European Labour Market Trends

September 2024

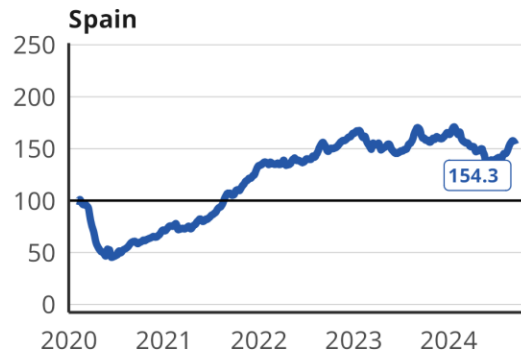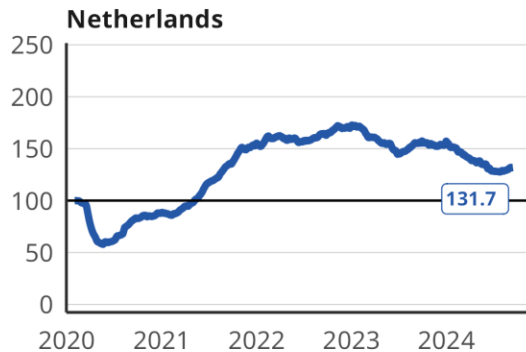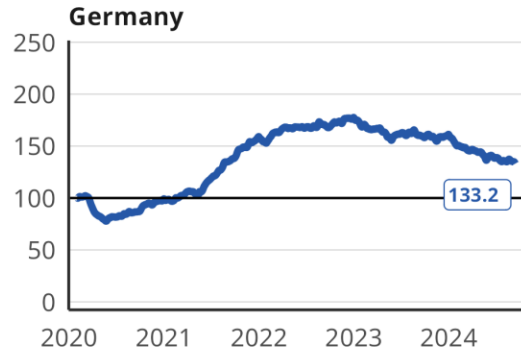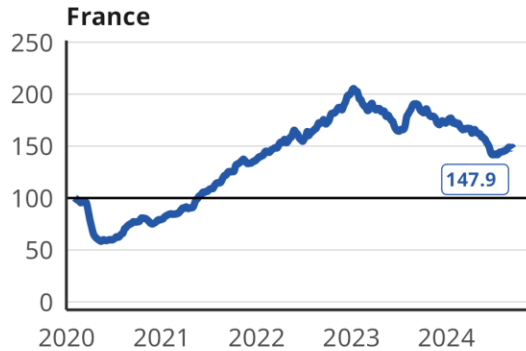# Europe: labour market overview

- European labour markets continue to loosen, especially the larger European economies. But the decline in job postings is slowing down in several countries.
- Job postings are declining across sectors: The share of occupational sectors in which postings are still higher than before the pandemic has decreased significantly, mostly in Northern Europe.
- High-remote, high-wage sectors have seen the largest decreases in postings.
- Remote work has become widespread but reached a plateau in most countries.
- Employment expectations stabilise as economic sentiment improves slightly.
- Redundancies remain low, resignations are still elevated compared to 2019.
- While wage growth varies strongly across Europe, it is generally down from post-pandemic highs in most nations.

The decline in job postings is slowing down in several European economies

Indeed Job Postings Index (100 = 01 Feb 2020), seasonally adjusted, to 13 Sep 2024

France — 147.9

Germany — 133.2

Italy — 176.4

Netherlands — 131.7

Spain — 154.3

United Kingdom — 91.7

Source: Indeed
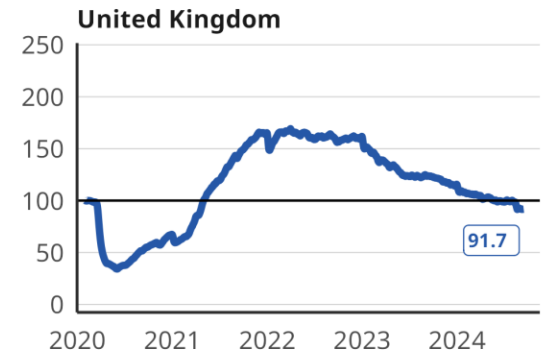
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Recent job postings trends have improved in several countries

Month-on-month growth rates in the Indeed Job Postings Index, seasonally adjusted, 13 Sep 2022 - 13 Sep 2024
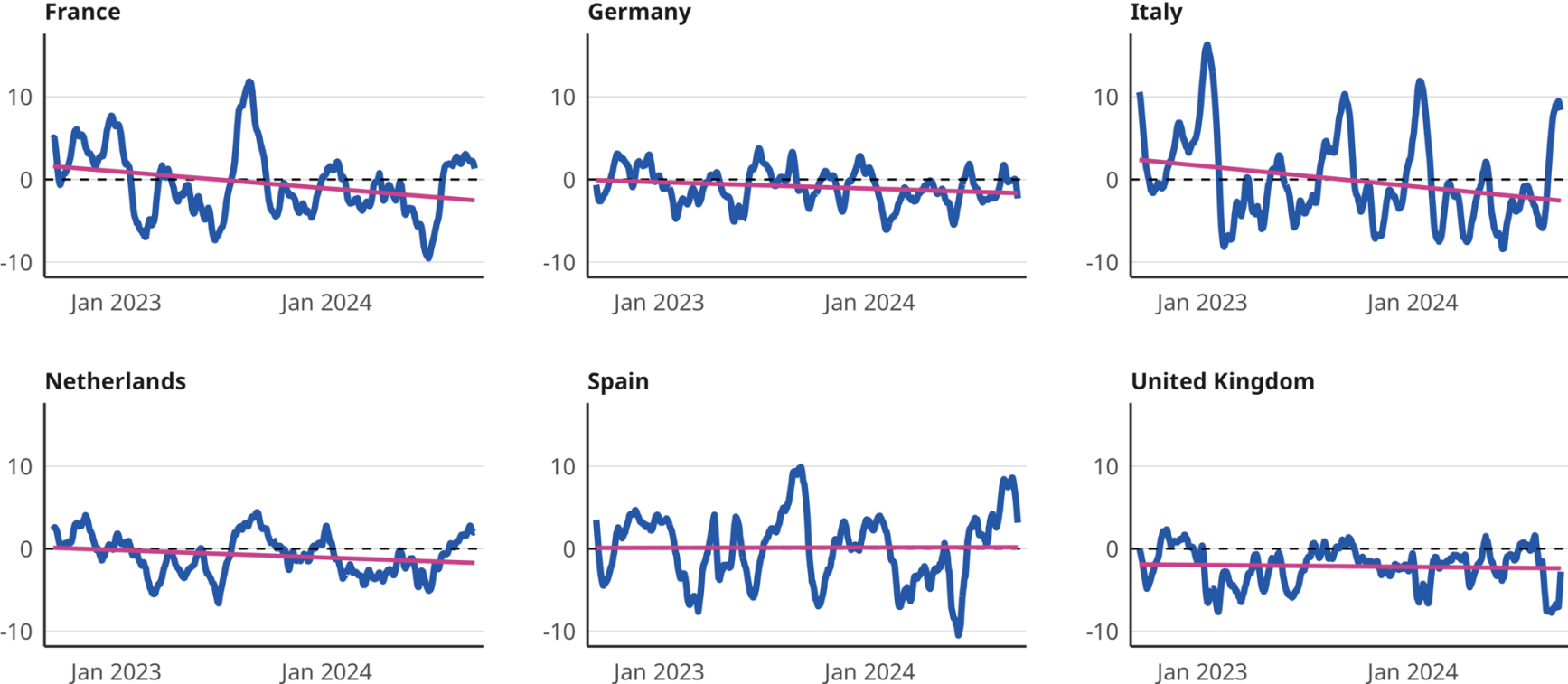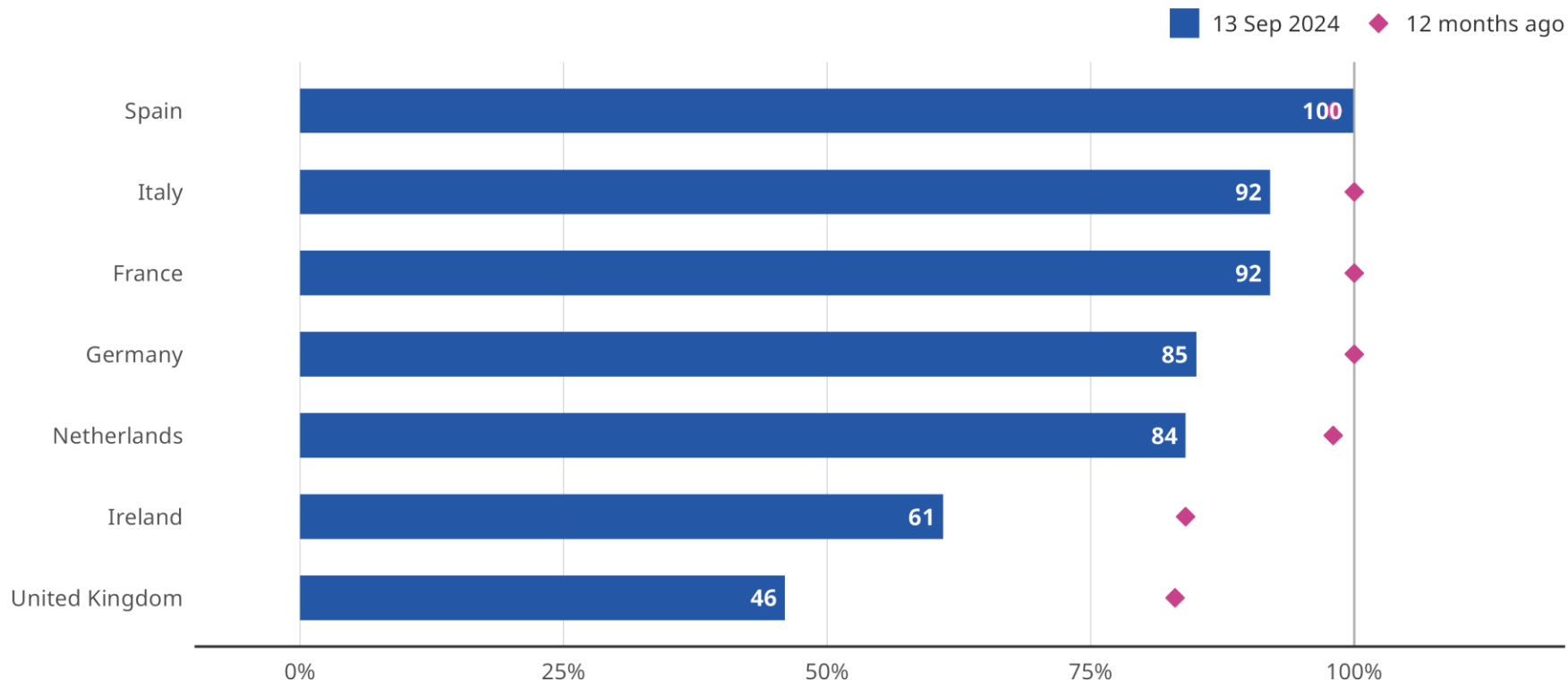

