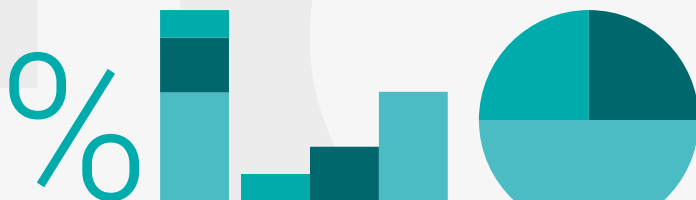




FSO News



03 Work and income

Neuchâtel, July 2018

Comments on findings for the period 2012–2018

Labour market indicators for 2018

This document is an extract from the publication “Labour market indicators 2018” (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 2012–2018. 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.

The complete publication will be available on 10th August 2018.

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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

Summary

2012–2017: Major developments in the Swiss labour market	4
2012–2017: The situation of men and women in the labour market	6
2012–2017: Swiss and foreign labour force	8
2012–2017: The situation in Switzerland's seven major regions	10
Labour market in the first quarter of 2018 and short-term prospects	12
The Swiss labour market in international comparison	14

2012–2017: Major developments in the Swiss labour market

Over the five-year period (Q4 2012 to Q4 2017), the number of employed persons in Switzerland rose considerably. During the same period, the unemployment rate based on the ILO definition decreased and the registered unemployment rate (the number of people registered as unemployed at regional employment centres (RAV)) remained stable. 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

Growth in the Swiss economy slowed slightly in 2012 but recovered again in 2013 and 2014. On average, the Swiss economy grew by 1.8% (GDP) from Q1 2012 to Q4 2014. From 2015, weaker economic growth was observed. Between Q1 2015 and Q4 2016, the Swiss economy grew by an average of 1.3%. At the start of 2017 growth slowed slightly and after recovery until Q4 2017 Switzerland showed moderate economic growth averaging 1.1% in 2017.

Slight decline 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 2012 and 2017, the number of employed persons increased by 7.3% to 5.0m.

The Job Statistics (JOBSTAT), which are based on a survey of secondary and tertiary sector enterprises, showed a 4.6% rise in the number of jobs (to 5.0m). During the same period, the number of unemployed persons based on the ILO definition increased by 7 000 (+3.4%) and the number of people registered as unemployed at regional unemployment offices (RAV) increased by 6 000 (+4.7%).

As the number of employed persons grew faster than the number of unemployed, in five-year comparison the unemployment rate based on the ILO definition fell by –0.2 percentage points to 4.5%. The registered unemployment rate, however, remained stable (3.3%).

Men's unemployment rate decreased

Structurally speaking, the men's unemployment rate based on the ILO definition diverged from that of women in the period 2012 to 2017. In the fourth quarter 2017, 4.3% of men and 4.9% of women were unemployed; five years earlier the difference was smaller (4.5% compared with 4.9%). In 2017, women continued to work part-time much more often (58.3%) than men (18.0%). The number of men working part-time has increased considerably over the past five years (+37.2%, women +6.5%). The unemployment rate based on the ILO definition for groups of persons with lower or secondary level education fell over the same period (–1.7 and –0.3 percentage points), while it increased for those with tertiary level education (+0.9 percentage points).

Increase in the number of vacancies

According to JOBSTAT, in the fourth quarter 2017, there were roughly 20% more job vacancies (62 000) than there had been five years previously (51 000). Businesses also had greater difficulty in finding suitable staff. The "Difficulties in recruiting qualified personnel" indicator rose by 0.5 percentage points between Q4 2012 and Q4 2017.

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 2012 and the fourth quarter 2017 by 14.2%, 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 was subject to relatively strong fluctuations (between 69 000 in 2013 and 36 000 in 2016). The foreign resident population is affected by unemployment to a much greater extent than the Swiss resident population (8.8% and 3.5% respectively in fourth quarter 2017). In five-year comparison, the unemployment rate of foreign nationals has fallen (–0.7 percentage points), while that of Swiss nationals has remained stable.

The Swiss labour market robust in international comparison

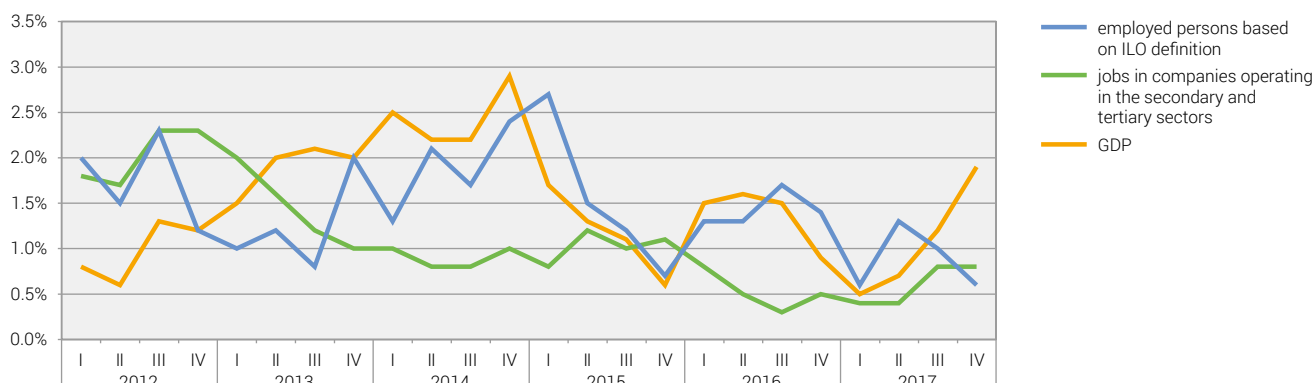
In Q4 2017, Switzerland's unemployment rate based on the ILO definition was markedly lower (4.5%) than the rate in the European Union EU-28 (7.3%). The Czech Republic (2.4%) and Iceland (2.6%) registered unemployment rates under 3%. The economic activity rate, women's participation in the labour market as well as the proportion of employed persons working part-time are markedly higher in Switzerland than in most European countries.

Nominal and real wage increase

In 2017, nominal wages increased by an average of 0.4% compared with 2016 (+0.7% in 2016 and +0.4% in 2015). This nominal increase confirms a trend of wage moderation that has been observed since 2010 with rates of no more than +1.0%. Decisions on pay rises in 2017 were generally made at the end of 2016 when the Swiss economy had regained some buoyancy. At that time, inflation was estimated at +0.3% for 2017 and eventually rose to +0.5%. The purchasing power of wages fell in consequence to –0.1%. Over the past five years (from 2013 to 2017), the average annual real wage increase for all employees was +0.9% (men: +0.8%, women: +0.9%).

