



Trend of Work Force Participation and Occupational Structure of EU

¹Sourajit Mal, ²Soumita Sen

¹M. A Geography, Jawaharlal Nehru University (Delhi) India

²M. A Geography, Sidho-Kanho-Birsha University (West Bengal) India

DOI: <https://doi.org/10.55248/gengpi.4.923.601608>

ABSTRACT:

This abstract provides a concise overview of the dynamics of workforce participation and the evolving occupational structure within the European Union (EU). As the EU continually adapts to economic, social, and demographic changes, understanding the patterns and trends in its labor force is essential for policymakers, economists, and researchers. Workforce participation in the EU has been a subject of interest due to its relevance to economic growth and social well-being. This abstract delves into key aspects of workforce participation, including labor force participation rates, gender disparities, and the impact of migration. It highlights the EU's efforts to increase workforce participation rates among underrepresented groups and explores the relationship between labor force participation and economic prosperity. Furthermore, the abstract examines the evolving occupational structure within the EU. It analyzes the shift from traditional manufacturing and agriculture sectors towards knowledge-based industries and the service sector. The impact of automation and digitalization on job distribution and skills requirements is discussed, emphasizing the need for workforce adaptation and upskilling.

The EU's labor market policies, such as the European Pillar of Social Rights and the European Green Deal, are also considered in relation to their influence on the occupational structure. The role of the EU in promoting inclusive and sustainable labor markets and addressing issues like income inequality is addressed.

Keywords: Total labor force participation, Age wise labor force participation, Men and women labor force Participation, Occupational structure

Introduction:

The work participation rate, also known as the employment rate, is a key indicator of a country's labor market health. It represents the percentage of working-age individuals who are employed or actively seeking employment. In the European Union (EU), the work participation rate varies across different countries due to various factors such as economic conditions, social policies, and cultural norms. According to Eurostat, the statistical office of the European Union, the EU-27 employment rate for persons aged 20 to 64 was 75.7% in the third quarter of 2021, which is an increase of 1.1 percentage points compared to the same quarter of the previous year. However, there are significant variations in employment rates between different EU member states. As of the third quarter of 2021, the highest employment rates in the EU were recorded in Sweden (84.9%), Czech Republic (82.2%), and Estonia (80.5%). On the other hand, the lowest employment rates were observed in Greece (57.6%), Italy (62.5%), and Spain (63.5%). It is worth noting that the COVID-19 pandemic has had a significant impact on the labor market in the EU. Some countries, such as Spain and Italy, have experienced a more significant decline in employment rates than others due to their reliance on tourism and hospitality sectors, which have been hit hard by pandemic-related restrictions. So the work participation rate in the EU varies widely between different countries, and the pandemic has further highlighted the importance of policies that support employment and labor market flexibility.

Objectives:

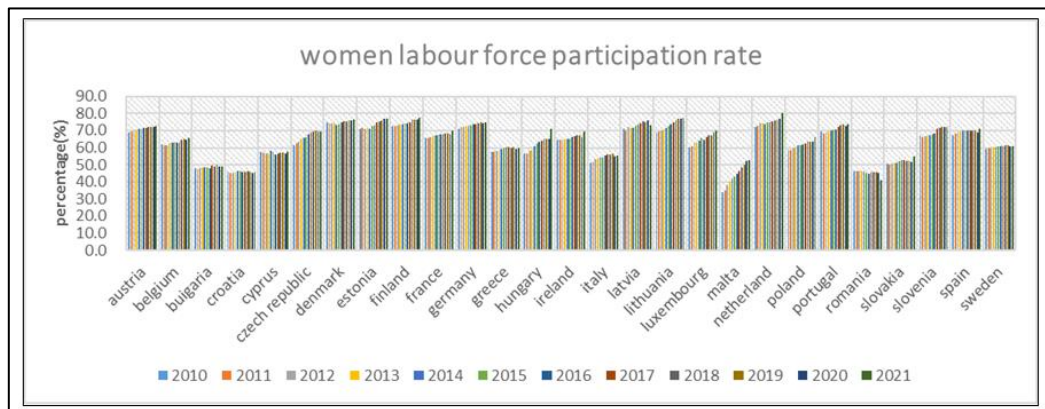
- ✓ Find out the trend of work participation rate of EU countries.
- ✓ Find out the distribution of high and low work participation between men and women in EU countries.
- ✓ Find out the working age wise trend of work participation rate of EU countries.
- ✓ Find out the trend of unemployment rate between men and women in EU countries.

