

LONG-TERM UNEMPLOYMENT

Long-term unemployment is of particular concern to the people affected and to policy makers. Apart from the mental and material stress caused to the unemployed and their families, high rates of long-term unemployment indicate that labour markets are operating inefficiently.

Rates of long-term unemployment are generally lower in countries that have enjoyed high GDP growth rates in recent years. Lower rates of long-term unemployment may also occur at the onset of an economic downturn due to rising inflow of newly unemployed persons, as witnessed during the first years of the recent global economic crisis. Subsequently, long-term unemployment may gradually begin to unfold in the case of a prolonged economic and jobs crisis as is currently the case in a number of OECD countries.

Definition

Long-term unemployment is defined as referring to people who have been unemployed for 12 months or more. Ratios are the proportion of these long-term unemployed among

Overview

In 2014, more than one-third of the unemployed were long-term unemployed in the OECD area. The rates varied from 10% or less in Korea and Mexico, to 50% or more in Estonia, Ireland and Italy and more than two-thirds of the unemployed in Greece and the Slovak Republic. For at least the last ten years, the share of long-term unemployed has remained stubbornly high in Germany despite a rising trend in employment rates since 2005.

Over the period 2002-14, long-term unemployment rates increased by almost 8 percentage points for the OECD as a whole. Country patterns differ depending on how deeply national labour markets were affected by the global financial and the Euro area sovereign debt crisis. Since 2002, sharp rises, of 5 percentage points or more, were recorded in 14 countries, exceeding 10 percentage points in the Netherlands, Portugal, Spain, Switzerland, the United Kingdom and the United States, with a dramatic increase of more than 20 percentage points in Greece, Ireland and Portugal. Falls of over 5 per cent occurred in just four countries, with Poland recording the steepest fall of over 10 percentage points. More recently, long-term unemployment has actually increased since 2011 in a number of European countries, notably in Italy, Slovenia, Portugal and Greece.

In Russia and South Africa, long-term unemployment declined markedly since 2002 by more than 10 percentage points. In South Africa however, close to 58% of unemployed people were still long-term unemployed in 2014.

all unemployed, hereafter called long-term unemployment rates. Lower duration limits (e.g. six months or more) are sometimes considered in national statistics on the subject.

Unemployment is defined in all OECD countries in accordance with the ILO Guidelines. Unemployment is usually measured by national labour force surveys and refer to persons who report that they have worked in gainful employment for less than one hour in the previous week, who are available for work and who have taken actions to seek employment in the previous four weeks. The ILO Guidelines specify the kinds of actions that count as seeking work.

Comparability

All OECD countries use the ILO Guidelines for measuring unemployment. Operational definitions used in national labour force surveys may vary slightly across countries. Unemployment levels may also be affected by changes in the survey design and the survey conduct. Despite these caveats long-term unemployment rates are fairly consistent over time.

In comparing rates of long-term unemployment, it is important to bear in mind differences in institutional arrangements between countries. Rates of long-term unemployment will generally be higher in countries where unemployment benefits are relatively generous and are available for long periods of unemployment. In countries where benefits are low and of limited duration, unemployed persons will more quickly lower their wage expectations or consider taking jobs that are in other ways less attractive than those which they formerly held.

Sources

- OECD (2014), *OECD Labour Force Statistics*, OECD Publishing.
- For non-member countries: National sources.

Further information

Analytical publications

- OECD (2015), *OECD Employment Outlook*, OECD Publishing.

Online databases

- *OECD Employment and Labour Market Statistics*.

Websites

- Employment policies and data, www.oecd.org/employment/emp.
- Labour statistics, www.oecd.org/employment/labour-stats.



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Long-term unemployment

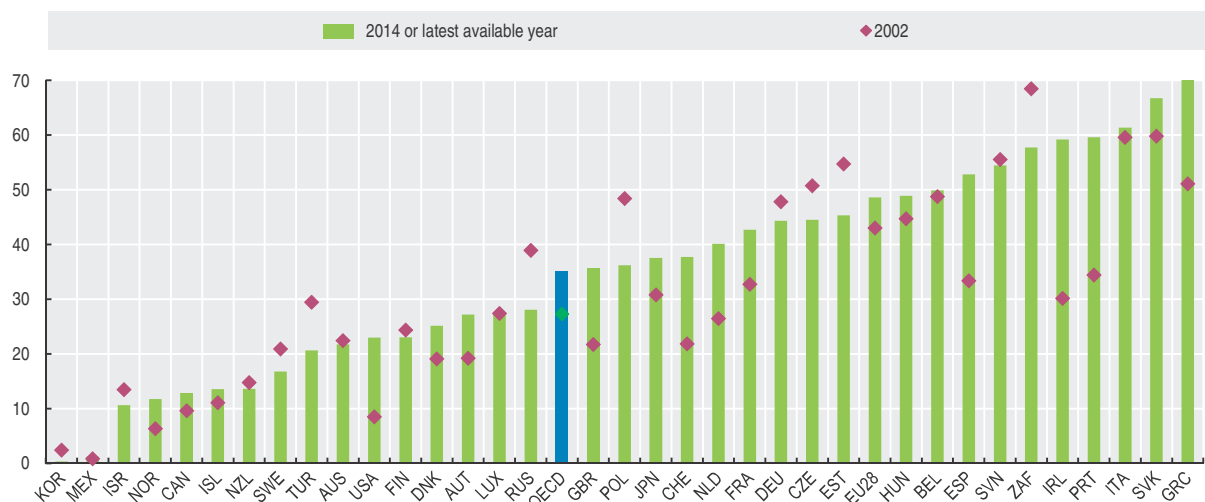
Persons unemployed for 12 months or more as a percentage of total unemployed

