1	53.8	54.2	54.3	54.9	0.6	p.p.
	<i>Female (as a % of total)</i>	45.9	46.2	45.8	45.7	45.1	- 0.6	p.p.
7. Employment growth (%) (National accounts)		- 1.8	0.6	- 0.5	1.8	- 0.3		p.p.
Employment growth (%) (LFS - age 15-64)		- 1.4	0.9	0.1	1.7	0.2		p.p.
	<i>Male</i>	- 2.2	0.5	0.9	1.8	1.4		p.p.
	<i>Female</i>	- 0.4	1.4	- 0.8	1.7	- 1.1		p.p.
8. Self employed (as a % of total employment)		5.3	5.6	6.1	6.8	8.5	1.7	p.p.
	<i>Male</i>	7.4	7.8	8.4	9.1	11.4	2.3	p.p.
	<i>Female</i>	2.9	3.0	3.3	4.1	5.0	0.9	p.p.
9. Temporary employment (as a % of total employment)		4.7	4.8	4.7	4.7	5.4	0.7	p.p.
	<i>Male</i>	5.0	4.9	5.0	5.0	5.8	0.8	p.p.
	<i>Female</i>	4.5	4.6	4.4	4.4	4.9	0.5	p.p.
10. Part time (as a % of total employment)		1.8	2.2	1.8	2.2	2.5	0.2	p.p.
	<i>Male</i>	0.9	1.2	1.0	1.1	1.3	0.3	p.p.
	<i>Female</i>	2.9	3.5	2.7	3.6	3.8	0.2	p.p.
11. Unemployment rate (harmonised: 15-74)		18.7	19.4	18.7	17.5	18.0	0.5	p.p.
	Young (15-24)	37.0	39.2	37.7	33.3	33.1	- 0.2	p.p.
	Prime age (25-54)	15.4	15.9	15.4	15.1	16.1	1.0	p.p.
	Older (55-64)	12.4	12.3	15.1	13.7	15.4	1.7	p.p.
	<i>Male</i>	18.9	19.8	18.6	17.2	17.0	- 0.2	p.p.
	Young (15-24)	39.6	42.1	39.6	34.8	34.8	0.1	p.p.
	Prime age (25-54)	15.2	16.0	14.9	14.5	14.7	0.3	p.p.
	Older (55-64)	13.3	12.8	15.7	14.6	15.3	0.6	p.p.
	<i>Female</i>	18.5	18.9	18.9	17.8	19.3	1.5	p.p.
	Young (15-24)	33.9	35.6	35.4	31.6	31.0	- 0.5	p.p.
	Prime age (25-54)	15.8	15.8	15.9	15.7	17.6	1.9	p.p.
	Older (55-64)	7.3	8.9	12.3	9.3	14.1	4.8	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	54.7	58.6	65.3	65.2	64.8	- 0.4	p.p.
13. Worked hours (average actual weekly hours)		41.7	41.6	40.8	40.6	40.8	0.5	%
	<i>Male</i>	42.7	42.6	41.6	41.4	41.8	1.0	%
	<i>Female</i>	40.4	40.4	39.9	39.6	39.5	- 0.3	%
14. Sectoral employment growth								
	Agriculture	- 11.4	- 3.8	- 7.1	- 9.6	- 11.8		p.p.
	Building and construction	- 4.3	- 3.9	0.5	4.0	1.3		p.p.
	Services	0.7	2.0	0.5	3.1	0.1		p.p.
	Manufacturing industry	- 4.1	0.1	- 1.8	1.1	0.8		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments Slovak Republic

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	:	:	:	:	:	10.8	11.9	8.3	9.8
Compensation of employees per hour worked	:	:	:	:	:	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	:	:	:	:	:	:	:	:	:
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:
Nominal unit labour costs	:	:	:	:	:	5.0	5.2	3.5	5.2
Real unit labour costs deflated by GDP deflator	:	:	:	:	:	-2.1	1.0	0.2	1.1
Wage and salaries	6.8	6.5	10.4	9.5	11.5	10.7	11.0	10.7	12.8
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	50.6	49.6	50.0	49.0	49.4	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	27.4	27.5	26.4	26.4	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	72.6	72.5	73.6	73.6	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	60.9	62.2	62.6	61.9	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	26.2	26.3	25.4	25.5	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	1.3	1.2	1.0	0.9	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	:	:	:	:	:	5.5	6.4	4.6	4.4
Hourly labour productivity	:	:	:	:	:	:	:	:	:
GDP	:	:	:	:	:	5.4	5.5	5.3	5.8
ECFIN NAIRU estimate	17.9	18.6	18.3	16.8	16.9	:	:	:	:
Output gap (%)	-1.8	-1.8	-1.7	-2.2	-0.6	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	12.2	7.2	3.5	8.5	7.4	8.2	8.0	7.2	6.0
Underlying inflation (exc. energy and unprocessed food)	8.0	6.0	4.5	7.4	6.4	7.6	6.9	6.0	5.0
GDP deflator	:	:	:	:	:	7.3	4.1	3.3	4.0
Sectoral breakdown of unit labour costs									
Agriculture and fishery	2.6	-6.1	0.8	-6.1	-2.1	-1.4	-11.0	-11.4	4.9
Industry excluding construction	17.3	0.6	10.8	3.5	3.6	4.0	0.1	-5.9	1.0
of which: manufacturing	:	:	:	:	:	8.0	-0.5	-7.4	-1.2
Construction	-4.3	18.9	-6.7	7.4	5.5	7.8	15.3	-12.4	0.5
Trade, transport and communication	11.5	-0.4	15.2	13.5	1.8	1.2	2.1	0.4	-9.5
Finance and business services	14.4	9.7	-3.1	9.2	3.9	-2.0	-4.7	-8.1	14.5
Non-market related services	11.3	-12.0	-5.6	-1.8	31.5	42.1	31.1	25.9	12.5
Market-related sectors	8.4	3.8	6.2	4.9	-0.7	1.9	0.1	-5.0	0.5
Sectoral breakdown of compensation per employee									
Total industries	15.9	4.6	10.9	9.1	14.8	0.0	0.0	0.0	0.0
Agriculture and fishery	17.4	3.1	5.7	9.1	22.0	12.1	14.3	15.8	28.0
Industry excluding construction	20.7	4.7	11.1	12.5	15.3	11.8	9.3	9.8	13.2
of which: manufacturing	:	:	:	:	:	10.6	8.7	9.7	12.1
Construction	11.9	9.9	1.1	10.4	16.2	13.7	19.2	5.8	12.0
Trade, transport and communication	16.8	4.0	5.6	10.1	9.3	7.5	8.7	4.6	1.7
Finance and business services	18.8	5.3	13.7	3.9	11.3	6.7	10.9	4.3	8.3
Non-market related services	8.8	3.1	17.2	5.5	18.3	13.3	15.3	13.0	14.3
Sectoral breakdown of labour productivity									
Agriculture and fishery	14.5	9.8	4.8	16.2	24.7	13.7	28.4	30.8	22.0
Industry excluding construction	2.9	4.1	0.3	8.7	11.3	7.5	9.2	16.7	12.1
of which: manufacturing	:	:	:	:	:	2.5	9.2	18.4	13.5
Construction	17.0	-7.6	8.4	2.8	10.2	5.5	3.4	20.7	11.4
Trade, transport and communication	4.8	4.5	-8.3	-3.1	7.3	6.2	6.5	4.2	12.3
Finance and business services	3.8	-4.1	17.4	-4.9	7.1	8.8	16.4	13.5	-5.4
Non-market related services	-2.3	17.2	24.1	7.4	-10.1	-20.3	-12.1	-10.2	1.6
Market-related sectors	5.7	2.9	0.8	2.3	10.5	8.2	10.6	13.6	9.2