Research questions:

- How the occupational structure among European countries?

After the data analysis we can see that the trend of labor force participation rate is muchly high in European Union. And it also we see in the diagram it gradually increased from 2010 to 2021. Sweden has the highest labor force participation rate as compared to another countries, and Italy has the lowest labor force participation rate. According to the International Labour Organization (ILO), Italy's labour force participation rate in 2023 was 58.7%, the lowest among the G7 countries. This means that only 58.7% of people aged 15-64 in Italy were in the labour force, either employed or unemployed, there are some reason like Aging population: Italy has one of the oldest populations in the world, with a median age of 45. This means that there are fewer people of working age in the country. High unemployment rate: Italy's unemployment rate has been hovering around 10% for the past few years. This means that there are many people who are looking for work but are unable to find it. Gender inequality: Women in Italy are less likely to participate in the labor force than men. This is due to a number of factors, including cultural norms and lack of childcare. Low-quality education system: Italy's education system is not as good as many other countries. This means that many people do not have the skills they need to find good jobs. Poor economy: Italy's economy has been struggling in recent years. This has made it more difficult for people to find jobs and has discouraged some people from participating in the labor force.

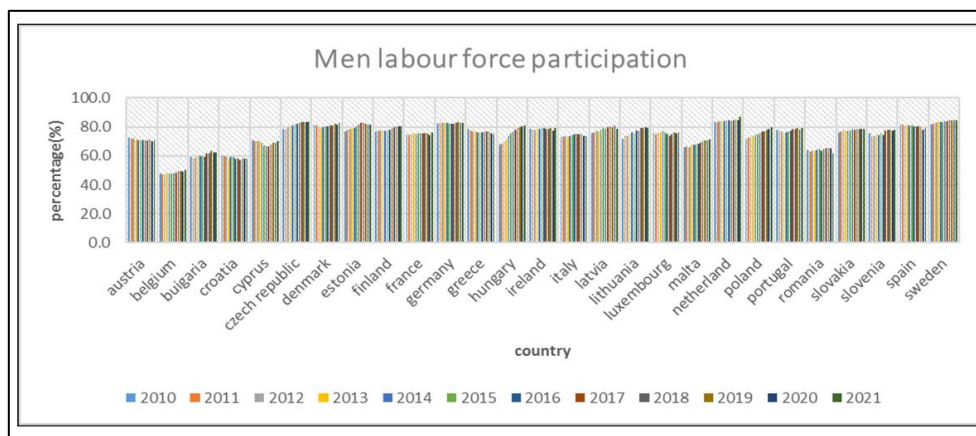
Men and women labor force participation rate:



Women labor force participation rate (2010 to 2021)

In the European Union (EU), the labor force participation rate has shown both short-term fluctuations and long-term trends. Generally, there has been an increasing trend in female labor force participation rates, while the rates for males have been relatively stable or declining slightly.

One of the key reasons for the rise in female labor force participation has been the changing societal norms and increased gender equality efforts. Women have been increasingly entering the workforce and pursuing higher education, leading to higher participation rates.