2012–2017: Major developments in the Swiss labour market

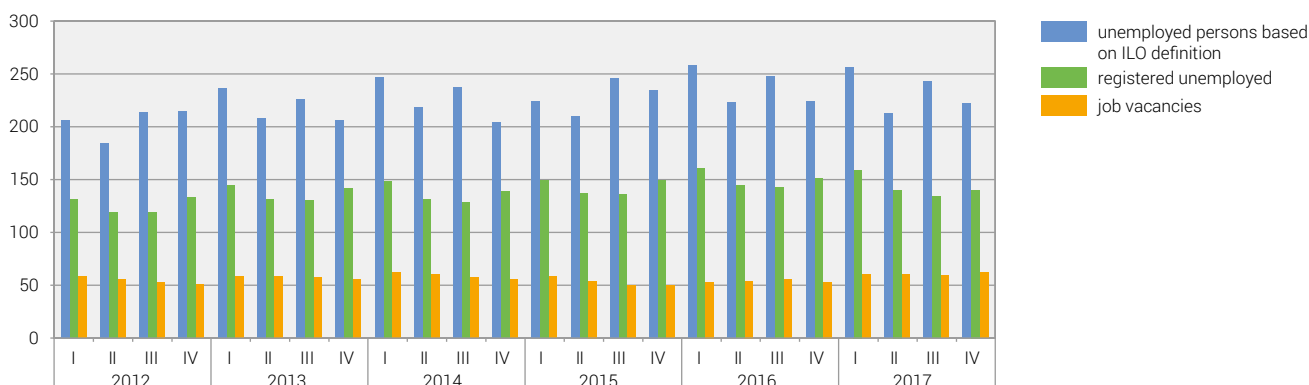
Variation in the gross domestic product (GDP real), the number of employed persons and the number of jobs, compared to the corresponding quarter in the previous year, as a %, 2012–2017



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, 2012–2017

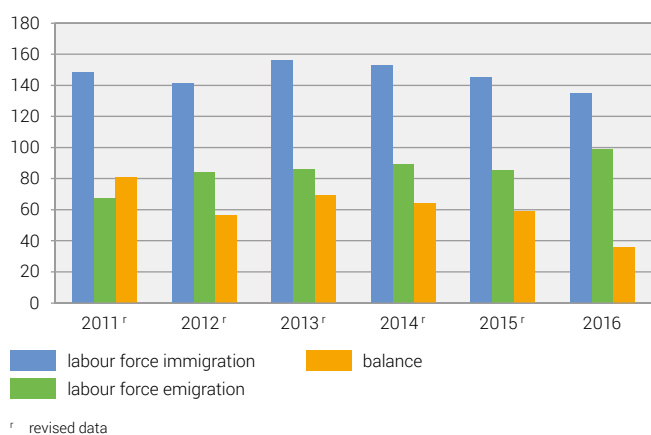


Note: Unemployment Statistics (ILO and SECO-based): quarterly averages Job Statistics: value at the end of the quarter

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

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

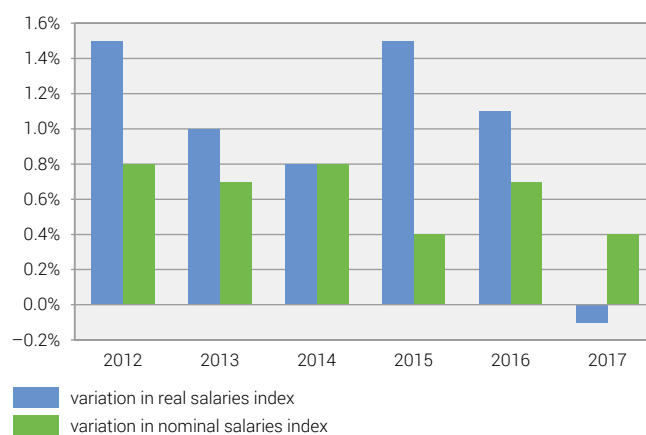


^r revised data

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 %, 2012–2017



Source: FSO – Swiss Wage Index (SWI)

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2012–2017: The situation of men and women in the labour market

Between 2012 and 2017, 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 (58.3%) continues to be considerably greater than that of men (18.0%). The men's unemployment rate based on ILO, after several years of being close to that of women, has fallen again (to 4.3%), whereas the unemployment rate of women has remained stable (4.9%). When comparing salaries in full-time equivalents, women earn on average 12.0% less than men. This gap is only partly explained by objective characteristics.

Proportion of female employees has risen

The number of economically active persons (employed and ILO unemployed persons together correspond to the labour supply) rose between the fourth quarter 2012 and the fourth quarter 2017 by 6.1% among men (to 2.9m) while the female economically active population rose by 8.4% during the same period (to 2.4m). Thus, the share of women in the economically active population increased within five years by 0.6 percentage points to 45.6%. The number of employed women (+8.4%) rose more markedly than that of men (+6.4%), while the number of unemployed women based on the ILO definition increased by 7.1% and that of men remained unchanged. This led to an increase in the share of women among the unemployed from 48.0% in 2012 to 49.7% in 2017 (fourth quarter of each year).

Part-time work is still increasing

Women are more likely to work part-time than men: In the fourth quarter of 2017, 58.3% of all women in employment worked part-time (i.e. less than 90% FTE), whereas the corresponding share of men was 18.0%. The number of persons employed part-time increased both among women (+6.5%) and among men (+37.2%) between the fourth quarter 2012 and the fourth quarter 2017.

The unequal distribution of part-time work is also the reason why women account for only 38.4% of the total hours worked in 2017.

Among the 452 000 men working part-time in Q4 2017, there were 111 000 underemployed persons (24.5%), i.e. persons who wish to work more and are available at short notice. Of 1 260 000 women working part-time, 257 000 were underemployed, corresponding to 20.4%. In five-year comparison, the share of underemployed persons among the part-time employed increased both among women (+1.3 percentage points) and among men (+2.0 percentage points).

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

Between the fourth quarter 2012 and the fourth quarter 2017, 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 (+2.3% and +1.9% respectively), in the tertiary sector the number among both sexes saw an above average increase (men: +8.9%, women: +9.5%). Proportionally, women work considerably more frequently in the service sector than men do (fourth quarter

2017: 86.9% and 66.8%). Only 10.7% of women are employed in industry and 2.4% in agriculture. The share of employed men working in industry is 29.6% and in agriculture 3.6%.

Men's unemployment rate decreased

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%, 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 2017 the women's unemployment rate was stable whereas that of men improved, leading again to a marked difference.

