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EMPLOYMENT RATE IN THE EUROPEAN UNION MEMBER STATES IN THE PERIOD 1998 – 2007

Abstract

A strategy, referred to as the most important socio-economic EU programme, was launched in March 2000 (on 23-24 March to be more precise) during the session of the European Council in Lisbon. The main objective was to make the European Union one of the most competitive economy in the world by the year 2010. The economy that would be competitive, dynamic, knowledge-based, capable of sustainable development, with greater number of better jobs (Bernat, Korpysa, Włodarczyk-Śpiewak, Zwiech 2005).

Taken major priorities of the Lisbon Strategy (to be met by 2010) concerning the labour market into account, the following objectives have been mentioned: necessity to increase employment rate in EU Member States and particularly to achieve female employment rate amounting to 60% as well as employment rate among people aged 55-64 amounting to 50%.

The present chapter is aimed at analyzing employment rate in particular EU Member States reported during last 10 years as well as stating if objectives established as a part of the Lisbon Strategy are going to be achieved. At the same time, in order to present a situation in a more thorough way, indicators describing employment in particular EU Member States will be presented in comparison with Norway, Switzerland, the USA and Japan.

Key words: employment, the European Union

Introduction

Employment policy pursued in the European Union is relatively new. The EU started its coordination in November 1997 during Luxembourg Summit. It was then that the Amsterdam Treaty, which laid foundations for European Employment Strategy (EES), was approved. Due to the fact that the problem of unemployment in EU Member States (17 million people out of employment at that time) has been getting stronger, the aforementioned strategy has been given high priority. European Employment Strategy was aimed at combining economic growth in the EU with the creation of new jobs, as well as establishing the objectives to be met due to international cooperation among EU Member States in order to reduce unemployment, poverty and social marginalization.

During another EU summits in Cardiff (June 1998) and Cologne (June 1999), common strategy in the scope of employment was developed and consolidated. In Cardiff, the European Council paid special attention to the importance of sustainable economic growth in the creation of favourable situation on the labour market. Hence, it was decided that coordinated employment strategy and wide-ranging macroeconomic reforms should be enhanced. It was stated that improving the competitiveness of economies in EU Member States as well as making the functioning of common market of goods, services and capital more effective were of profound importance. Furthermore, making the economy at domestic

and EU levels less bureaucratic to as great extent as possible was another objective established in order to reduce burdens imposed on small firms offering a number of jobs and make it easier to establish new firms. Actions stemming from such an approach are referred to as The Cardiff Process.

On the other hand, during the EU summit in Cologne European Employment Pact was made to create a common ground for dialogue among all the parties involved in the formulation and carrying out of macroeconomic policy, with the idea of boosting economic growth and creating new jobs. The Pact paid special attention to the following aspects:

- need for a diverse and balanced macroeconomic policy including: financial policy that must involve stability discipline resulting from Economic and Currency Union and at the same time allocate public funds for investments and creation of competitive jobs;
- maintaining the pay increase in appropriate proportion to efficiency increase;
- monetary policy oriented to the price stability.

Furthermore, necessity to hold a close dialogue between social partners and authorities about issues relating to fiscal policy and financial policy was also highlighted. Actions taken on the basis of these assumptions are referred to as The Cologne Process.

Concept of employment policy

European Employment Strategy is grounded on the following four pillars (Europejska Polityka Zatrudnienia, <http://www.mps.gov.pl/indextxt.php?gid=444>):

1. **Ability to gain employment** – refers to efforts made by the unemployed to regain employment and also to the promotion of labour market as open to everyone. This pillar is aimed at preventing long-term unemployment through supporting continuing education, training programmes and retraining, developing advisory programmes, help in adjusting educational programmes to changing needs of the labour market.
2. **Entrepreneurship** – refers to making it easier for EU citizens to set up and manage firms as well as employ other people. Issues relating to the creation of new jobs as well as motivating people to take up self-employment are particularly stressed in this case.
3. **Adjustment ability demonstrated by employees and employers** – is aimed at promoting the modernization of labour organization, making working hours more flexible, taking up various forms of employment, updating employment contracts, keeping adjustment abilities of enterprises via training.
4. **Equal opportunities** – aimed at looking for ways to combine professional life and personal life and making efforts to solve the problem of employment inequality between women and men. It is all about making it easier to enter the labour market after a long break and also creating labour conditions for the disabled.

The concept of four pillars of employment policy, on which the European Commission had based its first guidelines on employment for the year 1998, turned out to be generally right. Particular pillars are being completed and developed over the course of time. Each pillar has proper tools for pursuing the policy established.

What is more, European Union also relies on Employment Policy Guidelines approved by the European Council for the Member States (Council's decision 2003/578/EC). These guidelines have established the following three main objectives (DzUWE nr L 197/13 dated August 5, 2003):

1. full employment,
2. improvement in the quality and output of work,
3. enhancing social cohesion and integration, and to be more precise:

- active and preventive actions in favour of unemployed and professionally passive,
- creation of jobs and entrepreneurship,
- promotion of adaptability and mobility in labour market,
- promotion of human capital development and continuing education,
- increase in labour supply and promotion of active ageing,
- policy of equal opportunities for women and men,
- supporting the integration and fighting the discrimination of persons whose situation in labour market is unfavourable,
- development of financial incentives to encourage people to take up employment,
- reducing grey area of employment,
- reducing regional differences as far as employment is concerned.