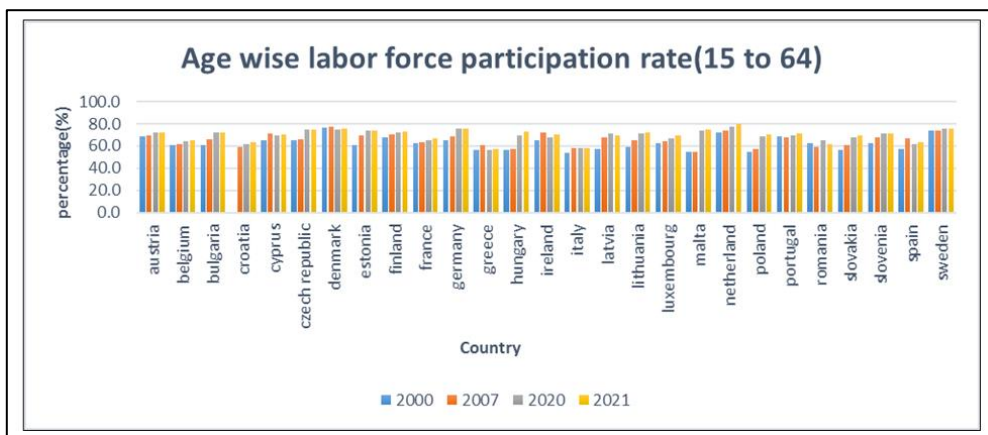
Men labor force participation rate in EU

On the other hand, the labor force participation rate for men has been affected by factors such as demographic changes and economic conditions. In some EU countries, there has been a decline in male labor force participation due to an aging population, early retirement schemes, or structural changes in certain industries. Here we can see Netherlands, Germany and Denmark and other some country has highest labor force participation rate because of

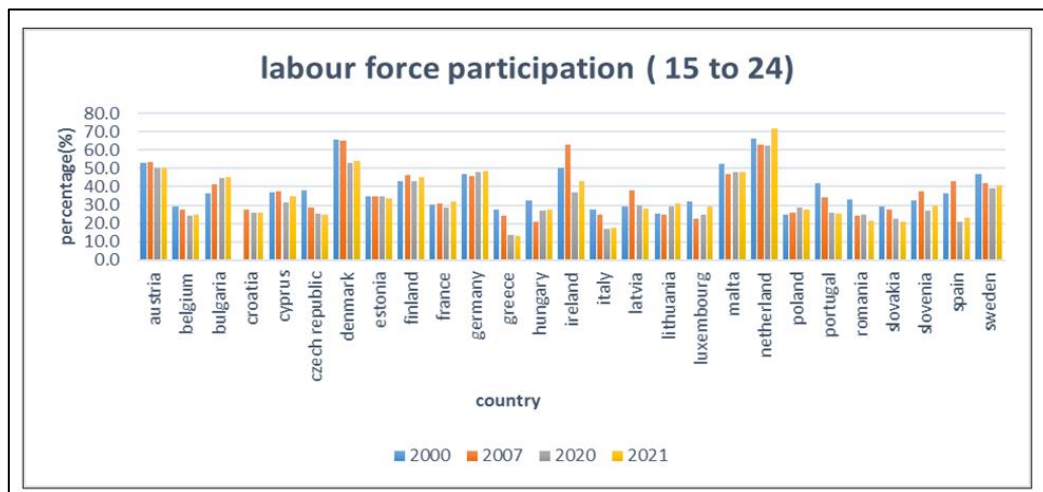
- Strong social safety net: These countries have generous social safety nets that provide financial assistance to people who are unemployed, sick, or retired. This makes it easier for people to participate in the workforce, even if they are facing challenges. For example, the Netherlands has a universal basic income program called the Negative Income Tax Experiment, which provides a monthly stipend to all citizens regardless of their income. This program has been shown to increase labor force participation among low-income individuals.

- **High-quality education system:** These countries have high-quality education systems that provide everyone with the skills they need to succeed in the workforce. This makes it more likely that people will be able to find jobs and contribute to the economy. For example, Finland has a long tradition of investing in education, and its schools are consistently ranked among the best in the world.
- **Family-friendly policies:** These countries have family-friendly policies, such as paid parental leave and affordable childcare that make it easier for parents to work. This helps to increase the labor force participation rate of women. For example, Germany offers up to 14 months of paid parental leave, and Finland provides free childcare for all children under the age of three.
- **Industrialization:** These countries are highly industrialized, which creates more employment opportunities. For example, Germany is a major exporter of machinery and vehicles, and Finland is a major exporter of electronics and telecommunications equipment.
- **Gender equality:** These countries have made significant progress in achieving gender equality, which has led to higher labor force participation rates for women. For example, the Netherlands has one of the highest rates of female labor force participation in the world, at 75.8%.