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Finland

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003–04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	4 920	5 166	5 180	5 193	5 205	0.2	%
2. Population (working age: 15–64)		3 452	3 450	3 458	3 464	3 467	0.1	%
	<i>as % of total population</i>	70.2	66.8	66.8	66.7	66.6	-0.1	p.p.
3. Labour force (15–64)	1 000 pers.	2 572	2 588	2 592	2 580	2 574	-0.2	%
	<i>Male</i>	1 338	1 344	1 339	1 337	1 332	-0.4	%
	<i>Female</i>	1 234	1 243	1 253	1 243	1 242	-0.1	%
4. Activity rate (as a % of population 15–64)		74.5	75.0	74.9	74.5	74.2	-0.2	p.p.
	Young (15–24)	52.3	52.1	51.4	50.7	49.7	-1.0	p.p.
	Prime age (25–54)	87.9	88.0	88.0	87.5	87.4	-0.1	p.p.
	Older (55–64)	45.9	50.3	52.1	53.7	54.9	1.2	p.p.
	<i>Male</i>	77.2	77.6	77.0	76.8	76.4	-0.3	p.p.
	Young (15–24)	53.6	53.3	52.1	51.4	50.6	-0.8	p.p.
	Prime age (25–54)	90.8	90.9	90.5	90.1	90.1	0.1	p.p.
	Older (55–64)	47.3	51.3	52.9	55.3	55.5	0.3	p.p.
	<i>Female</i>	71.9	72.4	72.8	72.2	72.0	-0.1	p.p.
	Young (15–24)	51.0	50.9	50.9	49.9	48.8	-1.1	p.p.
	Prime age (25–54)	84.9	85.0	85.5	84.8	84.5	-0.3	p.p.
	Older (55–64)	44.6	49.4	51.3	52.3	54.2	1.9	p.p.
5. Employment rate (as a % of population 15–64)		67.2	68.1	68.1	67.7	67.6	-0.1	p.p.
	Young (15–24)	41.1	41.7	40.6	39.7	39.4	-0.3	p.p.
	Prime age (25–54)	80.8	81.4	81.6	81.1	81.0	-0.1	p.p.
	Older (55–64)	41.7	45.7	47.9	49.7	50.9	1.3	p.p.
	<i>Male</i>	70.1	70.8	70.0	69.6	69.7	0.1	p.p.
	Young (15–24)	42.3	43.0	41.0	40.1	39.3	-0.7	p.p.
	Prime age (25–54)	84.2	84.6	83.8	83.3	83.8	0.5	p.p.
	Older (55–64)	42.9	46.7	48.6	51.0	51.4	0.4	p.p.
	<i>Female</i>	64.2	65.4	66.2	65.7	65.5	-0.2	p.p.
	Young (15–24)	39.9	40.7	40.3	39.2	39.4	0.2	p.p.
	Prime age (25–54)	77.4	78.2	79.2	78.9	78.2	-0.7	p.p.
	Older (55–64)	40.4	45.0	47.2	48.2	50.5	2.2	p.p.
6. Employed persons (age 15–64 — 1 000 pers.)		2 319	2 350	2 354	2 345	2 345	-1	Th.
	<i>Male (as a % of total)</i>	52.4	52.2	51.7	51.7	51.8	0.1	p.p.
	<i>Female (as a % of total)</i>	47.6	47.8	48.4	48.3	48.2	-0.1	p.p.
7. Employment growth (%) (National accounts)		2.3	1.5	0.9	0.0	0.1		p.p.
Employment growth (%) (LFS – age 15–64)		1.7	1.3	0.2	-0.4	0.0		p.p.
	<i>Male</i>	1.8	0.9	-0.9	-0.3	0.1		p.p.
	<i>Female</i>	1.6	1.8	1.4	-0.6	-0.1		p.p.
8. Self employed (as a % of total employment)		8.5	8.3	7.9	7.9	7.9	0.0	p.p.
	<i>Male</i>	10.5	10.1	9.7	9.7	9.8	0.0	p.p.
	<i>Female</i>	6.3	6.2	6.0	5.9	5.9	0.0	p.p.
9. Temporary employment (as a % of total employment)		16.3	16.4	16.0	16.3	16.1	-0.2	p.p.
	<i>Male</i>	12.8	12.8	12.5	12.6	12.6	0.0	p.p.
	<i>Female</i>	19.8	19.9	19.5	20.0	19.5	-0.5	p.p.
10. Part time (as a % of total employment)		11.9	11.8	12.4	12.6	12.9	0.4	p.p.
	<i>Male</i>	7.4	7.4	7.8	8.0	8.4	0.4	p.p.
	<i>Female</i>	16.9	16.6	17.2	17.4	17.8	0.3	p.p.
11. Unemployment rate (harmonised: 15–74)		9.8	9.1	9.1	9.0	8.8	-0.2	p.p.
	Young (15–24)	21.4	19.9	21.0	21.7	20.8	-1.0	p.p.
	Prime age (25–54)	8.0	7.4	7.3	7.2	7.3	0.0	p.p.
	Older (55–64)	9.2	9.1	8.2	7.6	7.2	-0.3	p.p.
	<i>Male</i>	9.1	8.6	9.1	9.2	8.7	-0.5	p.p.
	Young (15–24)	21.0	19.4	21.3	22.0	22.2	0.2	p.p.
	Prime age (25–54)	7.2	6.9	7.4	7.5	7.0	-0.5	p.p.
	Older (55–64)	9.4	9.1	8.2	7.7	7.5	-0.2	p.p.
	<i>Female</i>	10.6	9.7	9.1	8.9	8.9	0.0	p.p.
	Young (15–24)	21.7	20.1	20.8	21.5	19.2	-2.2	p.p.
	Prime age (25–54)	8.9	8.0	7.3	7.0	7.5	0.5	p.p.
	Older (55–64)	9.3	9.0	7.9	7.7	6.9	-0.8	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	29.1	28.0	25.2	25.5	24.3	-1.2	p.p.
13. Worked hours (average actual weekly hours)		37.7	37.5	37.2	37.1	37.0	-0.3	%
	<i>Male</i>	40.0	39.7	39.5	39.5	39.2	-0.7	%
	<i>Female</i>	35.0	35.0	34.7	34.5	34.5	0.1	%
14. Sectoral employment growth								
	Agriculture	-2.2	-4.7	-4.0	-3.3	-3.5		p.p.
	Building and construction	3.6	-1.6	0.7	0.5	-1.5		p.p.
	Services	2.7	2.6	2.3	1.0	1.2		p.p.
	Manufacturing industry	2.0	0.7	-2.0	-2.4	1.0		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments Finland

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	3.7	4.7	1.8	2.6	3.9	5.3	3.9	3.7	2.6
Compensation of employees per hour worked	5.4	6.1	3.1	3.8	4.9	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	5.6	6.4	5.1	3.8	4.1	4.2	4.0	4.0	4.0
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:
Nominal unit labour costs	0.9	5.1	0.6	0.2	0.3	1.1	-0.3	0.6	0.0
Real unit labour costs deflated by GDP deflator	-2.2	2.1	-0.8	0.5	-0.4	0.3	-1.0	-0.1	-0.8
Wage and salaries	4.6	3.4	1.7	2.2	2.9	2.8	3.5	2.8	2.7
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	62.0	63.1	62.8	63.5	63.0	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	22.9	22.8	22.7	22.3	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	77.1	77.2	77.3	77.7	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	65.0	66.4	66.5	66.8	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	21.3	21.3	21.1	20.8	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	1.6	1.5	1.5	1.5	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	2.8	-0.4	1.3	2.4	3.5	4.1	4.2	3.1	2.7
Hourly labour productivity	4.3	0.6	2.4	3.5	4.3	:	:	:	:
GDP	5.1	1.1	2.2	2.4	3.7	3.3	3.6	3.9	4.0
ECFIN NAIRU estimate	10.6	9.7	9.0	8.3	7.8	:	:	:	:
Output gap (%)	3.5	0.8	-0.3	-1.1	-0.5	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	3.0	2.7	2.0	1.3	0.1	0.2	-0.2	0.2	0.3
Underlying inflation (exc. energy and unprocessed food)	2.0	2.9	2.2	1.2	-0.1	0.6	-0.5	-0.3	-0.3
GDP deflator	3.2	3.0	1.3	-0.2	0.8	0.8	0.7	0.7	0.8
Sectoral breakdown of unit labour costs									
Agriculture and fishery	-8.5	6.2	-7.4	0.3	:	-4.6	0.2	7.2	1.6
Industry excluding construction	-4.3	6.3	-1.3	-0.6	:	1.9	-3.0	-3.3	-3.4
of which: manufacturing	-5.0	7.0	-1.2	-0.1	-0.6	:	:	:	:
Construction	10.2	6.8	0.9	2.5	:	1.4	-3.3	3.0	2.5
Trade, transport and communication	-0.2	1.5	2.6	-1.1	:	-2.7	-2.3	-0.9	0.9
Finance and business services	6.9	8.8	2.8	1.7	:	2.8	2.0	2.6	0.5
Non-market related services	3.0	3.2	3.3	4.8	:	4.0	3.0	3.3	2.2
Market-related sectors	-0.5	5.0	0.6	-0.2	:	0.5	-1.8	-0.2	-0.8
Sectoral breakdown of compensation per employee									
Total industries	3.9	4.2	2.7	3.1	4.0	0.0	0.0	0.0	0.0
Agriculture and fishery	3.5	6.6	-0.3	4.2	0.9	4.1	1.3	0.7	4.2
Industry excluding construction	4.6	5.8	2.9	3.0	4.9	7.1	3.4	6.1	3.8
of which: manufacturing	4.6	6.0	2.8	2.9	-1.3	:	:	:	:
Construction	3.8	5.1	2.8	3.2	5.1	6.2	5.0	4.6	3.7
Trade, transport and communication	3.7	3.9	3.2	2.7	3.4	5.1	3.7	3.6	1.3
Finance and business services	5.0	3.4	1.9	3.8	4.2	7.6	3.4	2.7	3.4
Non-market related services	2.7	3.2	2.7	3.5	3.8	3.6	4.9	3.8	3.2
Sectoral breakdown of labour productivity									
Agriculture and fishery	13.0	0.3	7.7	3.9	:	9.1	1.1	-6.1	2.6
Industry excluding construction	9.4	-0.5	4.3	3.5	:	5.0	6.6	9.7	7.4
of which: manufacturing	10.1	-0.9	4.1	3.0	-0.7	:	:	:	:
Construction	-5.7	-1.6	1.9	0.6	:	4.7	8.5	1.6	1.1
Trade, transport and communication	4.0	2.4	0.6	3.9	:	8.0	6.1	4.5	0.4
Finance and business services	-1.8	-5.0	-0.8	2.1	:	4.7	1.3	0.1	2.8
Non-market related services	-0.2	-0.1	-0.6	-1.3	:	-0.3	1.9	0.5	1.0
Market-related sectors	5.0	-0.2	2.1	3.1	:	5.8	5.4	4.4	3.5

