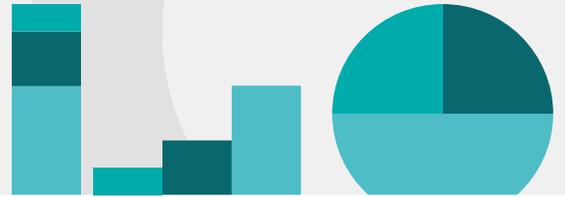




## FSO News



03 Work and income

Neuchâtel, August 2020

Comments on findings for the period 2014–2020

# Labour market indicators for 2020

This document is an extract from the publication “Labour market indicators 2020” (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 2014–2020. 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.

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### Abbreviations in the graphs

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



# Summary

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## 2014–2019: Major developments in the Swiss labour market

**Over the five-year period (Q4 2014 to Q4 2019), 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)) decreased. 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.**

### Moderate economic growth at the end of the period under observation

In 2014, Switzerland saw moderate economic growth and the gross domestic product (GDP) grew on average by 0.7% per quarter. At the start of 2015, economic growth weakened in a difficult currency environment. Between Q1 2015 and Q4 2016, the Swiss economy grew an average of only 0.3% per quarter. From Q1 2017, the Swiss economy recovered and saw average growth of 0.6% per quarter until Q4 2017. At the start of 2018, a favourable market environment led to strong growth of 1.0% in the first and 0.8% in the second quarter. In the second half-year, the Swiss economy slowed down unexpectedly sharply and the GDP fell by an average of 0.2% in the last two quarters of 2018. In 2019, the economy recovered slowly and grew on average 0.4% per quarter.

### Slight decline in number of registered unemployed

According to the Employment Statistics (ES), which are based on personal interviews (Swiss Labour Force Survey SLFS), between the fourth quarters of 2014 and 2019, the number of employed persons rose by 8.3% to 5.1 million. The Job Statistics (JOBSTAT), which are based on a survey of secondary and tertiary sector enterprises, showed a 6.0% rise in the number of jobs (to 5.1m). During the same period, the number of unemployed persons based on the ILO definition fell by 12 000 (–5.8%) whereas the number of people registered as unemployed at regional unemployment offices (RAV) declined by 30 000 (–22.0%)<sup>1</sup>. Since the number of employed persons grew in contrast to the number of unemployed, in five-year comparison the unemployment rate based on the ILO definition fell by 0.4 percentage points to 3.9%. Over the same period of time, the unemployment rate fell by –0.7 percentage points to 2.3%.

### Fall in unemployment rate of men and women

Structurally speaking, the gap between the unemployment rate of men and women based on the ILO definition narrowed slightly in the period 2014 to 2019. In the fourth quarter 2019, 3.7% of men and 4.1% of women were unemployed; five years earlier the difference was larger (4.0% compared with 4.6%). In 2019, women continued to work part-time much more often (59.3%) than men (17.7%). However, the number of men working part-time has increased considerably over the past five years (+11.6%, women +5.6%).

### Increase in the number of vacancies

According to JOBSTAT, in the fourth quarter 2019, there were roughly 40% more job vacancies (78 000) than there had been five years previously (55 000). Businesses also had greater difficulty in finding suitable staff in 2019. The "Difficulties in recruiting qualified personnel" indicator rose by 1.3 percentage points between Q4 2014 and Q4 2019.

### 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 2014 and fourth quarter 2019 by 9.4%, reaching 1.7 million. The number of economically active Swiss nationals grew in the same period by 1.8% to 3.6 million. As a result, the share of foreigners in the economically active population rose by 1.5 percentage points (to 32.4%). The foreign resident population was affected by unemployment to a much greater extent than the Swiss resident population (6.3% and 3.0% respectively in fourth quarter 2019). In five-year comparison, the unemployment rate of foreign nationals has fallen (–1.6 percentage points), while that of Swiss nationals has remained stable (+0.0 percentage points).

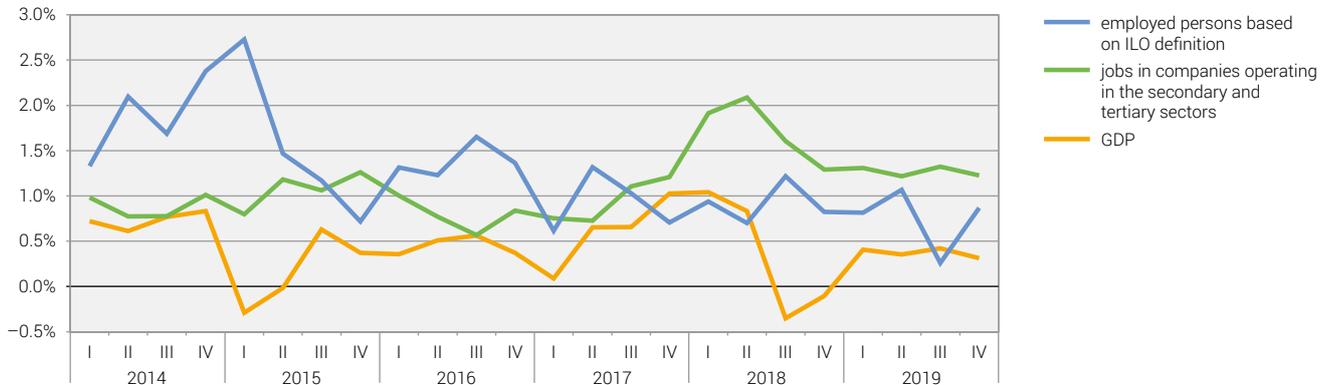
### Growth in nominal and real wages

In 2019, nominal wages rose by an average of 0.9% compared with the previous year (2018: +0.5%; 2017: +0.4%). 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 2019 were generally made in the autumn of 2018. The +0.5% inflation rate estimated at that time finally proved to be +0.4% for 2019. This meant that the purchasing power of wages showed for the first time after two years an increase of +0.5% (2018: –0.4%; 2017: –0.1%). Taking the past four years into consideration (2016-2019), the average annual wage growth in real wages for all employees was +0.3% (+0.2% for men and +0.3% for women).

<sup>1</sup> 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).