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Australia	22.4	21.5	20.6	18.2	18.1	15.4	14.9	14.7	18.6	18.9	19.0	19.1	21.8
Austria	19.2	24.5	27.9	25.5	28.0	27.2	24.3	21.7	25.4	26.3	24.9	24.6	27.2
Belgium	48.8	45.3	49.0	51.7	51.2	50.4	47.6	44.2	48.8	48.3	44.7	46.0	49.9
Canada	9.6	10.0	9.5	9.6	8.7	7.5	7.3	8.0	12.1	13.6	12.7	12.9	12.9
Chile	..	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	50.7	49.9	51.8	53.6	55.2	53.4	50.2	31.2	43.3	41.6	43.4	44.9	44.5
Denmark	19.1	20.4	21.5	23.4	20.8	16.1	13.5	9.5	20.2	24.4	28.0	25.5	25.2
Estonia	54.8	46.9	51.1	54.2	48.6	49.8	31.2	27.3	45.3	57.3	54.7	44.5	45.3
Finland	24.4	24.7	23.4	24.9	24.8	23.0	18.2	16.6	23.6	22.6	21.7	21.2	23.1
France	32.7	39.3	40.6	41.1	41.9	40.2	37.4	35.2	40.2	41.5	40.4	40.4	42.7
Germany	47.8	50.0	51.8	53.0	56.4	56.6	52.5	45.5	47.4	47.9	45.4	44.7	44.3
Greece	51.1	54.7	52.9	51.9	54.1	49.7	47.1	40.4	44.6	49.3	59.1	67.1	73.5
Hungary	44.8	42.2	45.1	46.1	46.3	47.5	47.3	42.4	50.3	48.8	46.6	49.8	48.9
Iceland	11.1	8.1	11.2	13.3	7.3	8.0	4.1	6.9	21.3	27.8	27.9	21.9	13.6
Ireland	30.1	32.8	34.9	33.4	31.6	30.0	26.5	29.1	49.1	59.3	61.7	60.6	59.2
Israel	13.5	18.0	24.2	25.3	27.3	24.9	22.7	20.3	22.4	20.2	13.3	12.7	10.6
Italy	59.6	58.1	49.0	49.8	49.6	47.5	45.7	44.6	48.5	52.0	53.2	56.9	61.4
Japan	30.8	33.5	33.7	33.3	33.0	32.0	33.3	28.5	37.6	39.4	38.5	41.2	37.6
Korea	2.5	0.6	1.1	0.8	1.1	0.6	2.7	0.5	0.3	0.4	0.3	0.4	..
Luxembourg	27.4	24.7	21.0	26.4	29.5	28.7	32.4	23.1	29.3	28.8	30.3	30.4	27.4
Mexico	0.9	0.9	1.1	2.1	2.1	2.3	1.4	1.7	2.0	1.9	1.8	1.4	1.2
Netherlands	26.5	27.7	34.2	40.2	43.0	39.4	34.4	24.8	27.6	33.6	33.7	35.9	40.2
New Zealand	14.8	13.6	11.7	9.8	7.6	6.0	4.3	6.4	8.9	8.9	13.3	12.2	13.6
Norway	6.4	6.4	9.2	9.5	14.5	8.8	6.0	7.7	9.5	11.6	8.7	9.2	11.8
Poland	48.4	49.7	47.9	52.2	50.4	45.9	29.0	25.2	25.5	31.6	34.8	36.5	36.2
Portugal	34.5	35.0	44.4	48.3	50.4	47.2	47.4	44.2	52.2	48.4	48.8	56.4	59.6
Slovak Republic	59.8	61.2	60.6	68.1	73.1	70.8	66.0	50.9	59.3	64.0	63.7	66.6	66.8
Slovenia	55.6	52.8	51.4	47.3	49.3	45.7	42.2	30.1	43.3	44.2	47.9	51.0	54.5
Spain	33.4	33.5	31.9	24.4	21.6	20.4	18.0	23.8	36.6	41.6	44.4	49.7	52.8
Sweden	20.9	17.8	18.9	..	..	12.8	12.1	12.8	17.3	18.2	17.5	17.0	16.8
Switzerland	21.8	26.1	33.5	39.0	39.1	40.8	34.3	30.1	33.1	38.8	35.3	33.2	37.7
Turkey	29.4	24.4	39.2	39.4	35.7	30.3	26.9	25.3	28.6	26.5	24.9	24.4	20.6
United Kingdom	21.7	21.4	20.5	21.0	22.3	23.7	24.1	24.5	32.6	33.5	34.7	36.2	35.7
United States	8.5	11.8	12.7	11.8	10.0	10.0	10.6	16.3	29.0	31.3	29.3	25.9	23.0
EU 28	43.1	42.9	41.8	44.5	44.5	41.6	36.2	32.6	39.1	42.0	43.6	46.4	48.6
OECD	27.3	28.5	29.4	31.9	31.3	28.5	24.9	23.6	31.5	33.5	34.1	35.1	35.2
Brazil	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	38.9	37.6	39.2	39.0	42.3	40.6	35.2	28.7	30.0	32.9	30.9	31.0	28.1
South Africa	68.5	68.4	65.1	63.7	59.5	57.7	50.2	50.1	56.7	59.7	58.5	57.8	57.8

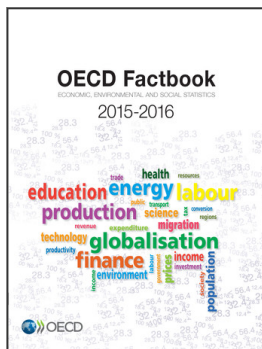
1 2 <http://dx.doi.org/10.1787/88893336367>

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1 2 <http://dx.doi.org/10.1787/888933335196>



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