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Sweden

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	8 864	8 889	8 930	8 970	9 006	0.4	%
2. Population (working age: 15-64)		5 694	5 739	5 776	5 821	5 855	0.6	%
	<i>as % of total population</i>	64.2	64.6	64.7	64.9	65.0	0.1	p.p.
3. Labour force (15-64)	1 000 pers.	4 288	4 468	4 482	4 501	4 519	0.4	%
	<i>Male</i>	2 232	2 331	2 330	2 341	2 353	0.5	%
	<i>Female</i>	2 055	2 137	2 153	2 160	2 165	0.2	%
4. Activity rate (as a % of population 15-64)		75.3	77.9	77.6	77.3	77.2	-0.1	p.p.
	Young (15-24)	40.8	50.0	49.1	47.7	47.2	-0.5	p.p.
	Prime age (25-54)	86.8	88.0	87.7	87.7	87.7	0.0	p.p.
	Older (55-64)	68.3	70.0	71.2	71.9	72.7	0.8	p.p.
	<i>Male</i>	77.2	79.9	79.4	79.2	79.1	0.0	p.p.
	Young (15-24)	41.2	50.0	48.5	47.2	47.0	-0.2	p.p.
	Prime age (25-54)	88.6	90.4	89.8	89.9	90.0	0.1	p.p.
	Older (55-64)	72.1	73.1	74.3	74.9	75.6	0.7	p.p.
	<i>Female</i>	73.4	75.7	75.8	75.4	75.1	-0.3	p.p.
	Young (15-24)	40.4	50.1	49.8	48.2	47.3	-0.9	p.p.
	Prime age (25-54)	84.9	85.5	85.5	85.4	85.3	-0.1	p.p.
	Older (55-64)	64.6	66.9	68.2	68.9	69.8	0.8	p.p.
5. Employment rate (as a % of population 15-64)		71.1	74.0	73.6	72.9	72.1	-0.8	p.p.
	Young (15-24)	36.9	44.2	42.8	41.2	39.1	-2.1	p.p.
	Prime age (25-54)	82.5	84.6	84.2	83.5	83.0	-0.6	p.p.
	Older (55-64)	64.3	66.7	68.0	68.5	69.2	0.6	p.p.
	<i>Male</i>	72.6	75.7	74.9	74.2	73.6	-0.6	p.p.
	Young (15-24)	36.6	43.7	41.7	40.4	38.7	-1.7	p.p.
	Prime age (25-54)	84.1	86.6	85.9	85.3	85.0	-0.4	p.p.
	Older (55-64)	67.1	69.5	70.4	70.8	71.2	0.5	p.p.
	<i>Female</i>	69.7	72.3	72.2	71.5	70.5	-1.0	p.p.
	Young (15-24)	37.2	44.7	43.8	42.1	39.7	-2.4	p.p.
	Prime age (25-54)	80.9	82.4	82.4	81.7	80.9	-0.8	p.p.
	Older (55-64)	61.7	64.0	65.6	66.3	67.0	0.7	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		4 050	4 249	4 252	4 242	4 221	-22	Th.
	<i>Male (as a % of total)</i>	51.8	52.0	51.7	51.7	51.9	0.1	p.p.
	<i>Female (as a % of total)</i>	48.2	48.0	48.3	48.3	48.1	-0.1	p.p.
7. Employment growth (%) (National accounts)		2.4	1.9	0.2	-0.2	-0.5		p.p.
Employment growth (%) (LFS - age 15-64)		1.3	4.9	0.1	-0.2	-0.5		p.p.
	<i>Male</i>	1.1	5.2	-0.4	-0.2	-0.3		p.p.
	<i>Female</i>	1.6	4.6	0.6	-0.3	-0.8		p.p.
8. Self employed (as a % of total employment)		6.0	5.9	5.8	5.7	6.0	0.2	p.p.
	<i>Male</i>	8.2	7.9	7.9	7.9	8.4	0.4	p.p.
	<i>Female</i>	3.5	3.8	3.6	3.4	3.4	0.0	p.p.
9. Temporary employment (as a % of total employment)		14.3	14.9	14.9	14.9	15.3	0.4	p.p.
	<i>Male</i>	12.1	12.5	12.4	12.5	13.3	0.8	p.p.
	<i>Female</i>	16.5	17.3	17.3	17.2	17.3	0.1	p.p.
10. Part time (as a % of total employment)		21.3	19.7	20.0	22.0	22.8	0.8	p.p.
	<i>Male</i>	9.0	9.4	9.8	10.0	10.8	0.9	p.p.
	<i>Female</i>	34.6	30.9	31.1	34.9	35.7	0.8	p.p.
11. Unemployment rate (harmonised: 15-74)		5.6	4.9	4.9	5.6	6.3	0.7	p.p.
	Young (15-24)	9.6	11.7	12.8	13.7	17.1	3.4	p.p.
	Prime age (25-54)	5.0	3.9	4.0	4.8	5.4	0.6	p.p.
	Older (55-64)	5.9	4.7	4.5	4.7	4.8	0.2	p.p.
	<i>Male</i>	5.9	5.2	5.3	6.0	6.5	0.5	p.p.
	Young (15-24)	11.2	12.5	14.0	14.5	17.8	3.3	p.p.
	Prime age (25-54)	5.1	4.2	4.4	5.1	5.6	0.5	p.p.
	Older (55-64)	6.9	5.0	5.2	5.6	5.8	0.3	p.p.
	<i>Female</i>	5.3	4.5	4.6	5.2	6.1	0.9	p.p.
	Young (15-24)	7.9	10.7	11.9	12.6	16.1	3.5	p.p.
	Prime age (25-54)	4.8	3.6	3.7	4.3	5.2	0.8	p.p.
	Older (55-64)	4.4	4.3	3.7	3.8	4.0	0.2	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	30.7	20.8	19.9	17.7	19.3	1.6	p.p.
13. Worked hours (average actual weekly hours)		36.5	36.1	35.9	35.4	35.4	-0.2	%
	<i>Male</i>	39.2	38.8	38.4	37.9	37.9	-0.1	%
	<i>Female</i>	33.3	33.0	32.8	32.4	32.4	-0.2	%
14. Sectoral employment growth								
	Agriculture	3.9	-7.4	-2.4	-1.8	0.1		p.p.
	Building and construction	3.2	6.4	0.8	0.8	-1.2		p.p.
	Services	3.0	2.2	0.9	0.4	-0.2		p.p.
	Manufacturing industry	0.1	1.1	-2.8	-2.8	-1.9		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments Sweden

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	7.5	4.5	2.9	3.0	3.4	4.1	3.8	2.8	3.0
Compensation of employees per hour worked	9.2	6.3	4.6	4.3	4.1	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	4.5	5.2	3.3	4.9	3.7	3.9	3.7	3.2	3.9
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:
Nominal unit labour costs	5.5	5.4	1.1	1.3	-0.6	-0.1	-1.0	-1.2	-0.2
Real unit labour costs deflated by GDP deflator	4.1	3.0	-0.6	-0.8	-1.4	-0.9	-1.7	-1.7	-1.1
Wage and salaries	5.6	3.8	1.1	1.2	3.0	2.7	3.3	2.5	3.6
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	69.2	71.5	71.3	71.0	69.9	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	33.5	33.5	33.5	33.5	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	66.5	66.5	66.5	66.5	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	57.5	57.5	57.5	57.5	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	29.6	29.6	29.6	29.6	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	3.9	3.9	3.9	3.9	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	1.9	-0.8	1.8	1.6	4.0	4.2	4.8	4.0	3.2
Hourly labour productivity	3.5	0.5	3.3	2.8	4.9	:	:	:	:
GDP	4.3	1.0	2.0	1.5	3.5	3.4	4.0	3.7	2.8
ECFIN NAIRU estimate	4.2	4.2	4.2	4.6	4.9	:	:	:	:
Output gap (%)	1.0	-0.5	-0.9	-1.6	-0.3	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	1.3	2.7	2.0	2.3	1.0	0.6	1.2	1.2	1.1
Underlying inflation (exc. energy and unprocessed food)	0.7	1.9	1.7	1.3	0.8	0.8	0.8	0.8	0.8
GDP deflator	1.3	2.3	1.7	2.1	0.8	0.8	0.8	0.5	0.9
Sectoral breakdown of unit labour costs									
Agriculture and fishery	8.9	-15.1	0.3	0.0	1.2	-1.7	0.2	3.0	4.1
Industry excluding construction	5.0	-2.4	-2.4	-1.8	-5.5	-5.1	-6.5	-7.4	-2.7
of which: manufacturing	0.3	8.0	-6.7	-2.8	-6.4	:	:	:	:
Construction	15.5	-2.2	5.0	4.1	0.5	1.2	0.1	-1.6	1.7
Trade, transport and communication	10.9	-5.5	1.9	1.7	-1.1	-0.2	-1.8	-1.0	-0.4
Finance and business services	20.2	0.5	1.7	-2.2	0.8	-0.6	1.9	1.2	0.9
Non-market related services	11.0	-4.9	5.5	4.8	2.4	3.1	2.1	2.6	2.0
Market-related sectors	6.4	6.4	-0.6	-0.7	-2.1	-2.1	-2.5	-2.6	-0.7
Sectoral breakdown of compensation per employee									
Total industries	12.1	-4.6	3.9	3.4	3.4	0.0	0.0	0.0	0.0
Agriculture and fishery	7.2	-4.1	6.1	3.9	1.4	-0.5	3.8	4.5	2.5
Industry excluding construction	13.9	-4.8	4.6	3.0	4.2	4.6	4.5	3.3	4.6
of which: manufacturing	9.3	4.5	1.5	2.6	4.1	:	:	:	:
Construction	12.6	-3.3	3.7	4.0	5.4	6.2	5.0	4.2	5.4
Trade, transport and communication	12.3	-5.7	4.3	3.3	2.4	2.7	2.0	2.1	3.3
Finance and business services	14.1	-3.0	1.2	1.7	2.6	2.8	2.5	1.8	3.2
Non-market related services	11.6	-5.4	5.4	4.9	3.7	4.9	4.4	3.2	2.6
Sectoral breakdown of labour productivity									
Agriculture and fishery	-1.6	12.9	5.8	4.0	0.3	1.3	3.6	1.4	-1.5
Industry excluding construction	8.5	-2.4	7.2	4.9	10.4	10.2	11.8	11.5	7.5
of which: manufacturing	9.1	-3.2	8.8	5.5	11.2	:	:	:	:
Construction	-2.5	-1.1	-1.3	-0.1	4.9	4.9	4.9	5.9	3.7
Trade, transport and communication	1.2	-0.2	2.4	1.6	3.5	2.9	3.8	3.0	3.8
Finance and business services	-5.0	-3.5	-0.5	4.0	1.8	3.4	0.6	0.6	2.2
Non-market related services	0.6	-0.5	-0.1	0.2	1.3	1.7	2.3	0.6	0.7
Market-related sectors	2.1	-1.4	3.1	3.0	5.4	5.6	5.8	5.3	4.6

