



FSO News

03 Work and income



Neuchâtel, october 2017

Comments on findings for the period 2011–2017

Labour market indicators for 2017

This document is an extract from the publication “Labour market indicators 2017”, which (available in German and French) presents the main highlights among the vast range of employment data. The information is arranged to provide an overview of the Swiss labour market, along with the relevant statistics. Some of the areas dealt with include employment, working hours, unemployment, vacancies, dynamic aspects of the labour market, as well as salary structure and trends.

The first part of this publication is devoted to comments on the findings for the period 2011–2017. It then looks at the definitions of the main labour market indicators. There is then a specific chapter describing the methodological aspects of the various statistical sources. The final part of this publication includes almost forty tables presenting in detail the results of the various labour market statistics.

The complete publication will be available on 23th november 2017.

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Summary

2011–2016: Major developments in the Swiss labour market	4
2011–2016: The situation of men and women in the labour market	6
2011–2016: Swiss and foreign labour force	8
2011–2016: The situation in Switzerland's seven major regions	10
Labour market in the second quarter of 2017 and short-term prospects	12
The Swiss labour market in international comparison	14

2011–2016: Major developments in the Swiss labour market

Swiss economic growth slowed slightly in 2015 and 2016. Over the five-year period (Q4 2011 to Q4 2016), the number of employed persons in Switzerland rose considerably. During the same period, the unemployment rate based on the ILO definition increased and the registered unemployment rate (the number of people registered as unemployed at regional employment centres (RAV)) increased. There were approximately the same number of job vacancies which were sometimes harder to fill. Switzerland's labour market is doing very well in international comparison.

Slowdown in economic growth at the end of the observation period

The renewed growth that followed the financial crisis slowed slightly in 2011 and 2012 and recovered again in 2013 and 2014 (changes in GDP in comparison with the same quarter a year earlier). On average, the Swiss economy showed 1.7% growth from Q1 2011 to Q4 2014. From the first quarter 2015, weaker economic growth has been observed. In Q4 2015, the growth rate compared with the same quarter the previous year was 0.4%. This corresponds to the lowest value during the period observed. In 2016, Switzerland registered moderate growth on average of 1.3%.

Slight rise in number of unemployed based on ILO definition

According to the Employment Statistics (ES), which are based on personal interviews (Swiss Labour Force Survey [SLFS]), between the fourth quarters of 2011 and 2016.

The number of employed persons increased by 8.1% to 5.0m. During the same period, the Job Statistics (JOBSTAT), which are based on a survey of secondary and tertiary sector enterprises, showed a 6.1% rise in the number of jobs (to 4.9m). During the same period, the number of unemployed persons based on the ILO definition also increased markedly by 24 000 (+12.0%) and the number of people registered as unemployed at regional unemployment offices (RAV) increased by 29 000 (+23.5%).

In five-year comparison, these developments led the unemployment rate based on the ILO definition to rise to 4.6% (+0.2 percentage points) and the unemployment rate to rise to 3.5% (+0.5 percentage points).

Number of job vacancies stable and greater problems in the recruitment of personnel

In the fourth quarter 2016, there were approximately the same number of job vacancies (53 000) as five years previously (51 000). At the same time, enterprises had more difficulty recruiting personnel with a university degree or higher vocational training. In contrast, difficulties in recruiting personnel with a completed apprenticeship and personnel without vocational educational or training were the same as five years earlier. The unemployment rate based on the ILO definition for groups of persons with just lower or secondary level education increased over the same period (+0.6 percentage points), while it remained constant for those with tertiary level education.

Men's unemployment rate based on ILO definition increased

Structurally speaking, the period 2011 to 2016 was characterised by the male unemployment rate based on ILO definition aligning itself with that of women. In the fourth quarter 2016, 4.4% of men and 4.8% of women were unemployed; five years earlier the difference was larger (4.1% compared with 4.8%). In 2016, women continued to work part-time much more often (58.7%) than men (17.2%). The number of men working part-time has increased considerably over the past five years (+29.7%, women +9.7%).

High level of immigration of foreign labour

The number of economically active foreigners (employed persons plus unemployed based on the ILO definition) increased between the fourth quarter 2011 and the fourth quarter 2016 by 18.5%, reaching 1.7m. The number of economically active Swiss nationals grew by 4.1% to 3.6m. Thereby the net migration of economically active persons of foreign nationality was subject to relatively strong fluctuations (between 81 000 in 2011 and 36 000 in 2016). The foreign resident population is affected by unemployment to a much greater extent than the Swiss resident population (8.3% and 3.3% respectively in fourth quarter 2016). In five-year comparison, the unemployment rate of foreign nationals has increased (+0.4 percentage points) while that of Swiss nationals has remained constant.

The Swiss labour market robust in international comparison

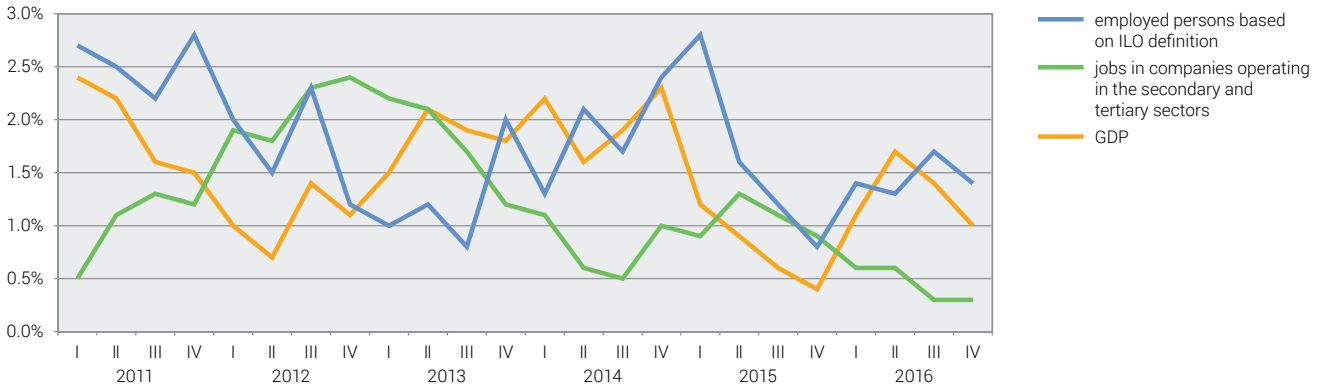
In Q4 2016, Switzerland's unemployment rate based on the ILO definition was around half (4.6%) the rate in the European Union EU-28 (8.2%). Germany (3.8%), the Czech Republic (3.6%) and Iceland (2.5%) registered unemployment rates under 4%. The economic activity rate, women's participation in the labour market as well as the proportion of employed persons working part-time are markedly higher in Switzerland than in most European countries.

Nominal and real wage increase

In 2016, nominal wages increased by an average of +0.7% compared with 2015. For the fifth year in a row, nominal wages grew by less than +1%. Almost all economic sectors saw a real increase in wages, buoyed by negative inflation of -0.4%. At the end of 2015, when decisions were being made with regard to pay rises for 2016, economic growth, both at global and national level, was rather flat. However, it was expected to recover gradually, if moderately, in 2016. From 2012 to 2016, the average annual real wage increase for all employees was +1.2% (men: +1.1%, women: +1.3%).