In five-year comparison, between the fourth quarter of 2012 and the fourth quarter of 2017, the gap between men's and women's unemployment rates based on the ILO definition grew larger. In comparison with 2012 (men: 4.5%, women: 4.9%) the unemployment rate of men according to ILO fell, leading to a 0.2 percentage point larger gap in 2017 (men: 4.3%, women: 4.9%).

Women earn less than men

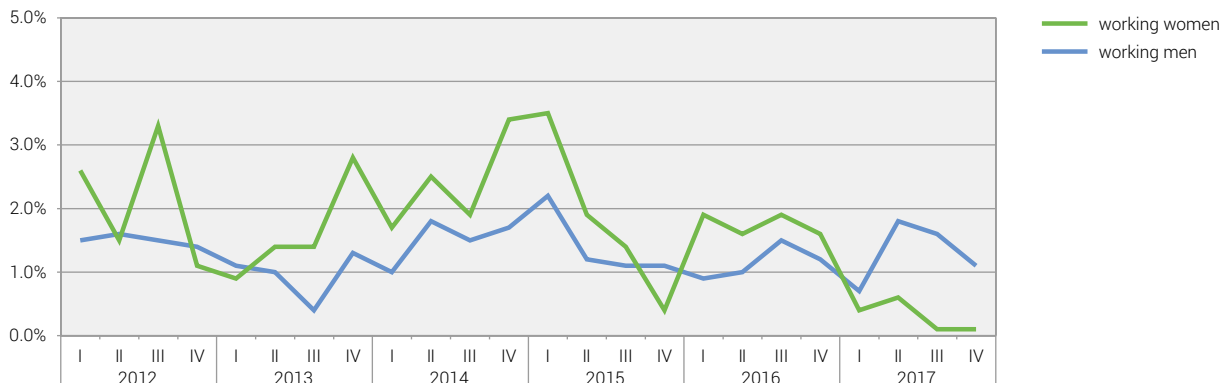
In 2016 the monthly gross median wage of women in the overall economy was CHF 6011 and that of men CHF 6830. The wage gap fell from 15.1% in 2012 to 12.5% in 2014 and to 12.0% in 2016. The wage gap in private industry in 2016 was 14.6% compared with 15.1% in 2014 and 18.9% in 2012. The wage gap in the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

According to an analysis commissioned by the Federal Statistical Office, 57.6% of the wage gap (arithmetic mean) in 2014 in the whole economy could be explained by various objective structures such as place in the hierarchy, number of years' service or education. 42.4% 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

2012–2017: The situation of men and women in the labour market

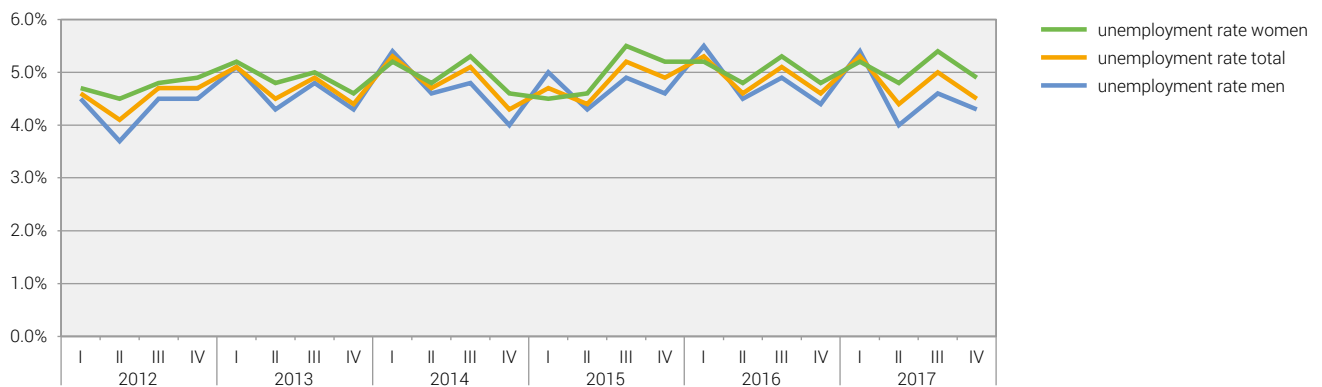
Variation in the number of employed persons according to gender, compared to the corresponding quarter in the previous year, as a %, 2012–2017



Source: FSO – Employment Statistics (ES)

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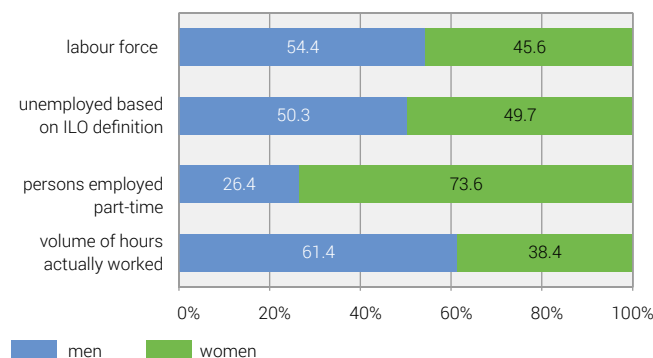
Unemployment rate based on ILO definition, by gender, as a %, 2012–2017



Source: FSO – Unemployment Statistics (ILO-based)

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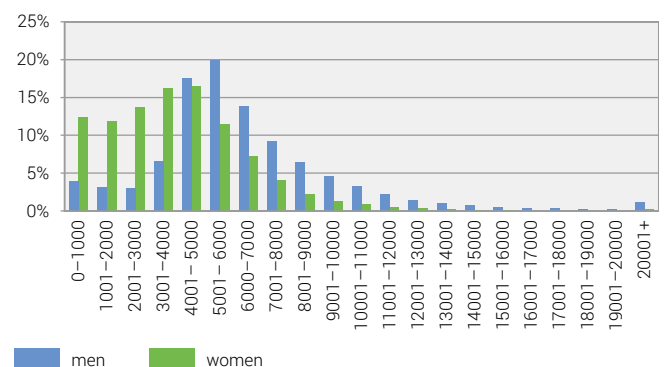
Breakdown of men/women in the labour force, of unemployed based on ILO definition, of persons employed part-time (Q4. 2017 for each case) and of the volume of hours actually worked (2017), as a %



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 %, 2016



Source: FSO – Swiss Earnings Structure Survey (ESS)

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2012–2017: Swiss and foreign labour force

Since 2001, Switzerland has experienced a high level of foreign worker immigration. Between 2012 and 2017, 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 2012 and the fourth quarter of 2017, 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 (+14.2% to 1.7 m 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. 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 116 000 economically active foreigners obtained Swiss nationality. Were it not for these naturalisations, the number of foreign workers would have increased by 22.2% from 2012 to 2017, whereas the number of economically active Swiss citizens would have increased only very slightly (+0.8%). During the fourth quarter 2017, the share of foreign nationals in the economically active population was 31.7%, compared with 29.7% five years earlier.