Working age wise trend of work participation rate of EU:

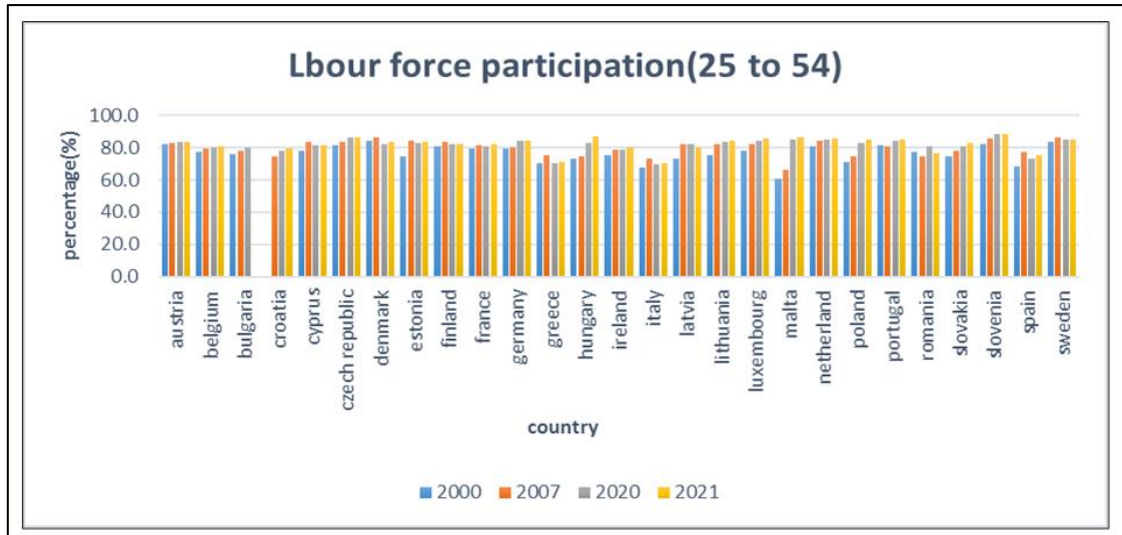


In 15 to 64 age the trend of labor force participation is increasing trend we have seen. That is a good indicator for economic development. Germany, Netherlands, Sweden has the highest percentage trend of labor force participation. Because of according to EU social security directive The EU has a strong social safety net that provides financial assistance to people who are unemployed, sick, or retired. This makes it easier for people to participate in the workforce, even if they are facing challenges.



Labor force participation rate in EU between 15 to 24 working age.

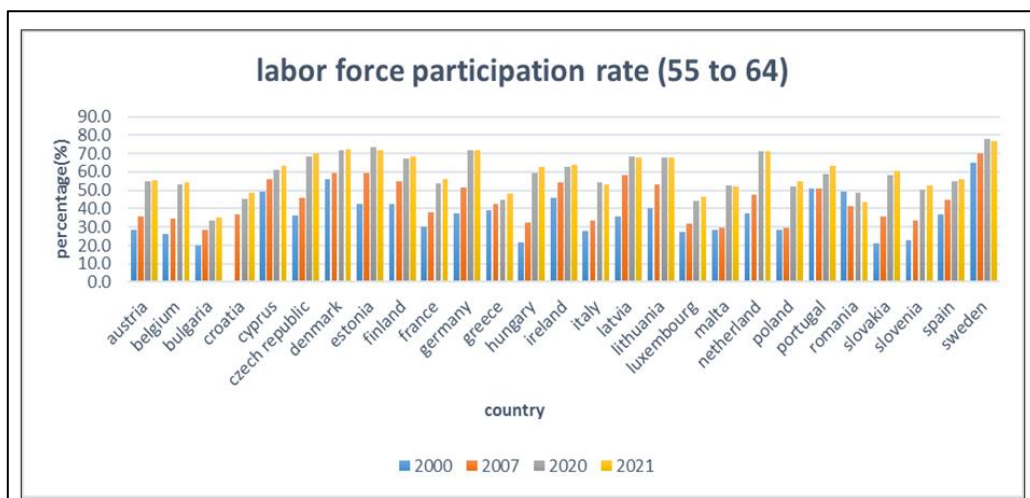
Here we can see in the diagram the percentage of working age 15 to 24 is less as compared to 25 to 54 its mean that in EU. The all countries has lower percentage younger population. According to international labor organization the dominance of ageing work force participation because of maybe some reason like Strong social safety nets: European countries typically have strong social safety nets that provide a guaranteed income for retirees. This means that older people are not as financially dependent on their jobs, and they are more likely to continue working if they want to.