All the aforementioned actions were supposed to lead to achieving all the objectives established as a part of Lisbon Strategy. Necessity to increase the employment rate in EU Member States has been mentioned among major priorities identified in Lisbon Strategy (and referring to labour market) to be fulfilled by the year 2010. To be more precise, reaching of the following three objectives was stressed in particular:

- reaching the average employment rate amounting to 70%,
- reaching the 60% female employment rate,
- reaching the 50% employment rate among people aged 55-64.

The present chapter will present changes in employment rate in particular EU Member States.

Employment rate¹

Table 1 shows employment rate in particular EU Member States as well as in the USA, Japan, Switzerland and Norway in the period 1998 – 2007.

Table 1. Employment rate in EU, US, Japan, Switzerland and Norway in the period 1998 - 2007

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Austria	67.9	68.6	68.5	68.5	68.7	68.9	67.8	68.6	70.2	71.4
Belgium	57.4	59.3	60.5	59.9	59.9	59.6	60.3	61.1	61.0	62.0
Bulgaria			50.4	49.7	50.6	52.5	54.2	55.8	58.6	61.7
Cyprus			65.7	67.8	68.6	69.2	68.9	68.5	69.6	71.0
Czech Republic	67.3	65.6	65.0	65.0	65.4	64.7	64.2	64.8	65.3	66.1
Denmark	75.1	76.0	76.3	76.2	75.9	75.1	75.7	75.9	77.4	77.1
Estonia	64.6	61.5	60.4	61.0	62.0	62.9	63.0	64.4	68.1	69.4
Finland	64.6	66.4	67.2	68.1	68.1	67.7	67.6	68.4	69.3	70.3
France	60.2	60.9	62.1	62.8	63.0	64.0	63.7	63.9	63.8	64.6
Germany	63.9	65.2	65.6	65.8	65.4	65.0	65.0	66.0	67.5	69.4
Greece	56.0	55.9	56.5	56.3	57.5	58.7	59.4	60.1	61.0	61.4
Hungary	53.7	55.6	56.3	56.2	56.2	57.0	56.8	56.9	57.3	57.3
Ireland	60.6	63.3	65.2	65.8	65.5	65.5	66.3	67.6	68.6	69.1

¹ The employment rate is calculated by dividing the number of persons aged 15 to 64 in employment by the total population of the same age group. The indicator is based on the EU Labour Force Survey. The survey covers the entire population living in private households and excludes those in collective households such as boarding houses, halls of residence and hospitals. Employed population consists of those persons who during the reference week did any work for pay or profit for at least one hour, or were not working but had jobs from which they were temporarily absent.

Italy	51.9	52.7	53.7	54.8	55.5	56.1	57.6	57.6	58.4	58.7
Latvia	59.9	58.8	57.5	58.6	60.4	61.8	62.3	63.3	66.3	68.3
Lithuania	62.3	61.7	59.1	57.5	59.9	61.1	61.2	62.6	63.6	64.9
Luxembourg	60.5	61.7	62.7	63.1	63.4	62.2	62.5	63.6	63.6	64.2
Malta			54.2	54.3	54.4	54.2	54.0	53.9	54.8	55.7
Netherlands	70.2	71.7	72.9	74.1	74.4	73.6	73.1	73.2	74.3	76.0
Poland	59.0	57.6	55.0	53.4	51.5	51.2	51.7	52.8	54.5	57.0
Portugal	66.8	67.4	68.4	69.0	68.8	68.1	67.8	67.5	67.9	67.8
Romania	64.2	63.2	63.0	62.4	57.6	57.6	57.7	57.6	58.8	58.8
Slovakia	60.6	58.1	56.8	56.8	56.8	57.7	57.0	57.7	59.4	60.7
Slovenia	62.9	62.2	62.8	63.8	63.4	62.6	65.3	66.0	66.6	67.8
Spain	51.3	53.8	56.3	57.8	58.5	59.8	61.1	63.3	64.8	65.6
Sweden	70.3	71.7	73.0	74.0	73.6	72.9	72.1	72.5	73.1	74.2
United Kingdom	70.5	71.0	71.2	71.4	71.3	71.5	71.6	71.7	71.5	71.3
EU -15	61.4	62.5	63.4	64.0	64.2	64.4	64.8	65.4	66.2	66.9
EU - 27	61.2	61.8	62.2	62.5	62.3	62.6	62.9	63.5	64.5	65.4
Euro area	59.3	60.6	61.7	62.2	62.4	62.7	63.1	63.8	64.8	65.7
Norway			77.5	77.2	76.8	75.5	75.1	74.8	75.4	76.8
Switzerland	78.0	78.4	78.3	79.1	78.9	77.9	77.4	77.2	77.9	78.6
United States	73.8	73.9	74.0	73.1	71.9	71.2	71.2	71.5	71.9	71.7
Japan	69.5	68.8	68.8	68.7	68.2	68.3	68.6	69.2	69.9	70.6

Commentary: empty fields – lack of data

Source: own compilation based on data derived from Eurostat.

<http://epp.eurostat.ec.europa.eu/portal> dated October 3, 2008.

During 10 years (since 1998), employment rate in EU-27 increased from 61.2% to 65.4% (on average). However, it was generally not plausible to reach the 70% rate (by 2010 in line with the Lisbon Strategy). It should also be stated that in some EU Member States employment rate declined (i.e. in Poland, Romania and the Czech Republic) or was not subject to any change (Slovakia).

The dynamics of growth in employment rate has increased noticeably since 2005. In the period 2000 – 2005, this rate increased only slightly. It was only since 2005 that it had begun to improve considerably, which had been shown in Chart 1.