## 2014–2019: Major developments in the Swiss labour market

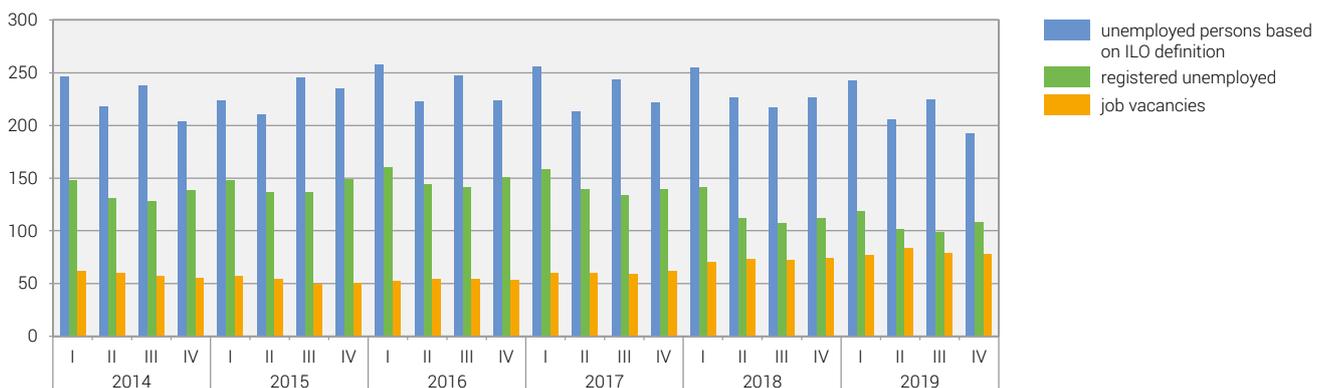
**Variation in the gross domestic product (GDP real), the number of employed persons and the number of jobs, compared to the corresponding quarter in the previous year, as a %, 2014–2019**



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, 2014–2019**

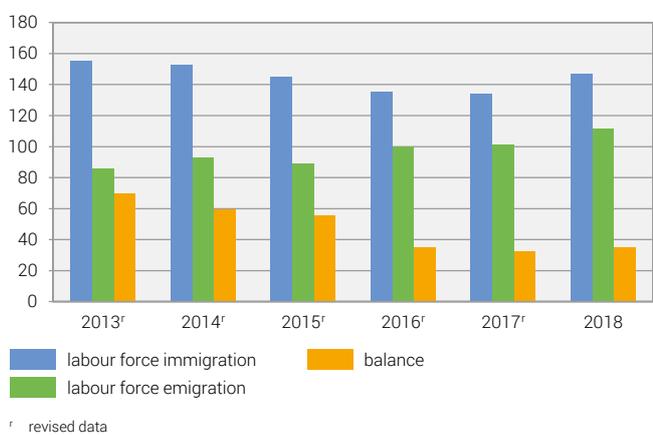


Note: Unemployment Statistics (ILO and SECO-based): quarterly averages Job Statistics: value at the end of the quarter

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

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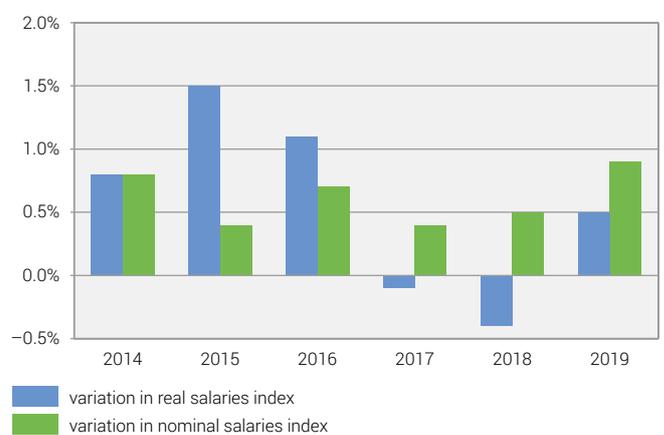
**Workforce migration of foreign population, in thousands, 2013–2018**



Source: FSO – Labour Market Accounts (LMA)

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**Variation in nominal and real wage index, in relation to the previous year, as a %, 2014–2019**



Source: FSO – Swiss Wage Index (SWI)

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## 2014–2019: The situation of men and women in the labour market

**Between 2014 and 2019, 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 (59.3%) continued to be considerably greater than that of men (17.7%). The unemployment rate of men and women based on the ILO definition fell (men: 3.7%, women: 4.1%). 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 more sharply

The number of economically active persons (employed and ILO unemployed persons together correspond to the labour supply) rose between the fourth quarter 2014 and the fourth quarter 2019 by 3.2% among men (to 2.6m) while the female economically active population rose by 3.9% during the same period (to 2.3 m). Thus, the share of women in the economically active population increased within five years by 0.2 percentage points to 46.9%. The number of employed women (+4.5%) rose more markedly than that of men (+3.5%), while the number of unemployed women based on the ILO definition decreased much more sharply (–7.2%) than that of men (–4.4%). This led to a decrease in the share of women among the unemployed from 50.4% in 2014 to 49.7% in 2019 (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 2019, 59.3% of all women in employment worked part-time (i.e. less than 90% FTE), whereas the corresponding share of men was 17.7%. The number of persons employed part-time increased both among women (+5.6%) and among men (+11.6%) between the fourth quarter 2014 and the fourth quarter 2019. The unequal distribution of part-time work is also the reason why women accounted for only 38.7% of the total hours worked in 2019. Among the 445 000 men working part-time in Q4 2019, there were 96 000 underemployed persons (21.6%), i.e. persons who wish to work more and are available at short notice. Of 1 316 000 women working part-time, 250 000 were underemployed, corresponding to 19.0%. In five-year comparison, the share of underemployed persons among the part-time employed increased slightly both among women (+0.4 percentage points) and among men (+0.3 percentage points).

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

Between the fourth quarter 2014 and the fourth quarter 2019, 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 (+1.4% and +0.8% respectively), in the tertiary sector the number among both sexes saw an above average increase (men: +7.5%, women: +7.1%). Proportionally, women work considerably more frequently in the service sector than do men (fourth quarter 2019: 87.7% and 67.5%). Only 10.7% of women are employed in industry and 1.6% in agriculture. The share of employed men working in industry is 29.5% and in agriculture 2.9%.

### Fall in unemployment rate of men and women

In 2014, unemployment rates fell, with men's unemployment rates decreasing more sharply than women's, so that women's unemployment rates exceeded men's (men: 4.0%, women: 4.6%). 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. Both employment rates fell in 2019, while that of women fell more sharply however, whereby both rates further converged. In five-year comparison, between the fourth quarter of 2014 and the fourth quarter of 2019, the gap between men's and women's unemployment rates based on the ILO definition narrowed slightly. In comparison with 2014 (men: 4.0%, women: 4.6%) the unemployment rate based on the ILO definition fell less sharply (–0.3 percentage points) than that of women (–0.5 percentage points). This resulted in a gap that was 0.2 percentage points narrower than in 2019 (men: 3.7%, women: 4.1%).