Foreign nationals more often affected by unemployment

In the fourth quarter of 2017, 3.5m economically active Swiss nationals were employed in the labour market and 125 000 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 2017 and 97 000 were unemployed. The unemployment rate of the foreign population was 7.5%.

Less part-time work among foreign nationals

Between the fourth quarter 2012 and the fourth quarter 2017, the number of people working part-time rose among both Swiss and foreign workers (+2.7 percentage points to 40.1% and +1.0 percentage points to 26.6%). This type of work is common

among women, albeit more common among Swiss women than foreign women: in the 4th quarter 2017, 61.4% of Swiss women were employed on a part-time basis, compared with 47.7% of foreign women. Among men, the corresponding shares were 20.4% and 11.9%. Foreign workers are mainly salaried employees (95.1%; Swiss nationals: 88.4%). Only 4.9% are self-employed or work on a family-run enterprise or farm, considerably less than Swiss workers (11.6%). 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).

Increased share of foreign workers with a C or G 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 C permit increased by +0.8 percentage points to 47.4% and that of persons holding a G permit by 0.7 percentage points to 20.2%, workers with a residence permit (B permit) fell by –1.0 percentage points to 27.5% and the share of short-term permits fell by –0.6 percentage points to 3.1%.

Foreign workers: Wage differences depending on residence status

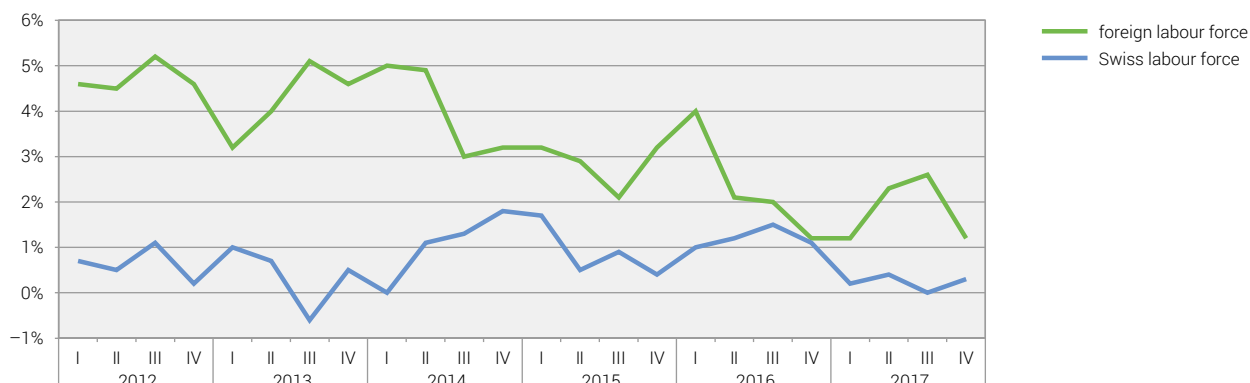
In 2016, in the economy as a whole, the gross monthly wages of Swiss workers were higher than those of foreign workers (CHF 6808 compared with CHF 5893). Swiss workers had more favourable wages compared with those of foreign workers across all categories of residence.

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: With 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).

2012–2017: Swiss and foreign labour force

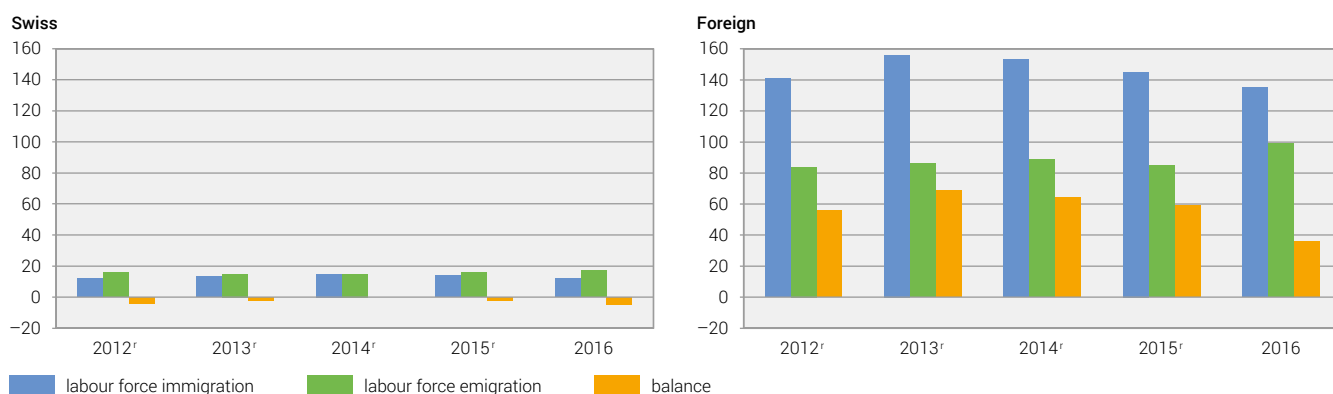
Variation in the labour force according to nationality, compared to the corresponding quarter in the previous year, as a %, 2012–2017



Source: FSO – Employment Statistics (ES)

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Labour force migration, by nationality, in thousands, 2012–2016

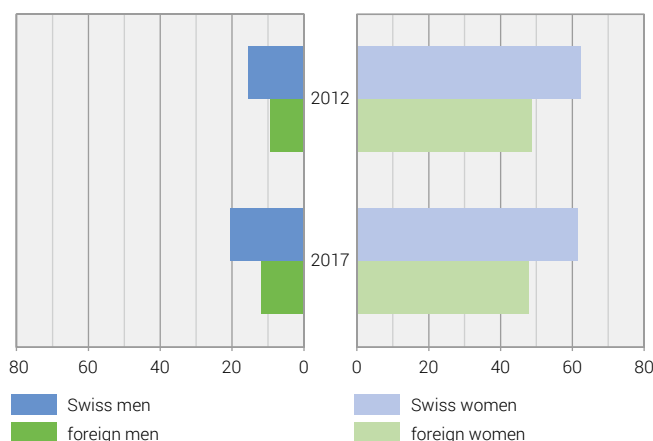


^r revised data

Source: FSO – Labour Market Accounts (LMA)