2011–2016: Major developments in the Swiss labour market

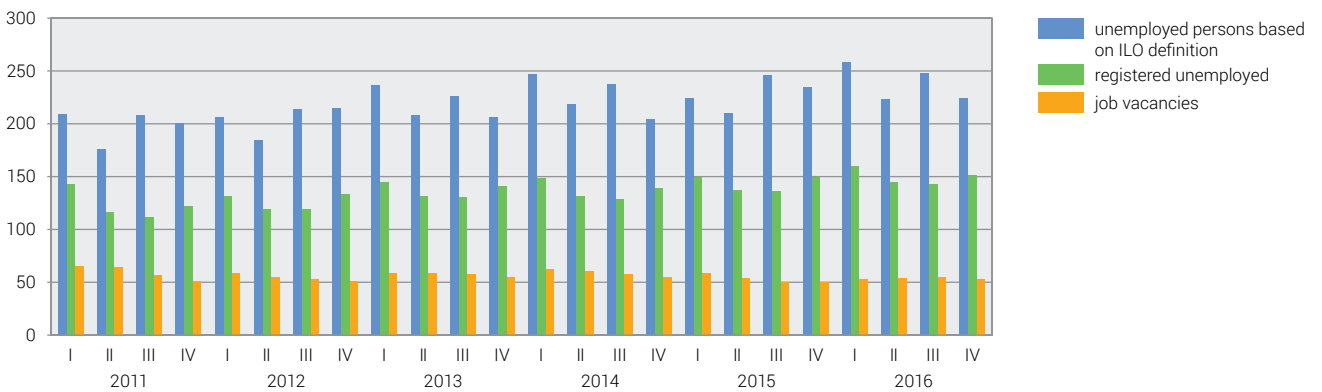
Variation in the gross domestic product (GDP real), the number of employed persons and the number of jobs, compared to the corresponding quarter in the previous year, as a percentage, 2011–2016



Sources: FSO – Employment Statistics, Job Statistics; State Secretariat for Economic Affairs SECO

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Unemployed persons based on ILO definition, registered unemployed and job vacancies, in thousands, 2011–2016

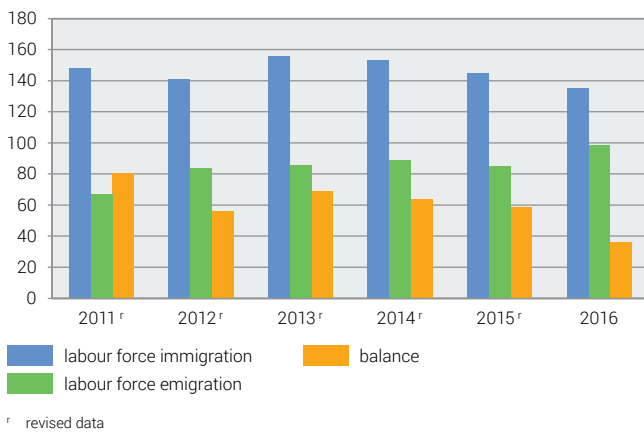


Note: Unemployment Statistics (ILO and SECO-based): quarterly averages Job Statistics: value at the end of the quarter

Sources: FSO – Unemployment Statistics (ILO based), Job Statistics; State Secretariat for Economic Affairs SECO

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Workforce migration of foreign population, in thousands, 2011–2016



^r revised data

Source: FSO – Labour Market Accounts

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Variation in nominal and real wage index, in relation to the previous year, as a percentage, 2011–2016



Source: FSO – Swiss Wage Index

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2011–2016: The situation of men and women in the labour market

Between 2011 and 2016, the share of women participating in the labour market increased. More and more men as well as women work part-time. The share of women working part-time (58.7%) continues to be considerably greater than that of men (17.2%). The men's unemployment rate based on ILO has risen over the years and has aligned itself with the unemployment rate of women (4.4% and 4.8% respectively). Women earn on average 12.5% less than men. This gap is only partly explained by objective characteristics.

Share of economically active women has increased

The number of economically active persons (employed and ILO unemployed persons together correspond to the labour supply) rose between the fourth quarter 2011 and the fourth quarter 2016 by 7.2% among men (to 2.8m) while the female economically active population rose by 9.5% during the same period (to 2.4m). Thus, the share of women in the economically active population increased within five years by 0.5 percentage points to 45.7%. The number of employed women (+9.5%) rose more markedly than that of men (+6.9%), while the number of unemployed women based on the ILO definition increased by 8.5% and that of men by 15.5%. This led to a decline in the share of women among the unemployed from 50.4% in 2011 to 48.8% in 2016 (fourth quarter for each year).

Part-time work is still increasing

Women are more likely to work part-time than men: In the fourth quarter of 2016, 58.7% of all women in employment worked part-time (i.e. work-time percentage of less than 90%), whereas the corresponding share of men was 17.2%. The number of persons employed part-time increased both among women (+9.7%) and among men (+29.7%) between the fourth quarter 2011 and the fourth quarter 2016.

The unequal distribution of part-time work is also the reason why women account for only 38.4% of the total hours worked in 2016.

Among the 428 000 men working part-time in Q4 2016, there were 93 000 underemployed persons (22.3%), i.e. persons who wish to work more and are available at short notice. Of 1 269 000 women working part-time, 249 000 were underemployed, corresponding to 19.6%. In five-year comparison, the share of underemployed persons among the part-time employed increased both among women (+1.2 percentage points) and among men (+1.8 percentage points).

Women more likely than men to be employed in the services sector

Between the fourth quarter 2011 and the fourth quarter 2016, the trends of employed persons of both sexes were comparable in the different economic sectors. Whereas in the secondary sector the number of employed men and women saw below-average growth (+2.2% and +1.0% respectively), in the tertiary sector the number among both sexes saw an above-average increase (+10.1% among men and +10.7% among women).

Proportionally, women work considerably more frequently in the service sector than men do (fourth quarter 2016: 86.7% vs. 66.6%). Only 10.7% of women are employed in industry and 2.6% in agriculture. The share of employed men working in industry is 29.8% and in agriculture 3.6%.

Increase in unemployment rate based on ILO definition among men

As a result of the economic recovery in 2010, the unemployment rates that had risen following the financial crisis fell until Q2 2011 to 3.7% among men and to 4.5% among women. Economic activity slowed in 2011 and 2012 before recovering again in 2013 and 2014: Up to Q1 2014, unemployment rates tended to increase, with unemployment rates among men exceeding those among women (men: 5.4%, women: 5.2%). While the unemployment rate among women fluctuated in the subsequent quarters at around 5%, following three quarters of improvement, a further increase was seen in the unemployment rate among men and thus renewed alignment with the unemployment rate of women was observed.

In five-year comparison, between the fourth quarter of 2011 and the fourth quarter of 2016, the men's unemployment rate based on the ILO definition can be seen to match that of women: while there was still a gap between the genders in 2011 (men: 4.1%, women: 4.8%), in 2016 the difference was 0.3 percentage points lower (men: 4.4%, women: 4.8%).

Women earn less than men

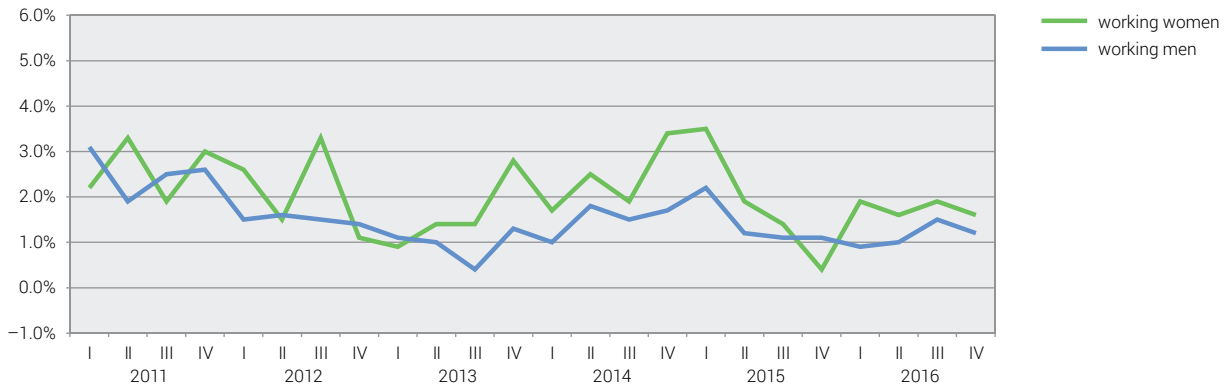
In 2014 the monthly gross median wage of women in the overall economy was CHF 5907 and that of men CHF 6751. The wage gap fell from 15.6% in 2010 to 15.1% in 2012 and to 12.5% in 2014. The wage gap in private industry in 2014 was 15.1% compared with 18.9% in 2012 and 18.5% in 2010. The wage gap in the public sector was 12.3% in 2014.

