EUROSTAT (09.10.19)
Quality of life indicators - productive or main activity

Data extracted in July 2019.
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Highlights

In 2018, 1 in 2 temporary employees in the EU had a temporary contract because they could not find a permanent job.

The average hours worked per week by full-time workers in the EU was 37.1 in 2018.

Share of employees with a temporary contract aged 15-64 years that could not find a permanent job, 2018

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- *Note: low reliability for Estonia*
- *Source: Eurostat (online data code: lfsa_etgar)*

This article is part of a Eurostat online publication that focuses on Quality of life indicators, providing recent statistics for the European Union (EU). The publication presents a detailed view of various dimensions that can form the basis for a more profound analysis of the quality of life, complementing gross domestic product (GDP) which has traditionally been used to provide a general overview of economic and social developments.

The focus of this article is the second dimension — productive or main activity — of the nine quality of life indicators dimensions that form part of a framework, endorsed by an expert group on quality of life indicators. The term productive or main activity refers to gainful or recompensed work (for example

directly paid as an employee, or indirectly recompensed as a self-employed person or unpaid family worker), referred to hereafter as paid work, unpaid work (for example, unpaid work caring for family members or volunteering) and other types of main activity status (for example, studying or retirement).

Assessing the effect of working life on the overall quality of life is a complex matter as many complementary aspects of a person's activity have to be taken into account. Broadly speaking, the quantity as well as the quality of employment needs to be measured.

Full article

Productive or main activity in the context of quality of life

While the employment indicators analysed in this article refer only to gainful employment, work affects quality of life not only because of the income it generates but also because of the role it plays in giving people their sense of identity and opportunities for social contact with others.

Paid work usually takes up a significant part of a person's time and can have a significant impact on their quality of life. Work generates an income, provides a sense of identity and also offers opportunities for social contact, to be creative, to learn new things and to engage in activities that give a sense of fulfilment and enjoyment. Conversely, a person's quality of life may deteriorate when, through work, they experience discrimination, harassment, insecurity or fear of physical injury, or have to work long hours for what they consider to be inadequate pay. A lack of work or unemployment potentially threatens a person's psychological health.

Assessing the effect of paid work on quality of life is a complex task which requires several factors to be taken into account, covering various complementary aspects of a person's main activity. Broadly speaking, the aspects that need to be measured are the quantity and the quality of employment. An indicator used for assessing the quantity or lack of employment is unemployment, including long-term unemployment. As noted in the Joseph E. Stiglitz, Amartya Sen and Jean-Paul Fitoussi's report, 'people who become unemployed report lower life-evaluations, even after controlling for their lower income, and with little adaptation over time; unemployed people also report a higher prevalence of various negative effects (sadness, stress and pain) and lower levels of positive ones (joy). These subjective measures suggest that the costs of unemployment exceed the income-loss suffered by those

who lose their jobs, reflecting the existence of non-pecuniary effects among the unemployed and of fears and anxieties generated by unemployment in the rest of society'.

Involuntary temporary work and involuntary part-time employment are on the border between quantity and quality of employment. An indicator of involuntary part-time employment is used as a proxy for underemployment (working less than one is able and willing).

The quality of employment is measured by various sub-dimensions, within a framework developed by a joint UNECE/Eurostat/OECD Task Force, including income and benefits (the incidence of low earnings), over-qualification, work-life balance (based on the average number of hours worked and night time working) and health and safety at work (the incidence of work-related accidents). Information is also available concerning the overall perception of an individual's satisfaction with their current job.

It should be noted that employment quantity and quality are complementary and, therefore, not to be substituted when it comes to measuring improvements in the quality of life. Improvements in quantity tend to affect the unemployed and the underemployed the most, whereas improvements in quality affect people who are in employment. The complementarity between employment quantity and quality as regards well-being has been reflected in the European Commission's European employment strategy (EES) for more and better jobs.

Most of the indicators which are examined below are objective; in other words, they measure observed characteristics of the labour market. However, it is also important to balance these through the use of subjective indicators, such as an individual's satisfaction with their work.

Quantitative aspects of employment

In 2018, the employment rate (in other words the number of persons employed aged 15-64 years as a proportion of the population of the same age group) in the EU-28 was 68.6 %, compared with 65.7 % in 2008 (see Figure 1). The EU Member State with the highest employment rate in 2018 was Sweden, where 77.5 % of the working age population were employed. The Netherlands, Germany, Denmark, Estonia, Czechia and the United Kingdom all had employment rates of more than 74.0 %.At the other end of the ranking, Greece had the lowest employment rate in the EU, as just over half (54.9 %) of its working-age population were in employment, with Italy, Croatia, Spain, Belgium and Romania also recording rates that were below 65.0 %.

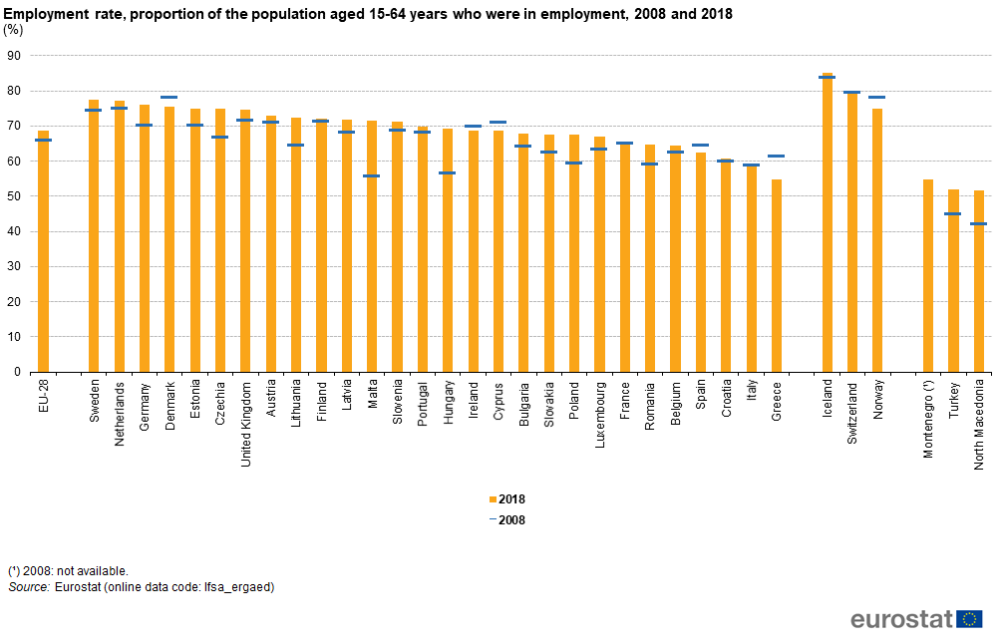


Figure 1: Employment rate, proportion of the population aged 15-64 years who were in employment, 2008 and 2018

(%)

Source: Eurostat (lfsa_ergaed)

When comparing the situation in 2018 with 10 years earlier, it should be borne in mind that the global financial and economic crisis occurred between these years, what had an impact on the labour markets within the EU. Between 2008 and 2018, employment rates increased in a majority (22) of the EU Member States, with increases in excess of 10.0 percentage points recorded in Hungary and Malta. On the other hand, in this same period employment rates decreased by 2.1 percentage points in Spain, 2.3 percentage points in Cyprus, 2.5 percentage points in Denmark and 6.5 percentage points in Greece.