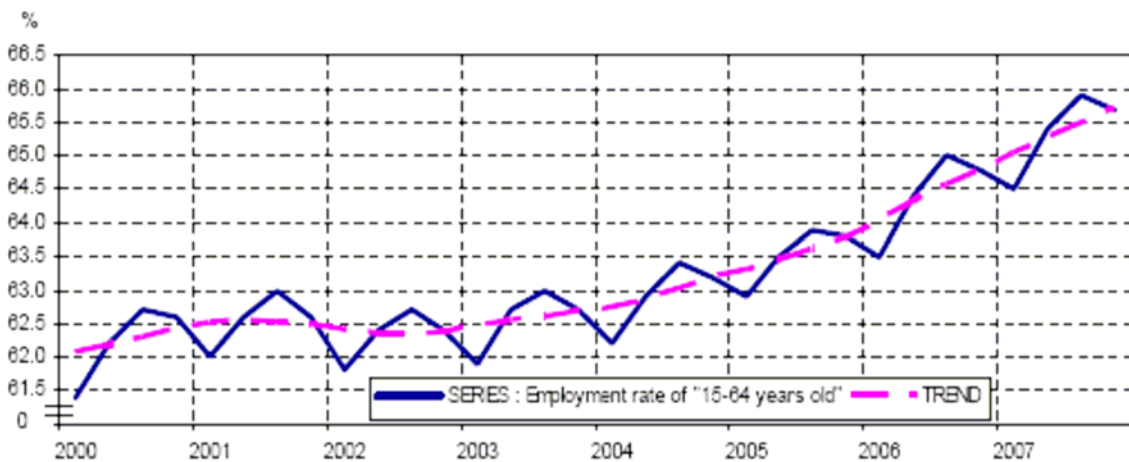


Chart 1. Employment rate (15-64 years old) for EU-27 from 2000Q1 to 2007Q4

Source: Population and Social Conditions, Eurostat, Data in Focus no 14/2008

Taken EU-27 into account, the 70% employment rate to be met in accordance with Lisbon Strategy was reached only in 7 Member States, namely Denmark, the Netherlands, Sweden, Austria, United Kingdom, Cyprus and Finland, which had been shown in Chart 2.

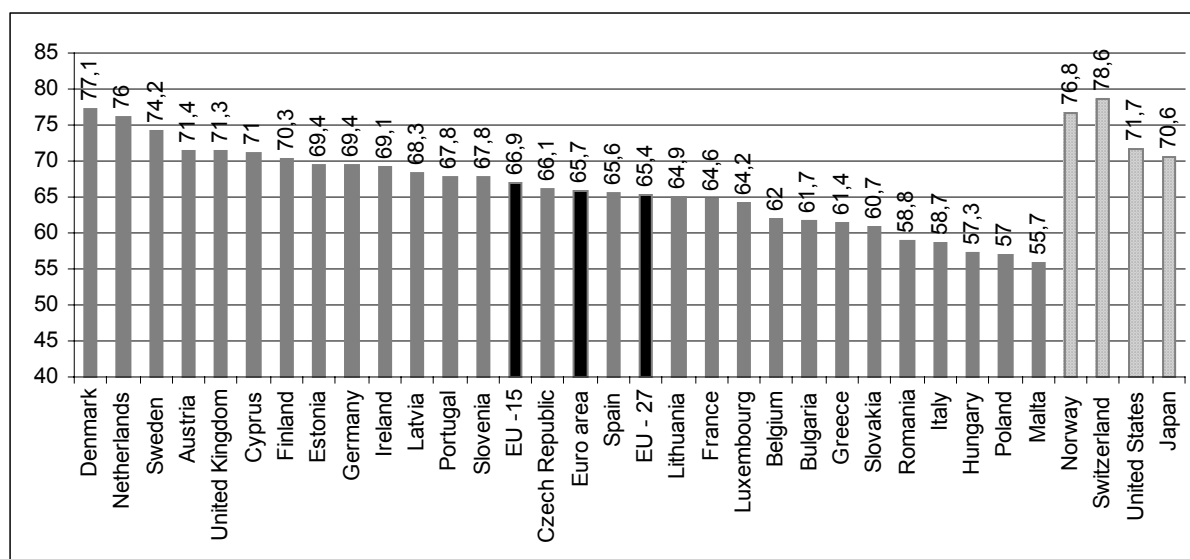


Chart 2. Employment rate in EU, US, Japan, Switzerland and Norway in 2007

Source: cf. Table 1

On the other hand, the 60% rate has not been exceeded in Malta, Poland, Hungary, Italy and Romania.

Employment rate by gender

Reaching female employment rate amounting to 60% is another important indicator. During 10 years, the average rate for EU-27 increased from 52% to 58.3%. The most substantial changes in female employment rate were observed in Spain. It was there that this rate rose from 35.8% to 54.7% during 10 years. Considerable growths, exceeding 10 percentage points, were also reported in Bulgaria, Ireland and Luxembourg, which had been shown in Table 2.