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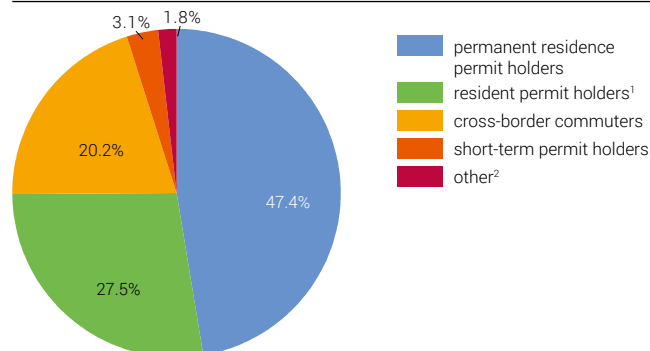
Persons in part-time employment by gender and nationality, as a % of employed persons, 4th quarter 2012 and 4th quarter 2017



Source: FSO – Swiss Labour Force Survey (SLFS)

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Foreign employed persons by type of residence permit, as a %, 4th quarter 2017



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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2012–2017: The situation in Switzerland's seven major regions

Between 2012 and 2017, the number of employed persons in the major regions of the Lake Geneva region, Espace Mittelland 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 fallen by 0.2 percentage points in the past five years. There were differences between the major regions: Whereas the unemployment rate increased slightly in the region of Zurich, it fell in the Lake Geneva region, in Northwest Switzerland and in Ticino. It remained stable in the other regions. 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 the Lake Geneva region

In Switzerland as a whole, the number of employed persons increased by 7.3% between the fourth quarters of 2012 and 2017. The greatest increase was seen in the Lake Geneva region (+9.2%), in Espace Mittelland (+9.1%) and in Ticino (+8.9%). In the fourth quarter 2017, the greatest number of employed persons were active in Espace Mittelland (1.1m), closely followed by Zurich (999 000) and the Lake Geneva region (951 000).

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

In the fourth quarter 2017, 318 000 cross-border commuters were active in Switzerland. More than one third of these (37.0%) worked in the Lake Geneva region, a quarter in Northwest Switzerland (22.5%) and one fifth in Ticino (20.4%). This means that four fifths of all cross-border commuters are active in one of these three major regions.

Between 2012 and 2017 (fourth quarter of each year), the greatest increase in the proportion of cross-border commuters in all employed persons was seen in Ticino (+1.2 percentage points to 27.6%) and in the Lake Geneva region (+1.3 percentage points to 12.4%). A considerably smaller increase was seen in Northwestern Switzerland (+0.5 percentage points to 10.6%). In Switzerland as a whole the proportion of cross-border commuters in all employed persons rose by 0.5 percentage points (to 6.3%).

Different developments of the unemployment rate definition in the major regions

Over the entire five-year period (from fourth quarter 2012 to fourth quarter 2017), the unemployment rate based on ILO definition fell from 4.7% to 4.5% throughout Switzerland. Differences can be seen among the major regions. An increase in the unemployment rate was observed in Zurich (from 4.3 to 4.9%). In other major regions the unemployment rate fell: in the Lake Geneva region by 0.5 percentage points (from 7.1 to 6.6%), in Northwest Switzerland by 0.9 percentage points (from 4.6 to 3.7%) and in Ticino by 1.8 percentage points (from 7.7 to 5.9%). It remained stable in the other major regions.

Structural change seen in all major regions

In Switzerland as a whole in 2017, there were 3.5m employed persons working in the tertiary sector (services), 952 000 employed persons in the secondary sector (industry) and 146 000 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 (83.8%) and the share of the secondary sector (14.7%) and the primary sector (1.4%) smallest. In contrast, Eastern Switzerland registered the smallest share of employed persons in the tertiary sector (69.1%) and the largest share in the secondary sector (26.6%).

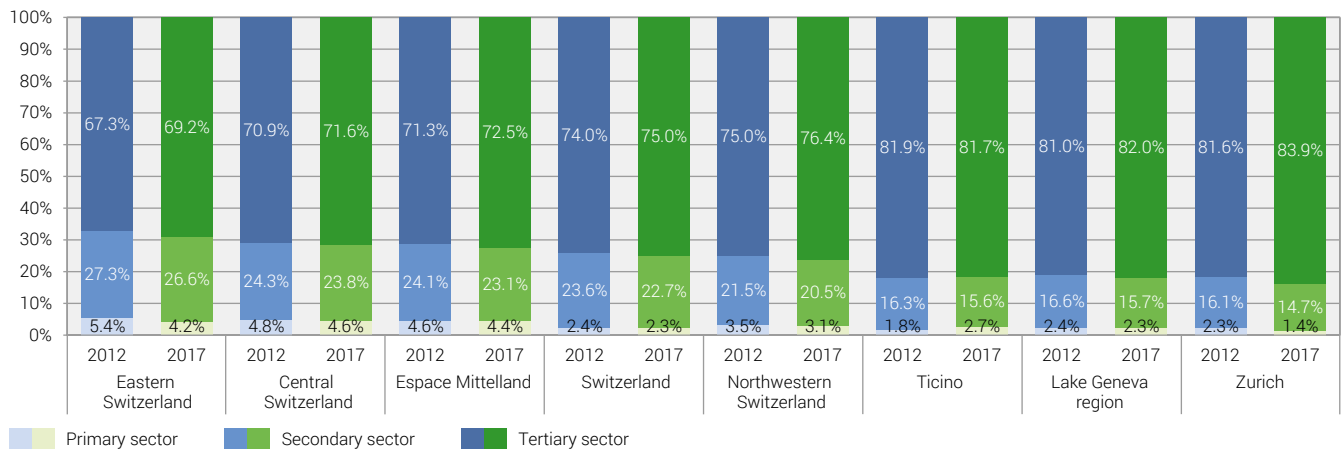
In five-year comparison, the share of the tertiary sector in all major regions increased, with the exception of Ticino (−0.2 percentage points). The increase was between 0.6 percentage points in Central Switzerland and 2.1 percentage points in Zurich (Switzerland: +1.3 percentage points). The secondary sector share fell in all major regions, between 0.5 percentage points in Central Switzerland and 1.3 percentage points in Zurich (Switzerland: −0.9 percentage points). The primary sector share in 2017 in all major regions was below 5% and fell throughout Switzerland as a whole in five-year comparison (−0.4 percentage points).

Highest wages in the Zurich region

The wage situation in 2016 depended on the major region concerned: with a standardised gross median salary of CHF 5563 per month, employees in Ticino earned the lowest wages in Switzerland. They earned 19.0% less than employees in the Zurich Region (CHF 6869), 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 1.0 percentage points in comparison with 2010 (18.0%). In 2016, the wage level in the other five major regions diverged less and lay between these two extremes: CHF 6700 in Northwest Switzerland, CHF 6591 in the Lake Geneva Region, CHF 6451 in Central Switzerland, CHF 6426 in the Espace Mittelland, and CHF 6092 in Eastern Switzerland.