Unemployment and long-term unemployment

Unemployment is strongly associated with low levels of life satisfaction and happiness. The link between unemployment and underemployment and lower subjective well-being has been documented in several studies (see Abdalallah, Stoll and Eiffe, 2013 for a review).

In 2018, in the EU-28, the unemployment rate - which is the percentage of people actively looking for employment in the total labour force (also known as the economically active population) - was 6.8 % for the age group 15-74 years (see Figure 2). The long-term unemployment rate, the percentage of people

who have been unemployed for at least one year in the total labour force, was 2.9 %. Looking from a different perspective, 42.6 % of all unemployed people in the EU-28 had been unemployed for at least a year.

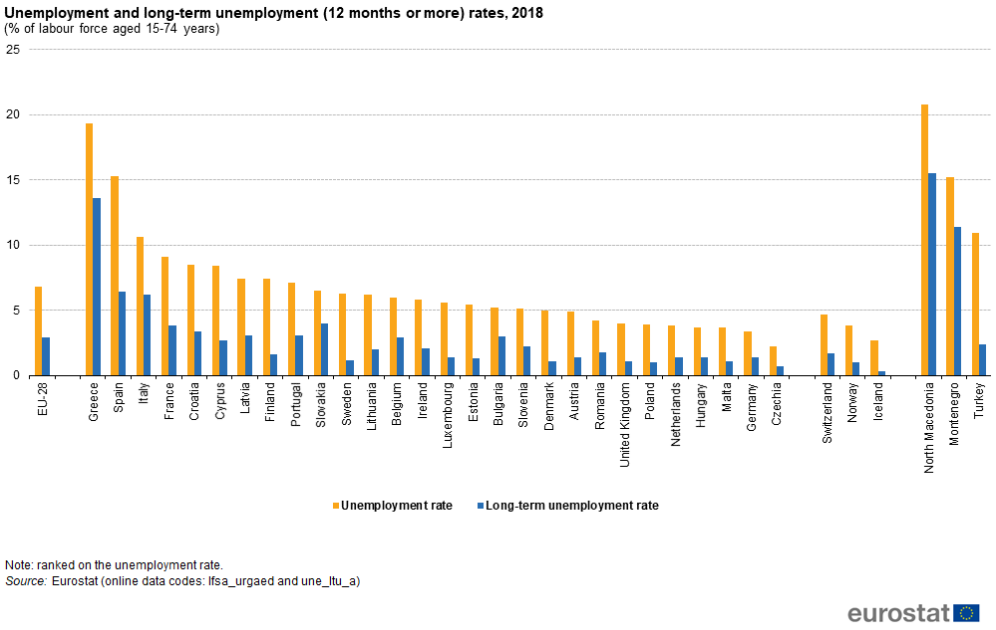


Figure 2: Unemployment and long-term unemployment
(12 months or more) rates, 2018
(% of labour force aged 15-74 years)
Source: Eurostat (lfsa_urgaed) and (une_ltu_a)

The EU Member States with the highest unemployment rates in 2018 were Greece and Spain, as 19.3 % and 15.3 % of their labour force were unemployed. Italy also reported a double-digit unemployment rate at 10.6 %. Czechia had the lowest unemployment rate in the EU, 2.2 %, followed by Germany (3.4 %), Malta (3.7 %), Hungary (3.7 %), the Netherlands (3.8 %) and Poland (3.9 %).

The EU Member States with the highest overall unemployment rates also generally recorded the highest long-term unemployment rates, with some differences in the latter ranking. Greece again had the highest rate, as 13.6 % of its labour force had been unemployed for at least a year, more than double the next highest rate which was 6.4 % in Spain. The next highest long-term unemployment rate was at 6.2 % in Italy. As for the overall unemployment rate, Czechia also recorded the lowest long-term

unemployment rate among the Member States (0.7 %), followed by Poland (1.0 %), Denmark, the United Kingdom and Malta (all 1.1 %).

Unemployment by level of educational attainment

In all EU Member States, people with high levels of educational attainment were less likely to be unemployed than people with low levels of educational attainment. In 2018, the unemployment rate in the EU-28 was 13.3 % for people with a low level of education (having completed at most lower secondary education), some 3.2 times as high as the 4.1 % rate for people with a high level of education (having a tertiary level of educational attainment) — see Figure 3.

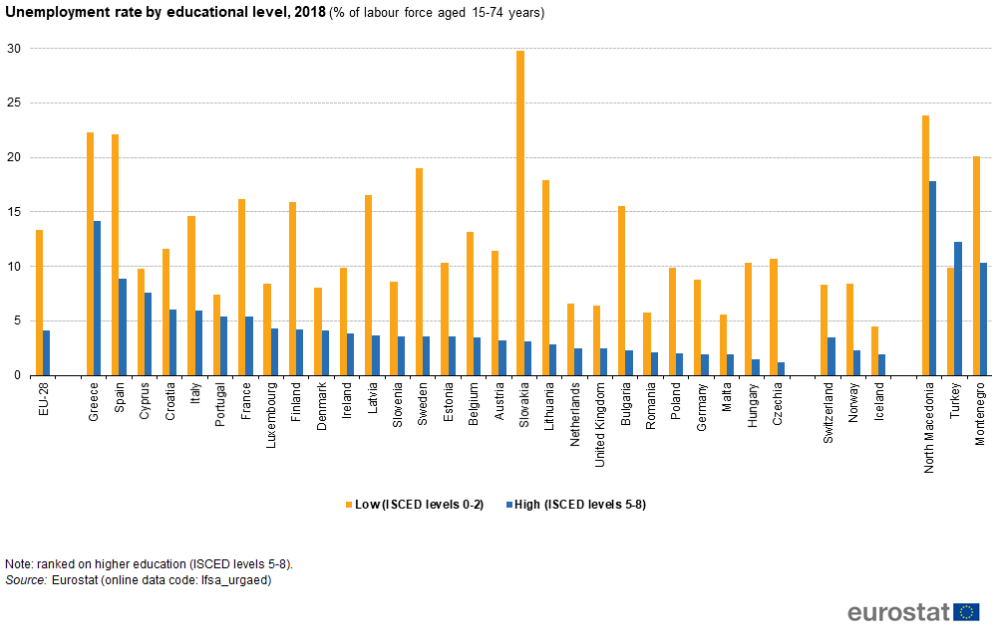


Figure 3: Unemployment rate by educational level, 2018

(% of labour force aged 15-74 years)

Source: Eurostat (lfsa_urgaed)

The greatest difference in unemployment rates observed for people with the lowest and the highest levels of educational attainment was recorded in Slovakia, where the unemployment rate for people with a low level of educational attainment was 29.8 %, some 26.7 percentage points higher than the rate for people with a high level of educational attainment (3.1 %). A further seven EU Member States reported a gap of at least 10.0 percentage points, including a gap of 15.4 percentage points in Sweden, the second highest gap. The narrowest educational gap in unemployment rates was in Portugal, where

the rate for people with a low level of educational attainment (7.4 %) was 2.0 percentage points higher than the rate for people with a high level of attainment (5.4 %). Other Member States where the educational gap was below 5.0 percentage points included the Netherlands, Luxembourg, Denmark, the United Kingdom, Romania, Malta and Cyprus.