According to an analysis commissioned by the Federal Statistical Office, 60.9% of the wage gap (arithmetic mean) in 2014 in the private sector could be explained by various objective structures such as place in the hierarchy, number of years' service or education. 39.1% of the wage gap is based on unexplained factors.¹

¹ www.statistics.admin.ch → Topics 03 – Work and income → Wages, income from employment → Wage level – Switzerland → Wage gap

2011–2016: The situation of men and women in the labour market

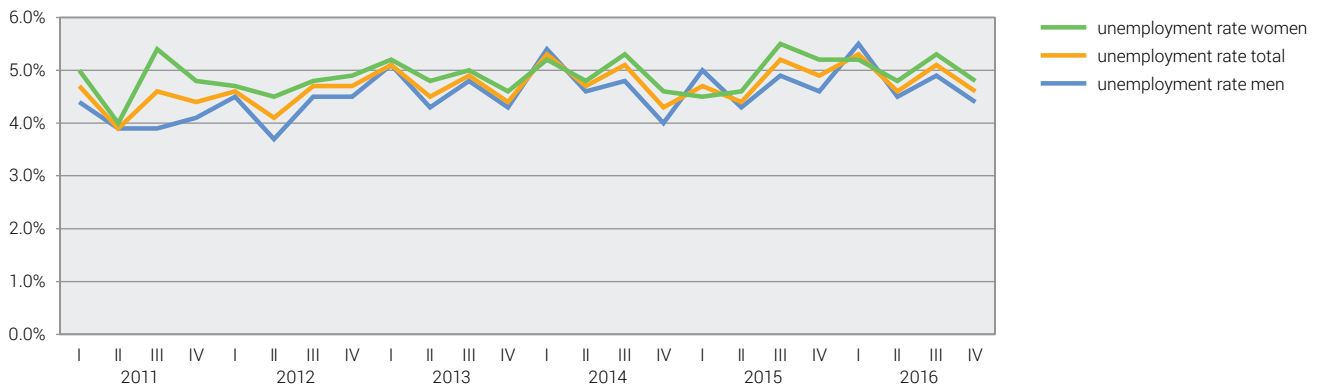
Variation in the number of employed persons according to gender, compared to the corresponding quarter in the previous year, as a percentage, 2011–2016



Source: FSO – Employment Statistics

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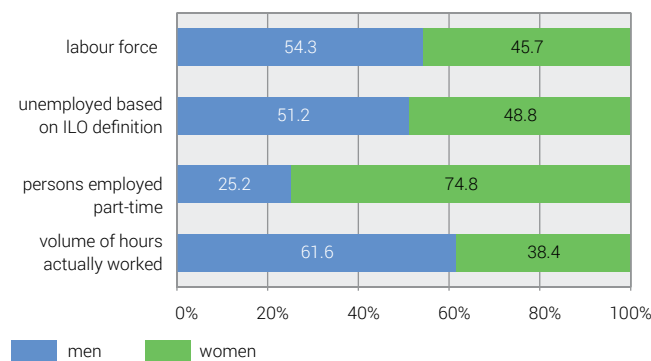
Unemployment rate based on ILO definition, by gender, as a percentage, 2011–2016



Source: FSO – Unemployment Statistics (ILO-based)

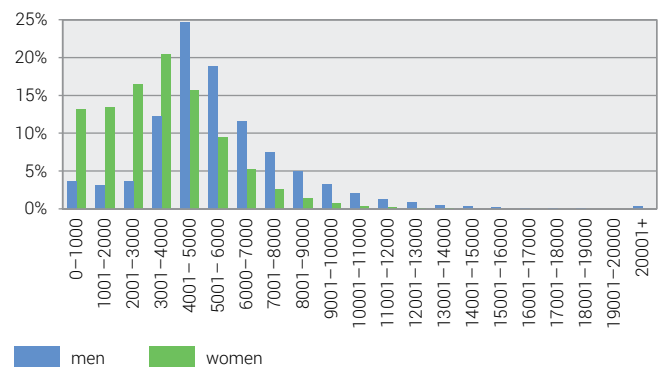
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Breakdown of men/women in the labour force, of unemployed based on ILO definition, of persons employed part-time (4th q. 2016 for each case) and of the volume of hours actually worked (2016), as a percentage



Sources: FSO – Employment Statistics, Unemployment Statistics (ILO-based), Swiss Labour Force Survey, Work Volume Statistics © FSO 2017

Frequency distribution by wage-level class (net monthly wage in CHF) and gender, private and public sector combined, as a percentage, 2014



Source: FSO – Swiss Earnings Structure Survey © FSO 2017

2011–2016: Swiss and foreign labour force

Since 2001, Switzerland has experienced a high level of foreign worker immigration. Between 2011 and 2016, the increase in the number of foreign nationals in the labour force was nearly five times higher than the increase in the number of Swiss workers. Without naturalisations, the difference would have been markedly greater. Over the entire period under review, the unemployment rate based on the ILO definition was two to three times higher among foreign nationals than among Swiss nationals. Swiss workers earn generally more than their foreign counterparts.

High level of immigration of foreign labour

Between the fourth quarter of 2011 and the fourth quarter of 2016, the number of economically active foreign nationals (employed foreign nationals and foreign nationals who were unemployed based on the ILO definition) grew nearly five times faster than the number of economically active Swiss nationals (+18.5% to 1.7m compared with +4.1% to 3.6 m). Compared with the same quarter of the previous year, the foreign labour force grew markedly, especially at the start of the period under observation and in the second half-year 2013 and the first half-year 2014 (between 4.5 and 5.9%); in 2016 growth was far weaker. The strong rise in the number of foreign workers is the result of heavy immigration: during the period 2012 to 2016, immigration of foreign workers exceeded the number of emigrations by 285 000 persons. In contrast, the migration of economically active Swiss citizens resulted in a negative balance of 12 000 persons over the five-year period. Naturalisations play a role in the structure of the economically active population: from 2012 to 2016, approximately 115 000 economically active foreigners obtained Swiss nationality. Were it not for these naturalisations, the number of foreign workers would have increased by 26.7% from 2011 to 2016, whereas the number of economically active Swiss citizens would have increased only very slightly (+1.0%). During the fourth quarter 2016, the share of foreign nationals in the economically active population was 31.7%, compared with 29.0% five years earlier.

Foreign nationals more often affected by unemployment based on ILO definition

In the fourth quarter of 2016, 3.5m economically active Swiss nationals were employed in the labour market and 118 000 were unemployed based on the ILO definition. Thus, the unemployment rate based on the ILO definition of the Swiss population was 3.3%. Whereas the rate for Swiss nationals during the period under observation fluctuated between 3.0% (2011) and 4.0% (2014), the situation was less favourable for foreigners: 1.5 million foreign nationals were employed in Q4 2016 and 106 000 were unemployed. The unemployment rate of the foreign population was 8.3%. Foreign nationals are at greater risk of unemployment, partly due to the comparatively high number of foreign workers who have no qualification beyond compulsory schooling (26.4% compared with 10.7% of Swiss nationals).