Source: Indeed

The share of sectors with elevated job postings is still high but declining

Share of occupational categories with postings above the pre-pandemic baseline (01 Feb 2020)

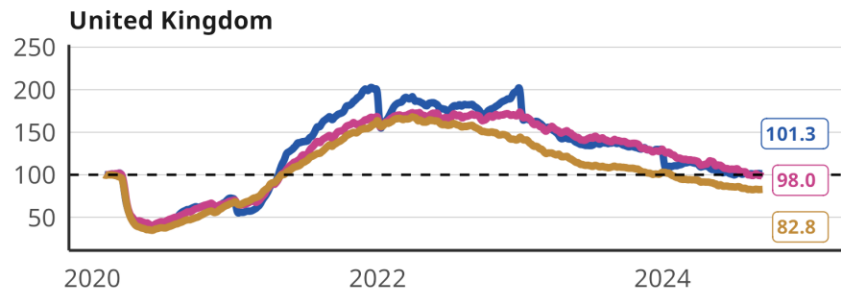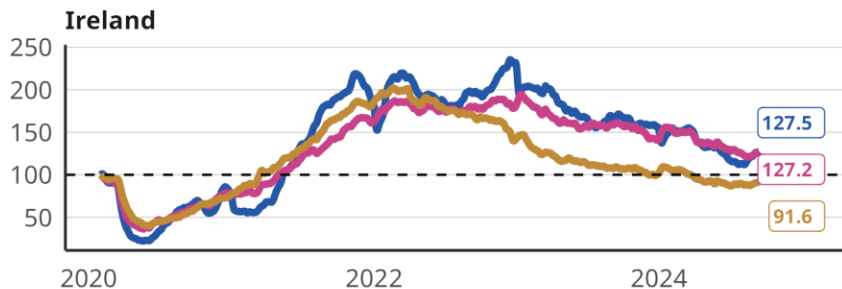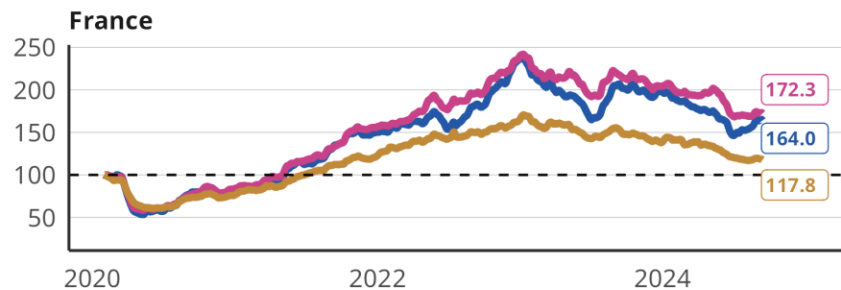■ 13 Sep 2024   ◆ 12 months ago

Country	13 Sep 2024
Spain	100
Italy	92
France	92
Germany	85
Netherlands	84
Ireland	61
United Kingdom	46

0%   25%   50%   75%   100%

Source: Indeed

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Postings are weakest in high-remote sectors

Index 100 = Feb 2020, seasonally adjusted, to 13 Sep 2024

legend: low-remote, middle-remote, high-remote

Germany: low-remote 156.0, middle-remote 139.1, high-remote 104.0

France: middle-remote 172.3, low-remote 164.0, high-remote 117.8

Ireland: low-remote 127.5, middle-remote 127.2, high-remote 91.6

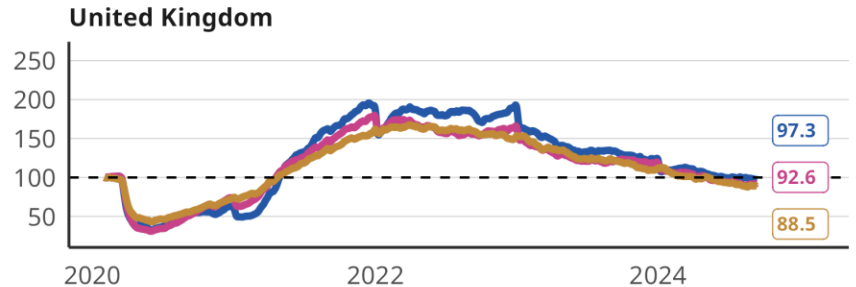United Kingdom: low-remote 101.3, middle-remote 98.0, high-remote 82.8
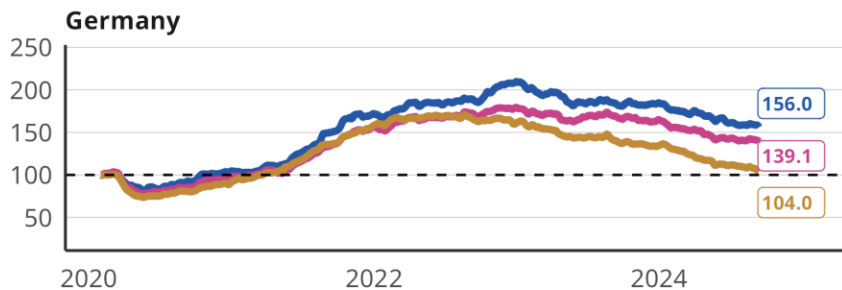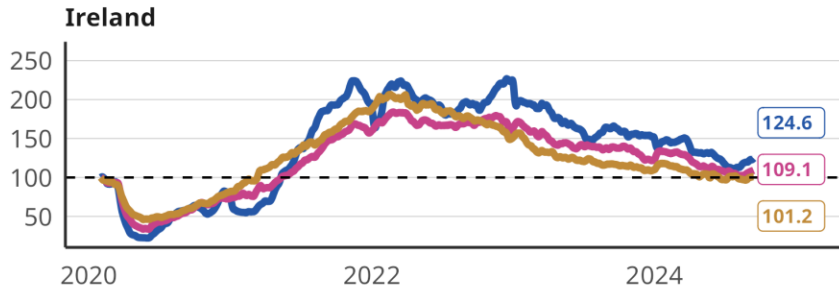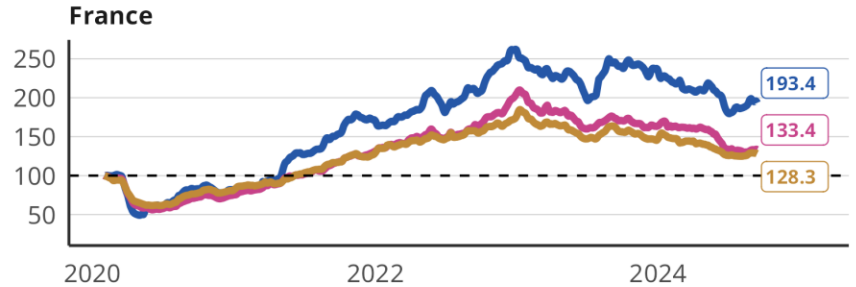
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High-wage sectors experienced the biggest decrease in postings