Quality of employment

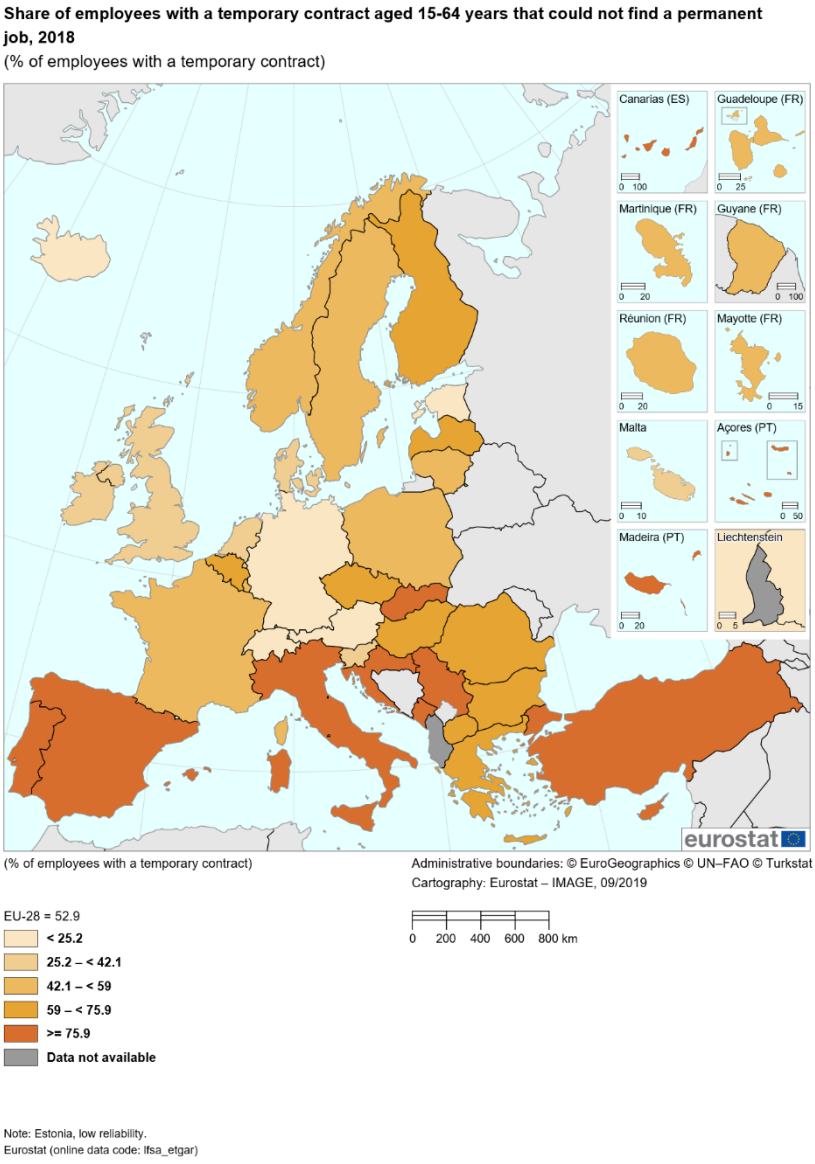
Involuntary temporary work

An employee is considered as having a temporary job if employer and employee agree that its end is determined by objective conditions, such as a specific date, the completion of an assignment, or the return of an employee who is temporarily replaced. Such contracts are referred to by a variety of names, including temporary contracts, limited duration contracts or fixed-term contracts. Typical cases include: people in seasonal employment; people engaged by an agency or employment exchange and hired to a third party to perform a specific task (unless there is a written work contract of unlimited duration); people with specific training contracts.

Temporary contracts might provide an entry point into the labour market, for example for people with little or no experience, the unemployed or people trying to return to work after a period outside the labour market. Some people may choose to work under temporary contracts for a number of reasons, for example to gain a variety of different experiences or to accommodate particular personal or family circumstances; temporary contracts may offer greater flexibility which may be appreciated by some employees. However, depending on national regulations, people working on temporary contracts might receive conditions different from those given to permanent workers (for example with respect to financial benefits and/or training), which, along with the generally less secure nature of temporary contracts, may impact on a person’s quality of life.

Around one in seven (14.0 %) working-age employees (15-64 years) in the EU-28 worked under temporary contracts in 2018 and around 1 in 12 (7.4 %) were employees who worked under temporary contracts because they could not find a permanent job. In other words, more than half of all workers with temporary contracts (52.9 %) could not find work with a permanent contract and so their temporary working status can be considered to be involuntary.

The share of employees who worked under a temporary contract because they could not find a permanent job is shown in Map 1. This share ranged from 10.0 % in Austria to 92.8 % in Cyprus. Shares of more than 80 % were recorded in several southern European Member States like Italy (80.2 %), Spain (80.8 %), Portugal (82.1 %) Croatia (86.6 %). Less than 20 % of involuntary part-time work were registered in Estonia (14.6 %), Germany (13.6 %) and Austria (10.0 %). Among the EFTA countries shown in the map, Iceland and Switzerland reported relatively low figures for this indicator. By contrast, among the candidate countries more than four fifths (88.5 %) of employees in Montenegro worked under a temporary contract because they could not find a permanent job.



Map 1: Share of employees with a temporary contract aged 15-64 years that could not find a permanent job, 2018

(%)

Source: Eurostat (lfsa_etgar)

Involuntary part-time employment

Involuntary part-time employment (as a proportion of total part-time employment) measures one aspect of underemployment which is important in the context of quality of life. If people work fewer hours than they would like to, this has implications for their opportunities to earn income, interact socially, shape their identity and develop their skills, all of which can impinge on their quality of life. People sometimes accept part-time work for lack of full-time alternatives. However, in some EU Member States without favourable legislation or collective agreements for this type of contract, part-time work may be accompanied by inferior conditions as regards access to benefits and opportunities for training and career advancement.

In 2018, almost one in four (24.8 %) of all part-time workers in the EU-28 would have preferred to work full time, i.e. were in this situation involuntarily (see Figure 4). Greece, Italy and Cyprus were the EU Member States with the highest proportions (more than 60 %) of involuntary part-timer workers, followed by Bulgaria, Spain and Romania where more than half of all part-time workers would prefer to work full time. Six Member States including Malta, the Netherlands, Belgium, Czechia, Estonia and Slovenia recorded involuntary part-time work rates below 10 %, with Estonia at the bottom of the list at 5.8 %.