Table 2. Female employment rate in EU, US, Japan, Switzerland and Norway in the period 1998 – 2007

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Austria	58.8	59.6	59.6	60.7	61.3	61.6	60.7	62.0	63.5	64.4
Belgium	47.6	50.4		51.0	51.4	51.8	52.6	53.8	54.0	55.3
Bulgaria			46.3	46.8	47.5	49.0	50.6	51.7	54.6	57.6
Cyprus			53.5	57.2	59.1	60.4	58.7	58.4	60.3	62.4
Czech Republic	58.7	57.4	56.9	56.9	57.0	56.3	56.0	56.3	56.8	57.3
Denmark	70.2	71.1	71.6	72.0	71.7	70.5	71.6	71.9	73.4	73.2
Estonia	60.3	57.8	56.9	57.4	57.9	59.0	60.0	62.1	65.3	65.9
Finland	61.2	63.4	64.2	65.4	66.2	65.7	65.6	66.5	67.3	68.5
France	53.1	54.0	55.2	56.0	56.7	58.2	58.2	58.5	58.8	60.0
Germany	55.8	57.4	58.1	58.7	58.9	58.9	59.2	60.6	62.2	64.0
Greece	40.5	41.0	41.7	41.5	42.9	44.3	45.2	46.1	47.4	47.9
Hungary	47.2	49.0	49.7	49.8	49.8	50.9	50.7	51.0	51.1	50.9

Ireland	49.0	52.0	53.9	54.9	55.4	55.7	56.5	58.3	59.3	60.6
Italy	37.3	38.3	39.6	41.1	42.0	42.7	45.2	45.3	46.3	46.6
Latvia	55.1	53.9	53.8	55.7	56.8	57.9	58.5	59.3	62.4	64.4
Lithuania	58.6	59.4	57.7	56.2	57.2	58.4	57.8	59.4	61.0	62.2
Luxembourg	46.2	48.6	50.1	50.9	51.6	50.9	51.9	53.7	54.6	56.1
Malta			33.1	32.1	33.9	33.6	32.7	33.7	34.9	36.9
Netherlands	60.1	62.3	63.5	65.2	66.2	66.0	65.8	66.4	67.7	69.6
Poland	51.7	51.2	48.9	47.7	46.2	46.0	46.2	46.8	48.2	50.6
Portugal	58.2	59.4	60.5	61.3	61.4	61.4	61.7	61.7	62.0	61.9
Romania	58.2	57.5	57.5	57.1	51.8	51.5	52.1	51.5	53.0	52.8
Slovakia	53.5	52.1	51.5	51.8	51.4	52.2	50.9	50.9	51.9	53.0
Slovenia	58.6	57.7	58.4	58.8	58.6	57.6	60.5	61.3	61.8	62.6
Spain	35.8	38.5	41.3	43.1	44.4	46.3	48.3	51.2	53.2	54.7
Sweden	67.9	69.4	70.9	72.3	72.2	71.5	70.5	70.4	70.7	71.8
United Kingdom	63.6	64.2	64.7	65.0	65.2	65.3	65.6	65.9	65.8	65.5
EU -27	52.0	53.0	53.7	54.3	54.4	54.9	55.5	56.3	57.3	58.3
EU -15	51.6	53.0	54.1	55.0	55.6	56.2	56.9	57.8	58.7	59.7
Euro area	48.9	50.4	51.7	52.4	53.1	53.8	54.7	55.7	56.8	58.0
Norway			73.6	73.6	73.7	72.6	72.2	71.7	72.2	74.0
Switzerland	68.8	69.6	69.3	70.6	71.5	70.7	70.3	70.4	71.1	71.6
United States	67.4	67.6	67.7	67.0	66.0	65.6	65.3	65.6	66.0	65.9
Japan	57.2	56.6	56.7	57.0	56.5	56.8	57.3	58.1	58.8	59.4

Commentary: empty fields – lack of data

Source: cf. Table 1.

At the same time, it should be noticed that in 2007 female employment rate amounting to 60% was reached in 15 countries, which had been shown in Chart 3.

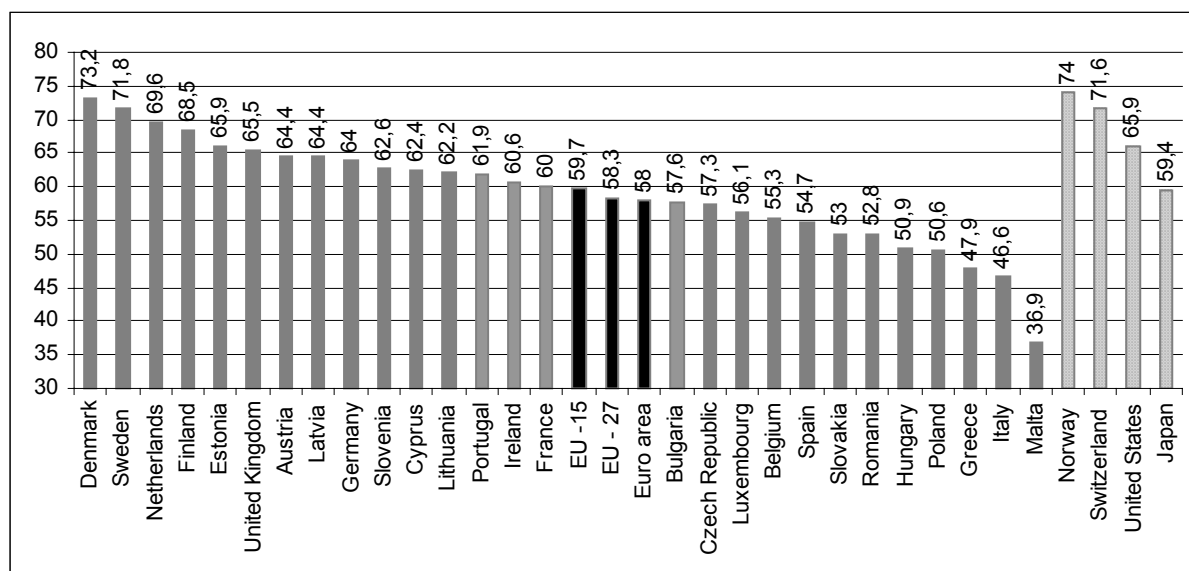


Chart 3. Female employment rate in EU, US, Japan, Switzerland and Norway in 2007

Source: cf. Table 1

The highest female employment rates, exceeding 65%, were reported in Denmark (73.2%), Sweden (71.8%) as well as the Netherlands, Finland, Estonia and United Kingdom.