Index 100 = Feb 2020, seasonally adjusted, to 13 Sep 2024

Source: Indeed

Remote work is stabilising at a high level

Share (%) of job postings mentioning remote/hybrid terms, to August 2024
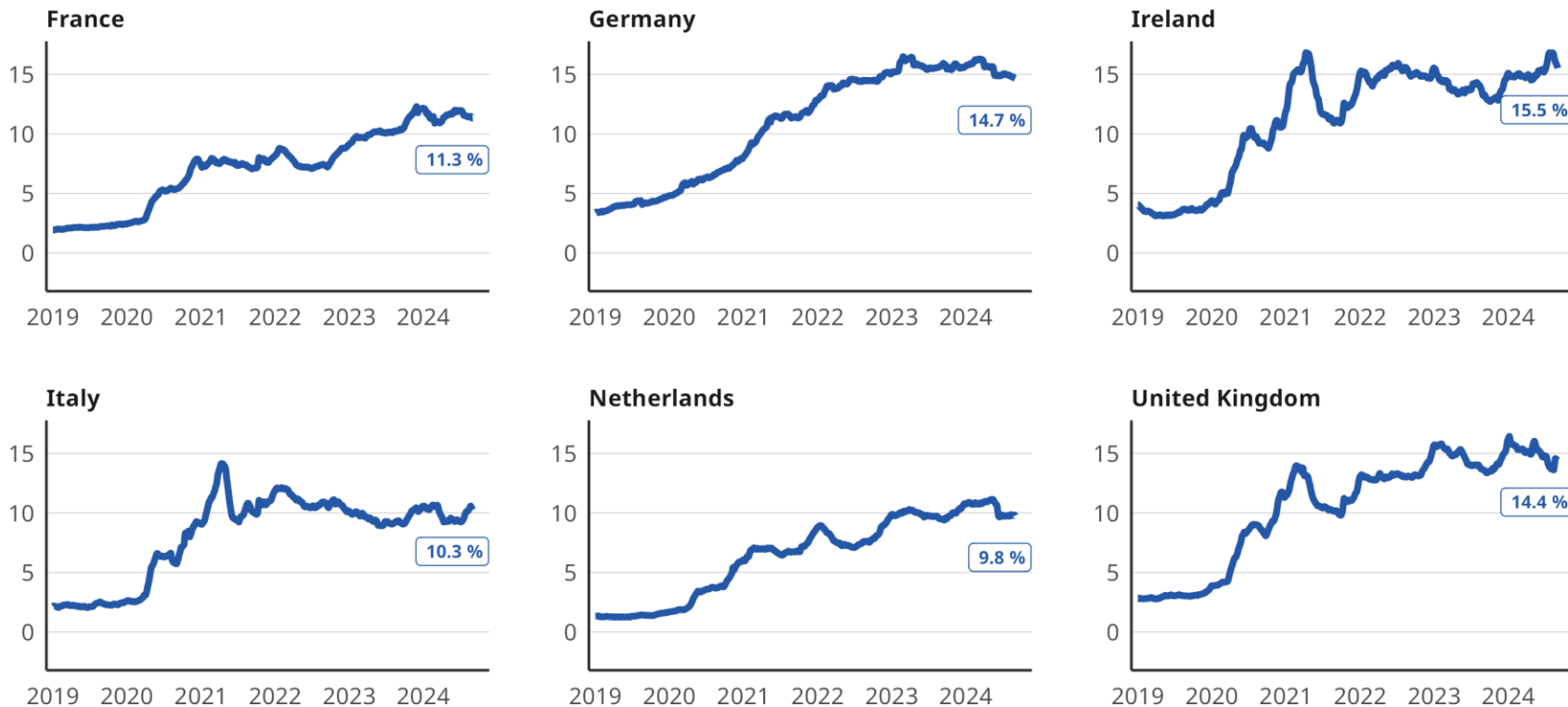
Source: Indeed. Cross-country level differences are partly due to differences in sector composition.

The share of AI jobs in the labor market is steady but subject to volatility

Percentage (%) of job postings containing AI terms, 7-day moving average, to 13 Sep 2024

Source: Indeed. Cross-country level differences are partly due to differences in sector composition.

Indeed job postings and official job vacancy data track each other well

Seasonally adjusted index, to 13 Sep 2024

— Indeed Job Postings — Job vacancies

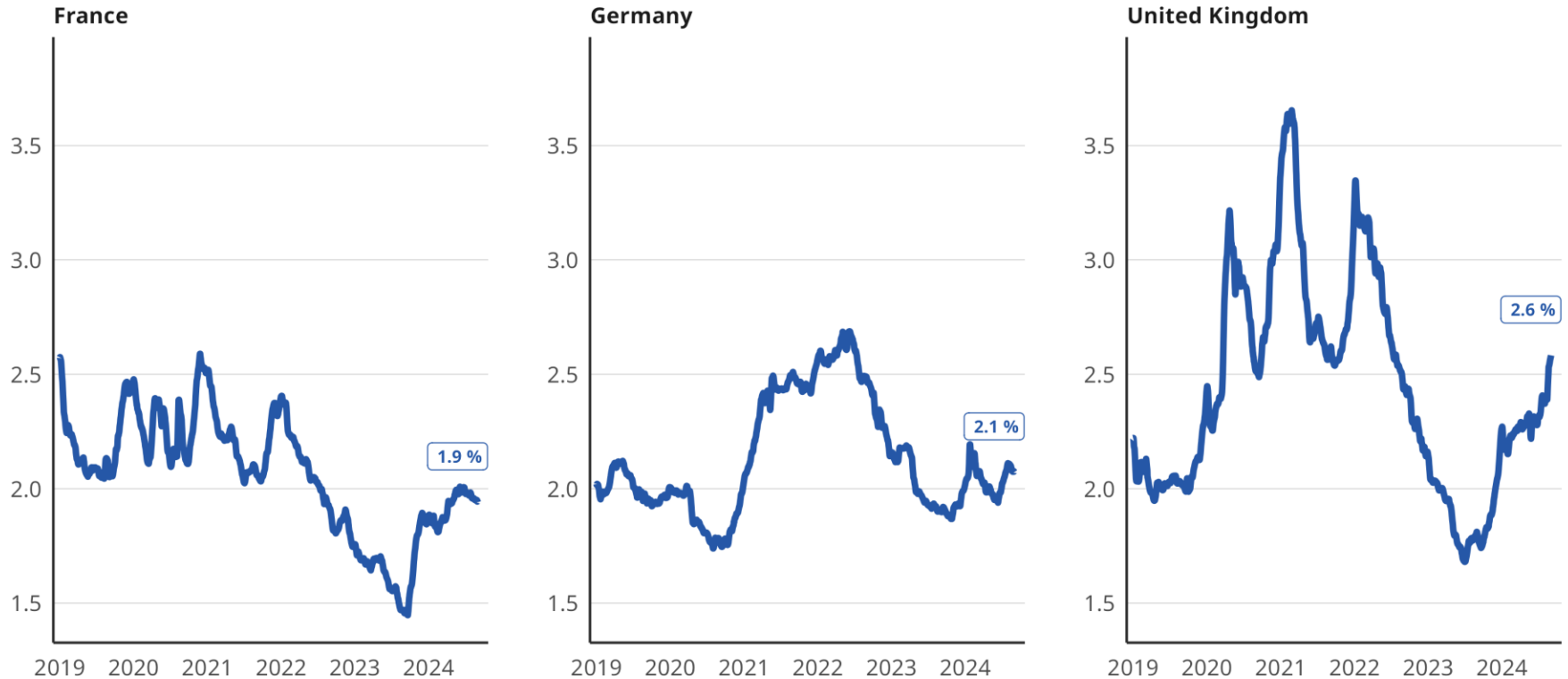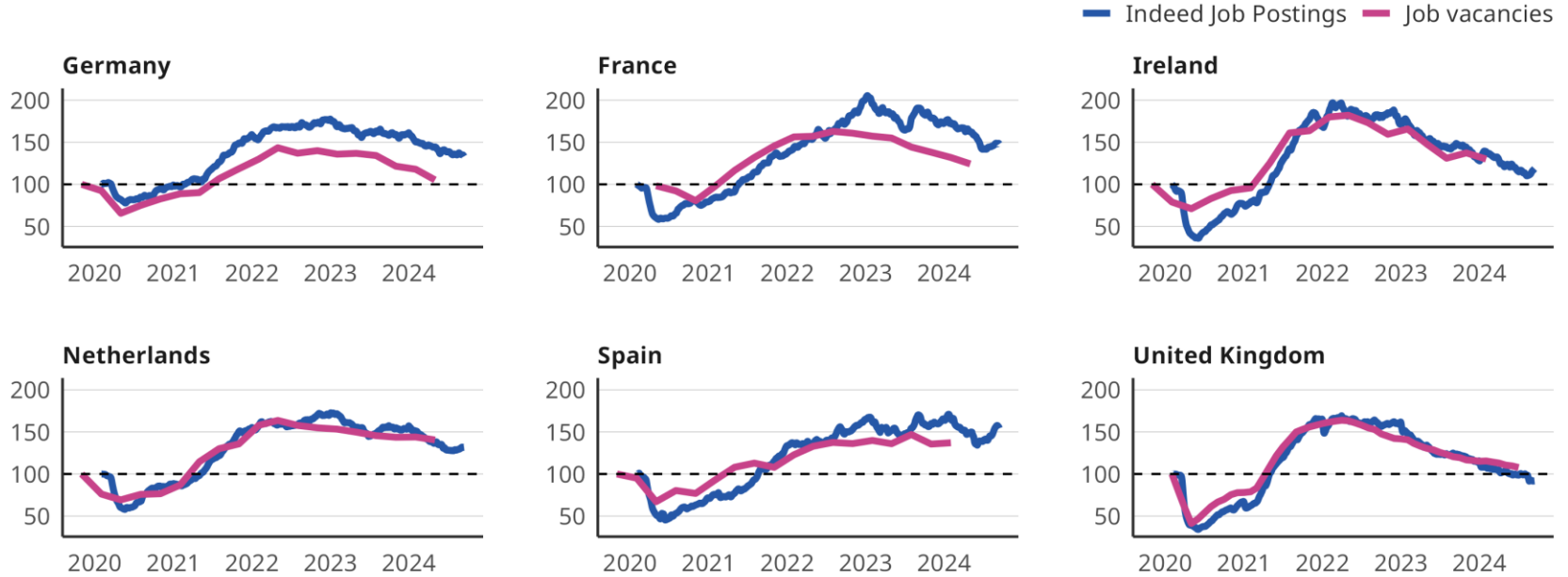Source: Indeed, Eurostat (Germany, France, Spain, Ireland, Netherlands; quarterly data, to Q2 2024), ONS (United Kingdom; monthly data, to Jul 2024). Index 100 = Feb 2020 for Indeed and ONS data. Index = Q4 2019 for Eurostat data. Missing value in French data for Q1 2020. Eurostat data is survey-based and refers to NACE-Rev. 2 sectors B-S (French data excludes sector O (public administration) as well as public jobs in P (education) and Q (human health/social work)).