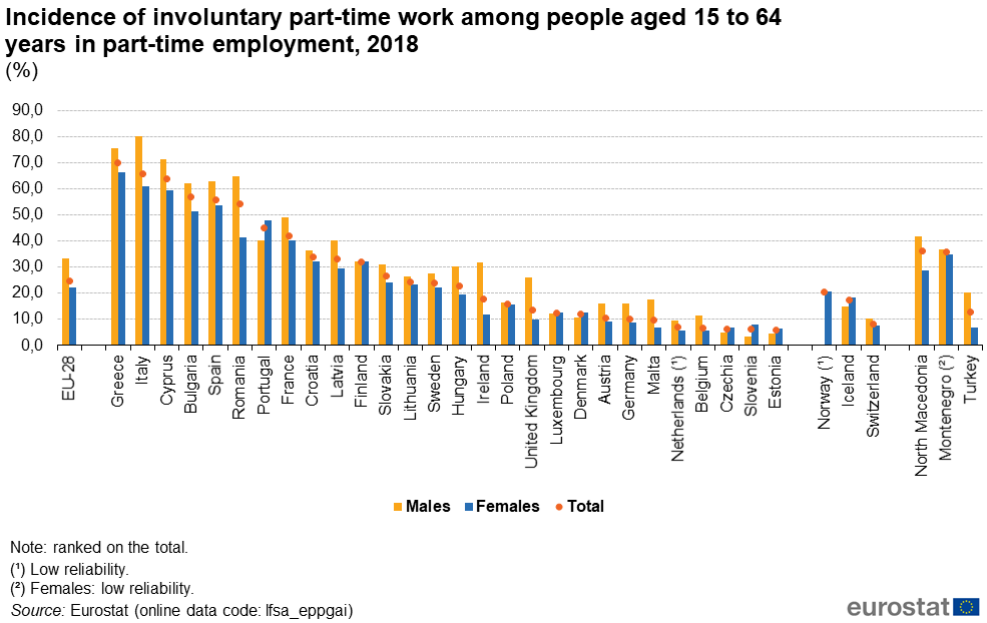


Figure 4: Incidence of involuntary part-time work among people aged 15 to 64 years in part-time employment, 2018

(%)

Source: Eurostat (lfsa_eppgai)

At EU level, among males 33.4 % were involuntarily part-time working, among female part-time employed, the proportion was at 22.1 %. In the majority of the EU Member States, the proportion of involuntary part-time workers was higher among men than among women. However, thiswas not the case in all countries: in Portugal, the incidence of involuntary part-time work was 7.9 percentage points higher for women than for men, with smaller gaps — but still with higher rates for women — also recorded in Slovenia, Czechia, Estonia, Denmark and Luxembourg.

Income and benefits

Low-wage earners are employees earning two thirds or less of national median earnings (an hourly rate that one half of a country's population earn less than and the other half earns more than). Hence, the low-wage threshold is different in each country.

In 2014 (latest available data), 17.2 % of all employees (excluding apprentices) in the EU-28 were low wage earners (see Figure 5). The EU Member States with the highest proportions of low-wage earners were in the Baltic Member States, eastern parts of the EU and Germany: Latvia (25.5 %), Romania (24.4 %), Lithuania (24.0 %), Poland (23.6 %), Croatia (23.1 %), Estonia (22.8 %) and Germany (22.5 %). At the other end of the ranking, just 2.6 % of employees (excluding apprentices) were low wage earners in Sweden, while in Belgium, Finland, Denmark, France, and Italy, less than 1 in 10 employees were low-wage earners.

Between 2010 and 2014 there was a slight increase in the share of low-wage earners in the EU-28, up 0.2 points from 17.0 %. The largest increase in the share of low-wage earners was in Greece, where it rose 8.9 percentage points from 12.8 % to 21.7 %, considerably more than in any other EU Member State, as the next largest increase was 2.7 percentage points, recorded in France. The largest falls in the share of low-wage earners between 2010 and 2014 were of 4.1 percentage points in Portugal and 3.8 percentage points in Bulgaria.

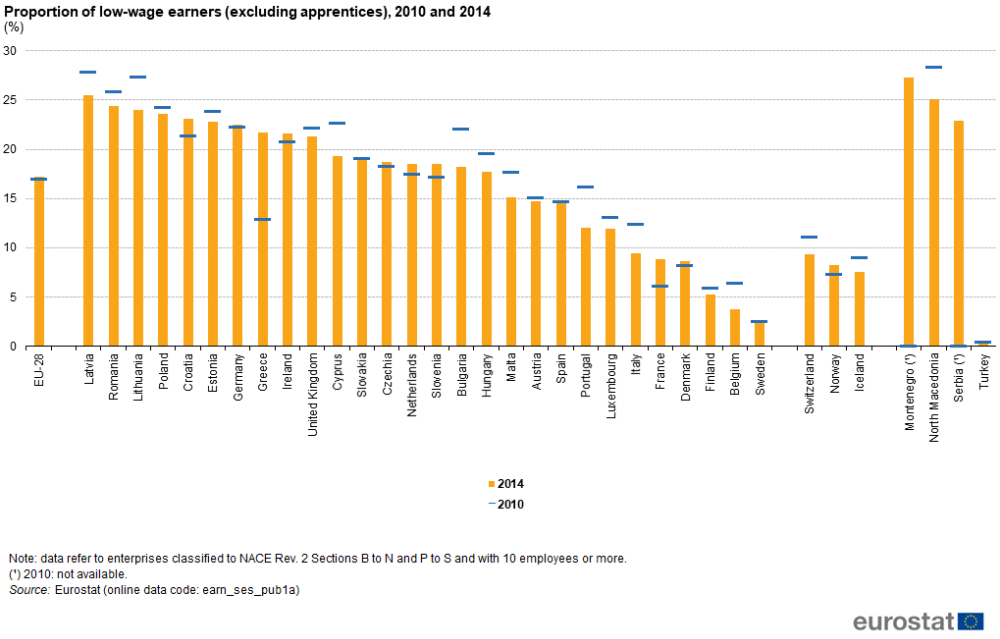


Figure 5: Proportion of low-wage earners

(excluding apprentices), 2010 and 2014

(%)

Source: Eurostat (earn_ses_pub1a)

Over-qualified employees

For an individual, working in a job that requires a lower qualification than they possess can have an important negative impact on self-esteem, job satisfaction and her/his overall quality of life. Working in such a job, also usually implies a lower income. For society as a whole, over-qualified employees imply a suboptimal usage of the stock of human capital, which can hamper social and economic development.