Less part-time work among foreign nationals

Between the fourth quarter 2011 and the fourth quarter 2016, the number of people working part-time rose among both Swiss and foreign workers (+2.5 percentage points to 39.8% and +2.4 percentage points to 26.7%). This type of work is common among women, albeit more common among Swiss women than foreign women: in the fourth quarter 2016, 61.5% of Swiss women were employed on a part-time basis, compared with 49.4% of foreign women. Among men, the corresponding shares were 19.8% and 10.2%. Foreign workers are mainly salaried employees (95.6%; Swiss nationals: 88.5%). Only 4.4% are self-employed or work on a family-run enterprise or farm. This difference is attributable to several factors: these include the impossibility for foreign persons of the first generation taking over a family-owned business. Moreover, the share of persons under age 40 is larger in the foreign population than in the Swiss population (the 40–64-year-old age group has a much higher proportion of self-employed persons than among those aged under 40).

Increasing share of foreign workers with a cross-border commuter permit

The structure of the employed foreign population by permit status has changed only slightly in the past five years. While the share of cross-border commuters holding a G permit increased by +1.3 percentage points to 20.4% and that of persons holding a settlement permit (C permit) by 0.5 percentage points to 46.5%, workers with a residence permit (B permit) fell by –1.0 percentage points to 28.3% and the share of short-term permits fell by –0.7 percentage points to 3.0%.

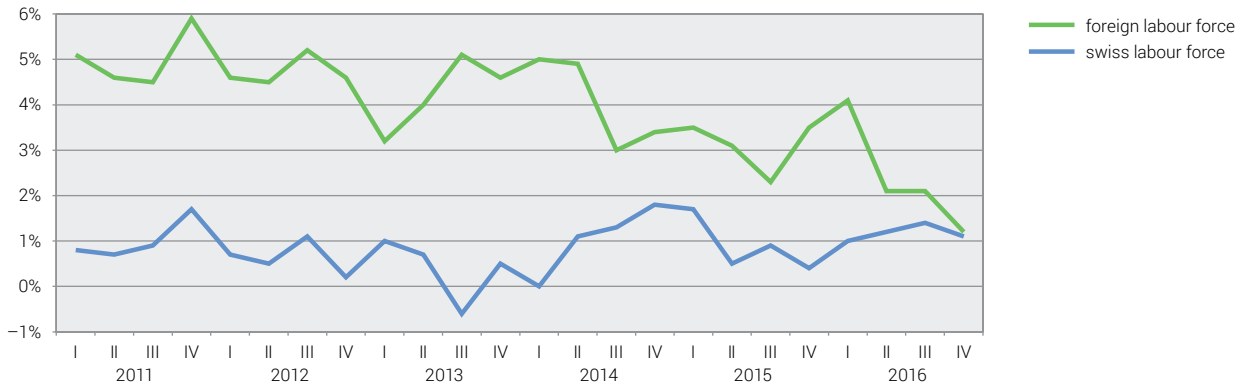
Better wage conditions for Swiss nationals

In 2014 the overall wage level of foreign workers was lower than that of their Swiss counterparts (CHF 5833 and CHF 6713 respectively). This is equal to a wage gap of 13.1% in favour of Swiss employees. These figures are not, however, an indication of discrimination: on the one hand foreign employees are on average younger and on the other hand there are still large differences between Swiss and foreign employed persons with regard to educational level and distribution by economic branch.

The median wage level of foreign employees (all resident permit categories together) rose between 2010 and 2014 by 4.0%, whereas that of Swiss employees increased by only 3.5%.

2011–2016: Swiss and foreign labour force

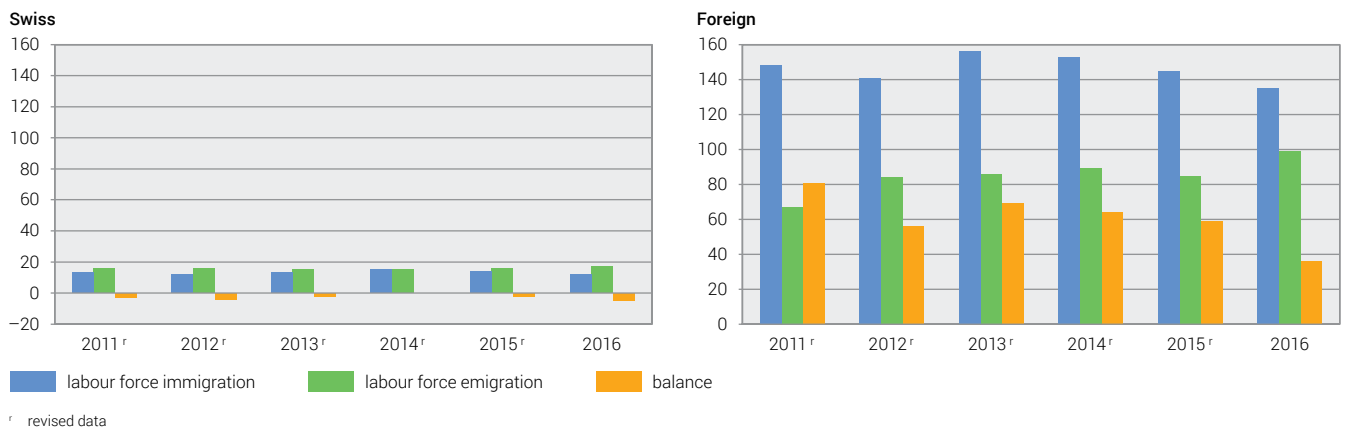
Variation in the labour force according to nationality, compared to the corresponding quarter in the previous year, as a percentage, 2011–2016



Source: FSO – Employment Statistics

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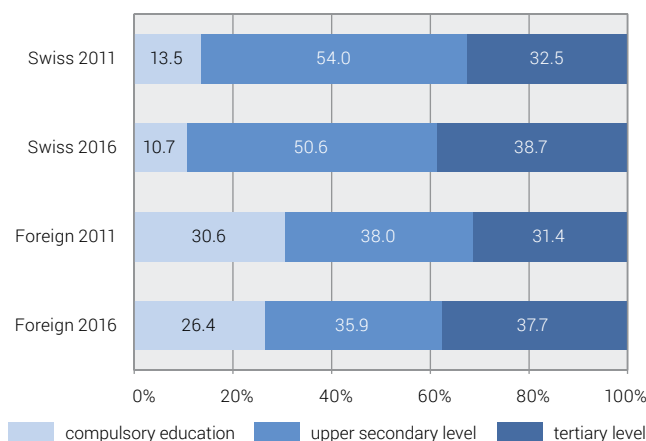
Labour force migration, by nationality, in thousands, 2011–2016



Source: FSO – Labour Market Accounts

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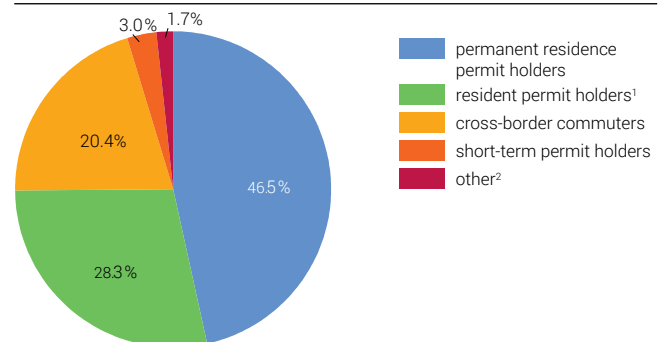
Levels of qualifications in the labour force according to nationality, as a percentage, 4th quarter 2011 and 4th quarter 2016



Source: FSO – Swiss Labour Force Survey

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Foreign employed persons by type of residence permit, as a percentage, 4th quarter 2016



¹ Incl. holders of a short-term residence permit who have been living in Switzerland for more than 12 months.