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons United Kingdom

	2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total) 1 000 pers.	46 418	46 711	46 974	47 214	47 459	0.5	%
2. Population (working age: 15-64)	37 550	37 785	37 991	38 177	38 364	0.5	%
<i>as % of total population</i>	80.9	80.9	80.9	80.9	80.8	0.0	p.p.
3. Labour force (15-64) 1 000 pers.	28 319	28 417	28 574	28 715	28 846	0.5	%
<i>Male</i>	15 349	15 391	15 423	15 503	15 514	0.1	%
<i>Female</i>	12 970	130 25	13 151	13 212	13 332	0.9	%
4. Activity rate (as a % of population 15-64)	75.4	75.2	75.2	75.2	75.2	0.0	p.p.
Young (15-24)	64.8	64.1	63.7	63.0	62.9	- 0.1	p.p.
Prime age (25-54)	83.9	83.6	83.7	83.7	83.7	0.0	p.p.
Older (55-64)	52.9	54.1	55.3	57.2	57.9	0.7	p.p.
<i>Male</i>	82.8	82.6	82.3	82.3	82.0	- 0.3	p.p.
Young (15-24)	67.9	67.9	66.7	66.0	65.4	- 0.7	p.p.
Prime age (25-54)	91.8	91.3	91.3	91.3	91.0	- 0.3	p.p.
Older (55-64)	63.3	64.6	65.3	67.4	68.1	0.7	p.p.
<i>Female</i>	68.2	68.0	68.3	68.3	68.6	0.3	p.p.
Young (15-24)	61.7	60.4	60.7	60.0	60.5	0.4	p.p.
Prime age (25-54)	76.2	76.2	76.4	76.4	76.7	0.3	p.p.
Older (55-64)	42.8	43.9	45.6	47.3	47.9	0.7	p.p.
5. Employment rate (as a % of population 15-64)	71.2	71.4	71.3	71.5	71.6	0.2	p.p.
Young (15-24)	56.6	56.6	56.1	55.3	55.4	0.0	p.p.
Prime age (25-54)	80.2	80.4	80.4	80.6	80.8	0.3	p.p.
Older (55-64)	50.7	52.2	53.4	55.4	56.2	0.8	p.p.
<i>Male</i>	77.8	78.0	77.6	77.7	77.8	0.1	p.p.
Young (15-24)	58.6	58.9	57.6	56.9	56.6	- 0.2	p.p.
Prime age (25-54)	87.5	87.5	87.4	87.6	87.7	0.1	p.p.
Older (55-64)	60.1	61.7	62.6	64.8	65.7	0.9	p.p.
<i>Female</i>	64.7	65.0	65.2	65.3	65.6	0.3	p.p.
Young (15-24)	54.6	54.2	54.5	53.7	54.1	0.3	p.p.
Prime age (25-54)	73.2	73.5	73.7	73.8	74.2	0.4	p.p.
Older (55-64)	41.7	43.0	44.5	46.3	47.0	0.7	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)	26 731	26 982	27 097	27 277	27 485	207	Th.
<i>Male (as a % of total)</i>	53.9	53.9	53.7	53.7	53.6	- 0.1	p.p.
<i>Female (as a % of total)</i>	46.1	46.1	46.3	46.3	46.4	0.1	p.p.
7. Employment growth (%) (National accounts)	1.1	0.8	0.7	0.9	0.9		p.p.
Employment growth (%) (LFS - age 15-64)	- 1.7	0.9	0.4	0.7	0.8		p.p.
<i>Male</i>	- 3.8	0.8	0.1	0.7	0.5		p.p.
<i>Female</i>	1.0	1.1	0.8	0.7	1.0		p.p.
8. Self employed (as a % of total employment)	8.3	8.3	8.6	9.3	9.3	0.1	p.p.
<i>Male</i>	11.1	11.3	11.8	12.6	12.6	0.1	p.p.
<i>Female</i>	5.1	4.9	4.9	5.4	5.5	0.0	p.p.
9. Temporary employment (as a % of total employment)	6.8	6.6	6.2	5.9	5.9	0.0	p.p.
<i>Male</i>	6.0	5.8	5.4	5.2	5.3	0.1	p.p.
<i>Female</i>	7.8	7.4	7.1	6.8	6.4	- 0.4	p.p.
10. Part time (as a % of total employment)	24.6	24.6	24.8	25.1	25.1	0.0	p.p.
<i>Male</i>	8.1	8.3	8.8	9.2	8.9	- 0.3	p.p.
<i>Female</i>	43.9	43.6	43.4	43.5	43.8	0.3	p.p.
11. Unemployment rate (harmonised: 15-74)	5.4	5.0	5.1	4.9	4.7	- 0.2	p.p.
Young (15-24)	12.6	11.8	12.0	12.3	12.0	- 0.2	p.p.
Prime age (25-54)	4.4	3.9	4.0	3.8	3.5	- 0.3	p.p.
Older (55-64)	4.2	3.5	3.4	3.2	2.8	- 0.3	p.p.
<i>Male</i>	5.9	5.5	5.6	5.5	5.1	- 0.4	p.p.
Young (15-24)	13.7	13.2	13.7	13.9	13.3	- 0.5	p.p.
Prime age (25-54)	4.7	4.2	4.3	4.1	3.7	- 0.4	p.p.
Older (55-64)	5.1	4.4	4.2	4.0	3.5	- 0.4	p.p.
<i>Female</i>	4.8	4.4	4.5	4.3	4.2	- 0.1	p.p.
Young (15-24)	11.5	10.2	10.2	10.5	10.6	0.1	p.p.
Prime age (25-54)	3.9	3.5	3.6	3.4	3.2	- 0.1	p.p.
Older (55-64)	2.8	2.1	2.4	2.0	1.9	- 0.1	p.p.
12. Long-term unemployment rate							
<i>(as a % of total unemployment)</i>	26.8	25.4	21.9	21.5	20.4	- 1.1	p.p.
13. Worked hours (average actual weekly hours)	36.3	36.5	36.1	35.9	35.7	- 0.4	%
<i>Male</i>	41.5	41.5	40.9	40.7	40.5	- 0.4	%
<i>Female</i>	29.8	30.0	29.9	29.8	29.9	0.3	%
14. Sectoral employment growth							
Agriculture	- 0.3	- 12.6	- 9.2	- 5.0	:		p.p.
Building and construction	3.0	0.5	- 0.2	3.8	:		p.p.
Services	2.0	2.0	1.9	1.5	:		p.p.
Manufacturing industry	- 3.0	- 3.7	- 4.7	- 3.0	- 3.2		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments

United Kingdom

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	:	:	:	:	:	5.0	4.5	3.4	4.4
Compensation of employees per hour worked	:	:	:	:	:	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	4.3	4.1	3.1	3.4	4.6	6.5	4.2	3.8	4.0
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:
Nominal unit labour costs	:	:	:	:	:	3.2	1.7	1.1	2.3
Real unit labour costs deflated by GDP deflator	:	:	:	:	:	0.5	-0.2	-1.0	0.4
Wage and salaries	4.4	4.6	1.5	1.4	:	2.9	2.7	2.4	:
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	:	:	:	:	:	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	18.0	18.0	18.0	:	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	82.0	82.0	82.0	:	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	69.0	69.0	69.0	:	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	16.0	16.0	16.0	:	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	2.0	2.0	2.0	:	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	:	:	:	:	:	1.8	2.8	2.3	2.0
Hourly labour productivity	:	:	:	:	:	:	:	:	:
GDP	:	:	:	:	:	3.0	3.5	3.1	3.0
ECFIN NAIRU estimate	:	:	:	:	:	:	:	:	:
Output gap (%)	:	:	:	:	:	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	0.8	1.2	1.3	1.4	1.3	1.3	1.4	1.2	1.4
Underlying inflation (exc. energy and unprocessed food)	0.3	1.2	1.5	1.3	1.1	1.1	1.1	1.0	1.0
GDP deflator	:	:	:	:	:	2.7	1.9	2.1	1.9
Sectoral breakdown of unit labour costs									
Agriculture and fishery	5.1	10.7	-12.6	-3.4	:	:	:	:	:
Industry excluding construction	7.7	-0.5	1.6	-3.4	:	:	:	:	:
of which: manufacturing	:	:	:	:	:	:	:	:	:
Construction	19.2	4.4	5.3	-9.1	:	:	:	:	:
Trade, transport and communication	10.4	2.2	0.0	-7.1	:	:	:	:	:
Finance and business services	15.5	2.9	1.8	-8.7	:	:	:	:	:
Non-market related services	11.8	2.1	3.4	-6.2	:	:	:	:	:
Market-related sectors	3.1	3.9	2.3	2.7	:	:	:	:	:
Sectoral breakdown of compensation per employee									
Total industries	14.3	3.2	2.4	-5.2	6.4	0.0	0.0	0.0	0.0
Agriculture and fishery	4.5	15.5	7.6	-0.4	:	9.1	5.9	4.0	:
Industry excluding construction	13.3	2.0	4.0	1.5	:	12.6	8.9	7.8	:
of which: manufacturing	:	:	:	:	:	:	:	:	:
Construction	17.2	5.7	9.4	-9.0	:	-2.4	-0.1	3.0	:
Trade, transport and communication	14.5	3.3	1.8	-5.9	:	4.0	4.2	4.4	:
Finance and business services	17.4	4.4	2.9	-6.2	:	4.1	3.8	3.6	:
Non-market related services	13.3	2.9	3.1	-7.3	:	2.8	2.6	2.5	:
Sectoral breakdown of labour productivity									
Agriculture and fishery	-0.6	4.3	23.1	3.0	-0.8	:	:	:	:
Industry excluding construction	5.2	2.5	2.3	5.0	3.9	:	:	:	:
of which: manufacturing	:	:	:	:	:	:	:	:	:
Construction	-1.6	1.2	3.9	0.1	-0.9	:	:	:	:
Trade, transport and communication	3.7	1.0	1.8	1.4	4.0	:	:	:	:
Finance and business services	1.6	1.5	1.1	2.8	4.5	:	:	:	:
Non-market related services	1.3	0.8	-0.3	-1.2	0.1	:	:	:	:
Market-related sectors	2.9	1.3	1.6	2.3	3.5	:	:	:	:

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

**Work status of persons
European Union (25 countries)**

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	437 112	439 278	442 442	443 953	444 389	0.1	%
2. Population (working age: 15-64)		299 027	300 479	301 985	302 942	302 580	- 0.1	%
	<i>as % of total population</i>	68.4	68.4	68.3	68.2	68.1	- 0.1	p.p.
3. Labour force (15-64)	1 000 pers.	205 330	206 265	208 331	210 065	210 367	0.1	%
	<i>Male</i>	115 501	115 879	116 706	117 293	116 690	- 0.5	%
	<i>Female</i>	89 829	90 386	91 624	92 772	93 677	1.0	%
4. Activity rate (as a % of population 15-64)		68.7	68.6	69.0	69.3	69.5	0.2	p.p.
	Young (15-24)	45.9	45.6	45.4	44.9	44.6	- 0.2	p.p.
	Prime age (25-54)	82.7	82.5	82.9	83.3	83.5	0.2	p.p.
	Older (55-64)	39.4	39.8	41.1	42.9	43.8	0.8	p.p.
	<i>Male</i>	77.4	77.2	77.3	77.5	77.4	- 0.1	p.p.
	Young (15-24)	49.3	49.2	49.1	48.4	48.1	- 0.3	p.p.
	Prime age (25-54)	92.2	91.8	91.8	91.9	91.8	0.0	p.p.
	Older (55-64)	50.5	50.6	52.0	53.7	54.3	0.6	p.p.
	<i>Female</i>	60.0	60.1	60.6	61.2	61.7	0.5	p.p.
	Young (15-24)	42.4	42.0	41.7	41.3	41.1	- 0.1	p.p.
	Prime age (25-54)	73.1	73.2	73.9	74.6	75.2	0.6	p.p.
	Older (55-64)	29.0	29.5	30.8	32.7	33.8	1.0	p.p.
5. Employment rate (as a % of population 15-64)		62.3	62.8	62.9	63.0	63.0	0.0	p.p.
	Young (15-24)	37.6	37.9	37.5	36.8	36.4	- 0.4	p.p.
	Prime age (25-54)	76.0	76.4	76.4	76.5	76.6	0.1	p.p.
	Older (55-64)	36.4	37.1	38.4	40.1	40.7	0.7	p.p.
	<i>Male</i>	71.1	71.3	71.1	70.9	70.6	- 0.2	p.p.
	Young (15-24)	40.8	41.2	40.7	39.7	39.3	- 0.4	p.p.
	Prime age (25-54)	85.9	85.9	85.4	85.2	85.0	- 0.2	p.p.
	Older (55-64)	46.6	47.2	48.6	50.1	50.5	0.4	p.p.
	<i>Female</i>	53.5	54.2	54.7	55.1	55.4	0.3	p.p.
	Young (15-24)	34.3	34.5	34.3	33.8	33.4	- 0.3	p.p.
	Prime age (25-54)	66.0	66.8	67.3	67.8	68.2	0.4	p.p.
	Older (55-64)	26.7	27.6	28.8	30.6	31.4	0.9	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		186 175	188 065	189 053	190 026	191 230	1 203	Th.
	<i>Male (as a % of total)</i>	57.0	56.6	56.3	56.1	55.9	- 0.2	p.p.
	<i>Female (as a % of total)</i>	43.0	43.4	43.7	43.9	44.1	0.2	p.p.
7. Employment growth (%) (National accounts)		1.5	1.0	0.3	0.2	0.5		p.p.
Employment growth (%) (LFS - age 15-64)		:	1.0	0.5	0.5	0.6		p.p.
	<i>Male</i>	:	0.4	0.1	0.1	0.2		p.p.
	<i>Female</i>	:	1.9	1.1	1.1	1.2		p.p.
8. Self employed (as a % of total employment)		9.0	9.0	9.0	9.1	9.8	0.8	p.p.
	<i>Male</i>	10.8	10.8	10.9	11.1	12.0	0.9	p.p.
	<i>Female</i>	6.5	6.6	6.5	6.5	7.2	0.6	p.p.
9. Temporary employment (as a % of total employment)		12.5	12.8	12.7	12.7	13.3	0.6	p.p.
	<i>Male</i>	11.8	12.0	11.9	12.0	12.7	0.7	p.p.
	<i>Female</i>	13.3	13.7	13.7	13.6	14.1	0.5	p.p.
10. Part time (as a % of total employment)		:	:	16.1	16.5	:	:	p.p.
	<i>Male</i>	:	:	5.9	6.0	:	:	p.p.
	<i>Female</i>	:	:	29.3	29.9	:	:	p.p.
11. Unemployment rate (harmonised: 15-74)		8.6	8.4	8.7	8.9	9.0	0.1	p.p.
	Young (15-24)	18.1	17.0	17.5	18.1	18.5	0.4	p.p.
	Prime age (25-54)	8.1	7.5	7.9	8.1	8.3	0.2	p.p.
	Older (55-64)	7.7	6.7	6.4	6.7	7.0	0.3	p.p.
	<i>Male</i>	7.3	7.3	7.7	8.0	8.0	0.0	p.p.
	Young (15-24)	17.2	16.3	17.1	18.1	18.4	0.3	p.p.
	Prime age (25-54)	6.8	6.4	7.0	7.3	7.5	0.2	p.p.
	Older (55-64)	7.6	6.7	6.5	6.7	7.0	0.3	p.p.
	<i>Female</i>	10.2	9.8	10.0	10.1	10.2	0.1	p.p.
	Young (15-24)	19.1	17.7	17.8	18.1	18.7	0.6	p.p.
	Prime age (25-54)	9.7	8.8	9.0	9.1	9.3	0.2	p.p.
	Older (55-64)	7.8	6.6	6.3	6.6	6.9	0.3	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	:	:	44.0	44.7	44.2	- 0.5	p.p.
13. Worked hours (average actual weekly hours)		38.2	38.0	37.4	37.4	37.4	0.0	%
	<i>Male</i>	41.5	41.2	40.6	40.6	40.8	0.5	%
	<i>Female</i>	33.7	33.5	33.2	33.1	33.0	- 0.3	%
14. Sectoral employment growth								
	Agriculture	:	:	:	:	:		p.p.
	Building and construction	:	:	:	:	:		p.p.
	Services	:	:	:	:	:		p.p.
	Manufacturing industry	- 0.5	:	:	:	:		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments European Union (25 countries)