2012–2017: The situation in Switzerland's seven major regions

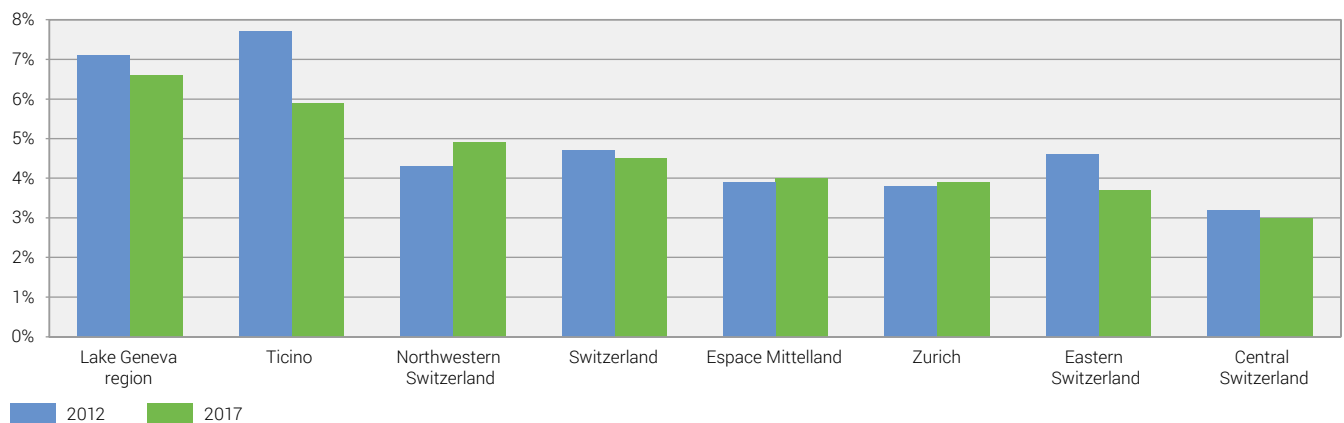
Breakdown of persons employed in the various economic sectors, by major region, as a %, annual averages 2012 and 2017



Source: FSO – Swiss Labour Force Survey (SLFS)

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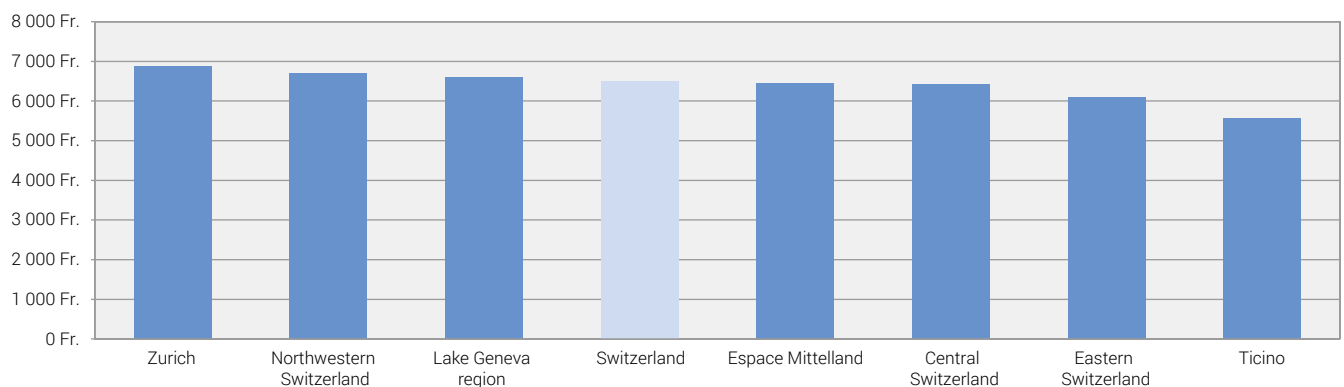
Unemployment rate based on ILO definition by major region, as a %, 4th quarter 2012 and 4th quarter 2017



Source: FSO – Unemployment Statistics (ILO-based)

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(Median) standardised gross monthly wage by major region, in CHF, 2016, private and public sectors combined



Source: FSO – Swiss Earnings Structure Survey (ESS)

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Labour market in the first quarter of 2018 and short-term prospects

In the 1st quarter 2018 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 2018.

Increase in employed persons and jobs

In the first quarter 2018, the number of employed persons increased by 45 000 compared with the same quarter a year earlier, representing an increase of 0.9%. The increase was greater for men (+1.3%) than for women (+0.5%), and lower for employed persons of Swiss nationality (+0.6%) than for those of foreign nationality (+1.7%). A growth in employed persons was seen among short-term (L) permit holders (+4.5%), permanent resident (C) permit holders (+2.5%) and cross-border (G) permit holders (+1.5%), while the number of jobs among residence (B) permit holders (usually valid for 5 years renewable) fell (–0.4%). Employment increased again in both the tertiary (+0.9%) and secondary sector (+1.2%).

In comparison with the same quarter of the previous year, the number of employed persons (+0.9%) rose less than the number of jobs (+1.6%). 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 2018, 255 000 people were unemployed in Switzerland based on the International Labour Organisation (ILO) definition. The proportion of unemployed based on the ILO definition was 5.2% of the economically active population, compared with 5.3% in the 1st quarter 2017. The registered unemployment rate as defined by SECO was 3.1% in Q1 2018, representing an increase of 0.4 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 Q1 2018 and a decline of 18 000 persons year-on-year.

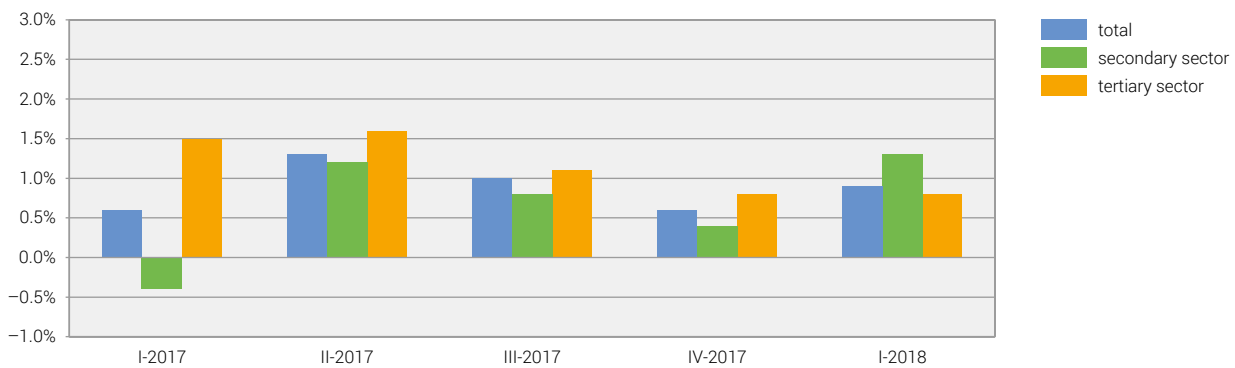
The number of job seekers who were not registered as unemployed (mainly persons with a temporary job and participants in temporary employment, retraining or continuing education programmes) grew between Q1 2017 (63 500) and Q1 2018 (66 000), by some 2500 persons according to SECO.

