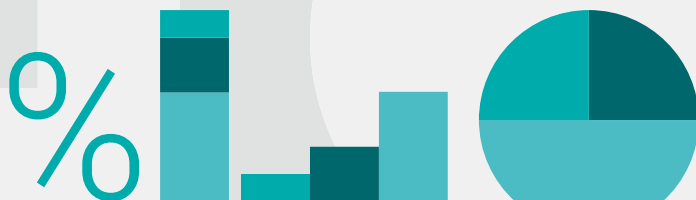




FSO News



03 Work and income

Neuchâtel, August 2019

Comments on findings for the period 2013–2019

Labour market indicators for 2019

This document is an extract from the publication “Labour market indicators 2019” (available in German and French), which 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 the publication is devoted to comments on the findings for the period 2013–2019. 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 tables presenting in detail the results of the various labour market statistics.

Abbreviations in the graphs

ES	Employment Statistics
ESS	Swiss Earnings Structure Survey
EUROSTAT	Statistical office of the European Union
GDP	Gross domestic product
JOBSTAT	Job Statistics
LMA	Labour Market Accounts
SECO	State Secretariat for Economic Affairs
SLFS	Swiss Labour Force Survey
SWI	Swiss Wage Index
WV	Work Volume Statistics

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Summary

2013–2018: Major developments in the Swiss labour market	4
2013–2018: The situation of men and women in the labour market	6
2013–2018: Swiss and foreign labour force	8
2013–2018: The situation in Switzerland's seven major regions	10
Labour market in the first quarter of 2019 and short-term prospects	12
The Swiss labour market in international comparison	14

2013–2018: Major developments in the Swiss labour market

Over the five-year period (Q4 2013 to Q4 2018), the number of employed persons in Switzerland rose considerably. During the same period, the unemployment rate based on the ILO definition increased. In contrast, the registered unemployment rate (the number of people registered as unemployed at regional employment centres (RAV)) fell. There were more vacancies and it was harder for businesses to find qualified staff. Switzerland's labour market is doing very well in international comparison.

Slowdown in economic growth at the end of the period under observation

In 2013 and 2014 the Swiss economy was recovering from a phase of weak growth and gross domestic product (GDP) grew by an average of 0.6% per quarter between Q1 2013 and Q4 2014. At the start of 2015, a slowdown in economic growth could be observed. Between Q1 2015 and Q4 2016, the Swiss economy grew an average of only 0.2% per quarter. From Q1 2017, the Swiss economy recovered and saw average growth of 0.7% per quarter until Q2 2018. In Q3 2018, the Swiss economy came to an unexpected halt and GDP fell by 0.3%. In Q4 2018, Switzerland returned to moderate GDP growth of 0.2%.

Slight increase in the unemployment rate

According to the Employment Statistics (ES), which are based on personal interviews (Swiss Labour Force Survey SLFS), between the fourth quarters of 2013 and 2018, the number of employed persons rose by 6.1% to 5.1 million. The Job Statistics (JOBSTAT), which are based on a survey of secondary and tertiary sector enterprises, showed a 5.7% rise in the number of jobs (to 5.1m). During the same period, the number of unemployed persons based on the ILO definition increased by 20 000 (+9.9%) whereas the number of people registered as unemployed at regional unemployment offices (RAV) declined by 28 000 (–20.0%)¹. As the number of employed persons grew more slowly than the number of unemployed, in five-year comparison the unemployment rate based on the ILO definition rose by 0.2 percentage points to 4.6%. Over the same period of time, the number of registered unemployed fell by 0.8 percentage points to 2.4%.

Men's unemployment rate dropped

Structurally speaking, the men's unemployment rate based on the ILO definition diverged from that of women in the period 2013 to 2018. In the fourth quarter 2017, 4.1% of men and 5.1% of women were unemployed; five years earlier the difference was smaller (4.3% compared with 4.6%). In 2018, women continued to work part-time much more often (59.4%) than men (17.5%). The number of men working part-time has, however, increased considerably over the past five years (+27.5%, women +6.9%).

Increase in the number of vacancies

According to JOBSTAT, in the fourth quarter 2018, there were roughly 34% more job vacancies (74 000) than there had been five years previously (55 000). Businesses also had greater difficulty in finding suitable staff in 2018. The "Difficulties in recruiting qualified personnel" indicator rose by 0.4 percentage points between Q4 2013 and Q4 2018.

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 2013 and fourth quarter 2018 by 12.2%, reaching 1.7 million. The number of economically active Swiss nationals grew in the same period by 3.7% to 3.6 million. As a result, the share of foreigners in the economically active population rose by 1.6 percentage points (to 32.3%). The foreign resident population was affected by unemployment to a much greater extent than the Swiss resident population (7.5% and 3.5% respectively in fourth quarter 2018). In five-year comparison, the unemployment rate of foreign nationals has fallen (–0.9 percentage points), while that of Swiss nationals has increased slightly (+0.4 percentage points).

The Swiss labour market stable in international comparison

In Q4 2018, Switzerland's unemployment rate based on the ILO definition was lower (4.6%) than the rate in the European Union EU-28 (6.6%). The EU-28 unemployment rate, however, fell sharply between Q4 2013 and Q4 2018 (–4.1 percentage points). The Czech Republic (2.0%) and Iceland (2.4%) registered unemployment rates under 3%. 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.

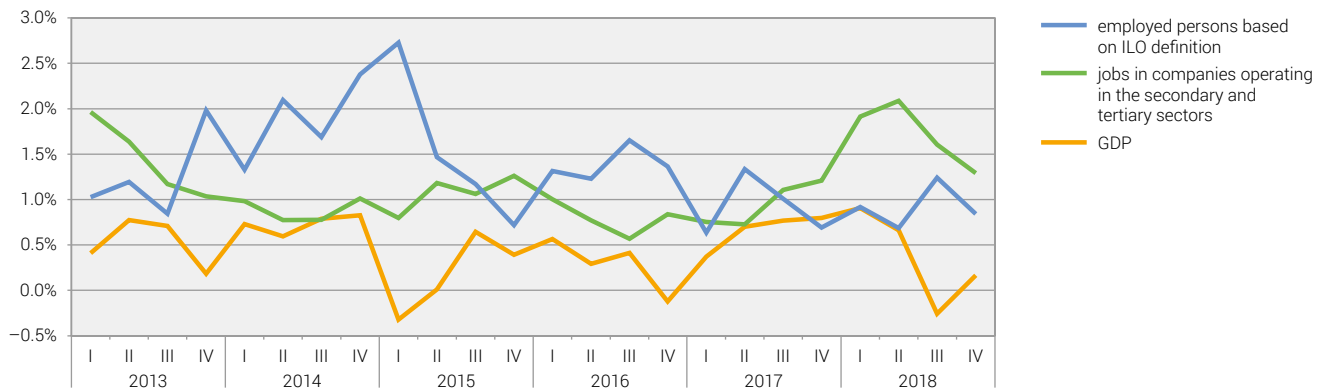
Growth in nominal and real wages

In 2018, nominal wages rose by an average of 0.5% compared with the previous year (2017: +0.4%; 2016: +0.7%). This increase in nominal wages confirmed a trend towards moderate wage growth of no more than +1.0% per year observed since 2010. Decisions on wage increases for 2018 were generally made towards the end of 2017. The +0.2% inflation rate estimated at that time finally proved to be +0.9% for 2018. This meant that the purchasing power of wages showed a decline of –0.4%. Taking the past five years into consideration (2014–2018), the average annual wage growth in real wages for all employees was +0.6% (+0.5% for men and +0.7% for women).