On the contrary, the lowest rates were recorded in Malta, Italy, Greece, Poland and Hungary.

Furthermore, it ought to be noticed that female employment rate is extremely high in Norway and Switzerland (over 70%), and in the USA it amounts to more than 65%.

For the sake of comparison, Table 3 shows male employment rate in particular EU Member States.

Table 3. Male employment rate in EU, US, Japan, Switzerland and Norway in the period 1998 – 2007

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Austria	77.0	77.6	77.3	76.4	76.4	76.4	74.9	75.4	76.9	78.4
Belgium	67.1	68.1	69.5	68.8	68.3	67.3	67.9	68.3	67.9	68.7
Bulgaria			54.7	52.7	53.7	56.0	57.9	60.0	62.8	66.0
Cyprus			78.7	79.3	78.9	78.8	79.8	79.2	79.4	80.0
Czech Republic	76.0	74.0	73.2	73.2	73.9	73.1	72.3	73.3	73.7	74.8
Denmark	79.9	80.8	80.8	80.2	80.0	79.6	79.7	79.8	81.2	81.0
Estonia	69.6	65.8	64.3	65.0	66.5	67.2	66.4	67.0	71.0	73.2
Finland	67.8	69.2	70.1	70.8	70.0	69.7	69.7	70.3	71.4	72.1
France	67.4	68.0	69.2	69.7	69.5	69.9	69.4	69.3	69.0	69.3
Germany	71.9	72.8	72.9	72.8	71.8	70.9	70.8	71.3	72.8	74.7
Greece	71.7	71.1	71.5	71.4	72.2	73.4	73.7	74.2	74.6	74.9
Hungary	60.5	62.4	63.1	62.9	62.9	63.5	63.1	63.1	63.8	64.0
Ireland	72.1	74.5	76.3	76.6	75.4	75.2	75.9	76.9	77.7	77.4
Italy	66.8	67.3	68.0	68.5	69.1	69.6	70.1	69.9	70.5	70.7
Latvia	65.1	64.1	61.5	61.9	64.3	66.1	66.4	67.6	70.4	72.5
Lithuania	66.2	64.3	60.5	58.9	62.7	64.0	64.7	66.1	66.3	67.9
Luxembourg	74.5	74.5	75.0	75.0	75.1	73.3	72.8	73.3	72.6	72.3
Malta			75.0	76.2	74.7	74.5	75.1	73.8	74.5	74.2
Netherlands	80.2	80.9	82.1	82.8	82.4	81.1	80.2	79.9	80.9	82.2
Poland	66.5	64.2	61.2	59.2	56.9	56.5	57.2	58.9	60.9	63.6
Portugal	75.9	75.8	76.5	77.0	76.5	75.0	74.2	73.4	73.9	73.8
Romania	70.4	69.0	68.6	67.8	63.6	63.8	63.4	63.7	64.6	64.8
Slovakia	67.8	64.3	62.2	62.0	62.4	63.3	63.2	64.6	67.0	68.4
Slovenia	67.2	66.5	67.2	68.6	68.2	67.4	70.0	70.4	71.1	72.7
Spain	66.8	69.3	71.2	72.5	72.6	73.2	73.8	75.2	76.1	76.2
Sweden	72.8	74.0	75.1	75.7	74.9	74.2	73.6	74.4	75.5	76.5
United Kingdom	77.3	77.7	77.8	78.0	77.6	77.7	77.8	77.6	77.3	77.3
EU -27	70.3	70.7	70.8	70.9	70.3	70.3	70.4	70.8	71.6	72.5
EU -15	71.2	72.1	72.8	73.1	72.8	72.7	72.7	73.0	73.6	74.2
Euro area	69.8	70.8	71.6	72.0	71.7	71.6	71.6	71.9	72.7	73.4
Norway			81.3	80.7	79.9	78.3	77.9	77.8	78.4	79.5
Switzerland	87.2	87.2	87.3	87.6	86.2	85.1	84.4	83.9	84.7	85.6
United States	80.4	80.5	80.6	79.3	77.9	76.9	77.2	77.6	78.0	77.7
Japan	81.6	81.0	80.8	80.4	79.8	79.8	79.9	80.3	81.0	81.7

Commentary: empty fields – lack of data

Source: cf. Table 1.

On average, in EU male employment rate increased from 70.3% in 1998 to 72.5% in 2007. This indicator improved to the largest extent (by as many as 3.6 percentage points, i.e. from 69.8% to 73.4%) in euro area Member States.

The largest increase in male employment rate in EU in the period 1998 – 2007 was

reported in Bulgaria (increased by 11.3 percentage points in the period 2000 – 2007), Spain (by 9.4 percentage points in the period 1998 – 2007) and in Latvia (by 7.4). The greatest decline in the period under examination was recorded in Romania (by 6.6 percentage points). Besides, similar cases were also reported in the Czech Republic, Luxembourg, Malta, Poland and Portugal.