² Asylum applicants, staff of Swiss embassies and consulates and Swiss naval fleet personnel, EU/EFTA citizens engaged in paid employment (not self-employed) for a Swiss employer for a maximum of 90 days per civil year.

Source: FSO – Employment Statistics

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2011–2016: The situation in Switzerland's seven major regions

Between 2011 and 2016, the number of employed persons in the major regions of Central Switzerland, the Lake Geneva region and Ticino saw an above-average increase. More than a third of all cross-border commuters working in Switzerland work in the Lake Geneva region. In Switzerland as a whole, the unemployment rate based on the ILO definition has risen by 0.2 percentage points in the past five years. There were differences between the major regions: Whereas the unemployment rate increased considerably in Northwest Switzerland and Central Switzerland, in Ticino and Eastern Switzerland it fell. During the entire period, the unemployment rate in the Lake Geneva region and Ticino was above the Swiss average.

Strong increase in the number of employed persons in Central Switzerland

In Switzerland as a whole, the number of employed persons increased by 8.1% between the fourth quarters of 2011 and 2016. The greatest increase was seen in Central Switzerland (+14.4%), the Lake Geneva region (+9.7%) and in Ticino (+9.4%). In the fourth quarter 2016, the greatest number of employed persons were active in Espace Mittelland (1.1m), closely followed by Zurich (987 000) and the Lake Geneva region (941 000).

More than a third of all cross-border commuters work in the Lake Geneva region

In the fourth quarter 2016, 318 000 cross-border commuters were active in Switzerland. More than one third of these (37.2%) worked in the Lake Geneva region, a quarter in Northwest Switzerland (22.8%) and one fifth in Ticino (20.2%). This means that four fifths of all cross-border commuters are active in one of these three major regions.

Between 2011 and 2016 (fourth quarter of each year), the greatest increase in the proportion of cross-border commuters in all employed persons was seen in Ticino (+2.8 percentage points to 27.5%) and in the Lake Geneva region (+2.3 percentage points to 12.6%). A considerably smaller increase was seen in Northwestern Switzerland (+1.0 percentage points to 10.8%). In Switzerland as a whole the proportion of cross-border commuters in all employed persons rose by 0.9 percentage points (to 6.3%).

Increase in the unemployment rate based on ILO definition in all major regions, except in Ticino and in Eastern Switzerland

Over the entire five-year period (from fourth quarter 2011 to fourth quarter 2016), the unemployment rate based on ILO definition increased from 4.4% to 4.6% throughout Switzerland. However, differences can be seen among the major regions. Sharp increases were registered in the unemployment rate in Northwestern Switzerland (from 4.3% to 5.3%) and in Central Switzerland (from 2.3% to 2.7%). The increase was less marked in the Lake Geneva region (from 6.8% to 7.0%), in Espace Mittelland (from 3.9% to 4.2%) and in Zurich (from 3.8% to 3.9%). Ticino and Eastern Switzerland registered a decline in unemployment rate of 1.0 percentage points (to 6.2%) and of 0.4 percentage points respectively (to 3.4%).

Structural change seen in all major regions

In Switzerland as a whole in 2016, there were 3.5m employed persons working in the tertiary sector (services), 946 000 employed persons in the secondary sector (industry) and 155 000 employed persons in the primary sector (agriculture and forestry) (annual averages). Compared with other major regions, in the major region of Zurich the share of the tertiary sector was largest (83.2%) and the share of the secondary sector (15.1%) and the primary sector (1.7%) smallest. In contrast, Eastern Switzerland registered the smallest share of employed persons in the tertiary sector (68.8%) and the largest share in the secondary sector (26.6%).

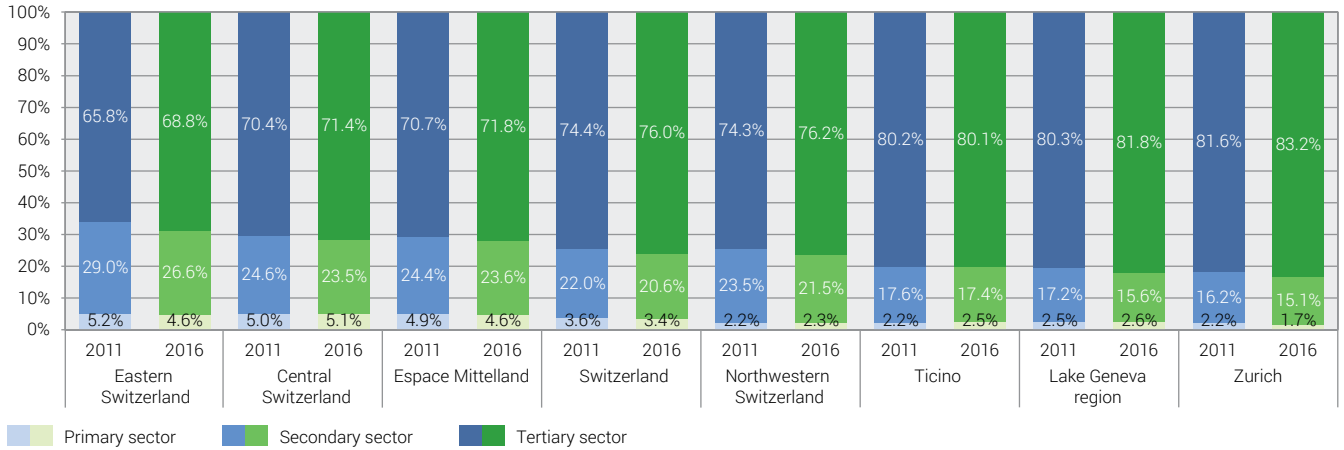
In five-year comparison, the share of the tertiary sector in all major regions, except for Ticino (+0.0 percentage points), increased between 1.3 percentage points in Central Switzerland and 3.0 percentage points in Eastern Switzerland (Switzerland: +1.6 percentage points), while the share of the secondary sector fell in all major regions between 0.2 percentage points in Ticino and 2.4 percentage points in Eastern Switzerland (Switzerland: –1.4 percentage points). The primary sector share in 2016 in all major regions was below 5% and fell throughout Switzerland as a whole in five-year comparison (–0.2 percentage points).

Highest wages in the Zurich region

The wage situation in 2014 depended on the major region concerned: with a standardised gross median salary of CHF 5485 per month, employees in Ticino earned the lowest wages in Switzerland. They earned 19.5% less than employees in the Zurich region (CHF 6810), who had the highest wages in Switzerland (without taking account of the different costs of living). The wage gap between these two major regions increased by 1.5 percentage points in comparison with 2010 (18.0%). In 2014, the wage level in the other five major regions diverged less and lay between these two extremes: CHF 6578 in Northwest Switzerland, CHF 6497 in the Lake Geneva region, CHF 6358 in Espace Mittelland, CHF 6352 in Central Switzerland, and CHF 6027 in Eastern Switzerland.