¹ In early 2018 the registration system used by the regional unemployment offices (RAV) to classify job seekers was replaced by a new system using partly automated classification. An analysis has revealed that by changing to the new registration system, a greater drop in unemployment numbers for March, April and May was shown than was actually the case (see SECO press release from 9.4.2018).

2013–2018: Major developments in the Swiss labour market

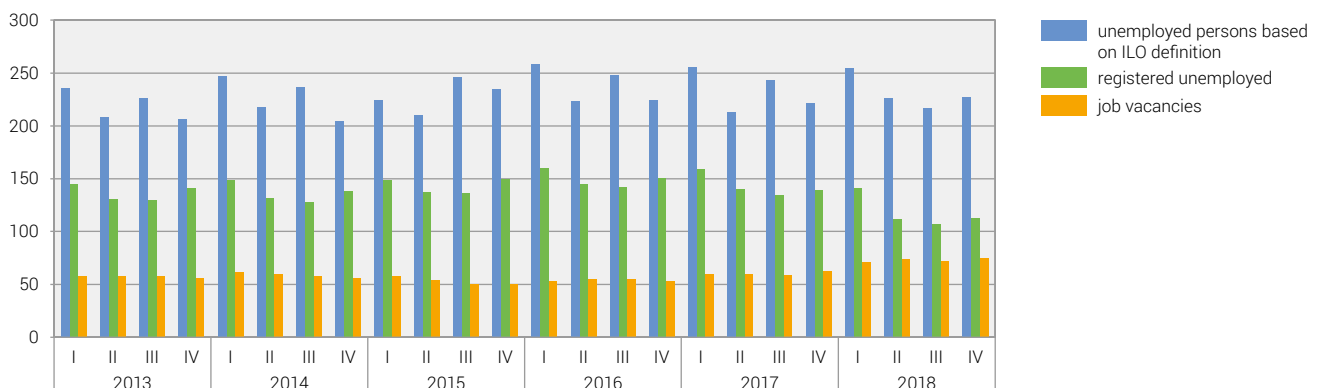
Variation in the gross domestic product (GDP real) compared to the previous quarter and the number of employed persons and the number of jobs, compared to the corresponding quarter in the previous year, as %, 2013–2018



Sources: FSO – Employment Statistics (ES), Job Statistics (JOBSTAT); SECO

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Unemployed persons based on ILO definition, registered unemployed and job vacancies, in thousands, 2013–2018

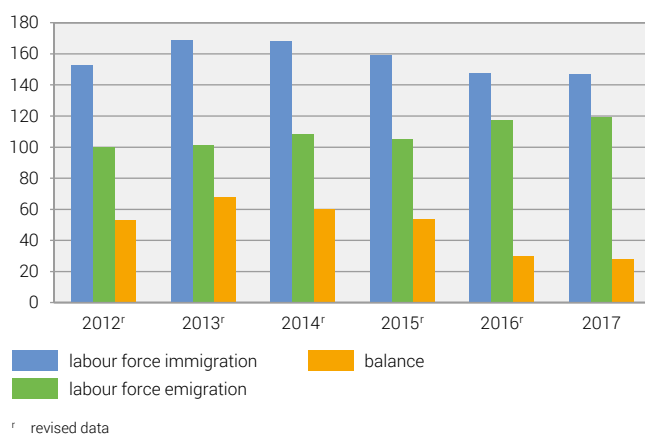


Note: Unemployment Statistics (ILO and SECO-based): quarterly averages Job Statistics: value at the end of the quarter

Sources: FSO – Unemployment Statistics (ILO-based), Job Statistics (JOBSTAT); SECO

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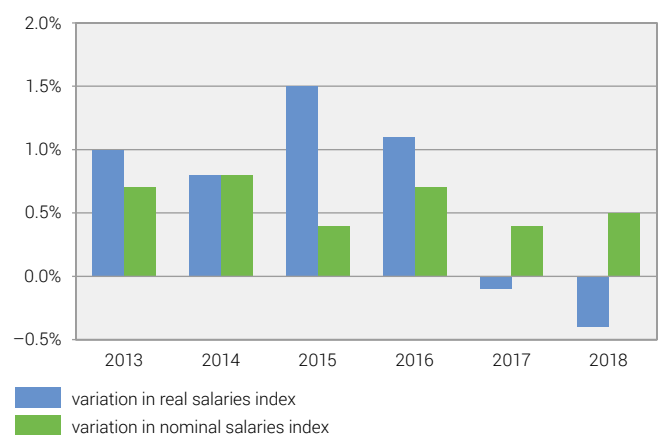
Workforce migration of foreign population, in thousands, 2012–2017



Source: FSO – Labour Market Accounts (LMA)

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Variation in nominal and real wage index, in relation to the previous year, as %, 2013–2018



Source: FSO – Swiss Wage Index (SWI)

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2013–2018: The situation of men and women in the labour market

Between 2013 and 2018, the share of women participating in the labour market increased. More and more men and women work part-time. The share of women working part-time (59.4%) continued to be considerably greater than that of men (17.5%). The men's unemployment rate based on ILO, after several years of being close to that of women, fell again (to 4.1%), whereas the unemployment rate of women rose (5.1%). When comparing full-time equivalents, women earn on average 12% 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 2013 and the fourth quarter 2018 by 5.5% among men (to 2.9m) while the female economically active population rose by 7.2% during the same period (to 2.4 m). Thus, the share of women in the economically active population increased within five years by 0.4 percentage points to 45.8%. The number of employed women (+6.7%) rose more markedly than that of men (+5.7%), while the number of unemployed women based on the ILO definition increased much more sharply (+19.2%) than that of men (+1.2%). This led to an increase in the share of women among the unemployed from 48.0% in 2013 to 52.1% in 2018 (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 2018, 59.4% of all women in employment worked part-time (i.e. less than 90% FTE), whereas the corresponding share of men was 17.5%. The number of persons employed part-time increased both among women (+6.9%) and among men (+24.5%) between the fourth quarter 2013 and the fourth quarter 2018. The unequal distribution of part-time work is also the reason why women accounted for only 38.6% of the total hours worked in 2018. Among the 442 000 men working part-time in Q4 2018, there were 99 000 underemployed persons (22.4%), i.e. persons who wish to work more and are available at short notice. Of 1 260 000 women working part-time, 258 000 were underemployed, corresponding to 19.9%. In five-year comparison, the share of underemployed persons among the part-time employed increased both among women (+1.1 percentage points) and among men (+1.0 percentage point).

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

Between the fourth quarter 2013 and the fourth quarter 2018, 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 (+2.1% and +1.3% respectively), in the tertiary sector the number among both sexes saw an above average increase (men: +9.2%, women: +7.3%). Proportionally, women work considerably more frequently in the service sector than do men (fourth quarter 2018: 86.8% and 67.4%). Only 10.6% of

women are employed in industry and 2.5% in agriculture. The share of employed men working in industry is 29.3% and in agriculture 3.3%.