In 2007, male employment rate exceeding the average for EU-27 was reached in 16 Member States, which had been shown in Chart 4.

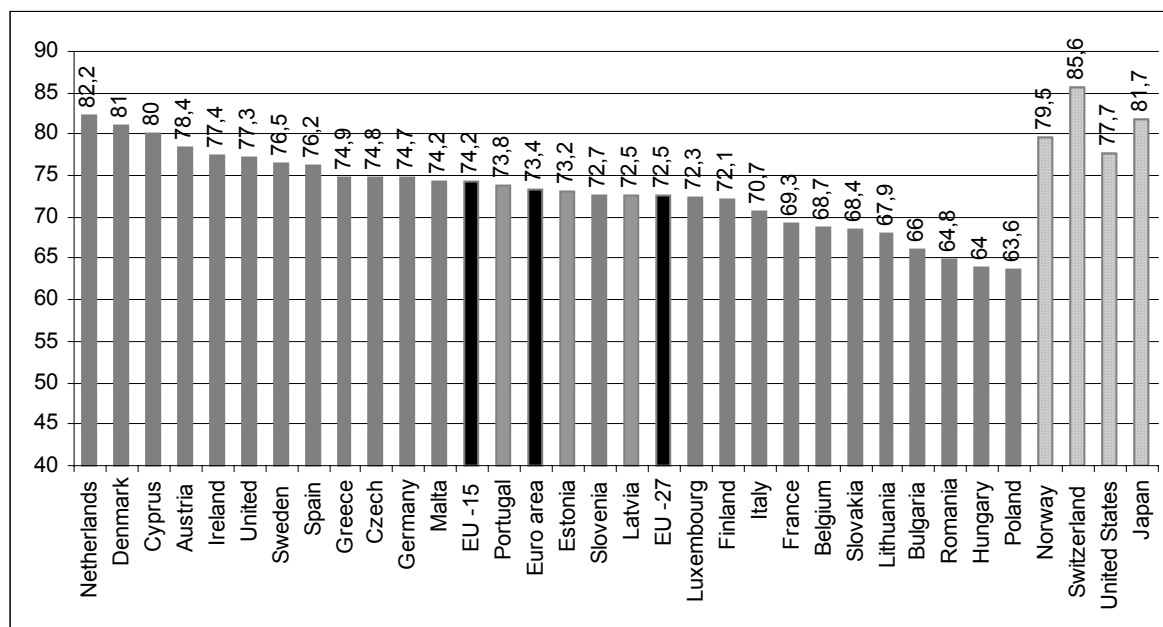


Chart 4. Male employment rate in EU, US, Japan, Switzerland and Norway in 2007

Source: cf. Table 1

In 2007, the highest male employment rate (i.e. exceeding 80%) was recorded in the Netherlands, Denmark as well as Cyprus. By contrast, the lowest rates (i.e. not exceeding 65%) were reported in Poland, Hungary and Romania.

For the sake of comparison, male employment rates in Norway, Switzerland, the USA and Japan were considerably higher than the average for EU-27. Moreover, it should be noticed that male employment rate was the highest in Switzerland compared to all the countries under analysis.

Employment rate of older workers²

Employment rate among elder people is another issue of major importance. As societies are ageing and forecasts show changes in proportions in the structure of societies, it is very important to maintain a high employment rate among people aged 55 and more. As stated by the Lisbon Strategy, employment rate amounting to 50% is to be reached by 2010. Hence, retirement age has been raised in many European countries. Besides, retirement age for

² The employment rate of older workers is calculated by dividing the number of persons aged 55 to 64 in employment by the total population of the same age group. The indicator is based on the EU Labour Force Survey. The survey covers the entire population living in private households and excludes those in collective households such as boarding houses, halls of residence and hospitals. Employed population consists of those persons who during the reference week did any work for pay or profit for at least one hour, or were not working but had jobs from which they were temporarily absent.

women and men is coming up to the same level.

Table 4 presents employment rate among persons aged 55 to 64 in EU Member States.

Table 4. Employment rate of older workers (55-64 years old) in EU, US, Japan, Switzerland and Norway in the period 1998 - 2007