	Annual % change									
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4	
Different measures of wage/labour costs:										
Compensation per employee	4.2	4.1	3.2	3.0	3.0	3.6	5.1	4.2	0.1	
Compensation of employees per hour worked	5.3	4.9	4.2	3.4	3.5	:	:	:	:	
Hourly labour costs (Eurostat labour cost index)	:	:	:	:	:	3.4	3.2	3.0	3.2	
Negotiated wages (euro area only)										
Nominal unit labour costs	2.1	3.2	2.3	2.0	1.0	1.7	2.6	2.5	-1.3	
Real unit labour costs deflated by GDP deflator	0.2	0.6	-0.4	-0.3	-1.1	-1.1	-1.9	-1.7	0.8	
Wage and salaries	:	:	:	:	:	:	:	:	:	
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:	
Adjusted wage share (% of GDP at current market prices)	69.1	69.2	68.9	68.7	:	:	:	:	:	
Structure of labour costs										
Share of indirect costs in total labour costs	:	:	:	:	:	:	:	:	:	
Total wage (as a % of total labour costs) ANNUAL	:	:	:	:	:	:	:	:	:	
Direct remuneration and bonuses (as a % of total labour costs)	:	:	:	:	:	:	:	:	:	
Employers' social security contributions (as a % of total labour costs)	:	:	:	:	:	:	:	:	:	
Other indirect costs (as a % of total labour costs)	:	:	:	:	:	:	:	:	:	
Memo items: determinants or benchmarks according to which wage developments can be assessed										
Labour productivity (GDP/person employed)	2.1	0.9	0.9	0.9	1.9	1.9	2.5	1.6	1.5	
Hourly labour productivity	2.9	1.4	1.7	1.4	2.7	:	:	:	:	
GDP	3.6	1.8	1.2	1.2	2.5	2.3	2.9	2.1	2.1	
ECFIN NAIRU estimate	8.6	8.6	8.6	8.6	8.5	:	:	:	:	
Output gap (%)	1.6	1.1	0.1	-1.1	-0.8	:	:	:	:	
Headline inflation (harmonised consumer price index 1996=100)	2.5	2.5	2.1	2.0	2.2	1.7	2.3	2.3	2.3	
Underlying inflation (exc. energy and unprocessed food)	1.3	2.1	2.3	1.8	2.0	1.9	2.0	2.0	1.9	
GDP deflator	1.9	2.6	2.7	2.3	2.1	2.8	4.6	4.3	-2.1	
Sectoral breakdown of unit labour costs										
Agriculture and fishery	4.7	7.4	0.5	-10.9	-3.9	5.1	10.5	15.4	:	
Industry excluding construction	2.1	1.2	0.7	0.1	-0.5	0.2	-1.1	-0.6	-1.3	
of which: manufacturing	:	:	:	:	:	:	:	:	:	
Construction	4.9	3.2	3.3	1.0	2.4	3.5	4.6	6.8	-5.2	
Trade, transport and communication	3.5	1.5	1.2	0.1	1.1	0.8	1.2	2.1	-1.8	
Finance and business services	7.3	3.4	3.0	-1.1	1.7	2.1	3.2	4.5	-0.7	
Non-market related services	4.6	1.9	3.6	0.4	2.7	2.4	3.8	2.0	:	
Market-related sectors	3.6	2.2	1.5	-1.3	:	0.9	1.3	2.5	:	
Sectoral breakdown of compensation per employee										
Total industries	6.0	2.6	3.0	0.8	3.1	:	:	:	:	
Agriculture and fishery	6.0	4.6	2.5	2.4	2.6	15.7	18.8	21.4	:	
Industry excluding construction	6.1	2.5	2.5	2.1	3.6	4.8	4.7	4.0	1.5	
of which: manufacturing	:	:	:	:	:	:	:	:	:	
Construction	5.6	3.4	3.6	0.8	2.0	4.2	5.2	5.8	-5.2	
Trade, transport and communication	6.3	2.9	2.3	0.6	3.0	2.8	4.3	4.4	0.6	
Finance and business services	6.8	3.1	2.5	-0.2	2.6	2.7	4.4	4.1	-0.6	
Non-market related services	5.1	1.8	4.3	0.5	3.3	2.9	5.0	2.5	:	
Sectoral breakdown of labour productivity										
Agriculture and fishery	1.3	-2.6	2.0	14.9	6.7	10.1	7.6	5.2	2.5	
Industry excluding construction	3.9	1.3	1.8	2.0	4.1	4.6	5.9	4.7	2.8	
of which: manufacturing	:	:	:	:	:	:	:	:	:	
Construction	0.7	0.1	0.3	-0.2	-0.5	0.7	0.6	-0.9	-0.1	
Trade, transport and communication	2.7	1.4	1.1	0.6	1.9	2.0	3.0	2.2	2.4	
Finance and business services	-0.5	-0.3	-0.5	0.9	0.9	0.6	1.2	-0.4	0.1	
Non-market related services	0.4	-0.1	0.6	0.1	0.6	0.5	1.1	0.4	0.4	
Market-related sectors	2.4	0.9	1.0	2.3	2.3	2.8	3.4	2.0	1.6	

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

**Work status of persons
European Union (15 countries)**

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	371 460	373 313	375 636	377 211	377 591	0.1	%
2. Population (working age: 15-64)		248 884	249 938	251 236	252 234	251 677	- 0.2	%
	<i>as % of total population</i>	67.0	67.0	66.9	66.9	66.7	- 0.2	p.p.
3. Labour force (15-64)	1 000 pers.	171 934	172 677	174 921	176 805	177 118	0.2	%
	<i>Male</i>	97 472	97 780	98 640	99 333	98 649	- 0.7	%
	<i>Female</i>	74 463	74 897	76 281	77 472	78 469	1.3	%
4. Activity rate (as a % of population 15-64)		69.1	69.1	69.6	70.1	70.4	0.3	p.p.
	Young (15-24)	47.6	47.2	47.5	47.1	47.2	0.0	p.p.
	Prime age (25-54)	82.5	82.4	82.8	83.3	83.6	0.3	p.p.
	Older (55-64)	40.6	41.0	42.4	44.4	45.3	1.0	p.p.
	<i>Male</i>	78.3	78.1	78.3	78.6	78.5	- 0.1	p.p.
	Young (15-24)	51.0	50.7	51.1	50.5	50.5	0.0	p.p.
	Prime age (25-54)	92.7	92.4	92.4	92.5	92.3	- 0.1	p.p.
	Older (55-64)	51.5	51.6	53.1	55.0	55.7	0.7	p.p.
	<i>Female</i>	59.9	60.0	60.9	61.6	62.3	0.7	p.p.
	Young (15-24)	44.1	43.5	43.8	43.6	43.8	0.2	p.p.
	Prime age (25-54)	72.2	72.3	73.2	74.0	74.8	0.8	p.p.
	Older (55-64)	30.2	30.8	32.2	34.1	35.3	1.2	p.p.
5. Employment rate (as a % of population 15-64)		63.2	64.0	64.2	64.4	64.5	0.1	p.p.
	Young (15-24)	39.9	40.5	40.5	39.8	39.5	- 0.3	p.p.
	Prime age (25-54)	76.4	77.1	77.2	77.3	77.4	0.1	p.p.
	Older (55-64)	37.5	38.4	39.8	41.5	42.3	0.7	p.p.
	<i>Male</i>	72.5	73.1	72.9	72.7	72.4	- 0.3	p.p.
	Young (15-24)	43.3	44.0	43.8	42.6	42.4	- 0.3	p.p.
	Prime age (25-54)	87.1	87.3	86.9	86.5	86.2	- 0.3	p.p.
	Older (55-64)	47.6	48.3	49.8	51.4	52.0	0.6	p.p.
	<i>Female</i>	53.9	54.9	55.6	56.1	56.5	0.5	p.p.
	Young (15-24)	36.5	37.0	37.2	36.9	36.6	- 0.3	p.p.
	Prime age (25-54)	65.7	66.7	67.4	67.9	68.5	0.6	p.p.
	Older (55-64)	27.8	28.8	30.2	32.0	32.9	0.9	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		157 398	159 443	160 690	161 698	162 686	988	Th.
	<i>Male (as a % of total)</i>	57.4	57.0	56.7	56.4	56.1	- 0.3	p.p.
	<i>Female (as a % of total)</i>	42.6	43.0	43.3	43.6	43.9	0.3	p.p.
7. Employment growth (%) (National accounts)		2.0	1.3	0.5	0.3	0.7		p.p.
Employment growth (%) (LFS - age 15-64)		2.0	1.3	0.8	0.6	0.6		p.p.
	<i>Male</i>	1.6	0.6	0.2	0.1	0.0		p.p.
	<i>Female</i>	2.7	2.3	1.5	1.3	1.4		p.p.
8. Self employed (as a % of total employment)		8.2	8.2	8.2	8.3	9.3	1.0	p.p.
	<i>Male</i>	9.9	10.0	10.1	10.2	11.3	1.1	p.p.
	<i>Female</i>	5.8	5.8	5.8	5.9	6.7	0.8	p.p.
9. Temporary employment (as a % of total employment)		13.6	13.4	13.0	12.7	13.1	0.4	p.p.
	<i>Male</i>	12.7	12.4	12.0	11.8	12.3	0.5	p.p.
	<i>Female</i>	14.7	14.6	14.3	13.9	14.1	0.2	p.p.
10. Part time (as a % of total employment)		17.4	17.6	17.7	18.1	:	:	p.p.
	<i>Male</i>	5.7	5.8	6.0	6.2	:	:	p.p.
	<i>Female</i>	33.2	33.2	33.0	33.6	:	:	p.p.
11. Unemployment rate (harmonised: 15-74)		7.6	7.2	7.6	7.9	8.0	0.1	p.p.
	Young (15-24)	16.1	14.1	14.7	15.5	16.2	0.6	p.p.
	Prime age (25-54)	7.3	6.4	6.8	7.2	7.4	0.2	p.p.
	Older (55-64)	7.6	6.5	6.2	6.5	6.8	0.3	p.p.
	<i>Male</i>	6.4	6.1	6.6	7.0	7.1	0.1	p.p.
	Young (15-24)	15.1	13.3	14.3	15.6	16.0	0.4	p.p.
	Prime age (25-54)	6.1	5.4	6.0	6.4	6.6	0.2	p.p.
	Older (55-64)	7.5	6.4	6.2	6.6	6.8	0.2	p.p.
	<i>Female</i>	9.3	8.7	8.9	9.2	9.2	0.0	p.p.
	Young (15-24)	17.2	14.9	15.1	15.4	16.4	0.9	p.p.
	Prime age (25-54)	9.0	7.7	8.0	8.2	8.4	0.1	p.p.
	Older (55-64)	7.8	6.5	6.3	6.3	6.8	0.5	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	:	:	40.1	41.5	41.1	- 0.4	p.p.
13. Worked hours (average actual weekly hours)		37.6	37.5	36.8	36.8	36.8	0.0	%
	<i>Male</i>	41.2	41.1	40.2	40.3	40.5	0.5	%
	<i>Female</i>	32.7	32.6	32.1	32.1	32.0	- 0.3	%
14. Sectoral employment growth								
	Agriculture	- 2.0	- 1.5	- 2.2	:	:		p.p.
	Building and construction	2.3	0.7	- 0.5	:	:		p.p.
	Services	2.8	1.9	1.4	:	:		p.p.
	Manufacturing industry	0.2	- 0.1	- 1.8	- 2.0	- 1.7		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments European Union (15 countries)