## 2014–2019: The situation of men and women in the labour market

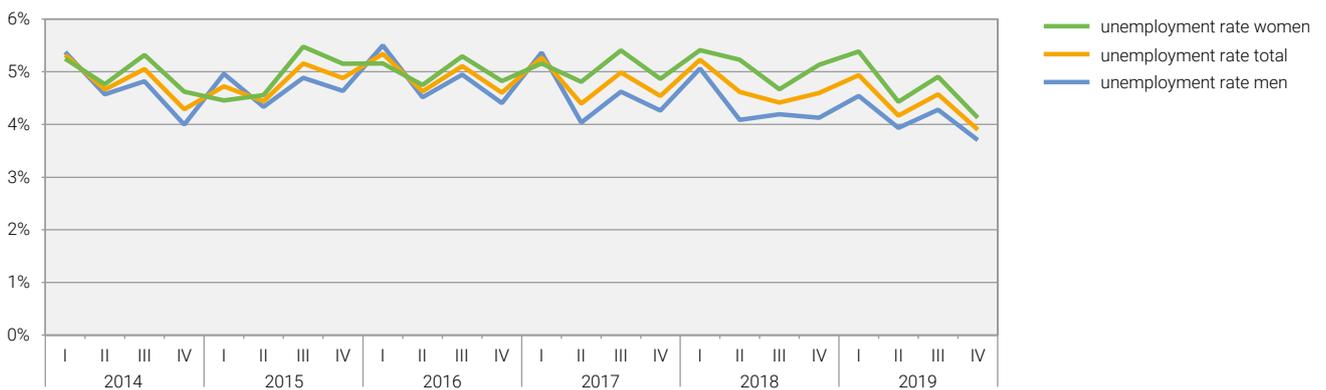
**Variation in the number of employed persons according to gender, compared to the corresponding quarter in the previous year, as a %, 2014–2019**



Source: FSO – Employment Statistics (ES)

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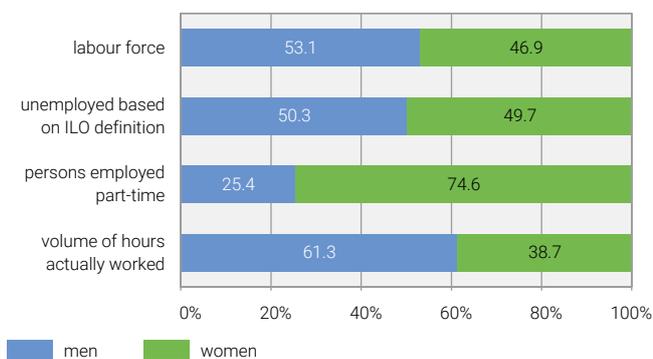
**Unemployment rate based on ILO definition, by gender, as a %, 2014–2019**



Source: FSO – Unemployment Statistics (ILO-based)

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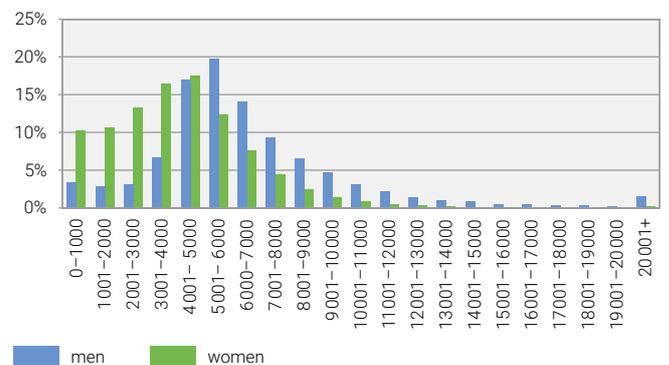
**Breakdown of men/women in the labour force, of unemployed based on ILO definition, of persons employed part-time (Q4. 2019 for each case) and of the volume of hours actually worked (2019), as a %**



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 a %, 2018**



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

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## 2014–2019: Swiss and foreign labour force

**Since 2001, Switzerland has experienced a high level of foreign worker immigration. Between 2014 and 2019, the increase in the number of foreigners in the labour force was more than 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 generally earn more than their foreign counterparts, except in jobs with a high level of responsibility.**

### Continued high level of immigration of foreign labour

Between the fourth quarter of 2014 and the fourth quarter of 2019, 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 (+9.4% to 1.7m compared with +1.8% to 3.6m). Compared with the same quarter of the previous year, the foreign labour force grew markedly, especially in the first half-year of 2014. The strong rise in the number of foreign workers is the result of heavy immigration: During the period 2014 to 2018, immigration of foreign workers exceeded the number of emigrations by 218 000 persons. However, the annual net migration of economically active foreign nationals between 2014 and 2018 fell (from 60 000 to 35 000 persons). In contrast, the migration of economically active Swiss citizens resulted in a negative balance of 17 000 persons over the five-year period. Naturalisations play a role in the structure of the economically active population: from 2014 to 2018, approximately 126 000 economically active foreigners obtained Swiss nationality. Were it not for these naturalisations, the number of foreign workers would have increased by 17.4% from 2014 to 2019, whereas the number of economically active Swiss citizens would have fallen (–1.8%). During the fourth quarter 2019, the share of foreign nationals in the economically active population was 32.4%, compared with 30.9% five years earlier.

### Foreign nationals more often affected by unemployment

In the fourth quarter of 2019, 3.5m economically active Swiss nationals were employed in the labour market and 109 000 were unemployed based on the ILO definition. Thus, the unemployment rate based on the ILO definition of the Swiss population was 3.0%. Whereas the rate for Swiss nationals during the period under observation fluctuated between 3.0% (2019) and 4.0% (2014), the situation was less favourable for foreigners: 1.6 million foreign nationals were employed in Q4 2019 and 84 000 were unemployed. The unemployment rate of the foreign population was 6.3% (Q4 2014: 7.8%).