Men's unemployment rate fell

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 2015 and 2016 at around 5%, after three consecutive 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 2017 the women's unemployment rate was stable whereas that of men improved, leading again to a marked difference. This trend continued in 2018. In five-year comparison, between the fourth quarter of 2013 and the fourth quarter of 2018, the gap between men's and women's unemployment rates based on the ILO definition grew larger. In comparison with 2013 (men: 4.3%, women: 4.6%) the men's unemployment rate based on the ILO definition fell (−0.2 percentage points), while the women's unemployment rate rose (+0.5 percentage points). This resulted in a gap that was 0.7 percentage points larger than in 2018 (men: 4.1%, women: 5.1%).

Women earn less than men

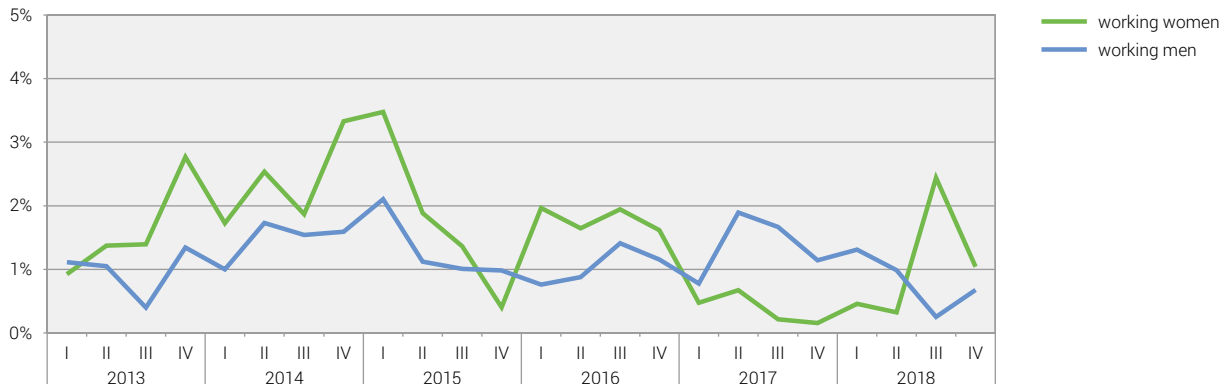
In 2016 the monthly gross median wage of women in the overall economy was CHF 6011 and that of men CHF 6830. The wage gap fell from 15.1% in 2012 to 12.5% in 2014 and to 12.0% in 2016. The wage gap in private industry in 2016 was 14.6% compared with 15.1% in 2014 and 18.9% in 2012. The wage gap in the public sector was 12.5% in 2016, compared with 12.3% in 2014 (2012: 13.6%).

According to an analysis commissioned by the Federal Statistical Office, 57.1% of the wage gap (arithmetic mean) in 2016 in the whole economy could be explained by various objective structures such as place in the hierarchy, number of years service or education. 42.9% of the pay gap remains unexplained¹.

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

2013–2018: The situation of men and women in the labour market

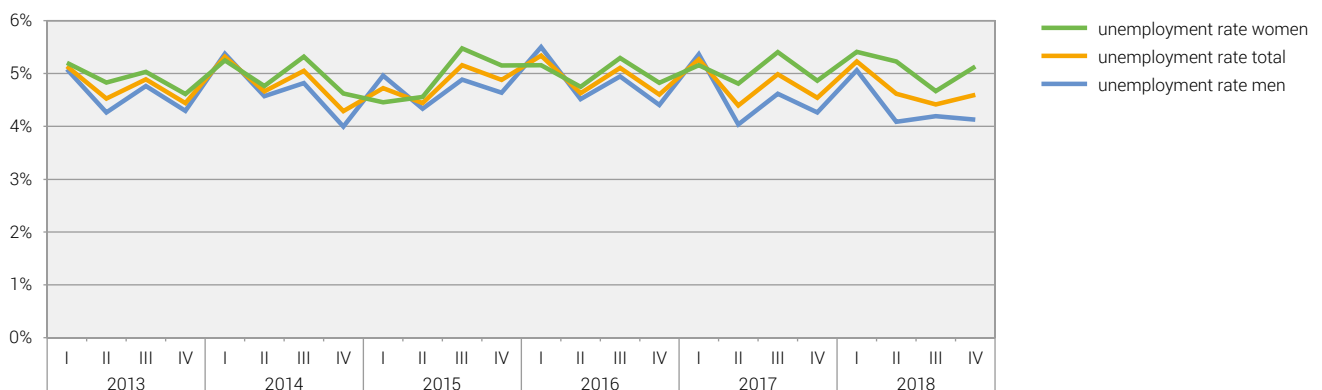
Variation in the number of employed persons according to gender, compared to the corresponding quarter in the previous year, as %, 2013–2018



Source: FSO – Employment Statistics (ES)

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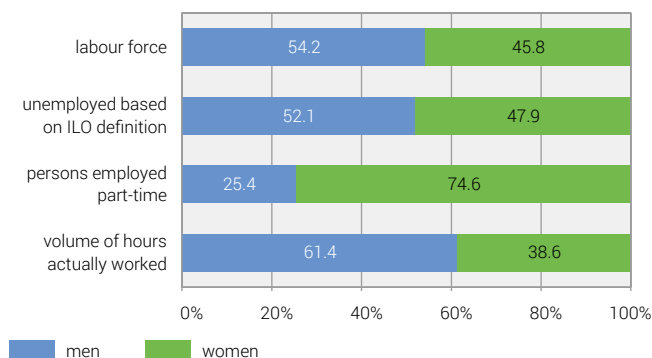
Unemployment rate based on ILO definition, by gender, as %, 2013–2018



Source: FSO – Unemployment Statistics (ILO-based)

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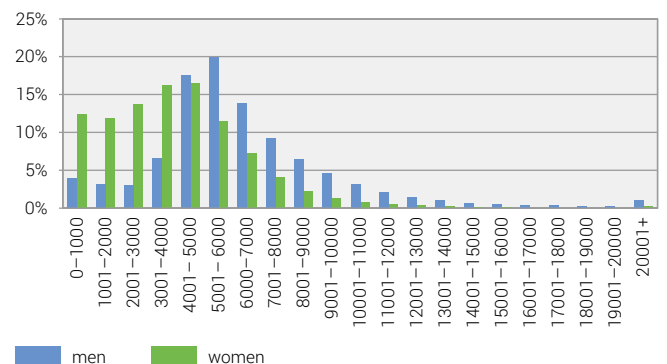
Breakdown of men/women in the labour force, of unemployed based on ILO definition, of persons employed part-time (Q4. 2018 for each case) and of the volume of hours actually worked (2018), as %



Sources: FSO – ES, Unemployment Statistics (ILO-based), SLFS, WV

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Frequency distribution by wage-level class (net monthly wage in CHF) and gender, private and public sector combined, as %, 2016



Sources: FSO – ES, Unemployment Statistics (ILO-based), SLFS, WV

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2013–2018: Swiss and foreign labour force

Since 2001, Switzerland has experienced a high level of foreign worker immigration. Between 2013 and 2018, the increase in the number of foreigners in the labour force was more than three 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 generally earn more than their foreign counterparts, except in jobs with a high level of responsibility.