2011–2016: The situation in Switzerland's seven major regions

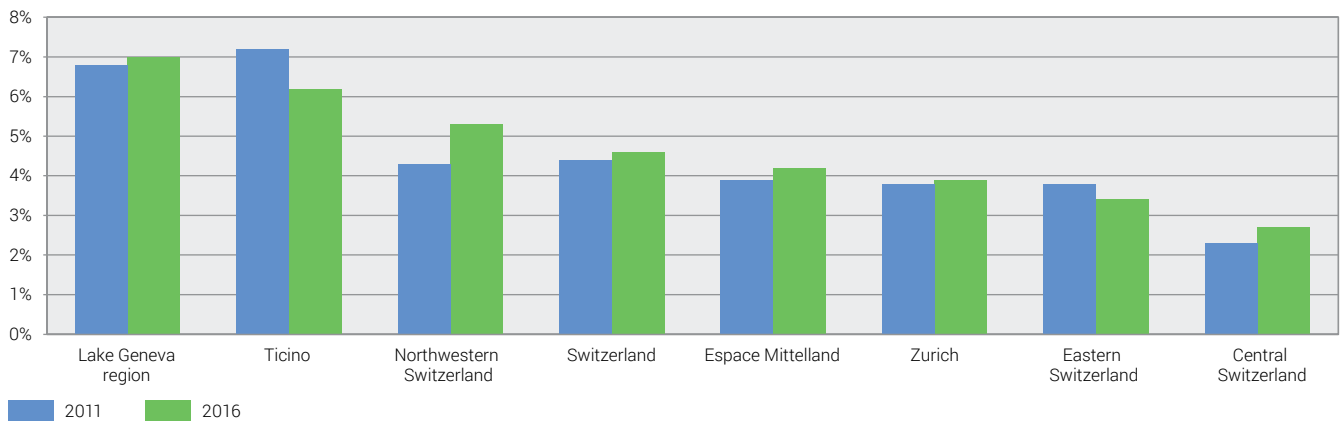
Breakdown of persons employed in the various economic sectors, by major region, as a percentage, annual averages 2011 and 2016



Source: FSO – Swiss Labour Force Survey

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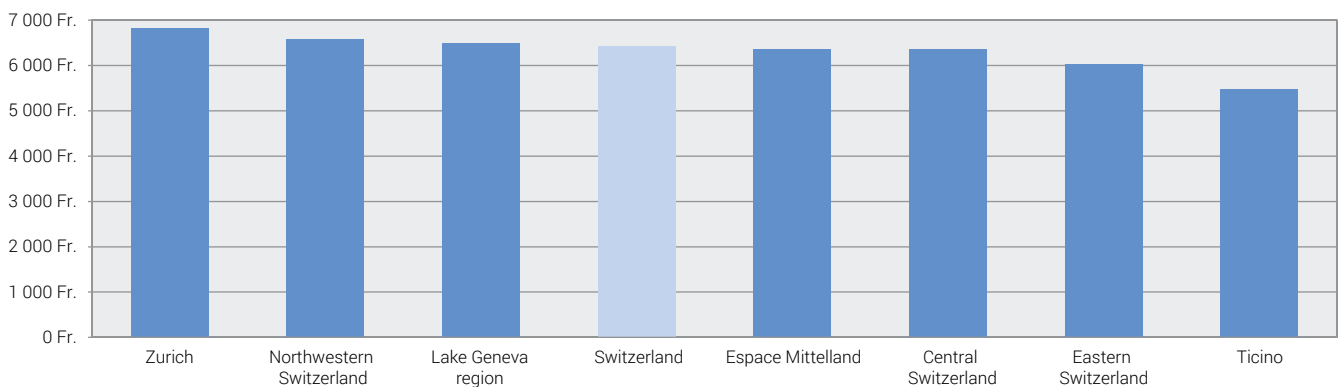
Unemployment rate based on ILO definition by major region, as a percentage, 4th quarter 2011 and 2016



Source: FSO – Unemployment Statistics (ILO-based)

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(Median) standardised gross monthly wage by major region, in CHF, 2014, private and public sectors combined



Source: FSO – Swiss Earnings Structure Survey

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Labour market in the second quarter of 2017 and short-term prospects

In the second quarter 2017 the number of employed persons rose compared with the same quarter a year earlier. The unemployment rate based on the ILO definition and the registered unemployment rate according to SECO both decreased. There were more job vacancies and businesses had more difficulty in the recruitment of qualified personnel than a year previously. The employment prospect indicator suggests an increase in the number of jobs for the third quarter 2017.

Increase in employed persons and jobs

In the second quarter 2017, the number of employed persons grew by 63 000 compared with the same quarter a year earlier, representing an increase of 1.3%. Growth was greater for men (+1.8%) than for women (+0.6%), and lower for employed persons of Swiss nationality (+0.7%) than for those of foreign nationality (+2.6%). The number of people with a residence permit (B permit; generally valid for 5 years and renewable) or with a cross-border commuter permit G grew faster in annual comparison (+3.3% and +3.1% respectively) than holders of settlement permits (C permit; +1.6%) and short-term residence permits (L permit; +0.9%). Growth in the number of employed persons was seen both in the tertiary sector (+1.6%) and the secondary sector (+1.2%).

In comparison with the same quarter of the previous year, the number of employed persons (+1.3%) rose more than the number of jobs (+0.4%). The number of employed persons (Employment Statistics ES) and the number of jobs (Job Statistics JOBSTAT) may evolve differently, due, amongst other factors, to the different populations (households vs. businesses), to the different statistical units (individuals vs. jobs) or to the different time that measurements are made (quarterly average vs. end of quarter). The ES has a tendency to show a more positive picture than JOBSTAT at times of economic decline.

Decrease in unemployment rate based on ILO definition

In the second quarter 2017, 213 000 people were unemployed in Switzerland based on the International Labour Organisation (ILO) definition. This was 9000 less than one year earlier. The proportion of unemployed based on the ILO definition was 4.4% of the economically active population, compared with 4.6% in the second quarter 2016. The registered unemployment rate as defined by SECO was 3.1% in the second quarter 2017, representing a decrease of 0.1 percentage points compared with the same quarter a year earlier. In absolute figures, this corresponds to approximately 140 000 persons who were registered as unemployed at a regional employment centre in the second quarter 2017 and a decrease of 4500 persons year-on-year.

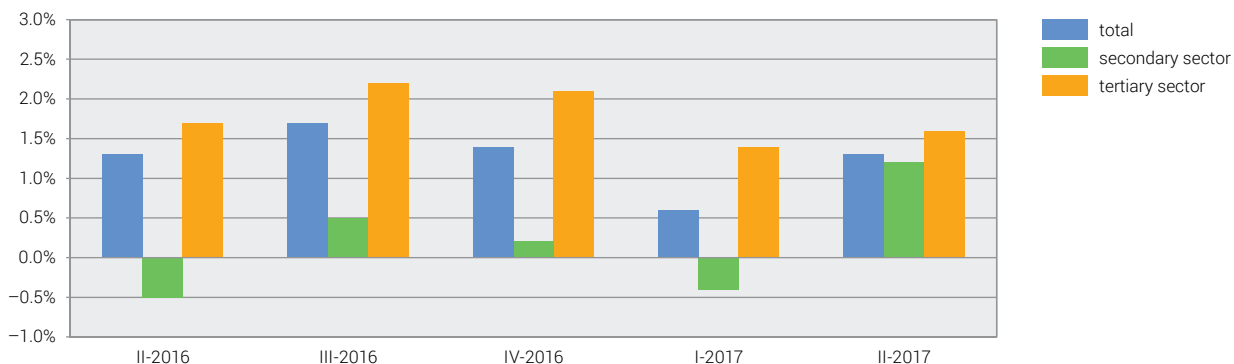
The number of job seekers who were not registered as unemployed (mainly persons with a temporary job and participants in temporary employment, retraining or continuing education programmes) grew between the second quarter 2016 (62 000) and the second quarter 2017 (63 000) by around 1000 persons according to SECO.

