

A COHERENT AND DIVERSE LABOUR MARKET

THE LABOUR MARKET

Summary

The economic crisis that began in 2008 is in decline and has been replaced by stagnation. The process is not entirely identical on the Danish and Swedish sides of the Øresund Region, however.

In Scania, employment rose slightly in 2010, but has fallen slightly since the beginning of 2011, which has resulted in an emerging rise in unemployment in Scania. Since the beginning of 2010, employ-

ment has fallen slightly in Zealand, while the unemployment rate, according to the official unemployment statistics, has been relatively stable and increasing slightly according to the Labour Force Survey, (LFS)¹.

Zealand has been worst affected by the crisis. Before it began, the unemployment level in Scania was almost twice as high as in Zealand. Now in Scania, the unemployment rate – expressed as a percentage of the workforce – is not much higher than in Zealand according

to LFS statistics.

In 2010, there were nearly 1,690,000 employees in the 16–64 year age group in the Øresund Region. In addition, approximately 18,500 commuted across the Øresund, who are not included in the register-based labour market statistics. 17,700 commuted daily from Scania to Zealand and 700 in the opposite direction.

Nearly 70 per cent of the region's employees – equivalent to 1,161,600 people

About the labour market statistics

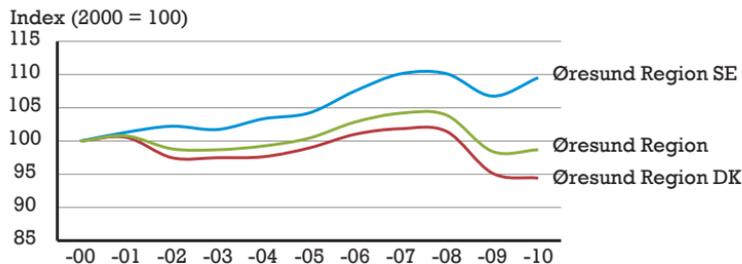
Ørestat's register-based labour market statistics are built on the two national register-based labour market statistics: RAS from Statistics Denmark and RAMS from Statistics Sweden.

RAS (Denmark) is based on the number of inhabitants at 1 January and RAMS (Sweden) at 31 December each year, which give different annual data for the two countries. The latest information from Ørestat is RAS 2011 and RAMS 2010. In the Øresund statistics, RAS is adjusted for RAMS, which means that the figures for the Danish part of the Øresund Region are reported with a one-year delay in relation to the official Denmark-only statistics.

Therefore, the latest version of Ørestat's labour market statistics fails to take account of current developments in the labour market. The analysis is supplemented with current information from the Labour Force Survey¹. LFS is a survey carried out in both the Danish and the Swedish parts of the Øresund Region, and is only measured to a limited extent both at different age groups and regional level.

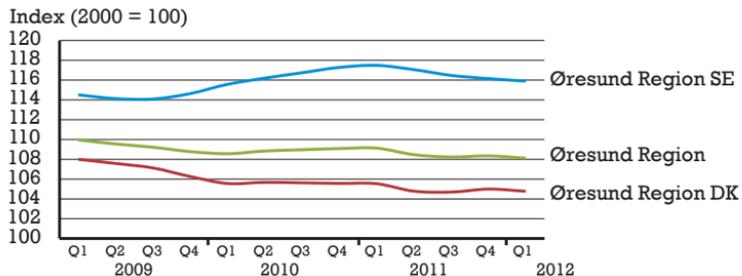
¹The International Labour Organisation (ILO) conducted the survey 'Labour Force Survey' (LFS) – known as AKU in Denmark and Sweden. In Denmark and Sweden, the LFS survey was conducted through Statistics Denmark and Statistics Sweden and in the EU the task was undertaken by Eurostat.

Employment trend among 16–64 year-olds (2000–2010)



Source: Register-based labour force statistics, Ørestat (RAS/RAMS).

Employment trend in the Øresund Region (2009–2012)



Source: Labour force survey (LFS), Ørestat.

– lived on the Danish side, and 30 per cent, or 529,000, lived on the Swedish side.

People of working age – 16–64 years – in employment rose steadily in the Øresund Region between 2002 and 2008, with the strongest growth on the Swedish side. In 2008, there was no significant change in employment. Both sides of the Øresund Region saw a sharp decline in employment from 2008 to 2009 with around 90,000 jobs being lost. From 2009 to 2010, employment continued to decline on the Danish side of the Øresund Region, while the Swedish side regained many of the lost jobs.