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Austria	28.4	29.7	28.8	28.9	29.1	30.3	28.8	31.8	35.5	38.6
Belgium	22.9	24.6	26.3	25.1	26.6	28.1	30.0	31.8	32.0	34.4
Bulgaria			20.8	24.0	27.0	30.0	32.5	34.7	39.6	42.6
Cyprus			49.4	49.1	49.4	50.4	49.9	50.6	53.6	55.9
Czech Republic	37.1	37.5	36.3	37.1	40.8	42.3	42.7	44.5	45.2	46.0
Denmark	52.0	54.5	55.7	58.0	57.9	60.2	60.3	59.5	60.7	58.6
Estonia	50.2	47.5	46.3	48.5	51.6	52.3	52.4	56.1	58.5	60.0
Finland	36.2	39.0	41.6	45.7	47.8	49.6	50.9	52.7	54.5	55.0
France	28.3	28.8	29.9	31.9	34.7	37.0	37.6	38.7	38.1	38.3
Germany	37.7	37.8	37.6	37.9	38.9	39.9	41.8	45.4	48.4	51.5
Greece	39.0	39.3	39.0	38.2	39.2	41.3	39.4	41.6	42.3	42.4
Hungary	17.3	19.4	22.2	23.5	25.6	28.9	31.1	33.0	33.6	33.1
Ireland	41.7	43.7	45.3	46.8	48.0	49.0	49.5	51.6	53.1	53.8
Italy	27.7	27.6	27.7	28.0	28.9	30.3	30.5	31.4	32.5	33.8
Latvia	36.3	36.6	36.0	36.9	41.7	44.1	47.9	49.5	53.3	57.7
Lithuania	39.5	40.9	40.4	38.9	41.6	44.7	47.1	49.2	49.6	53.4
Luxembourg	25.1	26.4	26.7	25.6	28.1	30.3	30.4	31.7	33.2	32.0
Malta			28.5	29.4	30.1	32.5	31.5	30.8	30.0	28.3
Netherlands	33.9	36.4	38.2	39.6	42.3	44.3	45.2	46.1	47.7	50.9
Poland	32.1	31.9	28.4	27.4	26.1	26.9	26.2	27.2	28.1	29.7
Portugal	49.6	50.1	50.7	50.2	51.4	51.6	50.3	50.5	50.1	50.9
Romania	51.5	49.6	49.5	48.2	37.3	38.1	36.9	39.4	41.7	41.4
Slovakia	22.8	22.3	21.3	22.4	22.8	24.6	26.8	30.3	33.1	35.6
Slovenia	23.9	22.0	22.7	25.5	24.5	23.5	29.0	30.7	32.6	33.5
Spain	35.1	35.0	37.0	39.2	39.6	40.7	41.3	43.1	44.1	44.6
Sweden	63.0	63.9	64.9	66.7	68.0	68.6	69.1	69.4	69.6	70.0
United Kingdom	49.0	49.6	50.7	52.2	53.4	55.4	56.2	56.9	57.4	57.4
EU -27	36.2	36.5	36.9	37.7	38.5	40.0	40.7	42.4	43.5	44.7
EU -15	36.6	37.1	37.8	38.8	40.2	41.7	42.5	44.2	45.3	46.6
Euro area	33.3	33.7	34.2	35.2	36.5	37.9	38.7	40.6	41.8	43.3
Norway			65.2	65.9	66.2	66.9	65.8	65.5	67.4	69.0
Switzerland	64.5	64.7	63.3	67.1	64.6	65.8	65.2	65.1	65.7	67.2
United States	57.7	57.7	57.7	58.5	59.4	59.8	59.9	60.8	61.7	61.8
Japan	63.7	63.4	62.7	62.0	61.6	62.1	63.0	63.8	64.7	66.1

Commentary: empty fields – lack of data

Source: cf. Table 1.

On average, in EU employment rate among older people increased from 36.2% in 1998 to 44.7% in 2007. Nevertheless, the rate reached is very low both in comparison with the 50% rate (supposed to be achieved) as well as in comparison with Norway, Switzerland or Japan (where it reached over 65%) or the USA (where it amounted to more than 60%).

In the period 1998 – 2007, the largest increase in employment rate among people aged 55 to 64 was observed in Bulgaria and Latvia (over 20 percentage points) as well as in Finland, Hungary and the Netherlands. At the same time, employment rate among persons

aged 55 – 64 declined in Poland, Romania and Malta in the period under consideration. It is Poland and Malta that are characterized by the lowest employment rate among people from the aforementioned age group compared to EU Member States, which has been shown in Chart 5.

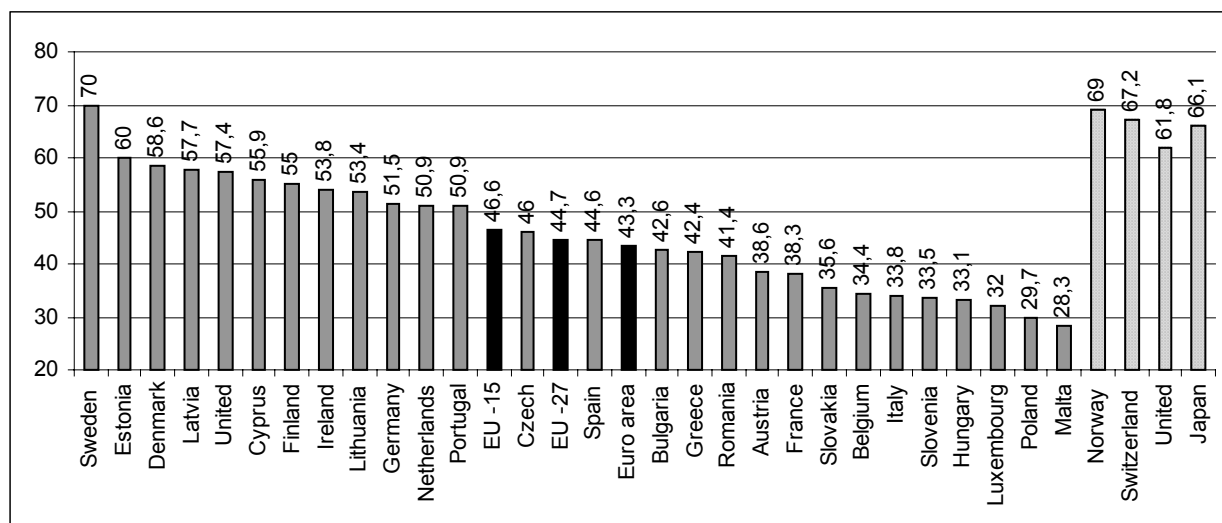


Chart 5. Employment rate of older workers in EU, US, Japan, Switzerland and Norway in 2007

Source: cf. Table 1

The highest employment rate among people aged 55 to 64 was reported in Sweden (70%), Estonia (60%), Denmark (58.6%) as well as Latvia (57.7%).