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Alternative measures of job vacancies show similar declining trends

Indeed job postings and official vacancy data, seasonally adjusted, to 13 Sep 2024

— Indeed Job Postings   — Job vacancies   — New registered vacancies   — Registered vacancies

France

Germany
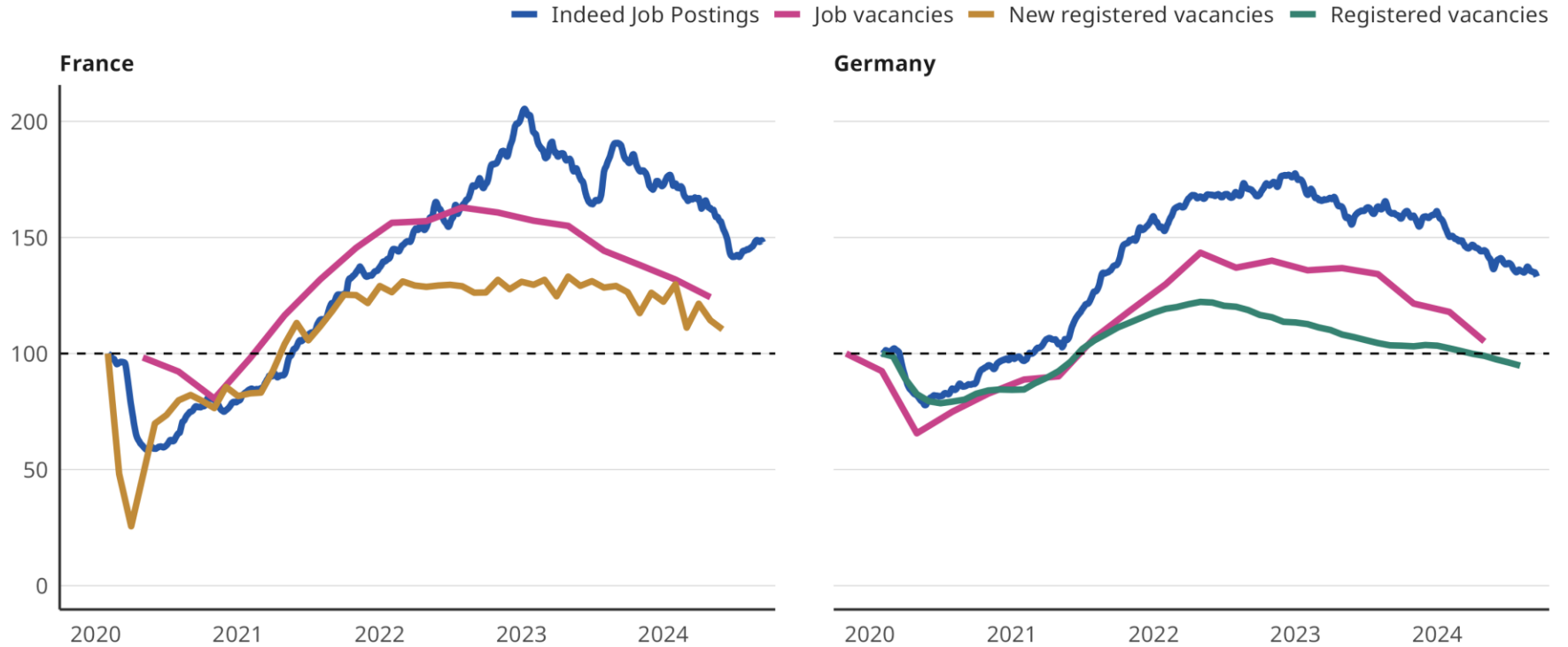
Sources: Indeed, Eurostat (Job vacancies, quarterly data, to Q2 2024, missing value in French vacancy data for Q1 2020),
OECD (Registered vacancies, monthly data, to Aug 2024). Index 100 = Feb. 2020 for Indeed and OECD data. Index = Q4 2019 for Eurostat data.

Labour markets are gradually loosening in major European economies

Vacancies per unemployment, normalised to their long-term mean, seasonally adjusted data, to Q2 2024

— France — Germany — United Kingdom
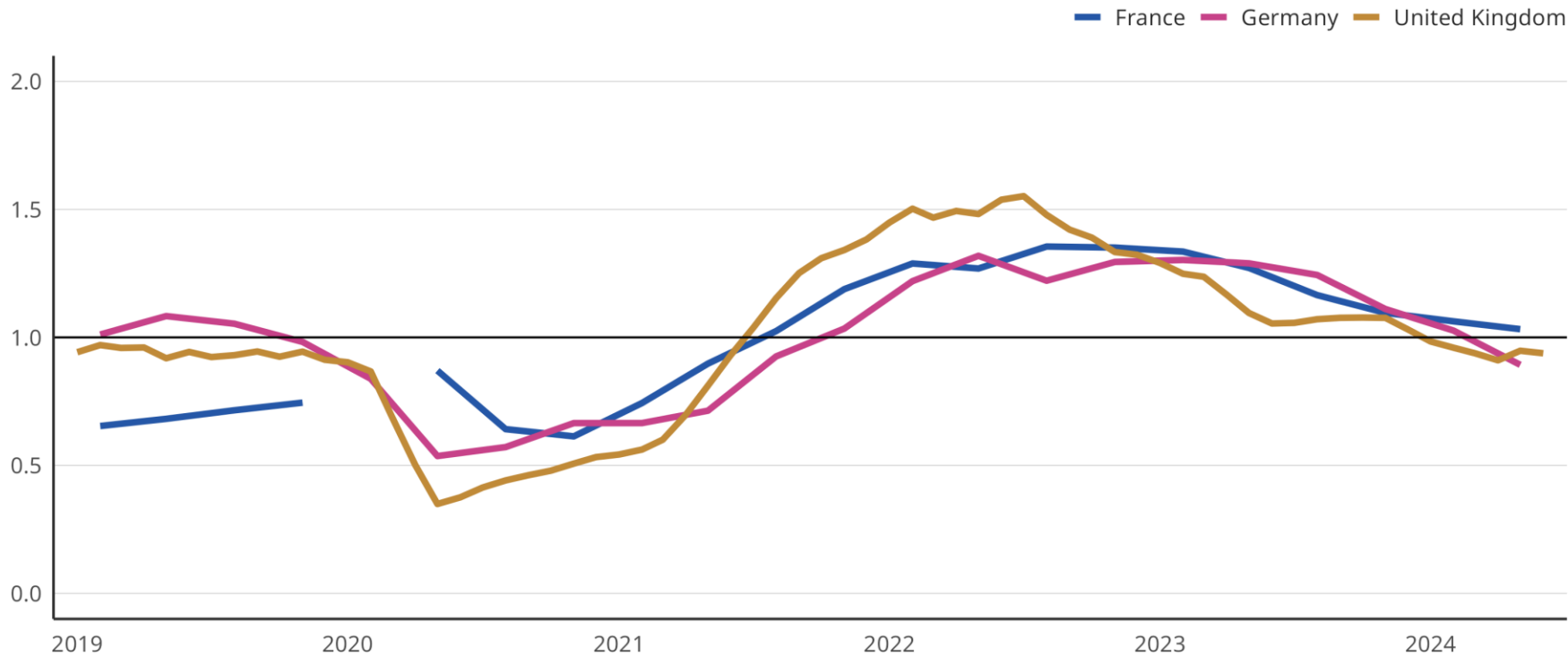
Sources: Eurostat, ONS. Tightness is normalised to its mean over the observed period. Unemployment among ages 15-74 (UK: 16-64). Vacancies from Eurostat refer to NACE-Rev.2 sectors B-S. Missing value in French vacancy data for Q1 2020.