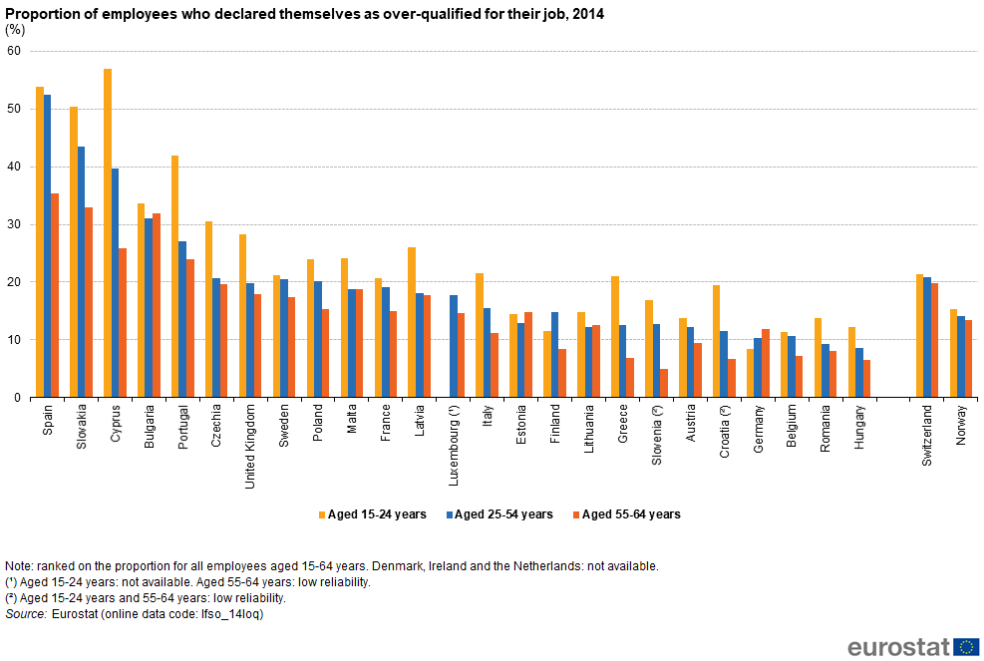


Figure 6: Proportion of employees who declared themselves as over-qualified for their job, 2014 (%)

Source: Eurostat (lfso_14loq)

The 2014 data presented in Figure 6 are based on respondents' own evaluation, relating their educational level, experience and skills, to the requirements of their current main job. In 21 of 24 EU Member States for which complete data are available, the age group which had the highest proportion of respondents declaring themselves as over-qualified for their job was the youngest one, namely, people aged 15-24 years. Among other reasons, this may reflect some of the difficulties young people have to enter the labour market. In Finland, the highest proportion of respondents declaring themselves as over-qualified was observed in the age group 25-54 years, while in Germany and Estonia older workers (aged 55-64 years) were most likely to declare themselves as over-qualified. In most Member States, older workers were least likely to declare themselves as over-qualified, with Bulgaria and Lithuania the only exceptions alongside Germany and Estonia. In Cyprus, Spain and Slovakia, more than half of young workers declared themselves as over-qualified for their job, as did more than half of workers aged 25-54 years in Spain.

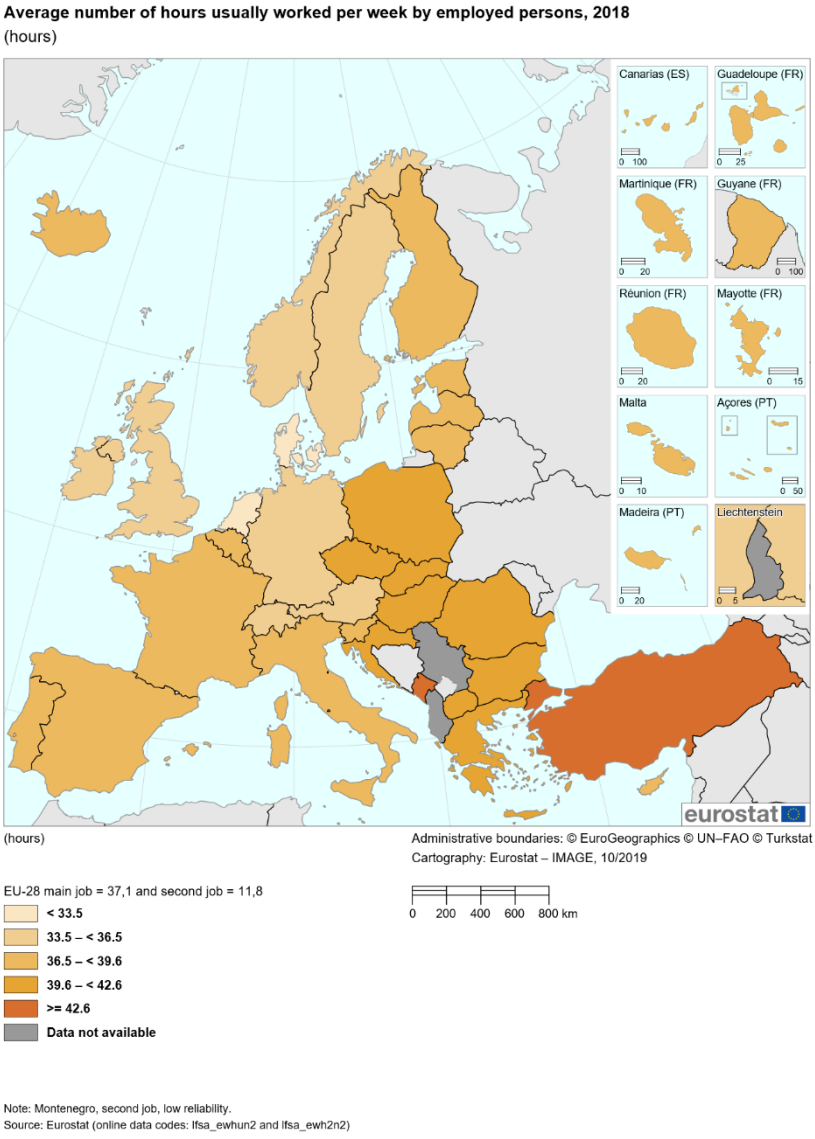
Looking in general across the EU Member States, Hungary (8.6 %) and Romania (9.3 %) both recorded less than 1 in 10 employees aged 15-64 years who declared themselves as over-qualified for their job.

In a small majority of the Member States, between one tenth and one fifth of all employees regarded themselves as over-qualified, with this share reaching between one fifth and one third in Sweden, the United Kingdom, Czechia, Portugal and Bulgaria, and around two fifths in Cyprus and Slovakia. By far the highest share was in Spain, where one half (50.3 %) of all employees aged 15-64 years regarded themselves as over-qualified for their job.

Working hours

The number of hours worked per week may impact on an individual's work-private life balance, which in turn can have an effect on subjective well-being; however, this effect is not linear. Research has shown that subjective well-being increases with the number of hours an individual works per week up to a certain point, beyond which it starts to deteriorate, possibly because excessive (for example over 48 hours per week) working hours reduce job satisfaction which in turn reduces overall fulfilment (Abdallah, Stoll and Eiffe, 2013).