### Less part-time work among foreign nationals

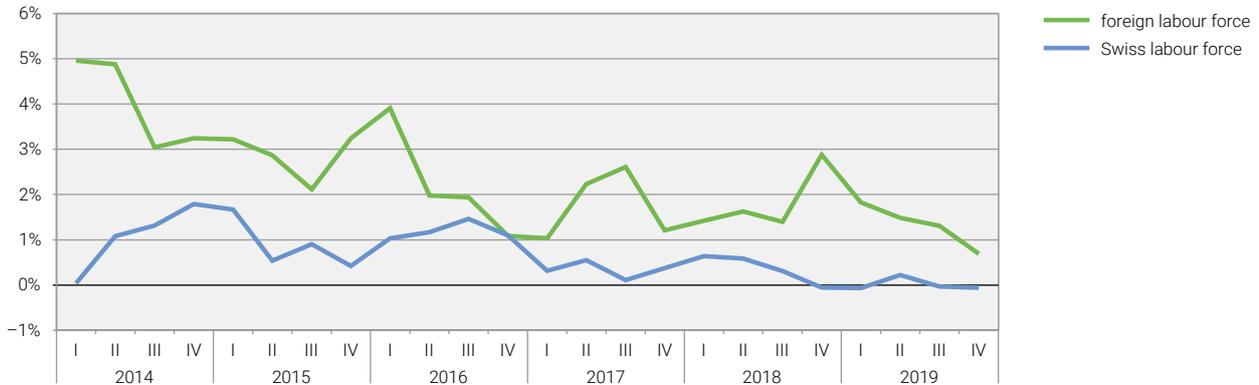
Between the fourth quarter 2014 and the fourth quarter 2019, the number of people working part-time rose among both Swiss and foreign workers (+1.5 percentage points to 41.2% and +0.6 percentage points to 26.1%). This type of work is common among women, albeit more common among Swiss women than foreign women: in the 4th quarter 2019, 63.5% of Swiss women were employed on a part-time basis, compared with 46.0% of foreign women. Among men, the corresponding shares were 20.2% and 11.4%. Foreign workers are mainly salaried employees (95.3%; Swiss nationals: 89.3%). Only 4.7% are self-employed or work in a family-run enterprise or farm, considerably less than Swiss workers (10.7%). 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 settlement 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 rose slightly by 0.2 percentage points to 19.9%, workers with a residence permit (B permit) fell by –0.1 percentage points to 27.8% and the share of short-term permits (L permit) fell by –0.6 percentage points to 2.8%. The share of persons holding a permanent residence permit (C) was 47.3% in both Q4 2014 and Q4 2019.

## 2014–2019: Swiss and foreign labour force

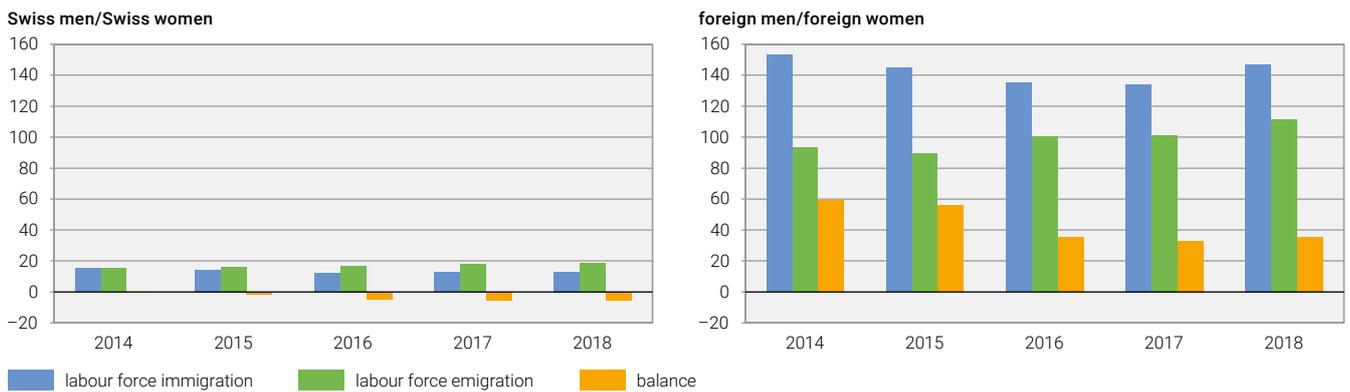
Variation in the labour force according to nationality, compared to the corresponding quarter in the previous year, as a %, 2014–2019



Source: FSO – Employment Statistics (ES)

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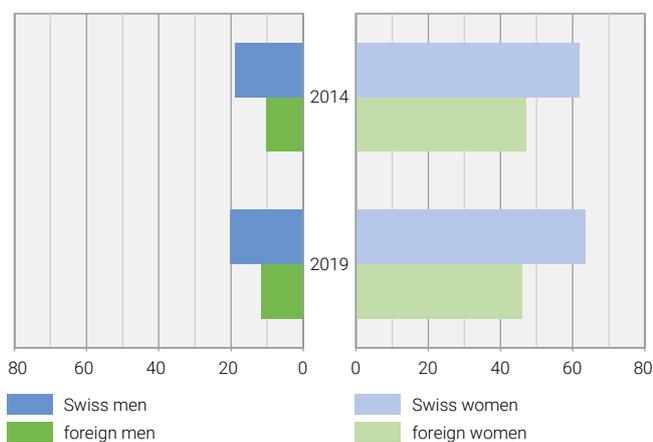
Labour force migration, by nationality, in thousands, 2014–2018



Source: FSO – Labour Market Accounts (LMA)

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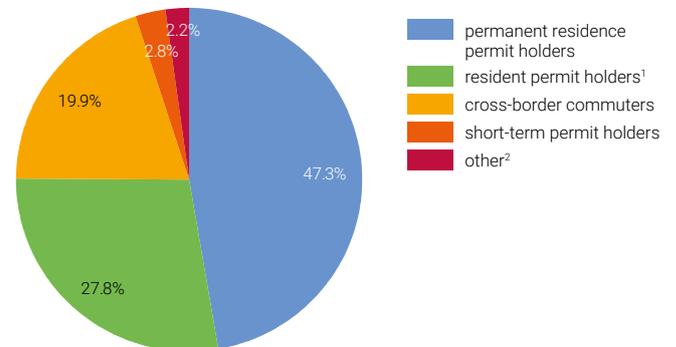
Persons in part-time employment by gender and nationality, as a % of employed persons, 4th quarter 2014 and 4th quarter 2019



Source: FSO – Swiss Labour Force Survey (SLFS)

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Foreign employed persons by type of residence permit, as a %, 4th quarter 2019



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

<sup>2</sup> 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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## 2014–2019: Working conditions in Switzerland

**Working conditions in Switzerland changed between 2014 and 2019: 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.**

### Fewer working hours and more weeks' holiday

Between 2014 and 2019, the actual weekly hours of full-time employees (excluding employees in their own company) fell on average by 15 minutes to 41 hours and 2 minutes. In contrast, the number of annual weeks' holiday increased by 0.3 days to 5.2 weeks. The highest actual working time per week was registered among full-time employees in the primary sector (2019: 47 hours and 28 minutes) who at the same time also take the fewest holidays (4.7 weeks).