High level of immigration of foreign labour

Between the fourth quarter of 2013 and the fourth quarter of 2018, the number of economically active foreign nationals (employed foreign nationals and foreign nationals who were unemployed based on the ILO definition) grew nearly three times faster than the number of economically active Swiss nationals (+12.2% to 1.7m compared with +3.7% to 3.6m). Compared with the same quarter of the previous year, the foreign labour force grew markedly, especially in the second half-year of 2013 and the first half-year of 2014. The strong rise in the number of foreign workers is the result of heavy immigration: during the period 2013 to 2017, immigration of foreign workers exceeded the number of emigrations by 253 000 persons. In contrast, the migration of economically active Swiss citizens resulted in a negative balance of 13 000 persons over the five-year period. Naturalisations play a role in the structure of the economically active population: from 2013 to 2017, approximately 123 000 economically active foreigners obtained Swiss nationality. Were it not for these naturalisations, the number of foreign workers would have increased by 20.3% from 2013 to 2018, whereas the number of economically active Swiss citizens would have been almost stable (+0.1%). During the fourth quarter 2018, the share of foreign nationals in the economically active population was 32.3%, compared with 30.6% five years earlier.

Foreign nationals more often affected by unemployment

In the fourth quarter of 2018, 3.5m economically active Swiss nationals were employed in the labour market and 127 000 were unemployed based on the ILO definition. Thus, the unemployment rate based on the ILO definition of the Swiss population was 3.5%. Whereas the rate for Swiss nationals during the period under observation fluctuated between 3.0% (2012) and 4.0% (2014), the situation was less favourable for foreigners: 1.6 million foreign nationals were employed in Q4 2018 and 100 000 were unemployed. The unemployment rate of the foreign population was 7.5%.

Less part-time work among foreign nationals

Between the fourth quarter 2013 and the fourth quarter 2018, the number of people working part-time rose among both Swiss and foreign workers (+1.9 percentage points to 40.4% and +1.7 percentage points to 27.1%). This type of work is common among women, albeit more common among Swiss women than foreign

women: in the 4th quarter 2018, 62.9% of Swiss women were employed on a part-time basis, compared with 48.0% of foreign women. Among men, the corresponding shares were 19.7% and 11.9%. Foreign workers are mainly salaried employees (95.1%; Swiss nationals: 89.0%). Only 4.9% are self-employed or work on a family-run enterprise or farm, considerably less than Swiss workers (11.0%). This difference is attributable to several factors: these include the impossibility for foreign persons of the first generation to take 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 residence permit (B)

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 B permit increased by 1.3 percentage points to 28.1%, that of persons holding a permanent residence permit (C) decreased by 0.2 percentage points to 47.6%, workers with a frontier worker permit (G) fell by 0.3 percentage points to 19.4% and the share of short-term permits fell by 0.9 percentage points to 3.0%.

Foreign workers: Differences depending on residence status

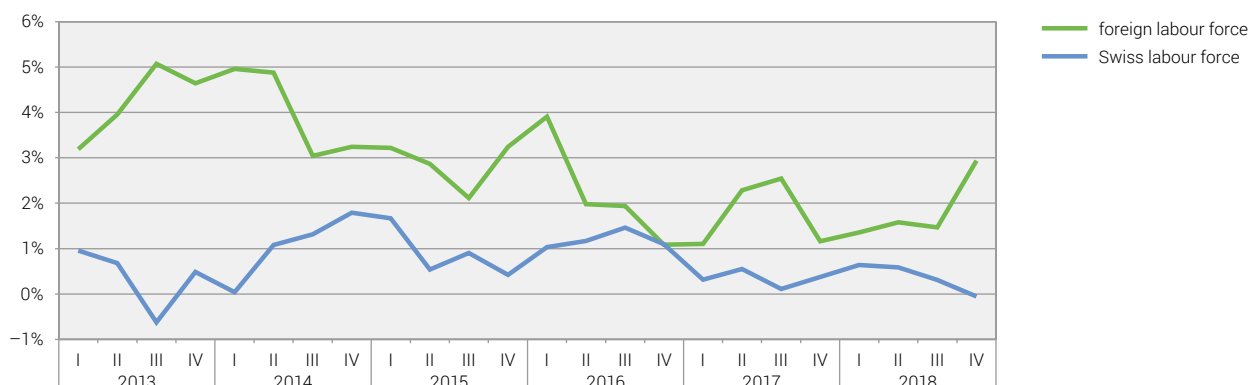
In the economy as a whole, the gross wages of Swiss workers were higher than those of foreign workers (CHF 6808 compared with CHF 5893). Swiss workers had more favourable wages compared with those of foreign workers across all categories of residence.

However, when looking at jobs with a high level of responsibility, foreign workers had higher wages than Swiss workers. For example, cross-border commuters (G permit) earned CHF 10 750 and workers with a residence permit (B permit) CHF 12 247, whereas Swiss workers with a high level of responsibility earned CHF 10 136.

The opposite held true for jobs without managerial responsibility: At CHF 6190 the wages of Swiss workers with no managerial function were higher than those of foreign workers – for those with cross-border commuter status (CHF 5694) – and for those with a residence permit (CHF 5161).

2013–2018: Swiss and foreign labour force

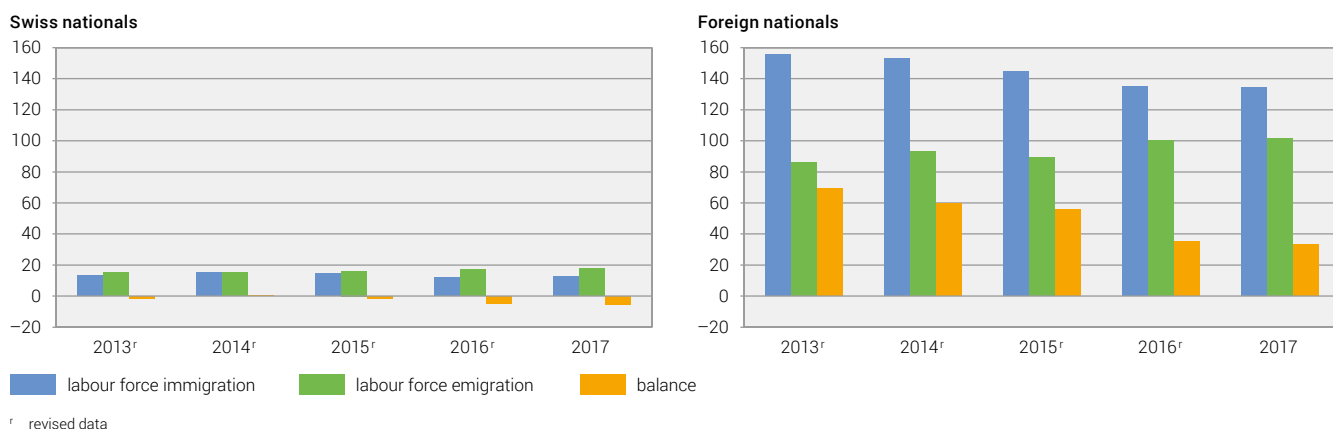
Variation in the labour force according to nationality, compared to the corresponding quarter in the previous year, as %, 2013–2018