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Labour market tightness is still above its long-term average in several European economies

Vacancies per unemployment, normalised to their long-term mean, seasonally adjusted data, to Q2 2024
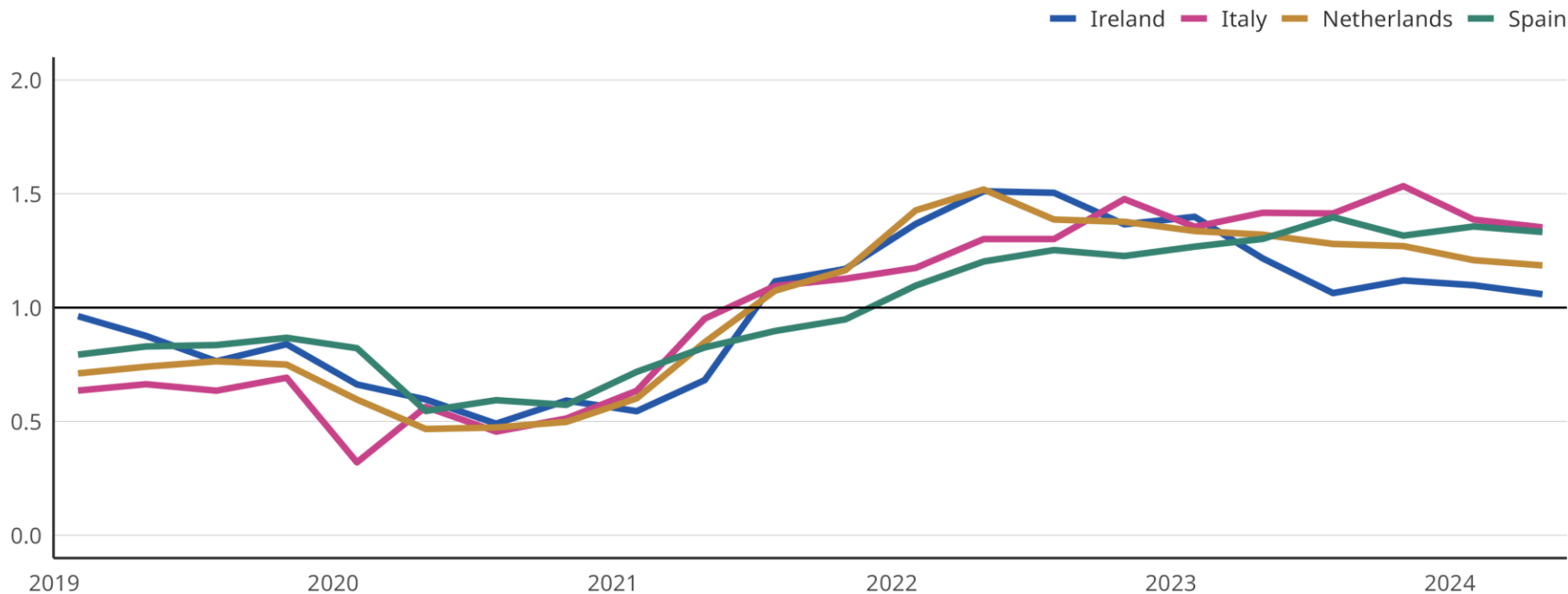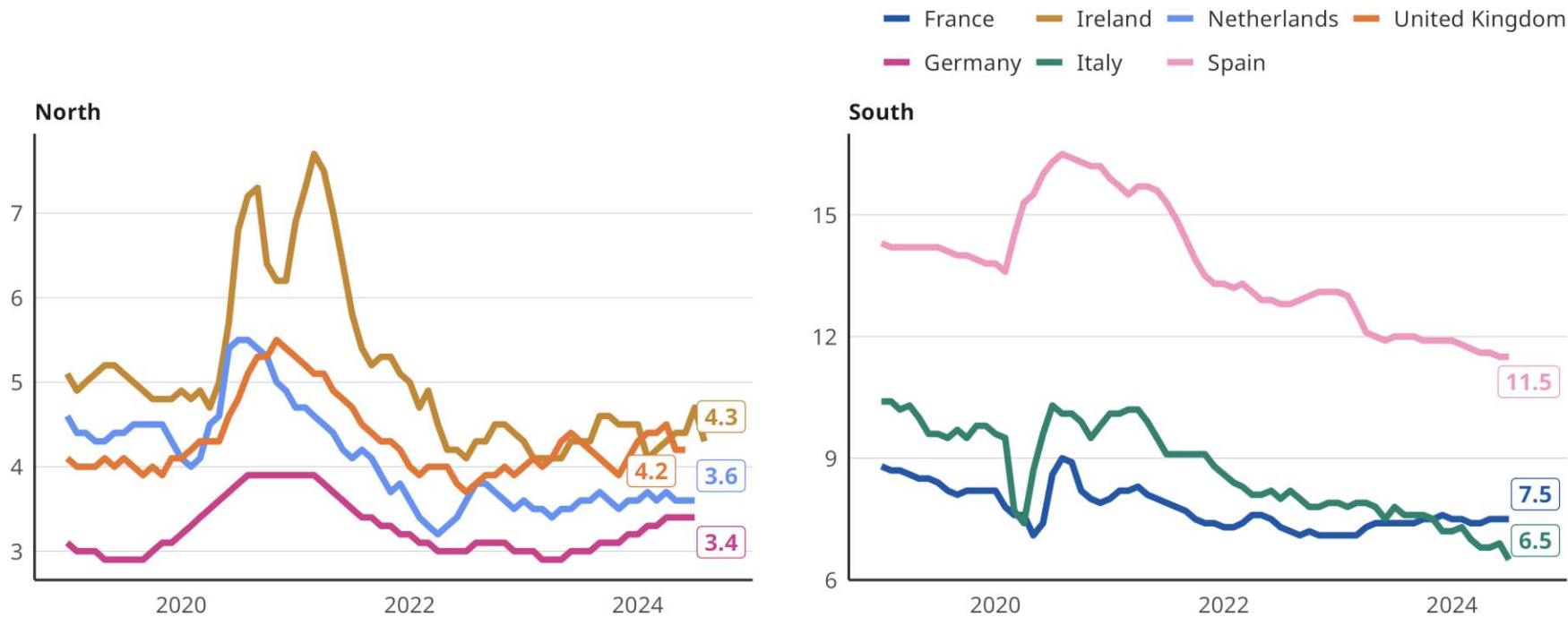
Ireland — Italy — Netherlands — Spain

Sources: Eurostat. Tightness is normalised to its mean over the observed period. Unemployment among ages 15-74 (Spain: 16-74).
Vacancies refer to NACE-Rev.2 sectors B-S.
For Italy, the number of vacancies is approximated by the vacancy rate referring to sectors B-S except O.

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Unemployment rates drifting slightly upwards in the North, levelling off at higher level in Southern Europe

Unemployment, in % of the labour force, Europe, Jan 2019 - Aug 2024

Legend: France, Ireland, Netherlands, United Kingdom, Germany, Italy, Spain

North chart values: Ireland 4.3, United Kingdom 4.2, Netherlands 3.6, Germany 3.4
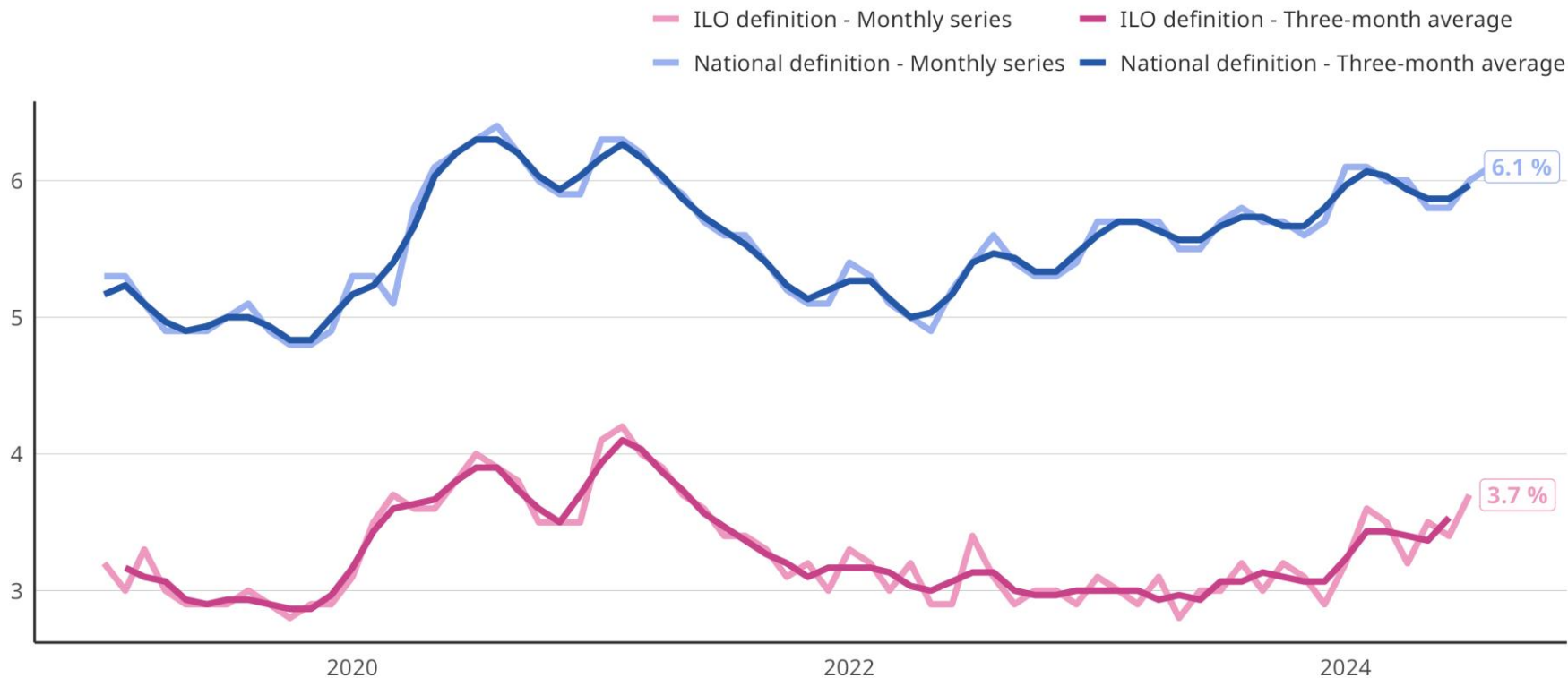
South chart values: Spain 11.5, France 7.5, Italy 6.5

Sources: Eurostat, ONS. Seasonally adjusted unemployment rate among ages 15-74.
ONS data refers to ages 16-64, latest data: Jun 2024.