Self-employed persons differ in terms of weeks' holiday and working time of employees. In 2019, self-employed persons with a work-time percentage of 100% worked on average 10 hours more per week and had 7 days fewer holiday per year than employees on average.

### Flexible working hours on the rise

In 2019, 45.9% of employees had flexible working hours (2014: 43.1%).

Men were more likely to have flexible working hours than women (51.1% compared with 40.2%). However, since 2014, the percentage of women with flexible working hours (+3.3 percentage points) has seen a greater increase than among men (+2.2 percentage points).

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

In 2019, 16.5% of employed persons regularly worked in the evening (between 19:00 and midnight; 2014: 17.1%). 4.6% worked regularly at night (between midnight and 6:00; 2014: 5.0%). Women are more likely to work in the evening (17.8%) than men (15.4%), whereas men are more likely to work at night (5.2%) than women (3.9%).

In 2019, 18.9% of employed persons worked regularly on Saturdays, representing a fall of 1.9 percentage points compared with 2014. Women were more likely to work on Saturdays (20.7%) than men (17.4%). However, major differences could be seen between the different age groups: employed men aged over 65 (30.6%) as well as women between 15 and 24 years (27.6%) were most likely to work on Saturdays.

In 2019, 10.5% of employed persons worked on Sundays (2014: 9.8%).

5.1% of employees worked on-call in 2019. This percentage has risen slightly from 2014 (4.9%). Women (6.3%) were more likely to work on-call than men (4.0%). By age group, employees aged 65 and over were the most likely to find themselves in this type of work (21.6%), followed by 15-24 year-olds (9.5%).

### Young employees more often have a fixed-term contract

In 2019, 7.7% of employees worked on a fixed-term contract compared with 7.4% in 2014. The percentage of women (8.3%) was slightly higher than that of men (7.2%). However, this type of contract is most common among employees aged 15 to 24. In this age group, almost a quarter (23.5%) (excluding apprentices) have a fixed-term contract.

### Rise in multiple employment

In 2019, 8.4% of employed persons had more than one job. In the past five years, the percentage of people in multiple employment rose by 0.7 percentage points.

Women are more likely than men to have several jobs. In 2019, the percentage of women (11.2%) holding more than one job was almost twice that of men (5.9%).

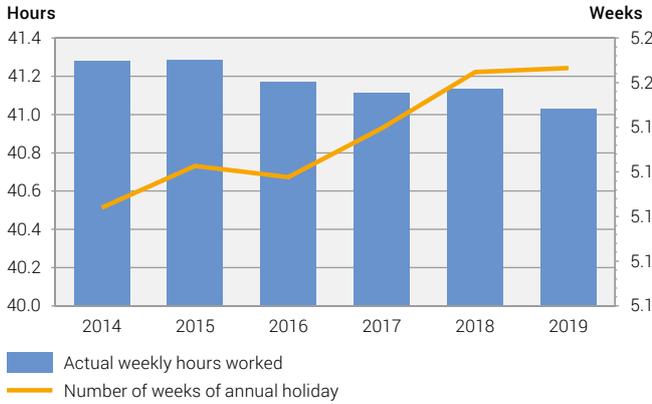
### Young employed persons change jobs more often

Professional mobility rose slightly in Switzerland between 2014 and 2019. Overall, 12.7% of employed persons changed job in 2019 (2014: 11.0%); 2.9% of them within the same company and the remaining 9.8% to another company.

The percentage of women changing jobs (12.9%) was slightly higher than that of men (12.5%). 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 2019 (22.9% and 18.0%), only 4.7% of 55 to 64 year-olds did so. However, in comparison with 2014, job changing increased among all age groups.

2014–2019: Working conditions in Switzerland

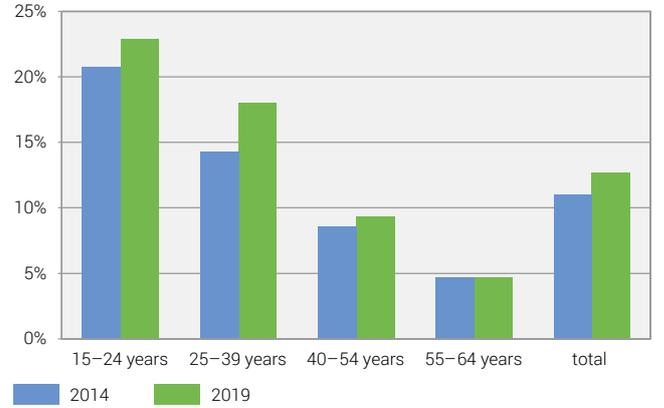
Actual weekly hours worked and the number of weeks of annual holiday for full-time employees, 2014–2019



Source: FSO – Work Volume Statistics (WV)

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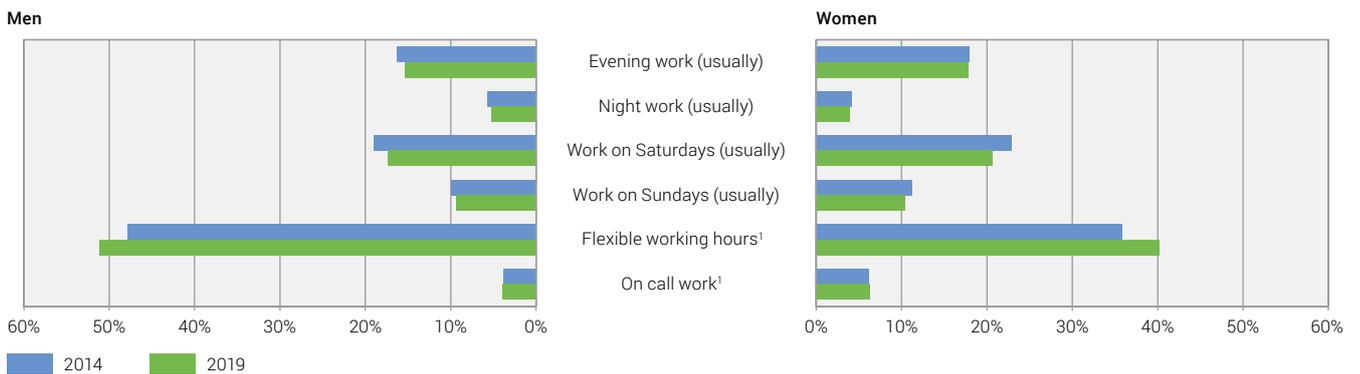
Percentage of employed persons with changes in employment in the last year, by age class, 2014 and 2019