Recent data from LFS suggests that employment on the Danish side has been stagnant since the beginning of 2010 apart from a brief decline in early 2011. There are no clear signs of improved economic prospects. The LFS data also

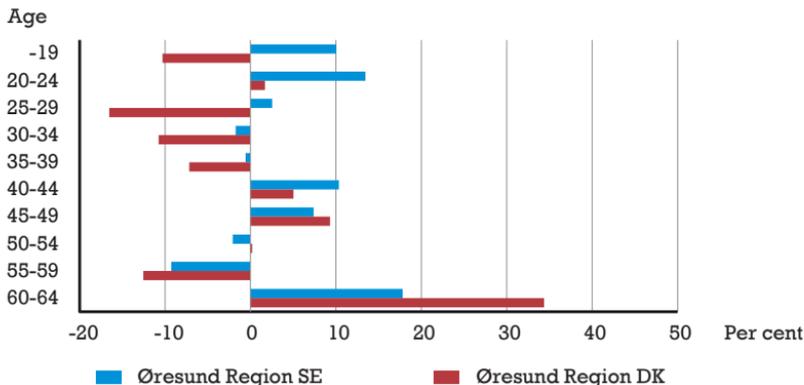
suggested that employment rose a little in 2010 on the Swedish side of the Øresund Region. This trend has since reversed: the latest LFS data indicates that employment since early 2011 has decreased in the Swedish part of Øresund Region.

Commuting to work across the Øresund

Cross border commuters are not reliably measured in labour market statistics. For example, commuters from Scania do not appear in the Zealand figures and vice versa.

Recent data suggests that commuting is fairly stable. When the economy was at its peak, 19,800 people commuted from Scania to Zealand; by 2010 it was 17,800 people. Over the past five years, the number of commuters from Copenhagen working in Scania has remained stable at 600–700 people. Therefore,

Change in employment according to age (2005–2010)



Source: Ørestat (RAS/RAMS).

changes in commuting flows have not significantly influenced overall employment and unemployment developments in the Øresund Region.

Developments by age

On the Danish side, employment at the end of 2010 was about the same as at

the end of 2005. Among the younger age groups in the Danish labour market, there was a fall in employment, especially among the 25–29 age group. Among other things, the economic crisis in 2008 and the current stagnation has made it difficult for graduates – both academic and skilled – to find work.

By contrast, employment among the oldest in the Zealand labour market has increased significantly. This is partly due to the general ageing of the Zealand population and that the older workers were not first out in the series of redundancies as the crisis accelerated.

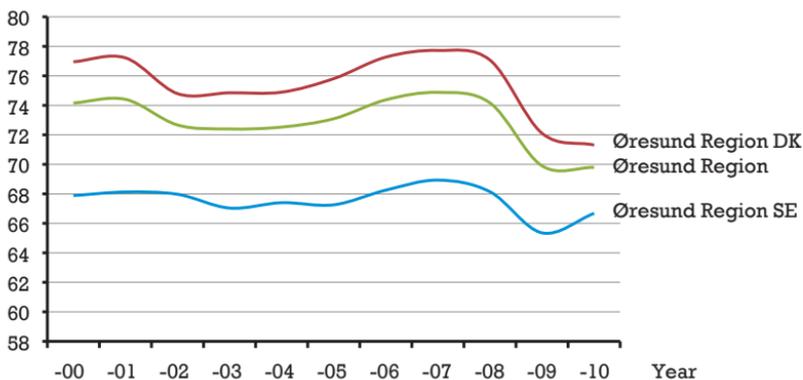
In the Scanian labour market, employment overall was higher in 2010 than in 2005. As on the Danish side, employment has increased the most among the oldest in the labour market but, remarkably, there has also been a significant increase (almost 27 per cent) in the employment of the 20–24 age group. This group was previously characterised by relatively high unemployment. Only among 55–59-year-olds has there been a significant decline in employment.