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German unemployment is continuing its slow upward trend

Unemployment, in % of the civilian labour force, Europe, January 2019 - August 2024

- ILO definition - Monthly series
- ILO definition - Three-month average
- National definition - Monthly series
- National definition - Three-month average

6.1 %

3.7 %

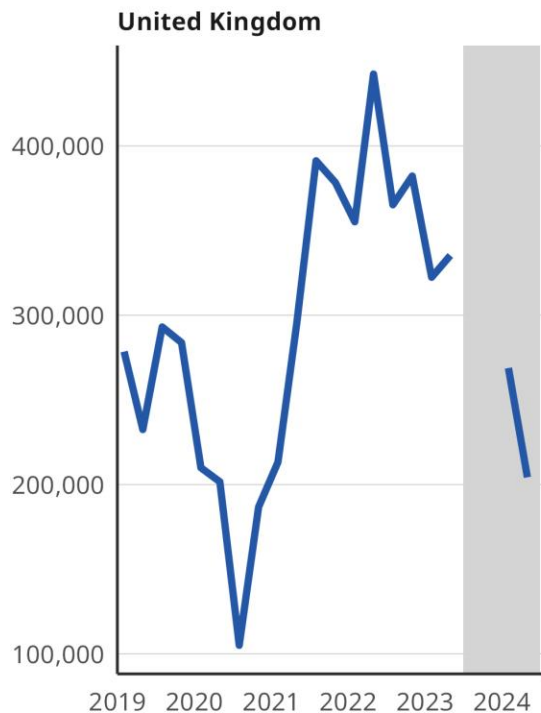2020   2022   2024

Sources: Eurostat (ages 15-74, to July 2024), Destatis (ages 15-65, to August 2024). Centered moving average.

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Resignations remain elevated compared to 2019 but are down from their peaks

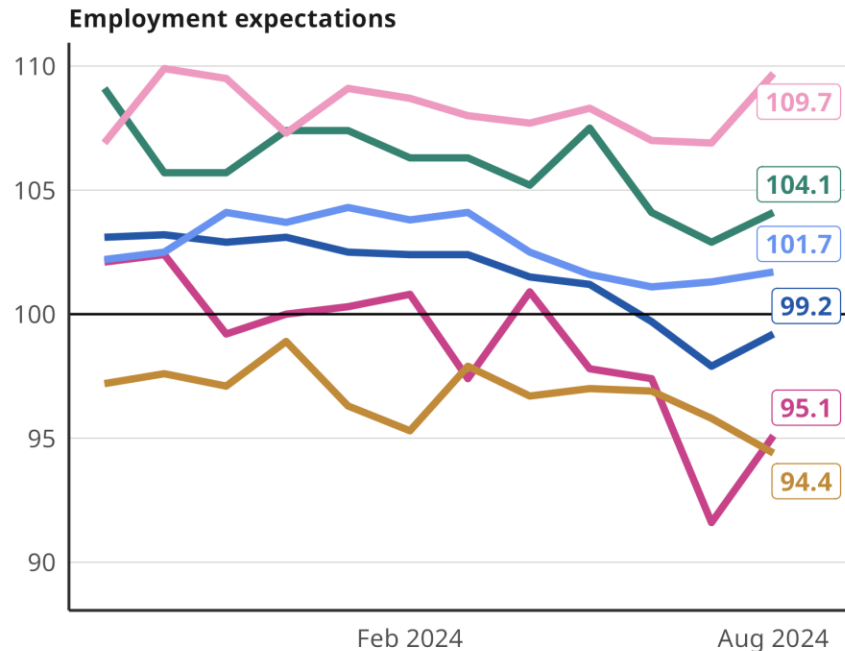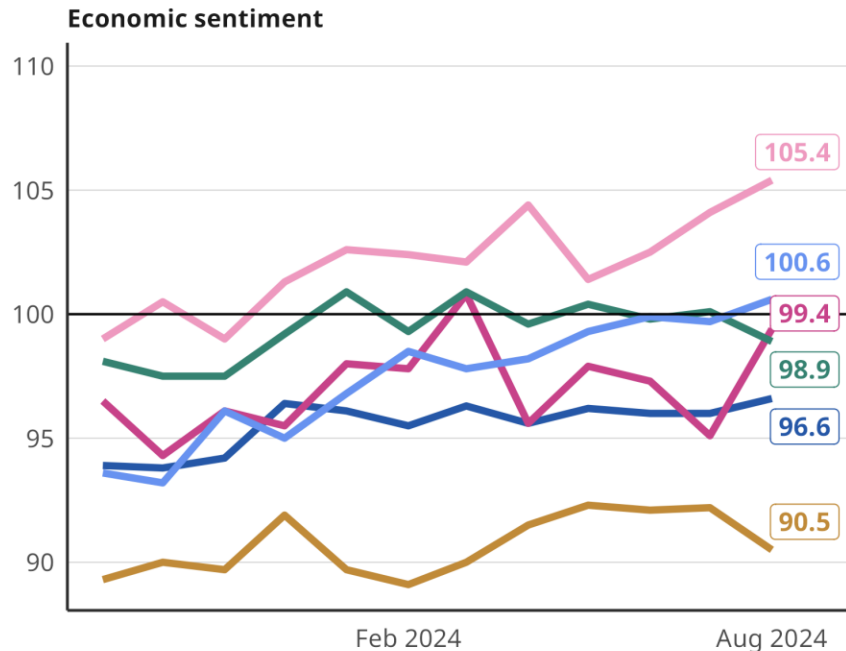Number of quits by country

Sources: ONS (United Kingdom, LFS data quality issues in 2023-2024, to 2024-Q2),
DARES (France, administrative data, including authorized early terminations of fixed-term contracts, to 2024-Q1),
Ministry of Labour and Social Policies (Italy, administrative data available 2021-2023, to 2023-Q4).

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The gap between employment expectations and economic sentiment is closing slowly

Index (long-term average = 100), monthly data, to Aug 2024

Legend: Euro Area — Germany — Netherlands — France — Italy — Spain

Economic sentiment

- Spain: 105.4
- Netherlands: 100.6
- France: 99.4
- Italy: 98.9
- Euro Area: 96.6
- Germany: 90.5

Employment expectations

- Spain: 109.7
- Italy: 104.1
- Netherlands: 101.7
- Euro Area: 99.2
- France: 95.1
- Germany: 94.4

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Workforce adjustments remain at a low level

Measures of redundancy, in 1000s

— Layoffs ('licenciements économiques') — Notified potential redundancies — Number of short-time workers (notifications)

France

20.2

United Kingdom

3.3

Germany

57.4
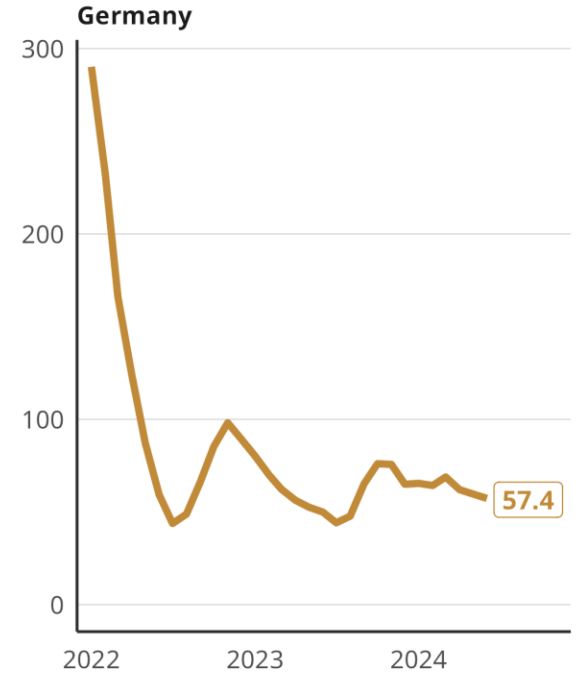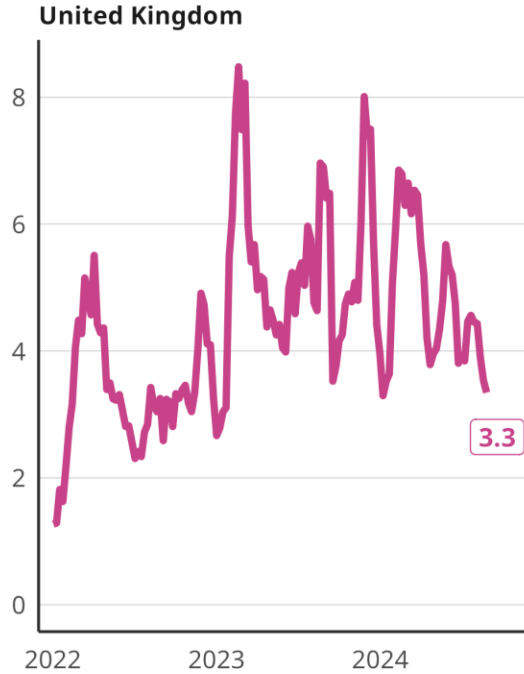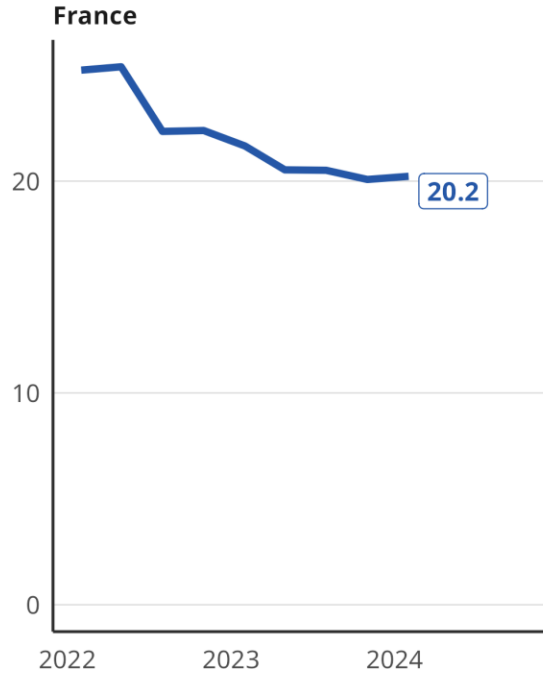
Sources: ONS (UK, 4-week average of weekly data, to Aug 2024), DARES (France, quarterly data, s.a., to Q1 2024), Bundesagentur für Arbeit (Germany, three-month moving average, to Jun 2024).