Source: FSO – Swiss Labour Force Survey (SLFS)

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Atypical and flexible working hours, work on call, as % of employed persons, 2014 and 2019

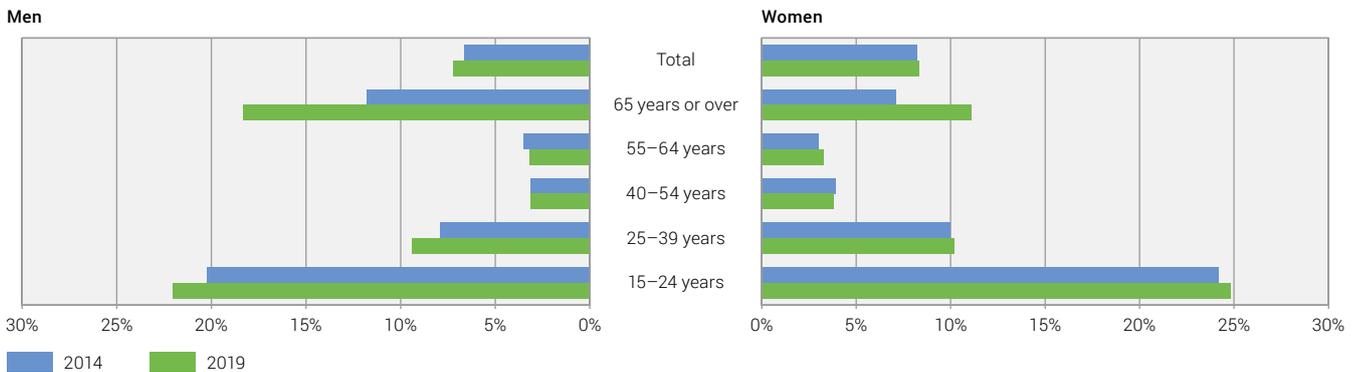


<sup>1</sup> Employees

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, 2014 and 2019



Source: FSO – Swiss Labour Force Survey (SLFS)

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## Labour market in the first quarter of 2020 and short-term prospects

**In the 1st quarter 2020, the number of jobs and employed persons rose compared with the same quarter a year earlier. The unemployment rate based on the ILO definition decreased while the registered unemployment rate according to SECO increased slightly. As these indicators reflect the quarterly averages, they were only marginally affected by the COVID-19 crisis. However, the number of people affected by reduced working hours has risen sharply. The employment outlook is also pessimistic: The Swiss economy counted 10 000 fewer vacancies than in the corresponding quarter of the previous year (–12.9%) with the employment outlook indicator indicating a downward trend (–3.7%).**

### Increase in employed persons and jobs

In the first quarter 2020, the number of employed persons increased by 56 000 compared with the same quarter a year earlier, representing an increase of 1.1%. The increase was greater for men (+1.2%) than for women (+1.0%) and lower for employed persons of Swiss nationality (+0.2%) than for those of foreign nationality (+3.2%). An increase was observed among cross-border commuters (+4.5%), employed persons holding a settlement (C) permit (+3.6%) as well as those with a residence (B) permit (+1.8%), whereas the number of short-term residence permit holders (L) declined (–3.4%).

In comparison with the same quarter of the previous year, the number of employed persons (+1.1%) rose more than the number of jobs (+0.6%). 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 2020, 222 000 people were unemployed in Switzerland based on the International Labour Organisation (ILO) definition. The proportion of unemployed persons based on the ILO definition was 4.5% of the economically active population, compared with 4.9% in the 1st quarter 2019. The registered unemployment rate as defined by SECO was 2.7% in Q1 2020, representing an increase of 0.1 percentage points compared with the same quarter a year earlier. In absolute figures, this corresponds to approximately 125 000 persons who were registered as unemployed at a regional employment centre in Q1 2019 and an increase of 6000 persons year-on-year.

### Sharp increase in reduced working hours

As a result of the COVID-19 crisis and, in particular, the official measures to protect the population introduced in March 2020, the number of people working reduced hours has increased very sharply. In March 2020, around 1.6 million people and in April 1.9 million people were pre-registered for reduced working hours which corresponds to around 31% and 37% of employed persons respectively. In February 2020, this figure was only around 11 000. How much and how long companies effectively make use of reduced working hours is only known after a period of several months. Reduced working hours were last intensively used after the global financial and economic crisis. In 2009, the number of pre-registered employees reached a monthly peak of 155 000. In May 2009, reduced working hours were registered for 92 200 employees, which was the highest monthly figure registered in 2009.

### Decrease in job vacancies

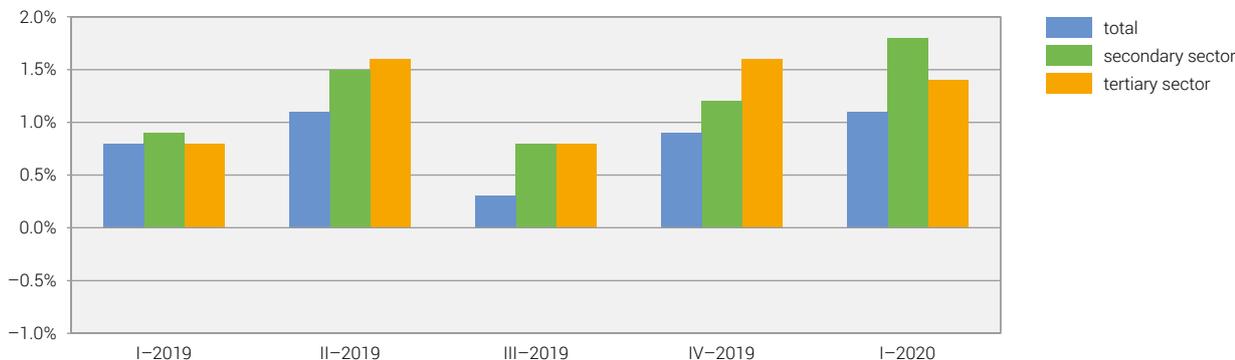
67 300 job vacancies were counted in the whole economy in Q1 2020. This was 10 000 fewer vacancies than in the same quarter a year earlier (–12.9%). The number of job vacancies declined in both the secondary and tertiary sector, by –24.0% and –9.0% respectively. The percentage of businesses experiencing difficulties in the recruitment of qualified personnel fell compared with the same quarter a year earlier (–4.0 percentage points to 28.1%).