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	3.5	3.4	3.0	2.9	2.6	2.9	4.0	2.9	2.5
Compensation of employees per hour worked	4.7	3.9	3.9	3.1	3.2	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	4.1	4.0	3.6	3.0	3.1	3.3	3.0	2.9	3.1
Negotiated wages (euro area only)	:	:	:	:	:	:	:	:	:
Nominal unit labour costs	1.8	2.9	2.4	2.3	1.0	1.2	1.7	1.4	1.1
Real unit labour costs deflated by GDP deflator	0.3	0.5	-0.2	0.0	-1.0	-0.6	-1.3	-1.2	-0.7
Wage and salaries	:	:	:	:	:	:	:	:	:
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	68.7	68.8	68.6	68.5	67.9	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	:	:	:	:	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	:	:	:	:	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	:	:	:	:	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	:	:	:	:	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	:	:	:	:	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	1.6	0.5	0.6	0.6	1.6	1.7	2.3	1.4	1.3
Hourly labour productivity	2.5	0.8	1.4	0.9	2.3	:	:	:	:
GDP	3.6	1.8	1.1	0.9	2.3	2.2	2.8	2.0	2.0
ECFIN NAIRU estimate	8.1	7.8	7.7	7.6	7.5	:	:	:	:
Output gap (%)	1.7	1.1	0.2	-1.0	-0.8	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	1.9	2.2	2.1	2.0	2.0	1.6	2.1	2.0	2.1
Underlying inflation (exc. energy and unprocessed food)	0.9	1.9	2.3	1.8	1.8	1.8	1.9	1.9	1.8
GDP deflator	1.5	2.4	2.6	2.3	2.0	1.8	3.1	2.6	1.8
Sectoral breakdown of unit labour costs									
Agriculture and fishery	2.9	2.6	0.5	3.6	-5.0	-2.7	-4.9	-5.4	-3.4
Industry excluding construction	2.0	0.9	0.9	0.5	-0.4	0.0	-1.6	-1.4	0.5
of which: manufacturing	-0.6	2.4	1.2	1.0	:	:	:	:	:
Construction	4.6	3.2	3.9	1.0	2.2	1.1	1.8	3.6	2.2
Trade, transport and communication	3.3	1.6	1.5	0.1	1.1	0.3	0.6	1.3	0.1
Finance and business services	7.1	3.3	2.9	-1.1	1.7	1.5	2.4	3.3	1.6
Non-market related services	4.5	2.4	2.8	0.7	2.7	2.0	3.1	1.1	:
Market-related sectors	3.4	1.9	1.7	0.1	0.8	0.6	0.3	1.0	0.7
Sectoral breakdown of compensation per employee									
Total industries	5.2	2.5	2.6	0.9	2.9	:	:	:	:
Agriculture and fishery	4.3	2.3	2.9	2.0	0.6	1.0	1.1	1.6	2.3
Industry excluding construction	4.9	2.0	2.6	2.4	3.6	4.5	4.3	3.2	3.1
of which: manufacturing	3.8	2.9	2.8	3.3	:	:	:	:	:
Construction	4.5	2.7	3.3	0.7	2.2	1.4	2.1	2.8	2.6
Trade, transport and communication	5.6	2.6	2.3	0.6	2.8	2.1	3.3	3.3	2.4
Finance and business services	6.3	2.9	2.5	0.0	2.5	2.0	3.4	2.8	1.6
Non-market related services	4.7	2.6	3.1	0.6	3.1	2.4	4.1	1.5	:
Sectoral breakdown of labour productivity									
Agriculture and fishery	1.3	-0.2	2.4	-1.6	5.9	3.8	6.3	7.4	5.9
Industry excluding construction	2.9	1.1	1.7	1.9	3.9	4.5	6.0	4.6	2.6
of which: manufacturing	4.4	0.5	1.5	2.2	:	:	:	:	:
Construction	-0.1	-0.5	-0.6	-0.3	-0.1	0.3	0.3	-0.8	0.3
Trade, transport and communication	2.3	0.9	0.8	0.5	1.7	1.7	2.7	2.0	2.4
Finance and business services	-0.7	-0.4	-0.4	1.1	0.8	0.4	1.0	-0.6	0.0
Non-market related services	0.2	0.2	0.3	-0.1	0.4	0.4	1.0	0.4	0.4
Market-related sectors	1.7	0.7	0.7	1.0	2.1	2.1	3.1	1.9	1.7