Mainly here we can see that the labor force participation rate in between (25 to 54) age group is much high as compared to another age group.

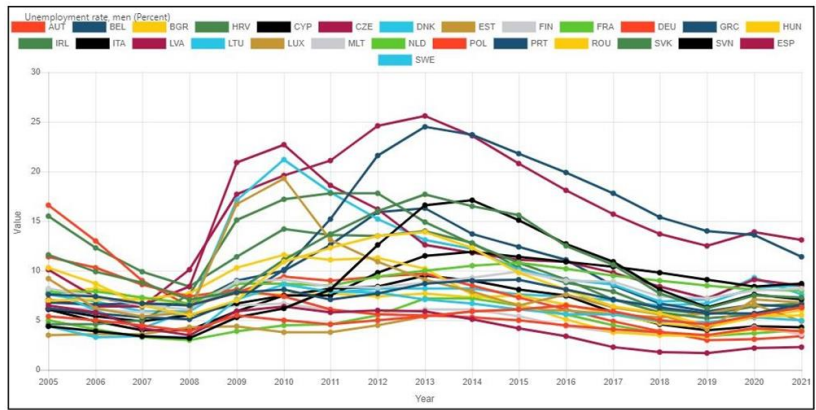
Good health care systems: European countries also have good health care systems that help older people stay healthy and active. This makes it easier for them to continue working, even if they have some health problems. Early retirement is not the norm: In many European countries, it is not common for people to retire early. The average retirement age in the European Union is 65.2 years, compared to 63.5 years in the United States. This means that older people in Europe are still working. Aging population: The European population is aging, and this is putting pressure on the social safety net. One way to address this is to encourage older people to stay in the workforce. Cultural factors: In some European countries, there is a strong cultural expectation that people will continue to work as they age. This is especially true in countries where there is a strong emphasis on self-reliance and independence.

Source:International Labour Organization (ILO).



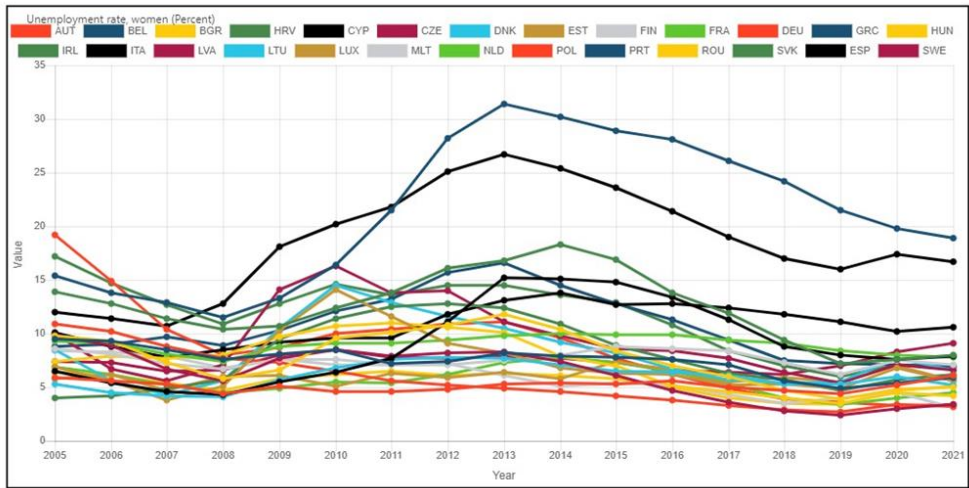
Here we see the interesting things that the aged population increasing time to time in EU. The age group of 55 to 64 in the European Union (EU) has been increasing in recent years. Many EU countries have implemented policies and initiatives to encourage and support older workers to remain in the labor force. However, labor force participation rates can vary among EU member states, reflecting differences in demographics, labor market conditions, retirement policies, and cultural factors. It's important to note that specific data for the age group of 55 to 64 can differ among countries within the EU. So ultimately in EU aged population participation increased time to time.