Source: FSO – Employment Statistics (ES)

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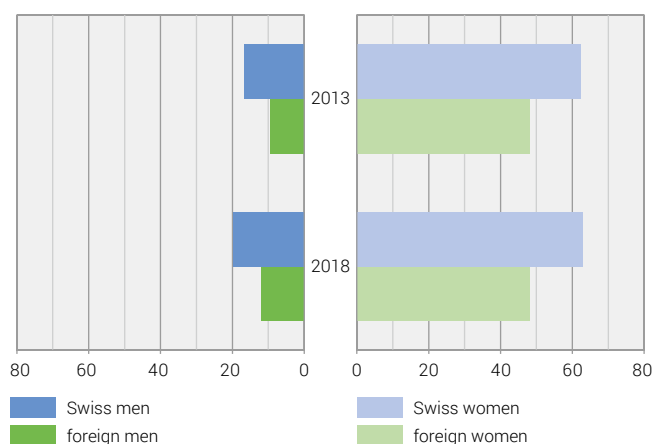
Labour force migration, by nationality, in thousands, 2013–2017



Source: FSO – Labour Market Accounts (LMA)

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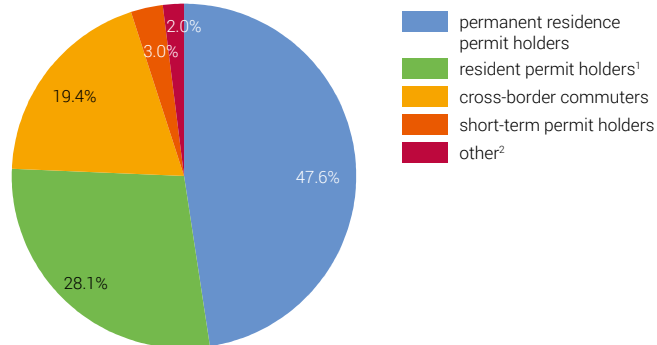
Persons in part-time employment by gender and nationality, as % of employed persons, 4th quarter 2013 and 4th quarter 2018



Source: FSO – Swiss Labour Force Survey (SLFS)

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Foreign employed persons by type of residence permit, as %, 4th quarter 2018



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 (ES)

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2013–2018: Working conditions in Switzerland

Working conditions in Switzerland changed between 2013 and 2018: there was a drop in the actual hours worked and the number of weeks annual holiday increased. The same period saw an increase in flexible working hours, fixed-term contracts and multiple employment as well as a slight decline in work on Saturdays.

Shorter working hours and longer holidays

Between 2013 and 2018, the actual weekly hours worked by full-time employees (excluding employees who own their own business) declined by 5 minutes on average and stood at 41 hours and 8 minutes. In contrast, the number of weeks holiday rose slightly by 0.3 of a day to an average of 5.2 weeks per year. Full-time employees in the primary sector had the longest working week (45 hours and 48 minutes in 2018) as well as the shortest holidays (4.8 weeks).

Self-employed persons differ from employees as far as their weeks of holiday and working hours are concerned. In 2018, full-time self-employed persons worked an average of 9 hours more per week and allowed themselves 8 fewer days' holiday per year.

Flexible working hours on the rise

In 2018, 45.0% of employed persons had flexible working hours (2013: 42.1%).

Men were more likely to have flexible working hours than women (49.9% compared with 39.6%). However, since 2013, the percentage of women with flexible working hours (+3.8 percentage points) has seen a greater increase than among men (+2.1 percentage points).

Young employees and those aged over 64 more likely to work on-call

In 2018, 16.8% of employed persons regularly worked in the evening (between 19:00 and midnight; 2013: 16.9%). 4.7% worked regularly at night (between midnight and 6:00; 2013: 5.1%). Women are more likely to work in the evening (17.6%) than men (16.1%), whereas men are more likely to work at night (5.7%) than women (3.7%).

In 2018, 19.7% of employed persons worked regularly on Saturdays, representing a decline of 1.3 percentage points compared with 2013. Women were more likely to work on Saturdays (21.8%) than men (17.9%). However, differences could be seen between the different age groups: Women aged between 15 and 24 (31.3%) as well as employed men aged over 65 (29.3%) were most likely to work on Saturdays.

In 2018, 10.2% of employed persons worked on Sundays. This percentage fell steadily from 2013 (10.6%) to 2016 (9.6%) only to rise again by 2018.

5.4% of employees worked on-call in 2018. This percentage has risen slightly from 2013 (5.0%). Women (6.2%) were more likely to work on-call than men (4.4%). By age group, employees aged 65 and over were the most likely to find themselves in this type of work (25.4%), followed by 15–24 year-olds (10.9%). In five-year comparison, the share of on-call employees has risen the most among those aged 65 and older (+4.1 percentage points).

More employees with a fixed-term contract

In 2018, 7.8% of employees worked on a fixed-term contract compared with 6.9% in 2013. The percentage of women (8.3%) was slightly higher than that of men (7.3%). However, this type of contract is most common among employees aged 15 to 24. In this age group, almost a quarter (23.2%) (excluding apprentices) have a fixed-term contract.

Rise in multiple employment

In 2018, 7.9% of employed persons had several jobs. In the past five years, the percentage of people in multiple employment rose by 0.9 percentage points.

Women are more likely than men to have several jobs. In 2018, the percentage of women (10.5%) holding more than one job was almost twice that of men (5.7%).

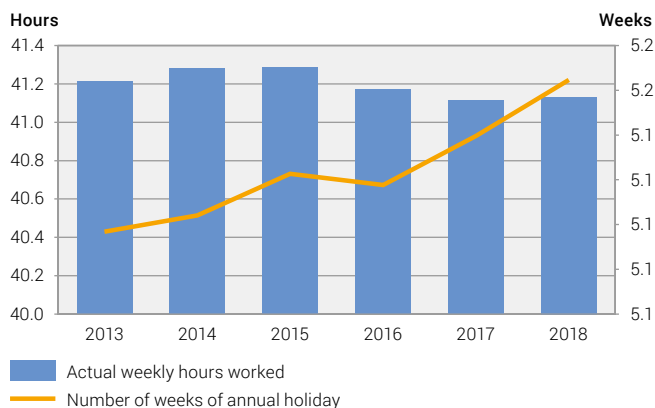
Young employed persons change jobs more often

Professional mobility rose slightly in Switzerland between 2013 and 2018. Overall, 12.7% of employed persons changed job in 2018 (2013: 11.3%); 3.2% of them within the same company and the remaining 9.4% to another company.

The percentage of women changing jobs (13.1%) was slightly higher than that of men (12.3%). With increasing age, however, professional mobility declines considerably: while approximately a fifth of 15 to 24 year-olds and 25 to 39 year-olds changed job in 2018 (23.0% and 17.8%), only 5.0% of 55 to 64 year-olds did so. But in comparison with 2013, job changing increased among all age groups.