### Pessimistic employment outlook

The employment outlook indicator, which represents businesses' expectations with regard to employment trends for the next three months, fell sharply in comparison with the previous year and is currently at its lowest level since the 3rd quarter of 2009 (1.01; –3.7%). The decline was observed especially in the secondary sector (1.00; –6.1%), but the indicator also fell in the tertiary sector (1.01; –2.9%). The outlook was particularly negative in industry (0.98; –7.5%) and in accommodation and food service activities (0.91; –12.0%), where the indicator fell below 1.00, indicating a decline in jobs in the next quarter.

### Labour market in the first quarter of 2020 and short-term prospects

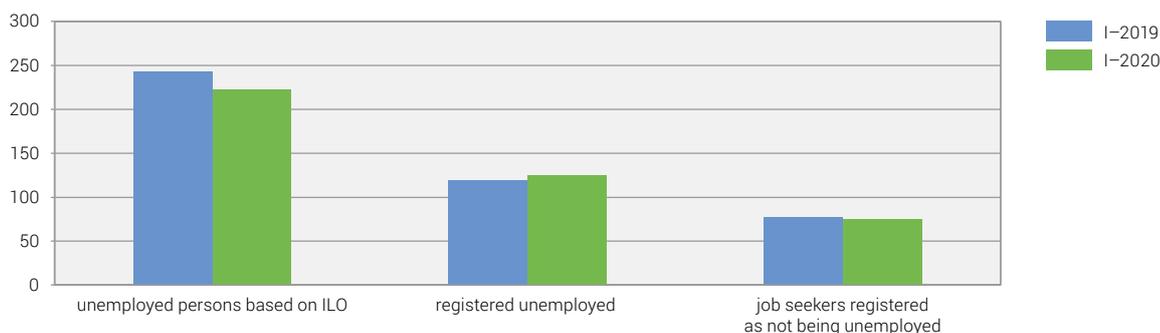
**Variation in the number of employed persons by economic sector, compared to the corresponding quarter in the previous year, as a %, 1st quarter 2019 to 1st quarter 2020**



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 2019 and 1st quarter 2020**

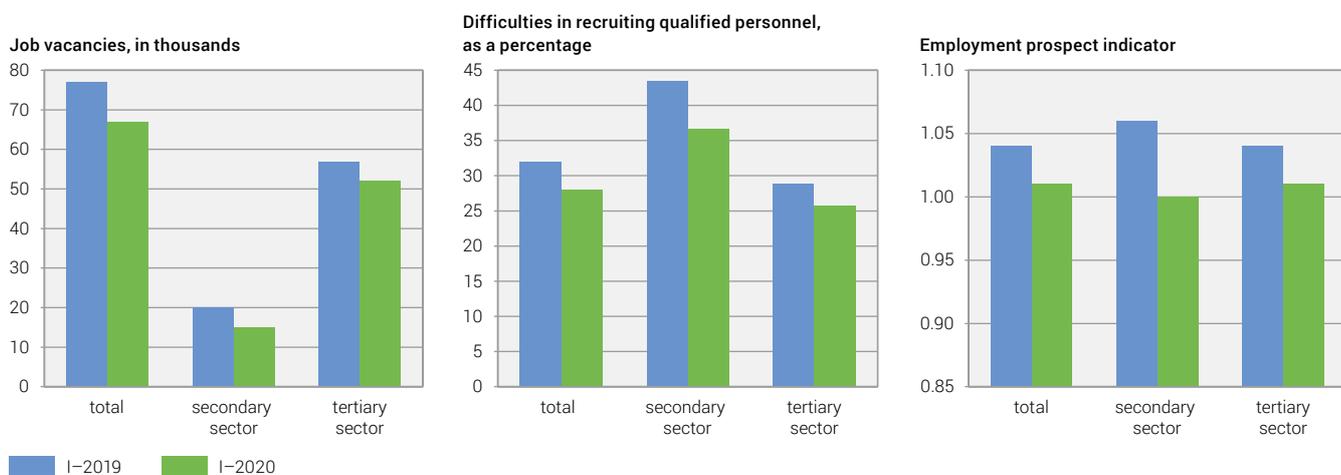


Note: quarterly averages

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

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**Job vacancies, difficulties in recruiting qualified personnel and employment prospect indicator<sup>1</sup>, 1st quarter 2019 and 1st quarter 2020**



<sup>1</sup> 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 performed well in 2019 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 2019, the economic activity rate of the Swiss population aged 15 or over was 68.1%. In European comparison, this places Switzerland in a leading position. The percentage of economically active persons was only higher in Iceland (79.9%), whereas Switzerland's neighbouring countries showed a much lower economic activity rate (Germany: 62.6%; Austria: 61.4%; France: 55.5%; Italy: 49.9%). Next to Italy, Croatia (51.3%) and Greece (51.6%) showed the lowest employment rates in Europe. The EU28 average was 58.3%.

### Strong participation by women in the labour force in Switzerland and in the Nordic countries

Women's labour force participation rates differ greatly from one country to another. In Italy (41.4%), two in five women participated in the workforce, whereas the economic activity rates of women in Scandinavian countries were among the highest at 60% (Iceland: 76.3%; Sweden: 62.5%; Norway: 61.7%; the Netherlands: 60.0%). In the EU, one in two women was an economically active person (52.3%). At 63.0%, Switzerland occupies second place; in the neighbouring countries, women's labour force participation is considerably lower (Germany: 57.2%; Austria: 55.9%; France: 51.6%). Women's participation in the labour force in Switzerland certainly depends on a wide availability of part-time jobs. 39.8% of employed persons in Switzerland worked part-time (women: 62.4%). Only in the Netherlands was this percentage higher (51.1%; women: 75.4%). The percentage of employed persons working part-time was particularly low in Bulgaria (1.9%; women: 2.1%) Hungary (5.1%; women: 7.5%), Croatia (5.1%; women: 6.9%) and in Slovakia (5.2%; women: 7.4%).

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 (83.2%), followed by Switzerland (73.4%). It is considerably lower in Switzerland's neighbouring countries (Germany: 68.2%; Austria: 67.1%; France: 59.8%; Italy: 59.1%), the EU average stood at 64.6%.

### Low unemployment rate based on ILO definition in Switzerland

In Switzerland, the unemployment rate based on the ILO definition decreased by 0.7 percentage points between the fourth quarter of 2018 and the fourth quarter of 2019 to settle at 3.9%. It also fell in the EU-28 (by 0.4 percentage points to 6.2%). Compared with the EU member states, Switzerland features among the countries with the lowest unemployment rates based on the ILO definition. In Germany the unemployment rate is lower (3.1%), in France (8.4%) and Italy (9.9%) it is considerably higher than in Switzerland. Unemployment rates below 3% can be found in the Czech Republic (2.0%; no change compared with the same quarter of the previous year) and in Poland (2.9%; -0.9 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: -1.9 percentage points to 16.8%; Spain: -0.7 percentage points to 13.8%).