Trend of unemployment rate:



Trend of unemployment rate of men in EU. Create the diagram from UNECE (United Nations Economic Commission for Europe).

The unemployment rate in the European Union (EU) has decreased significantly over the past few decades. In 1999, the unemployment rate in the EU was 10.8%. By 2023, it had fallen to 5.9%. After analysis the data we can see that unemployment rate of men has been decreased time to time. Highest unemployment rate we have seen Latvia in 2010 and Czech in 2013 after that there slightly increase in 2019 to 2022 due to covid situation after that it also decreased. So overall the unemployment rate has decreased in EU.

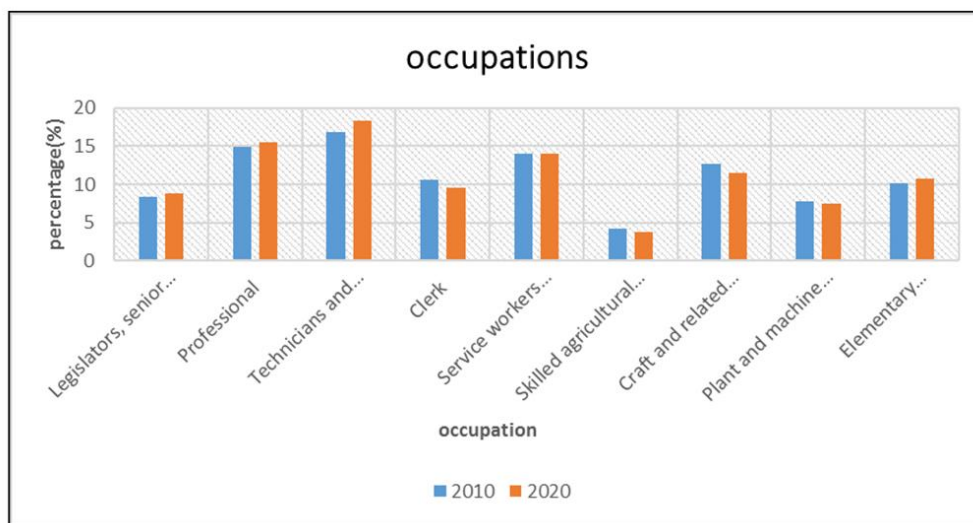


Trend of unemployment rate of women in EU. Create the diagram from UNECE (United Nations Economic Commission for Europe).

Here after the analysis the women unemployment rate of EU has decreased time to time. That is a good sign for a country. The female unemployment rate in Europe has fallen significantly in recent decades. In 1999, the female unemployment rate in the EU was 11.5%. By 2023, it had fallen to 6.7%. [Source: Eurostat, 2023] for something reason like Economic growth, The European economy has grown steadily over the past few decades, creating more jobs. This has benefited women, who are more likely to work in sectors that have been growing, such as the service sector. Increased educational attainment: Women in Europe are now more likely to be educated than ever before. This has made them more competitive in the labor market and has helped them to find better jobs. [Source: Eurostat, 2023]. Legislative action: The European Union has passed legislation to promote gender equality in the workplace, such as the Equal Pay Directive and the Parental Leave Directive. This legislation has helped to reduce discrimination against women in the labor market and has made it easier for them to find and keep jobs. [Source: European Commission, 2023]. Attitudes: There has been a shift in attitudes towards women in the workplace in Europe. Women are now more accepted as breadwinners, and there is less stigma associated with working mothers. This has made it easier for women to participate in the labor force. [Source: Eurobarometer, 2023]