In 2018, the average number of hours usually worked per week by employed persons in the EU-28 was 37.1 for the main job (see Map 2) and 11.8 for the second job. It should be noted that the proportion of employed persons with a second job varies considerably across the EU Member States (and is relatively uncommon in most of them).



Map 2: Average number of hours usually worked per week by full-time employed persons, 2018 (hours)

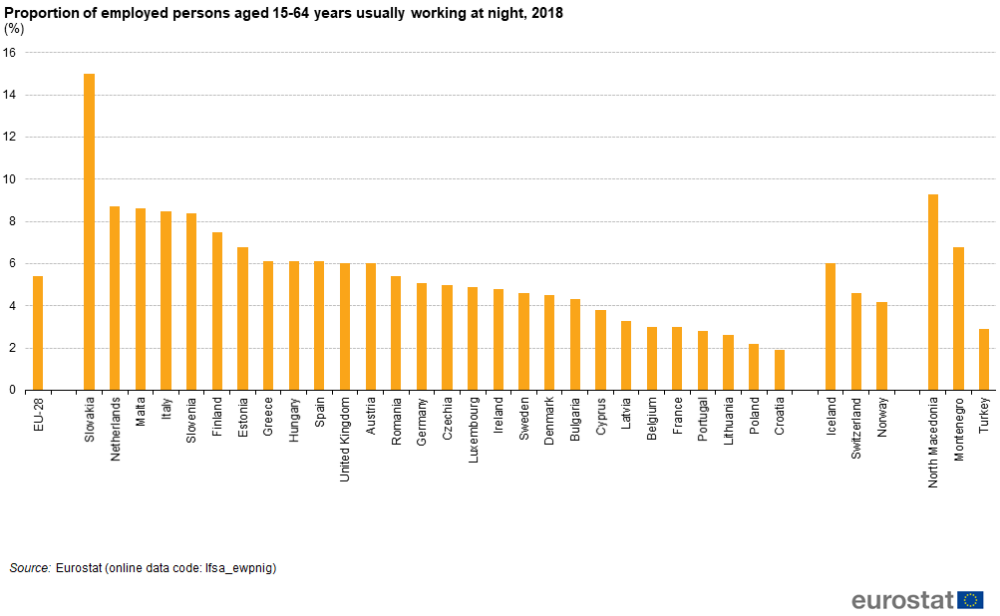
Source: Eurostat (lfsa_ipga)

Among the EU Member States, Greece had the highest average number of hours usually worked by workers in their main job, 42.0 hours per week; Turkey recorded an even longer average working week (45.7 hours). The next longest working weeks among the Member States were in Bulgaria (40.7 hours),

Poland (40.4), Czechia (40.1) and Slovakia (40.0 hours). The lowest value was reported in the Netherlands (30.4 hours),when the part-time work is very widespread. For second jobs, Hungary had the longest weekly working time, 18.0 hours per week, followed by Greece (17.5 hours) and Bulgaria (16.5 hours). At the other end of the ranking was Germany, with an average of 8.1 hours per week, the only Member State below 10.0 hours.

Working nights

Another indicator that may impact on people work-private life balance and thus potentially impinge on their quality of life, is the proportion of persons employed usually working at night. In 2018, an average of 5.4 % of employed people aged 15-64 years in the EU-28 usually worked at night (see Figure 7). The distribution across EU Member States varied between 1.9 % in Croatia and 8.7 % in the Netherlands, with the share in Slovakia (15.0 %) much higher than anywhere else in the EU, reflecting in particular the extensive use of night shifts in Slovakia's relatively large manufacturing sector. Among the candidate countries, North Macedonia and Montenegro also reported relatively high shares of persons employed working at night, 9.3 % and 6.8 %, with the share in the former higher than in all of the Member States except for Slovakia; in Turkey the share was 2.9 %, lower than in all of the Member States except for Croatia, Poland, Lithuania and Portugal.



Source: Eurostat (online data code: lfsa_ewpnig)

eurostat

Figure 7: Proportion of employed persons aged 15-64 years usually working at night, 2018 (%)

Source: Eurostat (lfsa_ewpnig)

Health and safety at work

An important indicator that may be used to assess the quality of employment is the rate of accidents at work. This is measured by the number of work accidents recorded during a year per 100 000 persons employed. The information is presented as standardised rates that reflect the structure of the economy, as some activities (such as mining and quarrying or construction) have much higher incidence rates of accidents than others and the economic structure differs between EU Member States. The incidence of accidents at work reflects among other things, the extent to which health and safety standards are upheld in the workplace.

The following data refers to fatal accidents as these are better recorded than non-fatal accidents due to their severity and therefore they are more comparable between Member States. It should be noted that the total number of fatalities at work is relatively low and so the incidence rate can vary greatly from one year to the next, particularly in some of the smaller Member States.

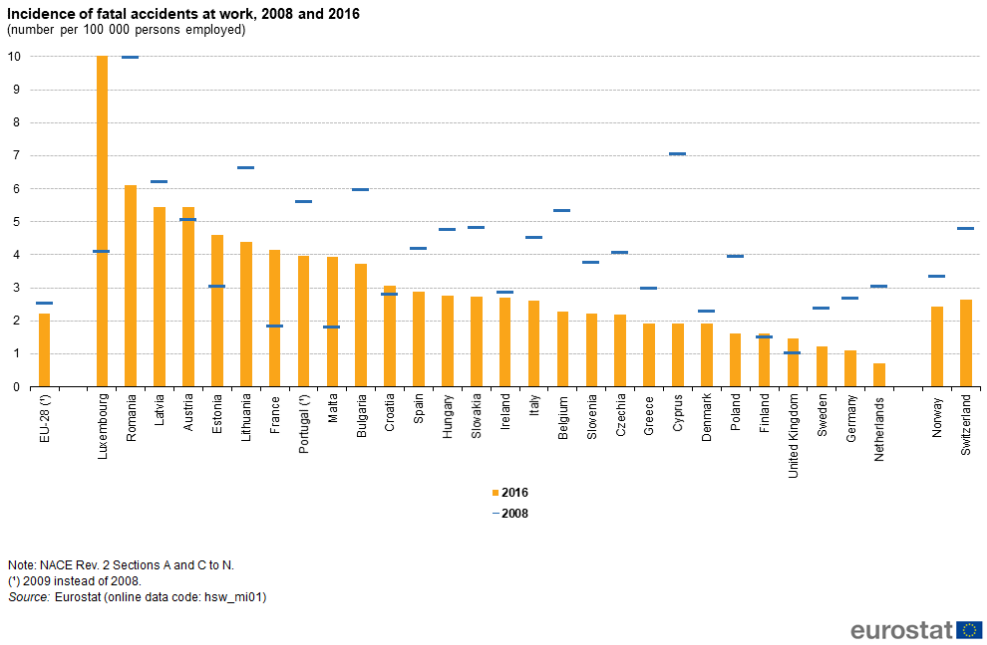


Figure 8: Incidence of fatal accidents at work, 2008 and 2016

(number per 100 000 persons employed)

Source: Eurostat (hsw_mi01)

In 2016, the EU-28 incidence rate for fatal accidents at work was 2.2 per 100 000 persons employed, down slightly from 2.5 per 100 000 persons employed, recorded in 2008 (see Figure 8). The incidence rate in Luxembourg was almost five times as high as the EU-28 average, at 10.8 per 100 000 persons employed, far above the next highest rates - 6.1 in Romania and 5.5 in Latvia. The Netherlands had the lowest incidence of fatal work-related accidents in 2016, 0.7 per 100 000 persons employed, followed by Germany, Sweden, the United Kingdom, Finland, Poland, Denmark, Cyprus and Greece all with rates in the range of 1.1-2.0 fatal accidents per 100 000 persons employed.