The employment rate

The employment participation rate – the proportion of the population in employ-

The employment rate (2000–2010)

Per cent

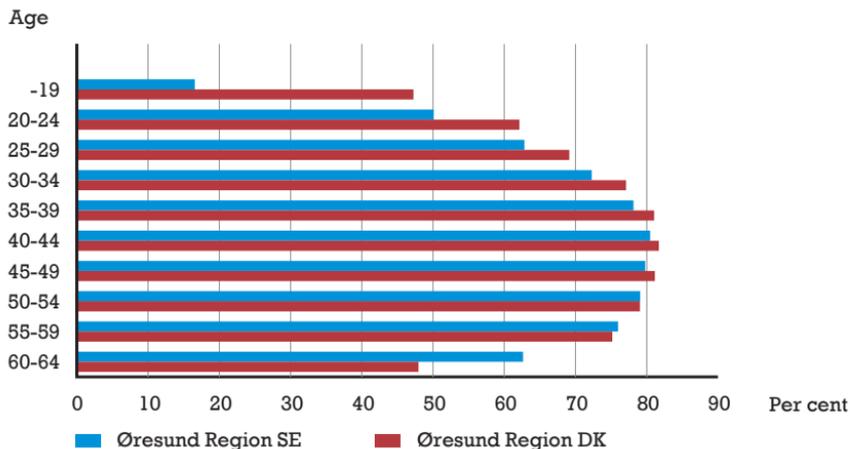


Source: Ørestat (RAS/RAMS).

ment – is still higher in Zealand than in Scania, but the crisis has narrowed the gap considerably. On the Danish side, a technical adjustment of RAS has reduced the employment figure, which is, in part, an explanation for the otherwise sharp fall in the employment rate.

The employment participation rate among 30–59 year-olds is at roughly the same level in Scania and Zealand. By contrast, there are significant cross-Øresund differences in the employment participation rate among the oldest and youngest.

Employment rate according to age (2010)



Source: Ørestat (RAS/RAMS).

On the Danish side, the employment participation rate among the youngest is much higher than in Scania. This is probably due to the fact that Danish school children and students in employ-

ment count as employed in the Danish RAS, which is less the case in the Swedish RAMS.

At the other end of the age scale, it is

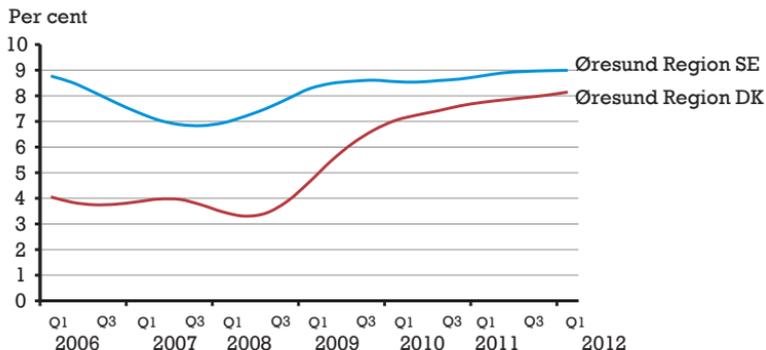
probably the special Danish early retirement scheme that has resulted in the somewhat lower employment rate among the 60–64 age group.

Unemployment

Unfortunately, efforts to harmonise the official Danish and Swedish unemployment statistics are not yet complete. Therefore, there are currently no comparable data-based estimates of unemployment in Scania and Zealand. The questionnaire-based random sample survey (LFS) with fairly consistent data² is currently the only source to compare trends in unemployment in the Øresund Region's two areas.

²Sweden and Denmark define official unemployment slightly differently to what it is in the LFS calculation. On the Danish side, it means that the unemployment rate is 1–2 percentage points higher in the LFS than in the official unemployment rate. This may be due to LFS including people who do not receive unemployment benefits or cash, for example: students.

Unemployment trends (2006–2012)



Source: *Arbetskraftundersökningen (The Labour Force Survey)*.

In the years up to 2008, unemployment was significantly higher in Scania than on the Danish side of the Øresund Region. When the crisis began, unemployment in Scania was around 7 per cent, while on Zealand it was between 3–4 per cent, which represents a difference of 3–4 percentage points. By early 2012, this difference in the level of un-

employment was reduced to 1 percentage point. Unemployment rates in Scania and Zealand have not been closer to each other in the last 15 years.

The Labour Force Survey (LFS) for Zealand paints a slightly gloomier picture of unemployment trends than the official unemployment statistics (Statis-

tics Denmark). According to the LFS, the unemployment rate has risen more than 1 percentage point since early 2010. According to the official Danish unemployment figures, unemployment has remained unchanged since the beginning of 2010.