Analyzing the employment rate of persons in a more detailed way, i.e. taking the division into women and men into account, it should be added that male employment rate in the period under examination increased from 47% in 1998 to 53.9% in 2007, and female employment rate from 26.1% to 36% respectively. The lowest employment rate among men aged 55 and more was reported in Luxembourg (35.6%), France (40.5%), Poland (41.4%), Hungary (41.7%) and Belgium (42.9%). On the other hand, the lowest employment rate among women from this age group was recorded in Malta (11.8%), Poland (19.4%), Slovakia (21.2%), Slovenia (22.2%), Italy (23%), Belgium (26%), Hungary (26.2%) and Greece (26.9%). On the contrary, the highest rates for men were reported in Sweden (72.9%), Cyprus (72.5%), Ireland (67.9%) and United Kingdom (66.3%), whereas in the case of women – in Sweden (67%), Estonia (60.5%) and Finland (55%).

Employment rate by level of education

Improvement in education level of citizens is one of ways to increase employment rate among them. Employment rate among persons with education at ISCED 0-2 level (pre-school educational level, primary educational level, lower secondary educational level) is two times lower than persons with education at ISCED 5-6 level (tertiary educational level (including bachelor degree studies, master degree studies and graduate studies), postgraduate educational level (leading to Doctor's degree)).

Table 5 shows employment rate by level of education in EU Member States.

Table 5. Employment rate by level of education among population aged 25-64 in EU Member States, Switzerland and Norway in 2007

	ISCED 0-2	ISCED 3-4	ISCED 5-6	Difference in employment rate between 5-6 educational level and 0-2 educational level
Austria	51.9	75.9	86.5	34.6
Belgium	40.5	65.9	83.7	43.2
Bulgaria	30.6	70.6	84.6	54
Cyprus	52.8	73.6	86.5	33.7
Czech Republic	24.2	72.6	84	59.8
Denmark	64.2	81.8	87.6	23.4
Estonia	33.1	74.4	86.8	53.7
Finland	46.4	73.9	85.1	38.7
France	47.7	69.5	79.6	31.9
Germany	44.9	73.6	86	41.1
Greece	52.3	60.8	81.9	29.6
Hungary	27.3	64.8	80	52.7
Ireland	49.3	74.1	85.9	36.6
Italy	46.5	67.9	77.7	31.2
Latvia	38.6	74.3	86.9	48.3
Lithuania	25.9	68.6	88.1	62.2
Luxembourg	49.8	67.3	83.4	33.6
Malta	45.6	71.7	85.1	39.5
Netherlands	61	79.9	87.5	26,5
Poland	24.9	61	82.8	57.9
Portugal	65.7	64.8	84.2	18.5
Romania	40.3	63.9	85.8	45.5
Slovakia	14.7	69	83.1	68.4
Slovenia	43.1	70.8	87.5	44.4
Spain	57.5	68.2	82.5	25
Sweden	53.4	80.6	87.6	34.2
United Kingdom	60	76.7	87.1	27.1
EU -27	48.6	70.2	83.8	35.2
EU -15	51.9	72.3	83.8	31.9
Norway	57.4	81.4	89.8	32.4
Switzerland	60.2	80.4	89.6	29.4

Source: cf. Table 1.

In EU-27 employment rate among persons with primary education or lower secondary education amounted to 48.6%, whereas among people with tertiary education it reached 83.8%. The most substantial differences in employment rates between the aforementioned two groups were observed in all post-socialist countries, namely in Slovakia this difference reached 68.4 percentage points, in Lithuania 62.2 percentage points, whereas in the Czech Republic, Poland, Bulgaria, Estonia and Hungary it exceeded 50 percentage points.

Conclusion

In European Union, great differences can be noticed in employment rate taken regions,

age groups and gender into account. Employment rates fluctuate from 55.7% in Malta and 57% in Poland to 77.1% in Denmark and 76% in the Netherlands. Employment rate among people aged 55 to 64 fluctuates from 28.3% in Malta and 29.7% in Poland to 70% in Sweden. Furthermore, female employment rate fluctuates from 36.9% in Malta and 46.5% in Italy to 73.2% in Denmark and 71.8% in Sweden. Despite these differences, average employment rates reported in the entire European Union are higher and higher. During last 10 years (since 1998) employment rate increased (on average) from 61.2% to 65.4% for EU-27, from 36.2% to 44.7% among people aged 55 to 64, and from 52% to 58.3% among women.

Nonetheless, it does not seem plausible for the European Union to meet the following objectives established as a part of the Lisbon Strategy: reaching the average employment amounting to 70% as well as reaching employment rate among people aged 55 to 64 amounting to 50%. On the other hand, it seems possible to achieve female employment rate intended.

Analyzing particular EU Member States, it should be noticed that employment rate amounting to 70% was reached in 7 out of 27 Member States, namely Denmark, the Netherlands, Sweden, Austria, United Kingdom, Cyprus and Finland. Estonia, Germany and Ireland are also approaching this rate.

Employment rate among people aged 55 to 64 amounting to 50% was reached in 12 out of 27 EU Member States, namely Sweden, Estonia, Denmark, Latvia, United Kingdom, Cyprus, Finland, Ireland, Lithuania, Germany, the Netherlands and Portugal.

Female employment rate amounting to 60% was reached in 15 out of 27 Member States, namely Denmark, Sweden, the Netherlands, Finland, Estonia, United Kingdom, Austria, Latvia, Germany, Slovenia, Cyprus, Lithuania, Portugal, Ireland and France.

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