Occupational structure:

| Occupational groups according to ISCO-88 | share% | |
|--|--------|------|
| | 2010 | 2020 |
| Legislators, senior officials and manager | 8.4 | 8.8 |
| Professional | 14.9 | 15.5 |
| Technicians and associate professional | 16.8 | 18.3 |
| Clerk | 10.6 | 9.5 |
| Service workers and shop and market sales worker | 14 | 14 |
| Skilled agricultural and fishery worker | 4.2 | 3.7 |
| Craft and related trades worker | 12.7 | 11.5 |
| Plant and machine operators and assembler | 7.7 | 7.5 |
| Elementary occupation | 10.1 | 10.8 |



Here we see that in EU the highest percentage people are engaged in quaternary and quinary activities. Highest percentage we see technical and associate professional (16.8% in 2010 and 18.3% in 2020). And after that professionals 14.9% in 2010 and 15.5 in 2020. Because of High level of education: European countries have a high level of education, which makes their citizens more qualified for jobs in the quaternary and tertiary sectors. [Source: Eurostat, 2023]Advanced technology: European countries have advanced technology, which has led to the growth of the quaternary and tertiary sectors. [Source: World Bank, 2023]High standard of living: European countries have a high standard of living, which means that people have more disposable income to spend on services. [Source: OECD, 2023].Globalization: European countries are highly interconnected with the global economy, which has led to the growth of the quaternary and tertiary sectors. [Source: UNCTAD, 2023]That's all indicate EU countries are more developed.

Conclusion:

So in overall the work force participation in EU is very good conditions. We see that the female work force participation rate still increasing time to time that's a good indicator for society and economic development and also in men there we see the stable condition and slightly increasing in nature that also good indicate. And if we talk about the age wise work force participation so then we see that the ageing population of work participation is increase rapidly. That's due to decreasing the birth rate. So overall disparity the men and women work participation is much less in EU. And at last if we concern about the occupational structure in EU we see that most of thepeoples are engaged in tertiary and quinary and quaternary activities.so overall the conditions of work force participation and share of different occupational structure is good.

References:

- Erlinghagen, M., & Hank, K. (2006). The participation of older Europeans in volunteer work. *Ageing & Society*, 26(4), 567-584.
- Elhorst, J. P., & Zeilstra, A. S. (2007). Labour force participation rates at the regional and national levels of the European Union: An integrated analysis. *Papers in Regional Science*, 86(4), 525-549.
- Schaufeli, W. B. (2018). Work engagement in Europe: Relations with national economy, governance and culture. *Organizational Dynamics*, 47(2), 99-106.

Vishnevskaya, N. T., & Zudina, A. (2017). Occupational Structure in European Countries: What Do Forecasts Predict?. *International Organisations Research Journal*, 12(4), 109-129.

Dankmeyer, B., 1996. 'Long run opportunity-costs of children according to education of the mother in the Netherlands', *Journal of Population Economics* 9: 349–361.

Den Dulk, L., 2001. *Work-family Arrangements in Organisations. A cross-National Study in The Netherlands, Italy, The United Kingdom and Sweden*, Amsterdam: Rosenberg Publishers.

Remery, C., Van Doorne-Huiskes, A. and Schippers, J. J. 2003. 'Family-friendly policies in the Netherlands: The tripartite involvement', *Personnel Review* 32: 456–473.

Rubery, J., Smith, M., Fagan, C. and Grimshaw, D., 1998. *Women and European Employment*. New York: Routledge, London.

Van den Berg, A. and Grift, Y., 2001. 'Dutch trade union membership 1979–1995', *Applied Economics* 33: 1233–1242.

Vlasblom, J. D., 1998. *Differences in Labour Supply and Income of Women in the Netherlands and the Federal Republic of Germany. A Comparative Analysis of the Effect of Taxes and Social Premiums*, PhD-Thesis, Utrecht University, Utrecht.