2013–2018: Working conditions in Switzerland

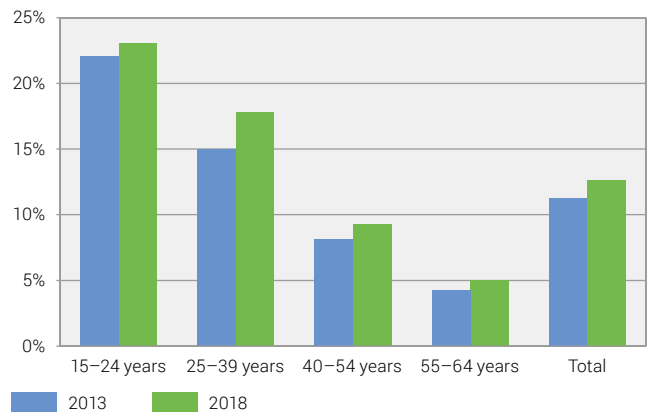
Actual weekly hours worked and the number of weeks of annual holiday for full-time employees, 2013–2018



Source: FSO – Work Volume Statistics (WV)

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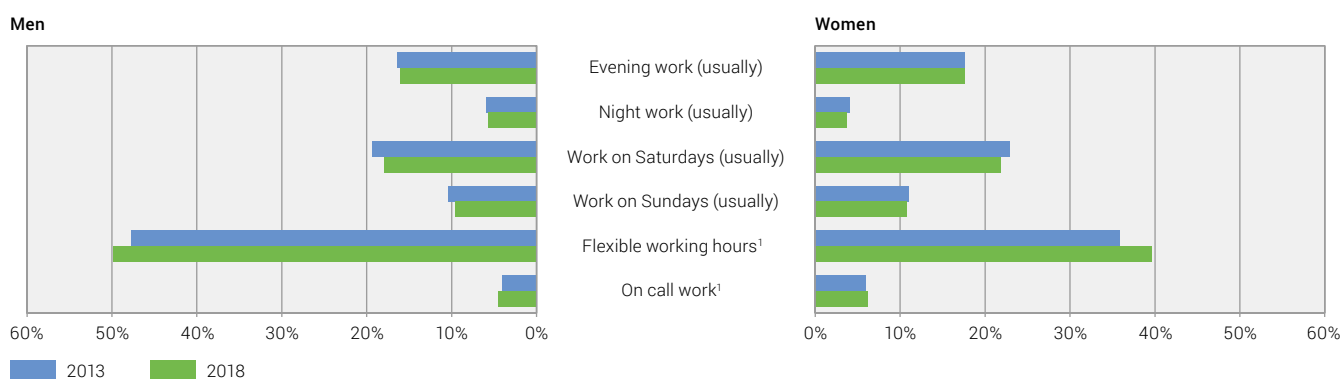
Percentage of employed persons with changes in employment in the last year, by age class, 2013 and 2018



Source: FSO – Swiss Labour Force Survey (SLFS)

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Atypical and flexible working hours, work on call, as % of employed persons, 2013 and 2018

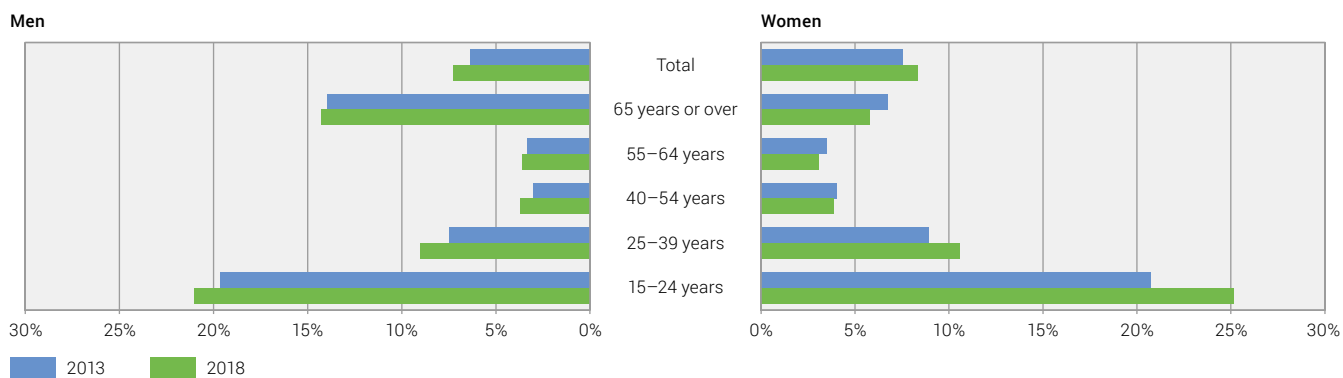


¹ Employees

Source: FSO – Swiss Labour Force Survey (SLFS)

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Percentage of employees (excluding apprentices) with a fixed-term contract, by gender and age class, 2013 and 2018



Source: FSO – Swiss Labour Force Survey (SLFS)

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Labour market in the first quarter of 2019 and short-term prospects

In the 1st quarter 2019 the number of jobs and 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 greater difficulty in the recruitment of qualified personnel than a year previously. The employment outlook indicator is indicating an increase in the number of jobs for the second quarter 2019.

Increase in employed persons and jobs

In the first quarter 2019, the number of employed persons increased by 41 000 compared with the same quarter a year earlier, representing an increase of 0.8%. The increase was greater for men (+0.9%) than for women (+0.7%), and lower for employed persons of Swiss nationality (+0.1%) than for those of foreign nationality (+2.4%). An increase was observed among employed persons holding a residence (B) permit (+3.1%) as well as those with a permanent resident (C) permit (+2.8%), whereas the number of short-term permit holders (L) declined (–1.9%). The number of cross-border commuters remained stable (+0.1%).

In comparison with the same quarter of the previous year, the number of employed persons overall (+0.8%) grew more slowly than the number of jobs (+1.3%). 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 or a more negative one as the economy recovers.

Slight decline in unemployment rate

In the 1st quarter 2019, 245 000 people were unemployed in Switzerland based on the International Labour Organisation (ILO) definition. The proportion of unemployed persons based on the ILO definition was 4.9% of the economically active population, compared with 5.2% in the 1st quarter 2018. The registered unemployment rate as defined by SECO was 2.6% in Q1 2019, representing a decrease of 0.5 percentage points compared with the same quarter a year earlier. In absolute figures, this corresponds to approximately 120 000 persons who were registered as unemployed at a regional employment centre in Q1 2019 and a decline of 22 500 persons year-on-year.

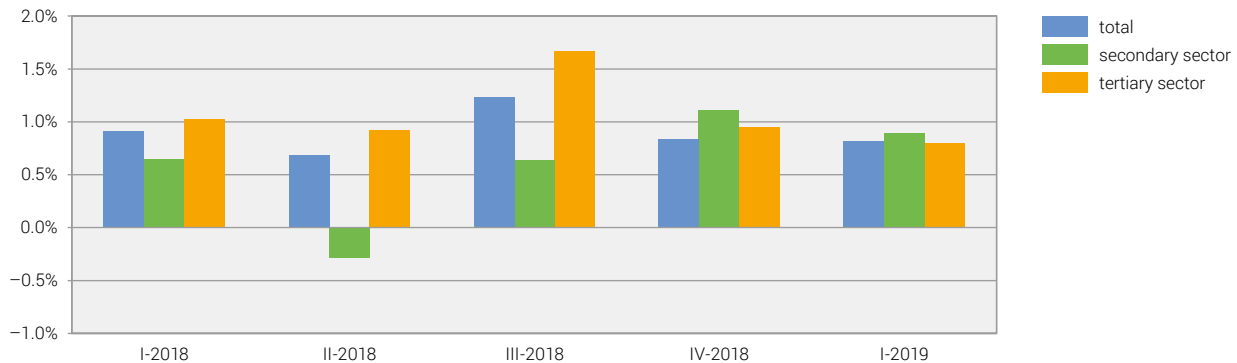
The number of job seekers who were not registered as unemployed (mainly persons with a temporary job and participants in temporary employment, retraining or continuing education programmes) grew between Q1 2018 (63 500) and Q1 2019 (66 500), by some 3000 persons according to SECO.