Employment prospects

The short-term indicators from the Job Statistics suggest that the number of employees will rise overall in the second quarter 2018: The employment outlook indicator, which represents businesses' expectations with regard to employment trends for the next three months, rose in comparison with the previous year in the secondary (1.07; +3.3%) and tertiary sector (1.04; +1.6%) (overall 1.05; +2.0%). 70 600 job vacancies were counted in the whole economy. This was 10 700 more vacancies than in the same quarter a year earlier (+17.9%). In the secondary sector, the increase (+35.5%) was considerably larger than in the tertiary sector (+12.7%). The percentage of businesses experiencing difficulties in the recruitment of qualified personnel grew slightly compared with the same quarter a year earlier (+1.4 percentage points to 30.3%).

Labour market in the first quarter of 2018 and short-term prospects

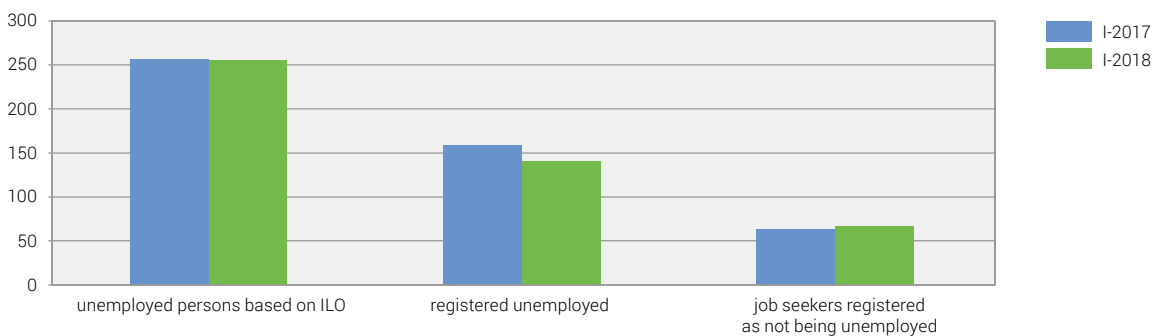
Variation in the number of employed persons by economic sector, compared to the corresponding quarter in the previous year, as a %, 1st quarter 2017 to 1st quarter 2018



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 2017 and 1st quarter 2018

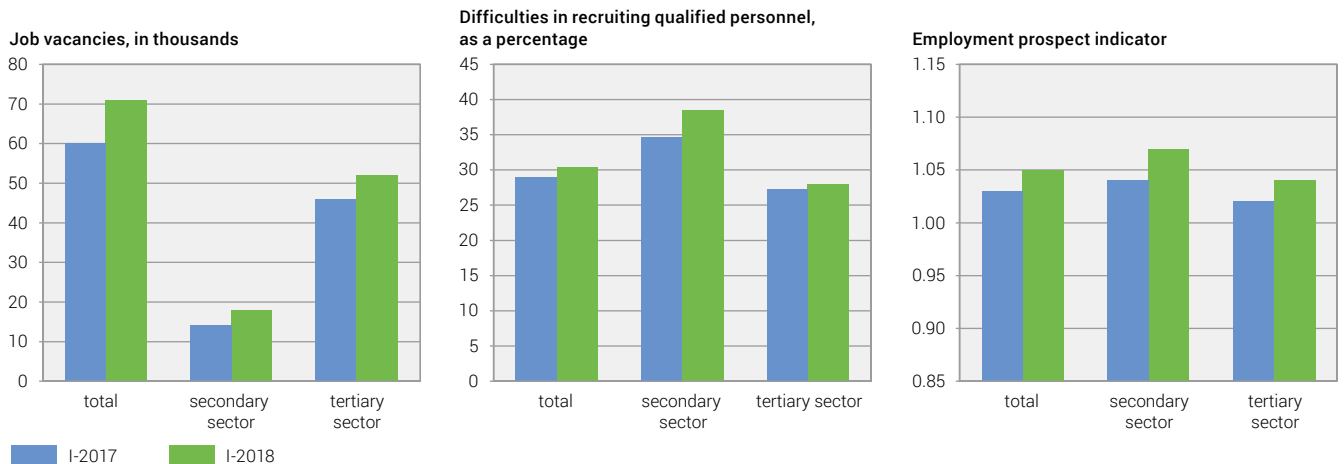


Note: quarterly averages

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

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Job vacancies, difficulties in recruiting qualified personnel and employment prospect indicator*, 1st quarter 2017 and 1st quarter 2018



* 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 2017, the economic activity rate of the Swiss population aged 15 or over was 68.6%. In European comparison, this places Switzerland in a leading position. The percentage of economically active persons was only higher in Iceland (81.6%), whereas Switzerland's neighbouring countries showed a much lower economic activity rate (Germany: 61.7%; Austria: 61.4%; France: 55.8%; Italy: 50.0%). Next to Italy, Greece (51.8%) and Croatia (52.0%) showed the lowest employment rates in Europe. The EU28 average was 58.0%.

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: 78.4%; Sweden: 61.4%; Norway: 60.9%; Denmark: 57.9%). In the EU, one in two women was an economically active person (51.9%). With 62.6% Switzerland has one of the highest rates, also in comparison with its neighbours (Germany: 56.6%, Austria: 56.0%; France: 51.5%). Women's participation in the labour force in Switzerland certainly depends on a wide availability of part-time jobs. 38.8% of employed persons in Switzerland worked part-time (women: 61.0%). Only in the Netherlands was this percentage higher (50.9%; women: 75.9%). The percentage of employed persons working part-time was particularly low in Bulgaria (2.2%; women: 2.4%) Hungary (4.8%; women: 7.3%) and Croatia (6.1%; women: 7.5%).

The labour participation of men is higher than that of women in both Switzerland and in all EU member states. The employment rate of men in Switzerland is high (74.7%), also compared with the EU average (64.5%) and neighbouring countries (Germany: 67.0%; Austria: 67.1%; France: 60.6%; Italy: 59.4%). Only Iceland has higher male labour participation (84.5%).