The biggest increase in fatal accidents at work was recorded in Luxembourg (up 6.7 per 100 000), followed by France (plus 2.3) and Malta (plus 2.2). The largest decrease was seen in Cyprus (minus 5.1 per 100 000), Romania (minus 3.9) and Belgium (down 3.0)

Job satisfaction

Empirical research suggests that job satisfaction is one of the most important factors in and predictors of overall life satisfaction. The results of the European quality of life surveys show that the satisfaction of people in employment with their current job appears to be relatively uniform across the EU Member States, as in 2016 average satisfaction was rated between 7.0 and 8.1 (on a mean scale of 1 to 10) in nearly all cases — see Figure 9. The one exception was Greece where a mean below this range was recorded (6.4). Between 2011 and 2016 the mean level of job satisfaction changed by +/-0.4 points or less in most Member States, with a larger decrease in Cyprus (down 0.6 points) and a larger increase in Bulgaria (up 0.6 points). Among the candidate countries shown in Figure 9 relatively large changes in job satisfaction were also observed in North Macedonia (down 0.6 points) and Montenegro (down 0.8 points).

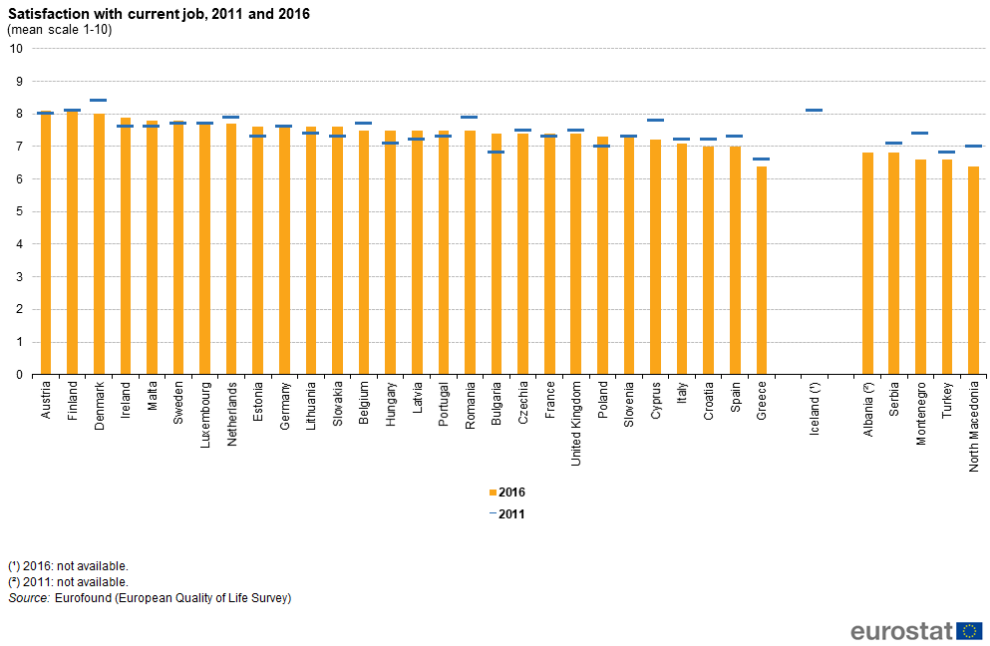


Figure 9: Satisfaction with current job, 2011 and 2016

(mean scale 1-10)

Source: Eurofound (European Quality of Life Survey)

While job satisfaction depends on a multitude of factors (such as job content, responsibility, motivation, perception of fairness in the workplace, or remuneration), low job satisfaction and other adverse factors often coexist. For example, the five EU Member States at the bottom of the job satisfaction scale — Greece, Spain, Croatia, Italy and Cyprus — also reported the highest levels of unemployment (see Figure 2). Equally, four of the five Member States at the bottom of the job satisfaction scale also reported the highest levels of involuntary part-time employment (see Figure 4). Greece had the lowest job satisfaction and the highest number of hours worked by full-time workers in their main job (see Map 2). Furthermore, Spain had the second lowest job satisfaction and the highest share of employees that could not find a permanent contract (see Map 1) and the highest share of employees who declared themselves as over-qualified for their job (see Figure 6). On the other hand, job satisfaction does not seem to be so closely linked to the proportion of low-wage earners (see Figure 5).

At the top end of the job satisfaction scale the relationship to a relative absence of adverse factors is less clear cut. Austria, Finland and Denmark exhibited middle rankings for several of the adverse factors referred to above, with low rankings for Denmark and Finland concerning the proportion of low-

wage earners (see Figure 5) and the number of hours worked by full-time workers in their main job (see Map 2). Interestingly, Austria reported the highest job satisfaction combined with the second highest number of hours worked by full-time workers in their main job, although it did report a particularly low share of employees who were unable to find a permanent contract (see Map 1).

Other main activity: proportion of the inactive population

People are considered as economically inactive if they are not part of the labour force, in other words they are neither employed nor unemployed. Provided that they are not in gainful employment and not available or looking for work either, among the working-age population the economically inactive population includes students, people caring for family members (often housewives or househusbands), some pensioners (where retirement before 65 is possible or for reasons of disability), as well as others who are not in the labour market for a variety of reasons, for example due to health reasons or because they have chosen to travel or undertake unpaid voluntary work. In general, many economically inactive people (like economically active people) do unpaid work that is valuable from an individual as well a societal perspective. Each subgroup of the economically inactive population has its own characteristics and issues that influence their quality of life.

The data presented in Figure 10 show the proportion of the population that is economically inactive; this can be compared with the employment rates presented in Figure 1 which are also shown as a proportion of the population. In 2018, just over one quarter (26.3 %) of the population aged 15-64 years in the EU-28 was economically inactive. The lowest proportions of economically inactive people were reported in the Baltic and Nordic Member States, as well as several western parts of the EU — the Netherlands, Germany, the United Kingdom and Austria. The only other Member States where the proportion of economically inactive persons was under one quarter were Czechia and Portugal. The three EFTA countries included in Figure 10 also reported relatively low proportions of economically inactive people. At the other end of the ranking, in excess of 30.0 % of the working-age population were economically inactive in Belgium, Greece, Romania, Croatia and Italy — and this was also the case in the three candidate countries included in Figure 10.