Employment prospects

The short-term indicators from the Job Statistics suggest that the number of employees will rise overall in the second quarter 2019. The employment outlook indicator, which represents businesses' expectations with regard to employment trends for the next three months, fell slightly in comparison with the previous year in the secondary (1.04; –0.1%). The decline was observed especially in the secondary sector (1.06; –1.0%). In the tertiary sector, a slight increase was seen (1.04; +0.2%). But the indicator is still greater than 1.00 in both sectors. This is an indication that employment will generally continue to grow. 77 300 job vacancies were counted in the whole economy. This was 6700 more vacancies than in the same quarter a year earlier (+9.4%). The number of job vacancies rose in both the secondary and tertiary sector, by 9.6% and 9.3% respectively. The percentage of businesses experiencing difficulties in the recruitment of qualified personnel grew slightly compared with the same quarter a year earlier (+1.1 percentage points to 32.0%).

Labour market in the first quarter of 2019 and short-term prospects

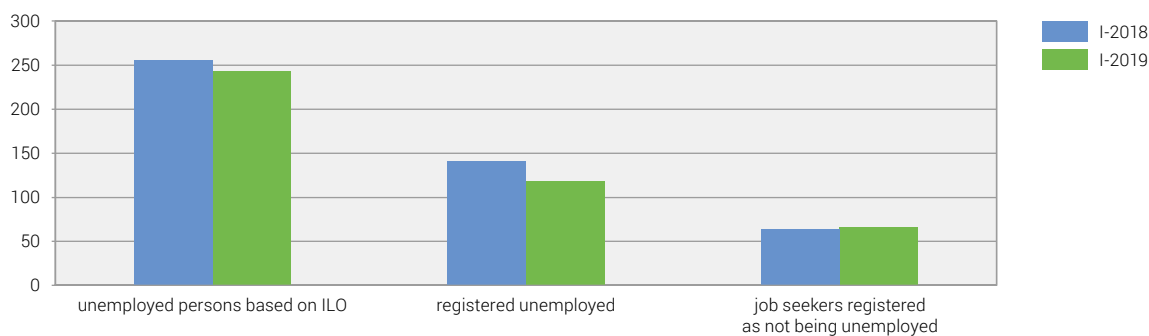
Variation in the number of employed persons by economic sector, compared to the corresponding quarter in the previous year, as %, 1st quarter 2018 to 1st quarter 2019



Source: FSO – Employment Statistics (ES)

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Unemployed persons based on ILO definition, registered unemployed and job seekers registered as not being unemployed, in thousands, 1st quarter 2018 and 1st quarter 2019

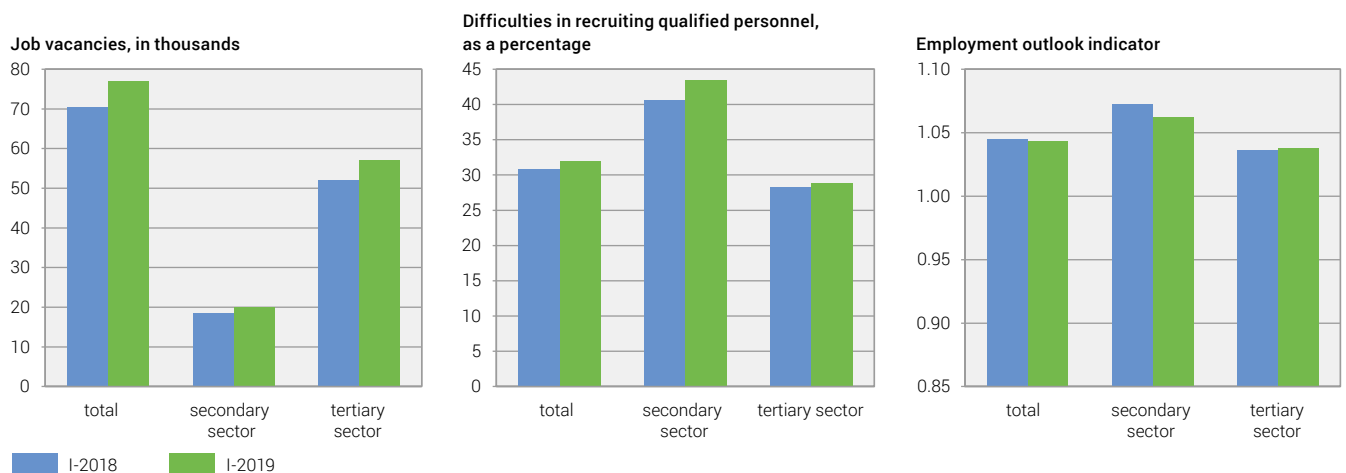


Note: quarterly averages

Sources: FSO – Unemployment Statistics (ILO-based); SECO

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Job vacancies, difficulties in recruiting qualified personnel and employment prospect indicator¹, 1st quarter 2018 and 1st quarter 2019

¹ The scale ranges from 0.50 (decrease) to 1.0 (no change) to 1.5 (increase).

Source: FSO – Job Statistics (ES)

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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. 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 2018, the economic activity rate of the Swiss population aged 15 or over was 68.7%. In European comparison, this places Switzerland in a leading position. The percentage of economically active persons was only higher in Iceland (80.8%), whereas Switzerland's neighbouring countries showed a much lower economic activity rate (Germany: 61.8%; Austria: 61.5%; France: 55.8%; Italy: 50.0%). Next to Italy, Croatia (51.0%) and Greece (51.7%) showed the lowest employment rates in Europe. The EU28 average was 58.1%.

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

Women's labour force participation rates differ greatly from one country to another. In Italy (41.2%), two in five women participated in the workforce, whereas the economic activity rates of women in the Scandinavian countries were among the highest (Iceland: 77.4%; Sweden and Norway: 62.3%; the Netherlands: 59.5%; Denmark and the United Kingdom: 58.1%). In the EU, one in two women was an economically active person (52.1%). At 63.0%, Switzerland occupies second place; in the neighbouring countries, women's labour force participation is considerably lower (Germany: 56.5%; Austria: 55.9%; France: 51.8%). Women's participation in the labour force in Switzerland certainly depends on a wide availability of part-time jobs. 39.1% of employed persons in Switzerland worked part-time (women: 62.3%). Only in the Netherlands was this percentage higher (51.0%; women: 75.7%). The percentage of employed persons working part-time was particularly low in Bulgaria (1.9%; women: 2.0%), in Slovakia (4.7%; women: 6.5%) and in Hungary (5.0%; women: 6.9%).