Low unemployment rate in Switzerland

In Switzerland, the unemployment rate based on ILO definition decreased slightly between the fourth quarter of 2016 and the fourth quarter of 2017 (0.1 percentage points) to settle at 4.5%. During the same period, in the EU-28 it fell from 8.3% to 7.3%. Compared with the EU member states, Switzerland continues to feature among the countries with the lowest unemployment rates

based on the ILO definition. Among its neighbouring countries only Germany has a lower unemployment rate (3.5%; Austria: 5.3%; France: 9.2%; Italy: 11.2%). Unemployment rates below 3% can be found in the Czech Republic (2.4%; -1.2 percentage points) and in Iceland (2.6%; +0.1 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: -2.4 percentage points to 21.2%; Spain: -2.0 percentage points to 16.6%).

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.

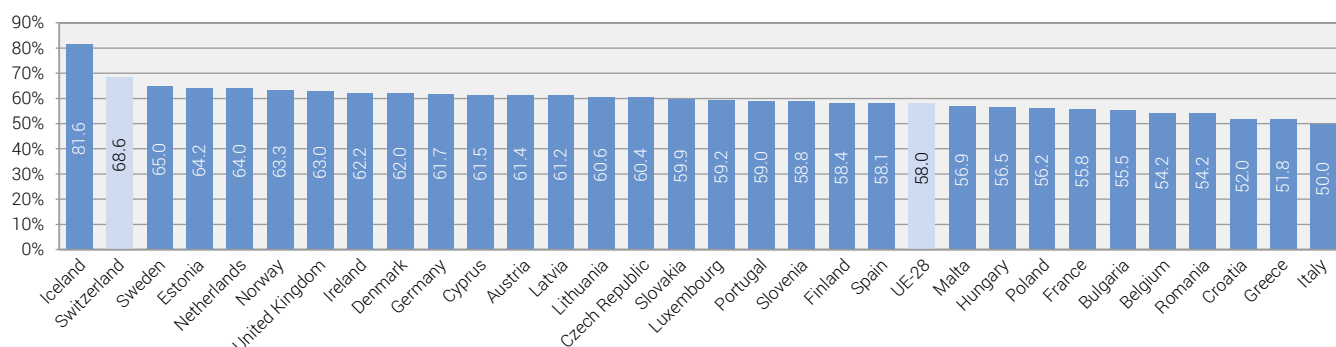
In the EU15 states a north-south divide can still be observed: in 2014 the highest average gross annual wage was recorded in Denmark (EUR 57 723). The lowest value was registered in Portugal (EUR 16 425). The wage gap is even greater when the new member states are also included: in 2014 only Cyprus,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

The Swiss labour market in international comparison

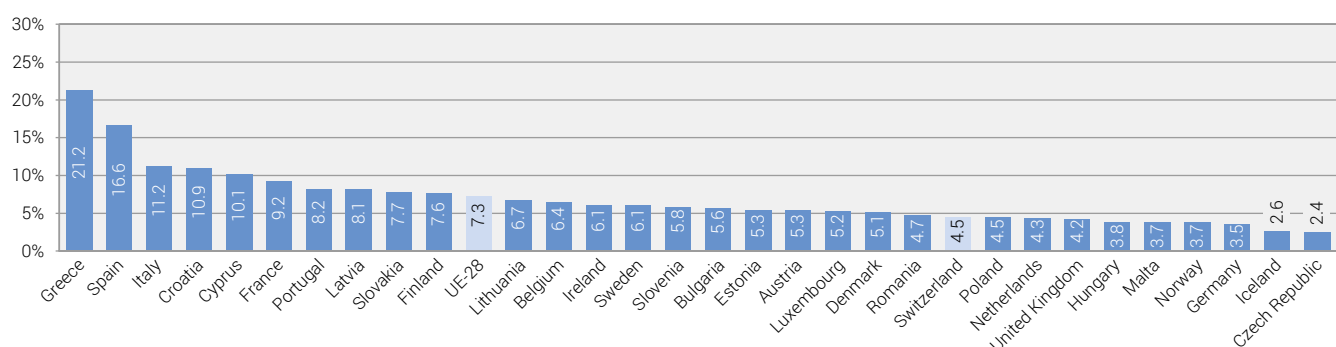
Standardised employment rate (15+ years) in Switzerland and in the EU and EFTA states, as a %, 4th quarter 2017



Sources: FSO – Swiss Labour Force Survey (SLFS); EUROSTAT (status: April 2018)

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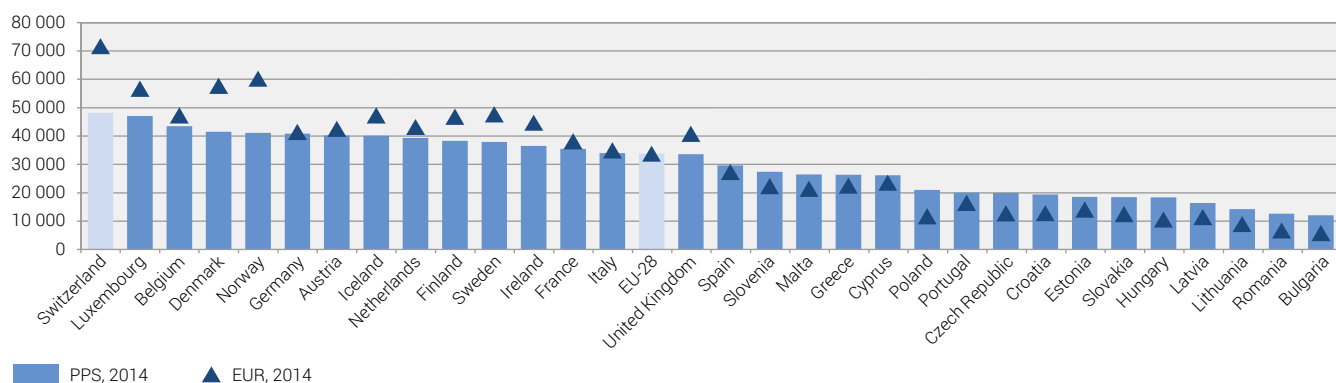
Unemployment rate based on ILO definition (15–74 years) in Switzerland and in the EU and EFTA states, as a %, 4th quarter 2017



Sources: FSO – Swiss Labour Force Survey (SLFS); EUROSTAT (status: April 2018)

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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 classification³ 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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Corrected version, 26.11.2018: Graph "Variation in the number of employed persons according to gender", p. 7: The curves for men and women were reversed.
– Text p.10: Employed persons 4th quarter 2017, Zurich 999 000 (not: 997 000).