Employment prospects

The short-term indicators from the Job Statistics suggest that the number of employees will rise overall in the third quarter: the employment outlook indicator, which represents businesses expectations with regard to employment trends for the next three months, rose slightly in comparison with the previous year in the secondary (1.04; +2.0%) and the tertiary sector (1.03; +0.3%) (overall 1.03; +0.7%) and has not been as high since Q2 2014. 60 000 job vacancies were counted in the whole economy. This was 5700 more vacancies than in the same quarter a year earlier (+10.5%). In the secondary sector, the increase (+20.4%) was considerably greater than in the tertiary sector (+7.8%). The percentage of businesses experiencing difficulties in the recruitment of qualified personnel grew slightly compared with the same quarter a year earlier (+0.8 percentage points to 29.7%).

Labour market in the second quarter of 2017 and short-term prospects

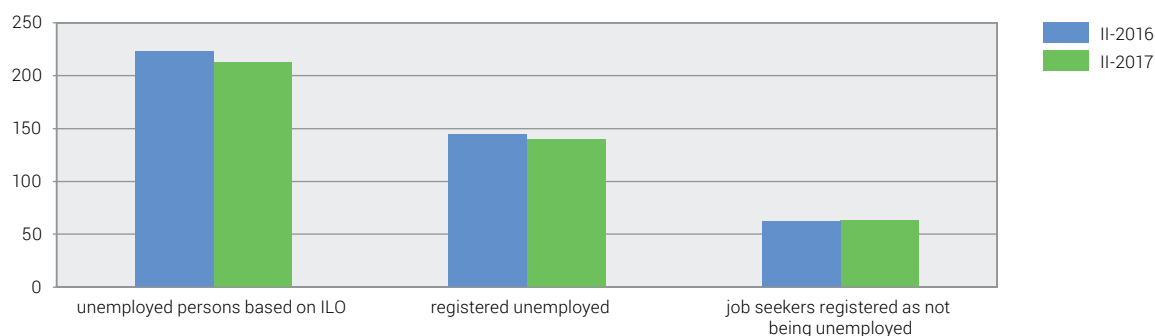
Variation in the number of employed persons by economic sector, compared to the corresponding quarter in the previous year, as a percentage, 2nd quarter 2016 to 2nd quarter 2017



Source: FSO – Employment Statistics

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Unemployed persons based on ILO definition, registered unemployed and job seekers registered as not being unemployed, in thousands, 2nd quarter 2016 and 2nd quarter 2017

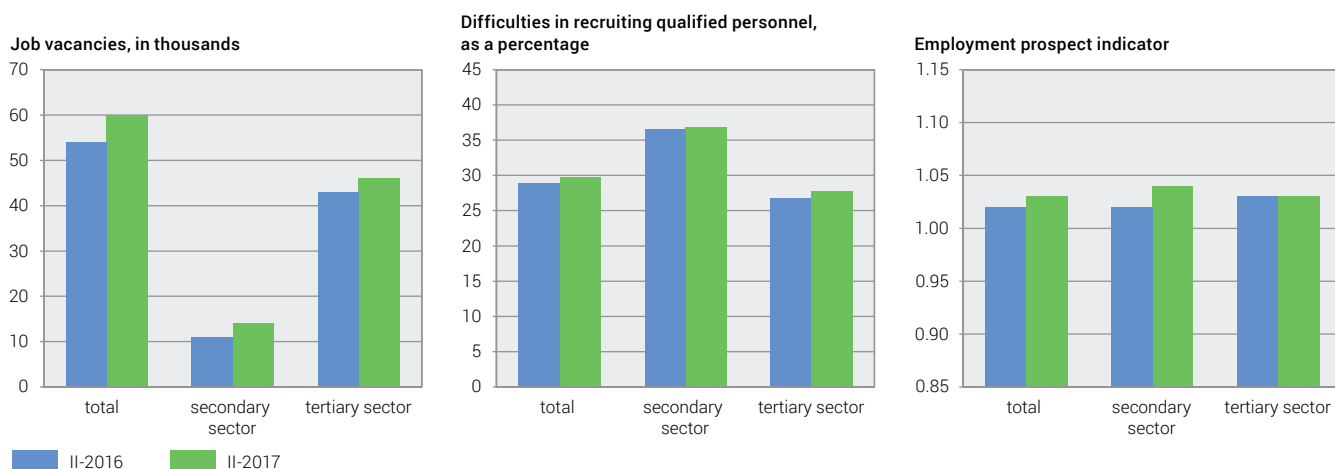


Note: quarterly averages

Sources: FSO – Unemployment Statistics (ILO-based); State Secretariat for Economic Affairs SECO

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Job vacancies, difficulties in recruiting qualified personnel and employment prospect indicator*, 2nd quarter 2016 and 2nd quarter 2017



* The scale ranges from 0.50 (decrease) to 1.0 (no change) to 1.5 (increase).

Source: FSO – Job Statistics

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The Swiss labour market in international comparison

The Swiss labour market performs well in international comparison. Both the economic activity rate and women's participation in the labour market are among the highest in Europe. The latter is associated with part-time employment that is very common: the proportion of employed persons working part-time is markedly higher in Switzerland than in most European countries. Switzerland's unemployment rate based on the ILO definition is around half the average ILO unemployment rate in Europe. Wages in Switzerland converted into Euros are higher than in other European countries. If the wages are converted into purchasing power standards to take into consideration the different price level index, the differences are less substantial, however.

Greater economic activity rate in Switzerland

In the fourth quarter of 2016, the economic activity rate of the Swiss population aged 15 or over was 68.8%. In European comparison, this places Switzerland in a leading position. The percentage of economically active persons was only higher in Iceland (83.1%), whereas Switzerland's neighbouring countries showed a much lower economic activity rate (Germany: 61.3%; Austria: 61.1%; France: 55.9%; Italy: 49.9%). Next to Italy, Greece (51.9%) and Croatia (51.3%) showed the lowest employment rates in Europe. The EU28 average was 57.8%.

Strong participation of women in the labour force in the Nordic countries

Women's labour force participation rates differ greatly from one country to another. In Italy (40.9%), two in five women participated in the workforce, whereas the economic activity rates of women in the Scandinavian countries were among the highest (Iceland: 79.4%; Norway: 61.4%; Sweden: 60.9%; Denmark: 58.8%). In the EU, one in two women was an economically active person (51.6%). With 63.0% Switzerland has one of the highest rates. Women's participation in the labour force in Switzerland certainly depends on a wide availability of part-time jobs. 38.6% of employed persons in Switzerland worked part-time (women: 61.6%). Only in the Netherlands was this percentage higher (50.3%; women: 76.2%). The percentage of employed persons working part-time was particularly low in Bulgaria (2.2%; women: 2.4%) Hungary (5.2%; women: 7.3%) and Croatia (5.7%; women: 6.7%).

Low unemployment rate based on ILO definition in Switzerland

In Switzerland, the unemployment rate based on ILO definition decreased between the fourth quarter of 2015 and the fourth quarter of 2016 by 0.3 percentage points to settle at 4.6%. During the same period, in the EU-28 it fell from 9.1% to 8.2% (–0.9 percentage points). Compared with the EU member states, Switzerland continues to feature among the countries with the lowest unemployment rates based on the ILO definition. Unemployment rates below 4% can be found in Iceland (2.5%; –0.6 percentage points), in the Czech Republic (3.6%; –0.9 percentage points) and in Germany (3.8%; –0.7 percentage points). Greece and Spain showed the highest unemployment rates based on the

ILO definition in the whole of Europe; compared with the same quarter in the previous year, however, the unemployment rates fell in both countries (Greece: –0.8 percentage points to 23.6%; Spain: –2.3 percentage points to 18.6%).

Wages in international comparison

The comparison of average gross annual wages for full-time employees working in industry and market services shows the great wage divide which exists between the EU countries. Distinct differences can be noted not only between the EU15 countries and member states that have joined the EU since 2004 but also within the two groups of countries.