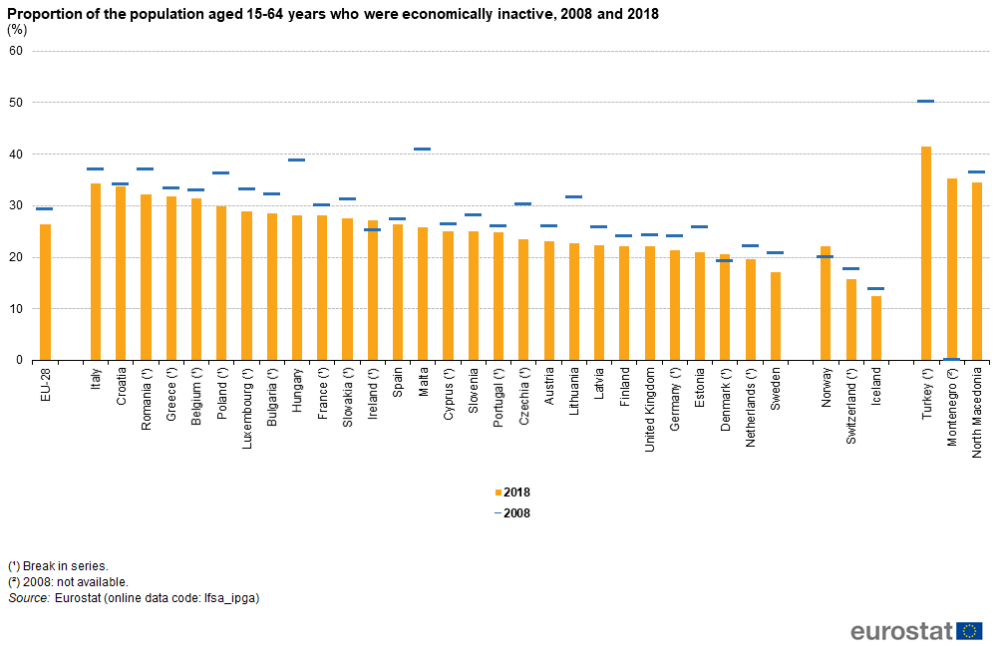


Figure 10: Proportion of the population aged 15-64 years who were economically inactive, 2008 and 2018

(%)

Source: Eurostat (lfsa_ipga)

Between 2008 and 2018, the share of the working-age population that was economically inactive in the EU-28 fell overall by 3.0 percentage points, despite the impact of the global financial and economic crisis between these years. Ireland (up 1.9 percentage points) and Denmark (up 1.3 percentage points) were the only EU Member States to report an increase in their respective shares of economically inactive persons. Norway also reported an increase of this proportion. Among the remaining Member States, the largest falls in the economically inactive share of the working-age population were in Malta (down 15.1 percentage points), Hungary (minus 10.7 percentage points) and Lithuania (down 8.9 percentage points); Turkey (8.7 percentage points) also recorded a relatively large decrease.

Source data for tables and graphs

- Quality of life — productive or main activity: figures and maps

Data sources

In the context of quality of life, the term ‘productive or main activity’ covers quantitative and qualitative aspects of employment and the main activity of those not in employment.

- Data on the quantity (or lack of) employment are provided by indicators on employment, unemployment (unemployment rate and long-term unemployment rate) and underemployment (involuntary part-time employment). All data on these quantitative aspects of employment come from the EU’s Labour force survey (LFS), a continuous household survey carried out in all EU Member States, EFTA countries (except Liechtenstein) and candidate countries.
- Data on the quality of employment relate to several aspects of work, such as income and benefits (measured by the percentage of low-wage earners, which is derived from the structure of earnings survey (SES)), health and safety at work (work-related accidents from European statistics on accidents at work (ESAW)). Information on the work-private life balance (average number of hours usually worked per week; prevalence of night work), the prevalence of temporary contracts and over-qualification among the workforce, is coming from the EU-LFS. Self-assessment of the quality of employment complements the objective indicators. An indicator on job satisfaction is available from the 2013 EU SILC ad hoc module and from the Eurofound data collection.

Context

The Europe 2020 strategy is the EU’s agenda for growth and jobs for the current decade. It emphasises smart, sustainable and inclusive growth as a way to overcome the structural weaknesses in the EU’s economy, improve its competitiveness and productivity and underpin a sustainable social market economy. Employment and job creation are key elements of this strategy, with one of the seven headline indicators being that 75 % of people aged 20-64 should be in work by 2020. As well as this target linked directly to the quantity of employment, other targets within the strategy are also linked to employment. For example, reducing the number of early leavers from education and training, or increasing the proportion of people having completed higher education may boost employment rates. Equally, increasing R & D expenditure may make the economy more competitive and create job opportunities, while investing in cleaner technologies may not only reduce emissions and fossil fuel consumption but also develop new employment opportunities.

One of the flagship initiatives of the Europe 2020 strategy is An agenda for new skills and jobs, which was published in 2011. This agenda proposed 13 actions intended to contribute to improving the functioning of the EU's labour market. This initiative goes beyond simply the quantitative issue of the number of employed people and addresses also issues related to the quality of jobs. For example, the initiative concerns increasing job flexibility and security, providing incentives to invest in training, and ensuring decent working conditions. In June 2010, a new skills agenda for Europe was launched, with 10 actions. Together these actions are designed to: improve the quality and relevance of training and other ways of acquiring skills; make skills more visible and comparable; and improve information and understanding of trends and patterns in demands for skills and jobs (skills intelligence) to enable people to make better career choices, find quality jobs and improve their life chances.

The European employment strategy (EES) was launched in 1997 in anticipation of the entry into force of the Amsterdam Treaty. The EES established a framework to encourage EU Member States to put into place effective policies. Overall, the main aim of the strategy is the creation of more and better jobs throughout the EU. The EES now constitutes part of the Europe 2020 growth strategy and it is implemented through the European semester, an annual process promoting close policy coordination among Member States and EU institutions. The implementation of the EES involves the following four steps of the European semester:

- Employment guidelines are common priorities and targets for employment policies proposed by the European Commission, agreed by national governments and adopted by the EU Council.
- The Joint employment report (JER) is based on (a) the assessment of the employment situation in the EU (b) the implementation of the employment guidelines and (c) an assessment of the scoreboard of key employment and social indicators. It is published by the European Commission and adopted by the EU Council.
- National Reform Programmes (NRPs) are submitted by national governments and analysed by the European Commission for compliance with Europe 2020.
- Based on an assessment of the NRPs, the European Commission publishes a series of country reports, analysing Member States' economic policies and issues country-specific recommendations.

The current employment guidelines target four key domains and are structured as follows:

- boosting demand for labour, and in particular guidance on job creation, labour taxation and wage-setting;
- enhanced labour and skills supply, by addressing structural weaknesses in education and training systems, and by tackling youth and long-term unemployment;
- better functioning of the labour markets, with a specific focus on reducing labour market segmentation and improving active labour market measures and labour market mobility;
- fairness, combating poverty and promoting equal opportunities for all.