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Women's Labour force participation is slowly catching up to men's

Labour force participation rate by gender, in percent of the population aged 25-54, to Q2 2024

— Male — Female
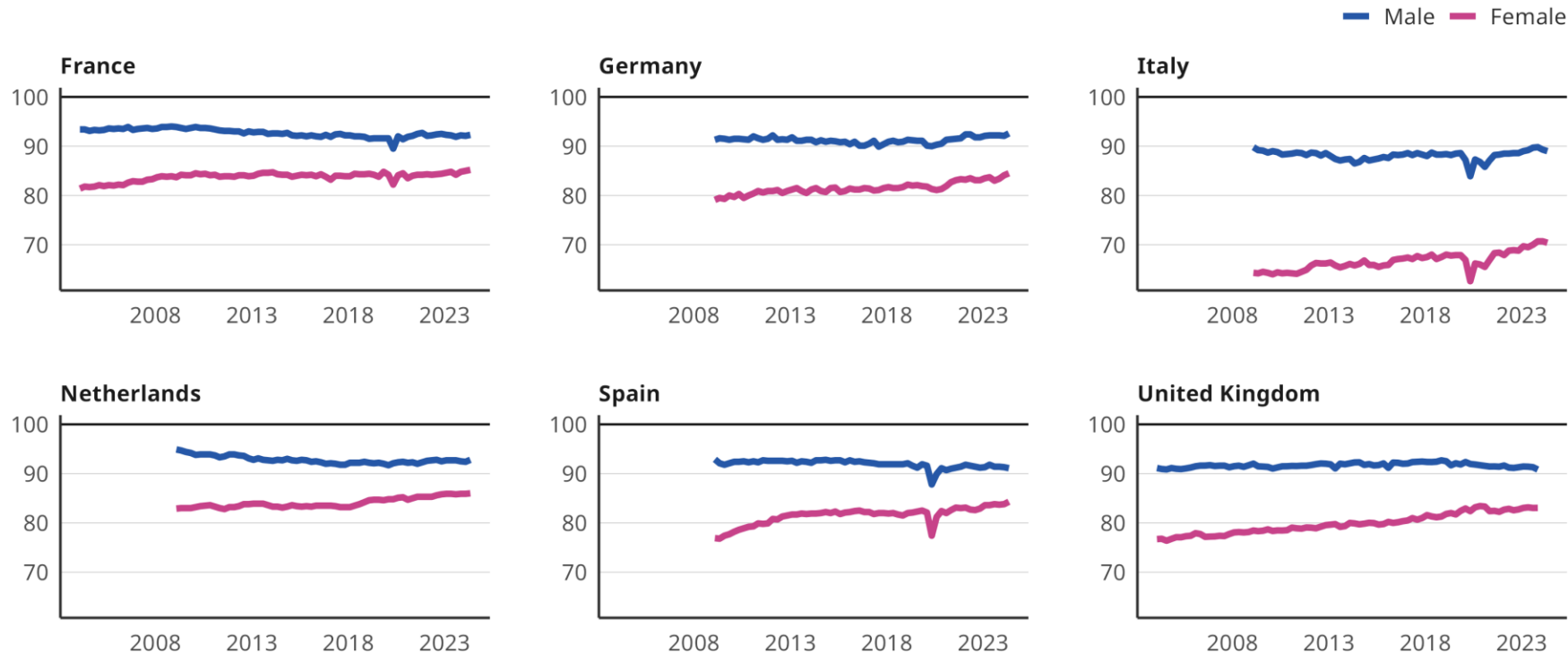
Sources: ILOSTAT (UK, to Q4 2023), Eurostat (EU countries, to Q2 2024). Seasonally adjusted.
Limited data availability due to break-corrected data from Eurostat with back estimates for 2009-Q1 to 2020-Q4 (except France).

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Older workers participate at increasing rates with strong cross-country differences
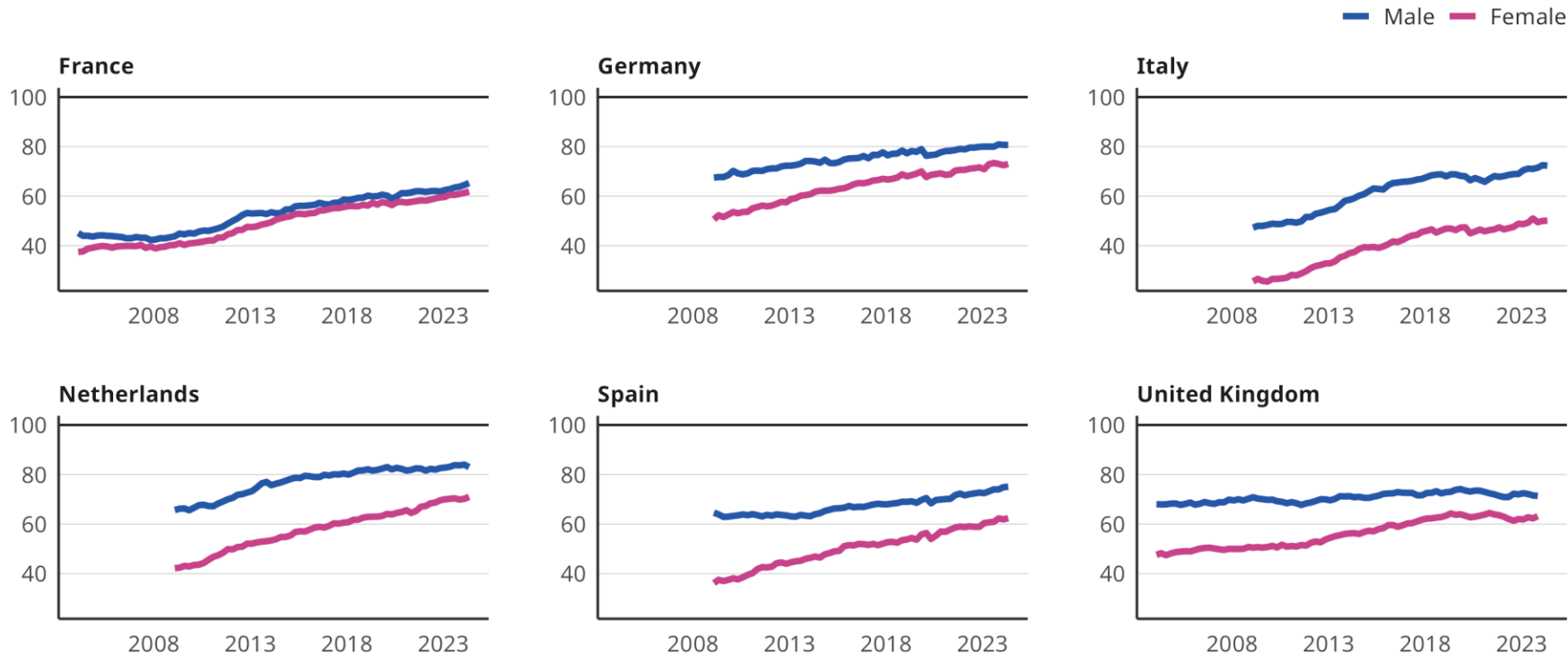
Labour force participation rate by gender, in percent of the population aged 55-64, to Q2 2024

— Male — Female

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Employment and total hours rising, average hours stagnate