In all of the countries examined, the male labour force participation rate was higher than that of women. The highest male economic activity rate was found in Iceland (83.9%), followed by Switzerland (74.5%). It is considerably lower in Switzerland's neighbouring countries: 67.3%; Germany: 67.2%; France: 60.3%; Italy: 59.3%, and the EU average stood at 64.5%.

Low unemployment rate based on ILO definition in Switzerland

In Switzerland, the unemployment rate based on ILO definition rose slightly between the fourth quarter of 2017 and the fourth quarter of 2018 by 0.1 percentage point to 4.6%. During the same period, in the EU-28 it fell from 7.3% to 6.6%. Compared with the

EU member states, Switzerland continues to feature among the countries with the lowest unemployment rates based on the ILO definition. In Germany the unemployment rate is lower (3.2%), in France (9.1%) and Italy (10.8%) considerably higher than in Switzerland. Unemployment rates below 3% can be found in the Czech Republic (2.0%; –0.4 percentage points) and in Iceland (2.4%; –0.2 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: –2.5 percentage points to 18.7%; Spain: –2.1 percentage points to 14.5%).

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.

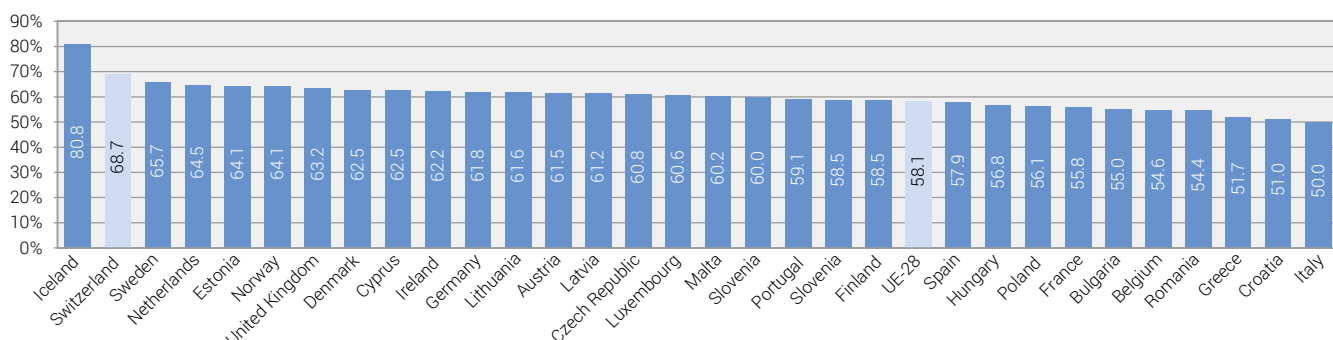
In the EU15 states a north-south divide can still be observed: in 2014 the highest average gross annual wage was recorded in Denmark (EUR 57 723). The lowest value was registered in Portugal (EUR 16 425). The wage gap is even greater when the new member states are also included: in 2014 only Cyprus, 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.

The Swiss labour market in international comparison

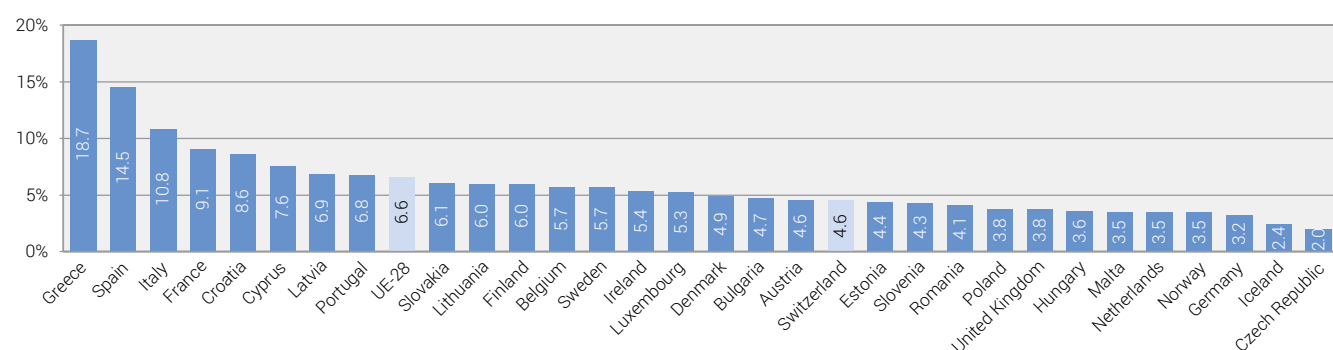
Standardised employment rate (15+ years) in Switzerland and in the EU and EFTA states, as %, 4th quarter 2018



Sources: FSO – Swiss Labour Force Survey (SLFS); EUROSTAT (status: April 2019)

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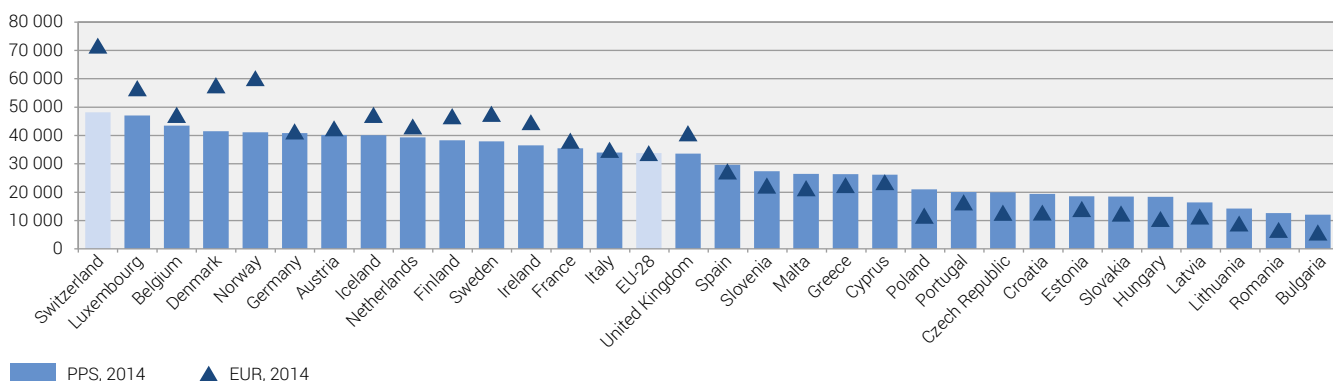
Unemployment rate based on ILO definition (15–74 years) in Switzerland and in the EU and EFTA states, as %, 4th quarter 2018



Sources: FSO – Swiss Labour Force Survey (SLFS); EUROSTAT (status: April 2019)

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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 (SLFS); EUROSTAT (status: June 2017)

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Published by:	Federal Statistical Office (FSO)
Information:	Jonas Deplazes, FSO, tel. +41 58 463 64 02
Editor:	Jonas Deplazes, FSO
Series:	Swiss Statistics
Topic:	03 Work and income
Original text:	German
Translation:	FSO language services
Layout:	DIAM Section, Prepress/Print
Graphics:	DIAM Section, Prepress/Print
Online:	www.statistics.admin.ch
Print:	www.statistics.admin.ch Federal Statistical Office, CH-2010 Neuchâtel, order@bfs.admin.ch , tel. +41 58 463 60 60 Printed in Switzerland
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FSO number:	206-1906