In the EU15 states a north-south divide can still be observed: in 2014 the highest average gross annual wage was recorded in Denmark (EUR 57 723). The lowest value was registered in Portugal (EUR 16 425). The wage gap is even greater when the new member states are also included: in 2014 only Cyprus, Slovenia and Malta achieved wages over EUR 20 000. In comparison, Bulgaria, that became an EU member in 2007, came last with a gross annual wage of EUR 5795.

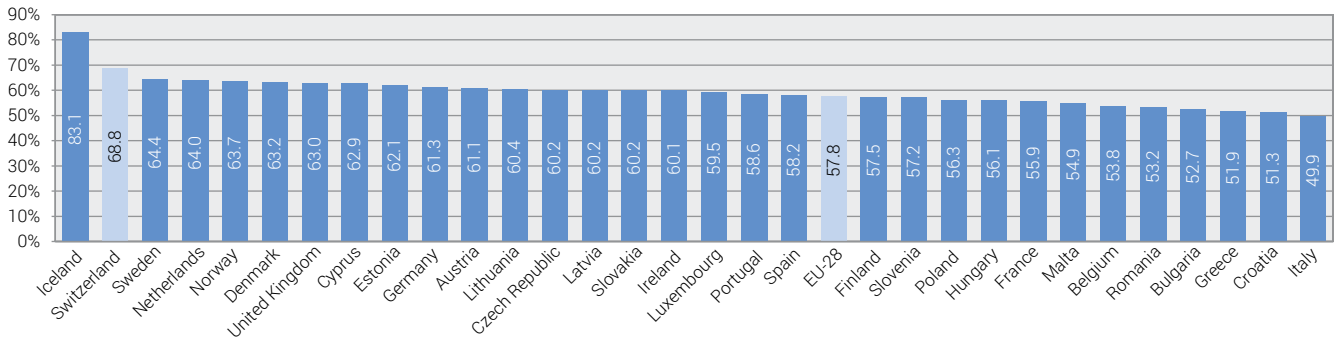
With an annual gross income of EUR 71 694, partly influenced by the strong franc, Switzerland occupies first place in front of Denmark.

In order to depict the actual purchasing power of wages, they must be converted from their national currency to a collective, fictional currency, the purchasing power standard (PPS). If the different price levels of each country are taken into account, the extent of the wage divide between countries is altered. Expressed in euros, wages in Switzerland (the highest) are 12.4 times higher than those in Bulgaria (the lowest). But when expressed in PPS, the highest wages (Switzerland) are only 3.7 times higher than the lowest (Bulgaria). When looking at Switzerland's neighbouring countries, Swiss annual wages expressed in euros are 1.7 times higher than the wages in Germany and Austria, 1.9 times higher than in France and 2.1 times higher than wages in Italy. This difference is reduced when the comparison of average gross wages is made in PPS. The wages paid in Switzerland are 1.2 times higher than wages in Germany and Austria and 1.4 times higher than those in France and Italy.

Although the differences in wages may be considerable between the countries, the classification of wages by economic activity by country shows some similarities between EU countries. Employees in the accommodation and food services sector are generally the least well paid in Europe, followed by those who work in administrative and support service activities and other service activities. In contrast, the highest wages are most often found in financial and insurance activities, followed by the information and communication industry and electricity, gas, steam and air-conditioning supply. Moreover, a trend also emerges: the lower a country's wage levels, the more marked the wage gap between the highest and lowest paying industries.

The Swiss labour market in international comparison

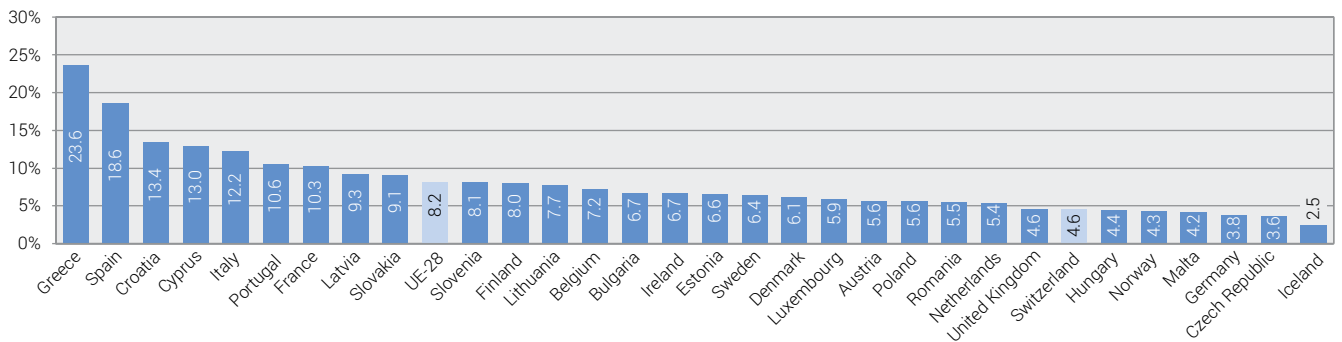
Standardised employment rate (15+ years) in Switzerland and in the EU and EFTA states, as a percentage, 4th quarter 2016



Sources: FSO – Swiss Labour Force Survey; EUROSTAT (status: April 2017)

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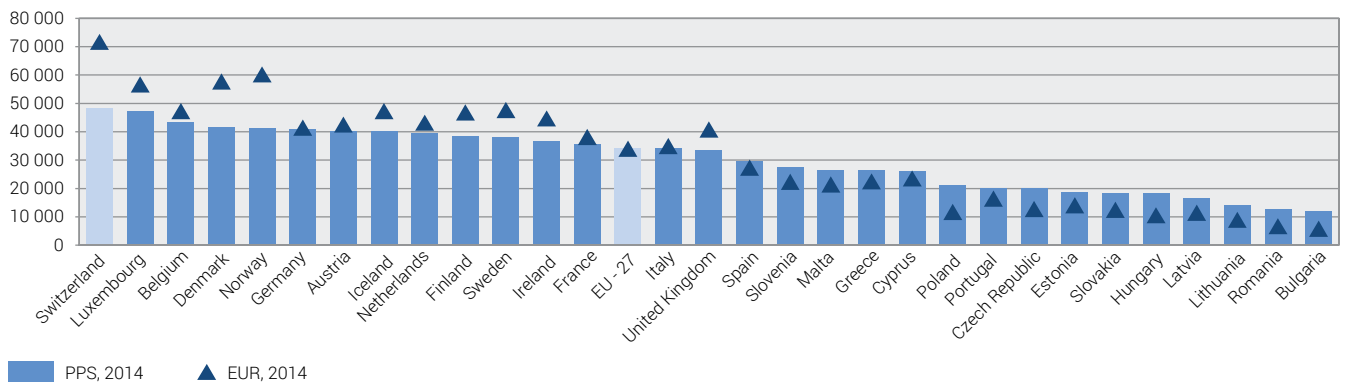
Unemployment rate based on ILO definition (15–74 years) in Switzerland and in the EU and EFTA states, as a percentage, 4th quarter 2016



Sources: FSO – Swiss Labour Force Survey; EUROSTAT (status: May 2017)

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Gross annual average earnings of full time employees¹ (enterprises with 10 employees or more, industrial and market services²), Switzerland, EU and EFTA states, in PPS³ and EUR, 2014



¹ The amounts are calculated on the basis of wages of full-time employees and part-time employees (recalculated on the basis of a full-time work-time percentage of 100%).

² sections B to N of the NACE Rev.2 classification

³ Calculation of the wages in PPS (purchasing power standards) eliminates the impact of differing national price levels.

Sources: FSO – Swiss Earnings Structure Survey; EUROSTAT (status: June 2017)

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