### 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.

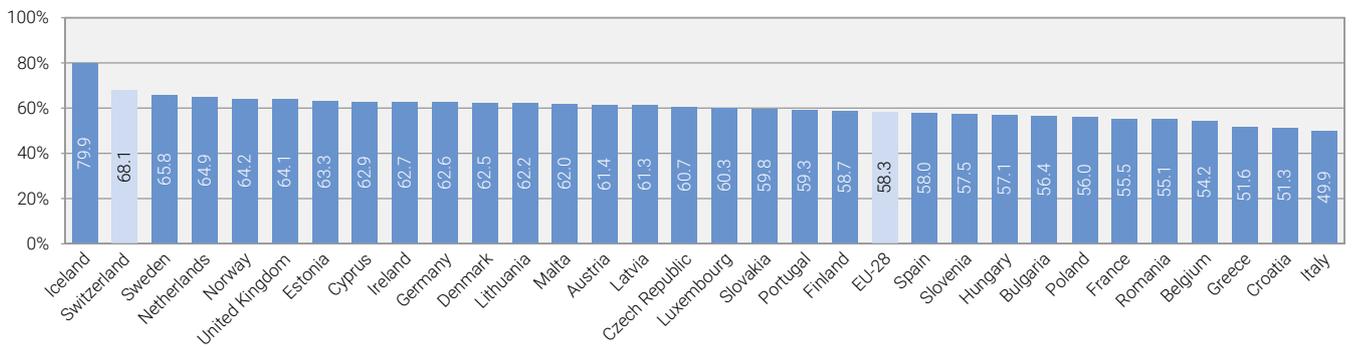
In the EU15 states a north-south divide can still be observed: in 2014 the highest average gross annual wage was recorded in Denmark (EUR 57 723). The lowest value was registered in Portugal (EUR 16 425). The wage gap is even greater when the new member states are also included: in 2014 only Cyprus,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

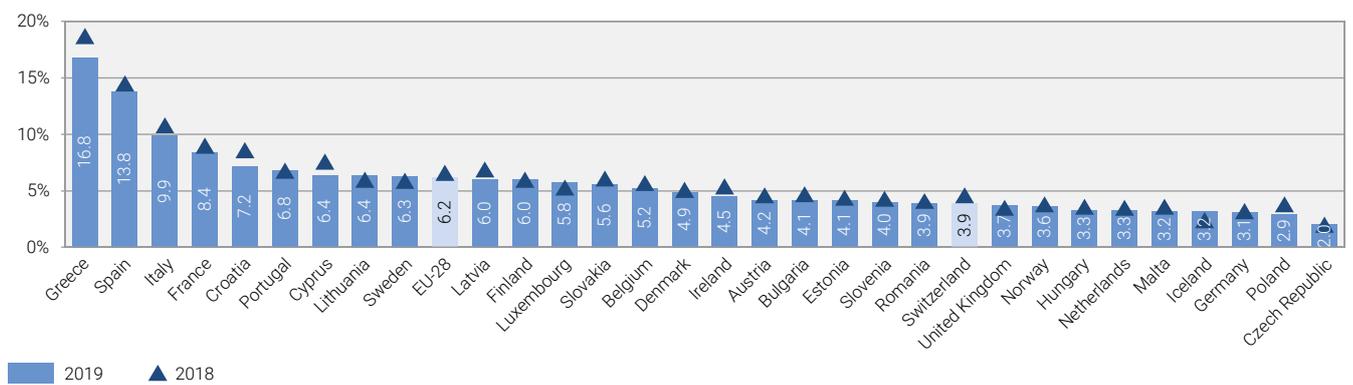
### Standardised employment rate (15+ years) in Switzerland and in the EU and EFTA states, as a %, 4th quarter 2019



Sources: FSO – Swiss Labour Force Survey (SLFS); EUROSTAT (status: April 2020)

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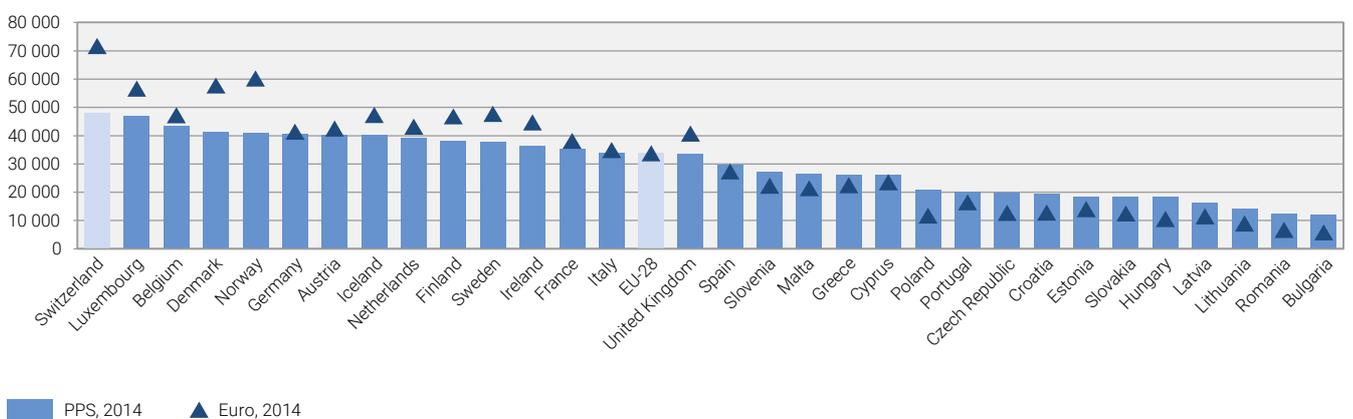
### Unemployment rate based on ILO definition (15–74 years) in Switzerland and in the EU and EFTA states, as a %, 4th quarter 2018 and 4th quarter 2019



Sources: FSO – Swiss Labour Force Survey (SLFS); EUROSTAT (status: April 2020)

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### Gross annual average earnings of full time employees<sup>1</sup> (enterprises with 10 employees or more, industrial and market services<sup>2</sup>), Switzerland, EU and EFTA states, in PPS<sup>3</sup> and EUR, 2014



<sup>1</sup> 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%)

<sup>2</sup> sections B to N of the NACE Rev.2 classification

<sup>3</sup> 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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