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

Work status of persons Euro area

		2000	2001	2002	2003	2004 ⁽¹⁾	Changes 2003-04 ⁽¹⁾	in
1. Population (total)	1 000 pers.	288 252	300 291	302 362	303 681	304 968	0.4	%
2. Population (working age: 15-64)		194 137	201 956	202 977	203 652	203 946	0.1	%
	<i>as % of total population</i>	67.3	67.3	67.1	67.1	66.9	- 0.2	p.p.
3. Labour force (15-64)	1 000 pers.	131 263	136 289	138 253	139 905	140 996	0.8	%
	<i>Male</i>	74 916	77 848	78 619	79 133	79 337	0.3	%
	<i>Female</i>	56 347	58 441	59 634	60 772	61 659	1.5	%
4. Activity rate (as a % of population 15-64)		67.6	67.5	68.1	68.7	69.1	0.4	p.p.
	Young (15-24)	44.6	43.9	44.1	43.9	44.0	0.1	p.p.
	Prime age (25-54)	82.0	81.8	82.4	82.9	83.3	0.4	p.p.
	Older (55-64)	37.2	37.5	38.8	40.6	41.6	1.0	p.p.
	<i>Male</i>	77.2	77.1	77.4	77.7	77.8	0.1	p.p.
	Young (15-24)	48.0	47.5	47.9	47.4	47.6	0.2	p.p.
	Prime age (25-54)	92.9	92.6	92.7	92.7	92.6	- 0.1	p.p.
	Older (55-64)	48.2	48.4	49.8	51.5	52.3	0.8	p.p.
	<i>Female</i>	58.0	57.9	58.8	59.7	60.5	0.8	p.p.
	Young (15-24)	41.1	40.2	40.3	40.2	40.2	0.0	p.p.
	Prime age (25-54)	71.1	70.9	72.0	73.0	73.9	0.9	p.p.
	Older (55-64)	26.8	27.0	28.2	30.1	31.3	1.2	p.p.
5. Employment rate (as a % of population 15-64)		61.4	62.0	62.4	62.5	62.7	0.2	p.p.
	Young (15-24)	36.9	37.2	37.1	36.5	36.1	- 0.3	p.p.
	Prime age (25-54)	75.5	76.0	76.2	76.3	76.5	0.2	p.p.
	Older (55-64)	34.0	34.7	36.1	37.5	38.3	0.7	p.p.
	<i>Male</i>	71.4	71.8	71.8	71.5	71.3	- 0.2	p.p.
	Young (15-24)	40.5	40.9	40.7	39.7	39.4	- 0.2	p.p.
	Prime age (25-54)	87.0	87.3	86.8	86.3	86.0	- 0.4	p.p.
	Older (55-64)	44.2	45.0	46.5	47.8	48.4	0.6	p.p.
	<i>Female</i>	51.5	52.2	52.9	53.6	54.2	0.6	p.p.
	Young (15-24)	33.3	33.4	33.3	33.2	32.8	- 0.5	p.p.
	Prime age (25-54)	63.9	64.7	65.5	66.1	66.9	0.8	p.p.
	Older (55-64)	24.2	24.8	26.0	27.7	28.6	0.9	p.p.
6. Employed persons (age 15-64 — 1 000 pers.)		119 244	125 270	126 558	127 354	127 917	563	Th.
	<i>Male (as a % of total)</i>	58.0	57.9	57.6	57.2	56.8	- 0.3	p.p.
	<i>Female (as a % of total)</i>	42.0	42.1	42.4	42.8	43.2	0.3	p.p.
7. Employment growth (%) (National accounts)		2.2	1.4	0.5	0.2	0.6		p.p.
Employment growth (%) (LFS - age 15-64)		2.2	5.1	1.0	0.6	0.4		p.p.
	<i>Male</i>	1.6	4.8	0.4	- 0.1	- 0.1		p.p.
	<i>Female</i>	3.0	5.4	1.9	1.6	1.2		p.p.
8. Self employed (as a % of total employment)		7.8	8.3	8.3	8.3	9.6	1.2	p.p.
	<i>Male</i>	9.3	9.9	9.9	10.0	11.3	1.4	p.p.
	<i>Female</i>	5.8	6.2	6.1	6.2	7.2	1.0	p.p.
9. Temporary employment (as a % of total employment)		15.3	15.0	14.7	14.4	14.8	0.4	p.p.
	<i>Male</i>	14.4	14.0	13.6	13.3	13.8	0.5	p.p.
	<i>Female</i>	16.5	16.3	16.1	15.6	16.0	0.4	p.p.
10. Part time (as a % of total employment)		16.1	16.0	16.1	16.5	:	:	p.p.
	<i>Male</i>	5.2	5.1	5.3	5.4	:	:	p.p.
	<i>Female</i>	31.2	31.0	30.7	31.2	:	:	p.p.
11. Unemployment rate (harmonised: 15-74)		8.1	7.8	8.2	8.7	8.8	0.1	p.p.
	Young (15-24)	17.1	15.3	16.0	16.8	17.8	0.9	p.p.
	Prime age (25-54)	8.0	7.1	7.5	8.0	8.2	0.2	p.p.
	Older (55-64)	8.8	7.5	7.1	7.5	7.9	0.4	p.p.
	<i>Male</i>	6.5	6.3	6.8	7.3	7.5	0.2	p.p.
	Young (15-24)	15.6	13.9	14.9	16.4	17.2	0.8	p.p.
	Prime age (25-54)	6.4	5.8	6.3	6.9	7.2	0.3	p.p.
	Older (55-64)	8.3	7.1	6.7	7.3	7.6	0.3	p.p.
	<i>Female</i>	10.3	9.9	10.1	10.4	10.5	0.1	p.p.
	Young (15-24)	19.0	17.0	17.2	17.4	18.5	1.1	p.p.
	Prime age (25-54)	10.1	8.8	9.0	9.4	9.5	0.1	p.p.
	Older (55-64)	9.7	8.2	7.7	7.9	8.5	0.6	p.p.
12. Long-term unemployment rate								
	<i>(as a % of total unemployment)</i>	:	:	43.0	44.5	43.9	- 0.6	p.p.
13. Worked hours (average actual weekly hours)		38.0	37.9	37.1	37.2	37.2	0.0	%
	<i>Male</i>	41.2	41.2	40.2	40.5	40.7	0.5	%
	<i>Female</i>	33.3	33.3	32.7	32.8	32.6	- 0.6	%
14. Sectoral employment growth								
	Agriculture	- 2.2	- 0.9	- 1.9	:	:		p.p.
	Building and construction	2.2	0.6	- 0.5	:	:		p.p.
	Services	3.0	1.9	1.3	:	:		p.p.
	Manufacturing industry	0.8	0.5	- 1.3	- 1.9	- 1.5		p.p.

⁽¹⁾ 2004: preliminary figures.

Source: Eurostat, labour force survey.

Indicator board on wage developments

Euro area

	Annual % change								
	2000	2001	2002	2003	2004	04-Q1	04-Q2	04-Q3	04-Q4
Different measures of wage/labour costs:									
Compensation per employee	2.8	2.9	2.7	2.5	2.2	2.7	2.5	1.5	1.8
Compensation of employees per hour worked	4.0	3.6	3.8	2.7	2.8	:	:	:	:
Hourly labour costs (Eurostat labour cost index)	4.0	3.9	3.7	2.9	2.6	2.7	2.4	2.5	2.8
Negotiated wages (euro area only)	2.2	2.6	2.7	2.4	2.2	2.3	2.2	2.0	2.1
Nominal unit labour costs	1.4	2.6	2.3	2.1	0.8	1.1	0.4	0.4	0.7
Real unit labour costs deflated by GDP deflator	-0.1	0.1	-0.2	-0.1	-1.2	-0.8	-1.8	-1.5	-1.0
Wage and salaries	:	:	:	:	:	:	:	:	:
Compensation per employee adjusted by total factor productivity	:	:	:	:	:	:	:	:	:
Adjusted wage share (% of GDP at current market prices)	67.3	67.2	67.0	67.0	66.3	:	:	:	:
Structure of labour costs									
Share of indirect costs in total labour costs	:	:	:	:	:	:	:	:	:
Total wage (as a % of total labour costs) ANNUAL	:	:	:	:	:	:	:	:	:
Direct remuneration and bonuses (as a % of total labour costs)	:	:	:	:	:	:	:	:	:
Employers' social security contributions (as a % of total labour costs)	:	:	:	:	:	:	:	:	:
Other indirect costs (as a % of total labour costs)	:	:	:	:	:	:	:	:	:
Memo items: determinants or benchmarks according to which wage developments can be assessed									
Labour productivity (GDP/person employed)	1.3	0.3	0.4	0.4	1.4	1.6	2.1	1.1	1.1
Hourly labour productivity	2.2	0.8	1.3	0.6	2.1	:	:	:	:
GDP	3.5	1.7	0.9	0.6	2.0	2.0	2.6	1.8	1.8
ECFIN NAIRU estimate	8.7	8.5	8.5	8.4	8.3	:	:	:	:
Output gap (%)	1.7	1.3	0.2	-1.1	-0.9	:	:	:	:
Headline inflation (harmonised consumer price index 1996=100)	2.1	2.3	2.3	2.1	2.1	1.7	2.3	2.2	2.3
Underlying inflation (exc. energy and unprocessed food)	1.0	1.9	2.5	2.0	2.0	2.0	2.1	2.1	1.9
GDP deflator	1.6	2.5	2.6	2.1	2.0	1.9	2.2	1.9	1.7
Sectoral breakdown of unit labour costs									
Agriculture and fishery	2.9	5.4	1.5	4.6	-6.3	-3.2	-6.1	-7.0	-4.5
Industry excluding construction	0.8	1.9	1.2	1.4	-1.6	-0.9	-3.5	-2.9	-0.4
of which: manufacturing	-0.5	2.5	1.2	0.5	:	:	:	:	:
Construction	1.9	2.6	3.4	2.9	2.0	1.2	0.7	3.6	2.2
Trade, transport and communication	1.3	1.9	1.8	2.0	0.7	0.3	-0.9	0.5	0.0
Finance and business services	4.1	3.0	3.2	1.1	1.4	2.2	1.5	2.8	1.5
Non-market related services	2.5	3.1	2.7	2.1	2.1	2.0	2.1	0.1	:
Market-related sectors	1.3	3.6	1.9	1.7	0.1	0.4	-1.1	0.1	0.3
Sectoral breakdown of compensation per employee									
Total industries	2.8	1.8	2.6	2.3	2.0	:	:	:	:
Agriculture and fishery	4.2	-0.3	2.7	2.2	-0.1	1.6	0.5	0.2	1.6
Industry excluding construction	3.0	1.4	2.6	2.8	2.0	3.3	2.2	1.6	2.1
of which: manufacturing	3.5	2.8	2.6	2.4	:	:	:	:	:
Construction	2.1	1.1	2.2	2.5	1.9	2.4	1.4	1.8	2.1
Trade, transport and communication	3.1	2.0	2.5	2.3	1.8	1.9	1.4	2.0	1.8
Finance and business services	2.9	1.9	2.5	1.9	1.4	1.7	1.6	1.4	0.8
Non-market related services	2.5	2.2	3.1	2.2	2.6	2.5	3.2	0.6	:
Sectoral breakdown of labour productivity									
Agriculture and fishery	1.3	-5.4	1.2	-2.3	6.6	5.0	7.0	7.7	6.3
Industry excluding construction	2.2	-0.5	1.4	1.3	3.7	4.3	5.9	4.6	2.5
of which: manufacturing	4.0	0.3	1.4	1.9	:	:	:	:	:
Construction	0.2	-1.5	-1.1	-0.4	-0.2	1.2	0.6	-1.8	-0.1
Trade, transport and communication	1.7	0.1	0.6	0.3	1.2	1.6	2.3	1.5	1.8
Finance and business services	-1.2	-1.1	-0.7	0.7	0.1	-0.5	0.1	-1.4	-0.7
Non-market related services	0.0	-0.9	0.5	0.1	0.5	0.5	1.1	0.5	0.5
Market-related sectors	1.3	-0.9	0.5	0.7	1.7	1.9	2.8	1.5	1.3

NB: available on an annual basis only.

Source: AMECO, Eurostat-National Account, ECB.

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