Index 2018-Q1 = 100, to 2024-Q2

— Average hours worked — Employment — Total hours worked
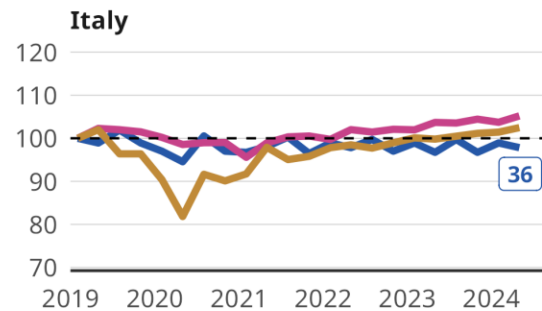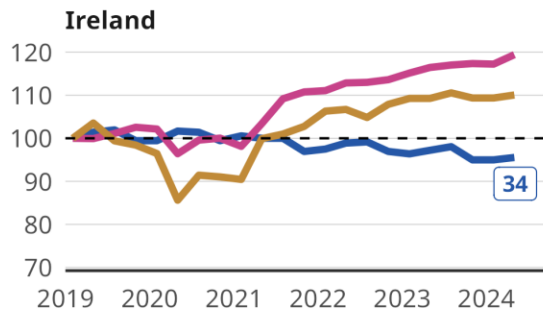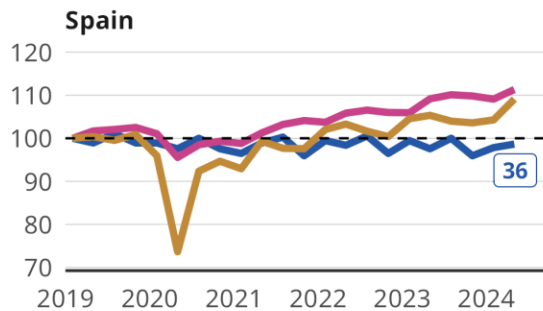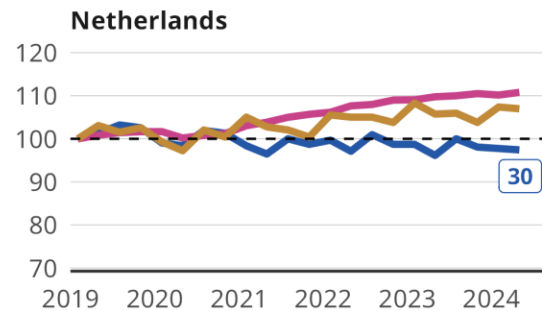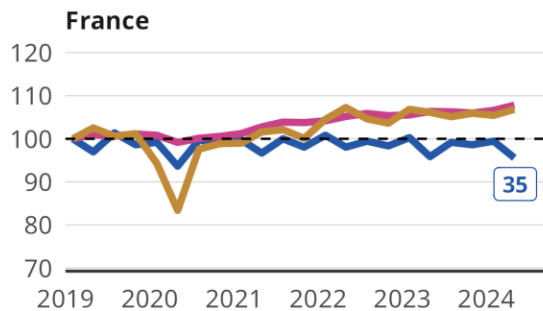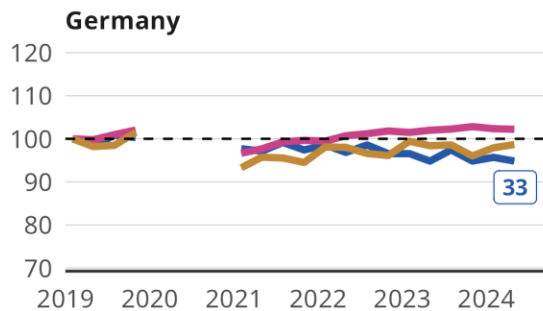
Source: Eurostat. Total hours (lfsi_ahw_q, s.a., ages 15-74) and employment (lfsq_egan2 n.s.a., ages 15-74) to 2024-Q2.
Average number of actual weekly hours of work in main job (lfsq_ewhan2, n.s.a., ages 15+). German LFS data missing for 2020.

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Employment increases in Information & Communication and sectors providing essential societal services

Employment, Germany, index 2019-Q1=100, to 2024-Q2

◆ 2023-Q2   ■ 2024-Q2

Share in total employment (2024-Q2)

Sector	Share in total employment (2024-Q2)
Information and communication	4.1%
Human health and social work activities	14.7%
Public administration and defence; compulsory social security	7.5%
Education	7.2%
Total - all NACE activities	100%
Transportation and storage	4.9%
Manufacturing	18.4%
Professional, scientific and technical activities	5.4%
Wholesale and retail trade; repair of motor vehicles and motorcycles	12.4%
Accommodation and food service activities	3.4%
Construction	6.1%
Administrative and support service activities	4.5%

0   25   50   75   100   125

Source: Eurostat. Unadjusted series, ages 15-74.

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French knowledge economy sees rising employment figures

Employment, France, index 2019-Q1=100, to 2024-Q2

◆ 2023-Q2   ▇ 2024-Q2

Share in total employment (2024-Q2)

Activity	Share
Administrative and support service activities	4.3%
Professional, scientific and technical activities	6.8%
Accommodation and food service activities	4.2%
Information and communication	3.5%
Education	7.8%
Wholesale and retail trade; repair of motor vehicles and motorcycles	12.7%
Total - all NACE activities	100%
Construction	6.6%
Transportation and storage	5.1%
Human health and social work activities	13.4%
Manufacturing	10.9%
Public administration and defence; compulsory social security	8.3%

0   25   50   75   100   125

Source: Eurostat. Unadjusted series, ages 15-74.

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Posted wage growth remains strong across Europe, but is fading in France and Germany

Y-o-y growth in posted wages, to Aug 2024

— Wage growth y/y   — Wage growth y/y (3mo avg)

France

1.9 %

Germany

4.0 %

Ireland

4.5 %

Netherlands

7.8 %

Spain
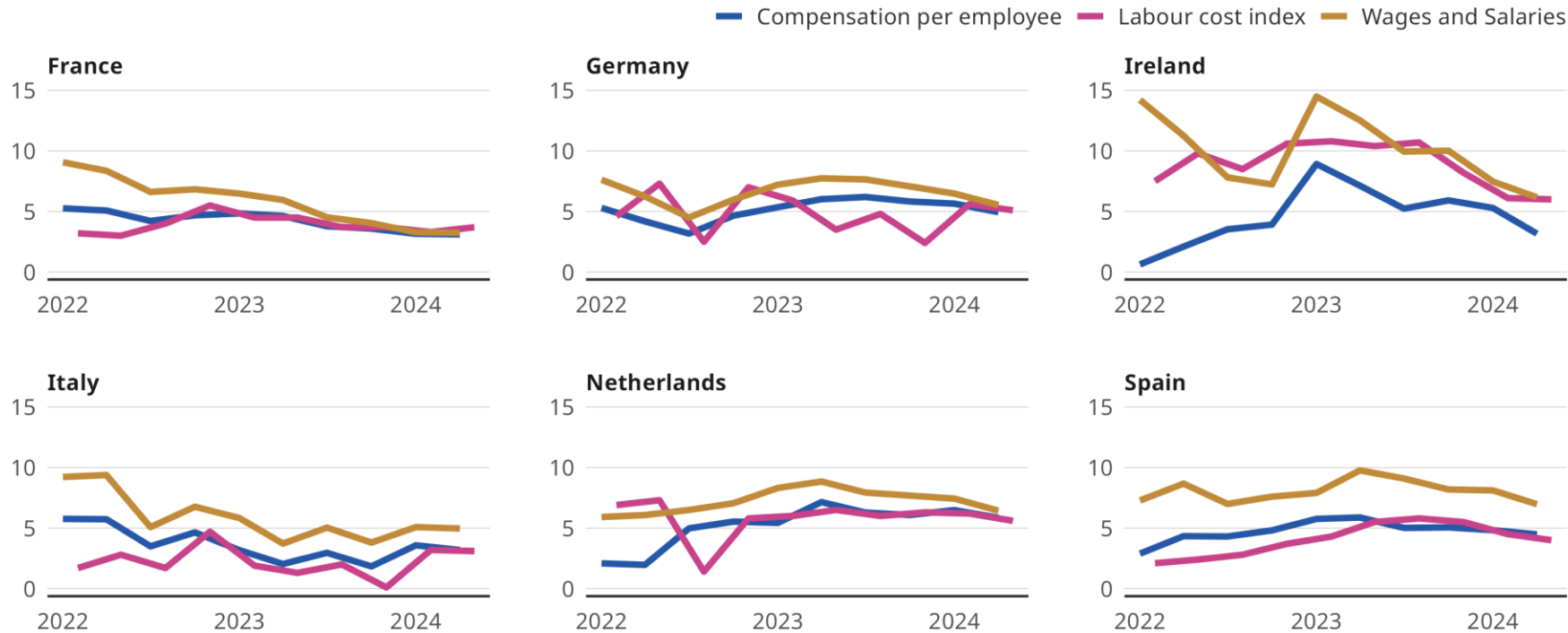
4.6 %

UK

6.7 %

Source: Indeed Wage Tracker

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Wage growth patterns vary considerably across the EU

Y-o-y growth rates in labour compensation measures, to 2024-Q2

Compensation per employee ─── Labour cost index ─── Wages and Salaries

Sources: Eurostat (LCI refers to hourly compensation, including taxes and subsidies; NACE-Rev. 2 B-S, seasonally and calendar adjusted), ECB (CPE, W&S; Total economy, German and French data are seasonally adjusted, the remaining countries are both seasonally and calendar adjusted.)

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United Kingdom: growth in average weekly earnings remains strong

Year-on-year growth rates in regular pay, seasonally adjusted, to July 2024
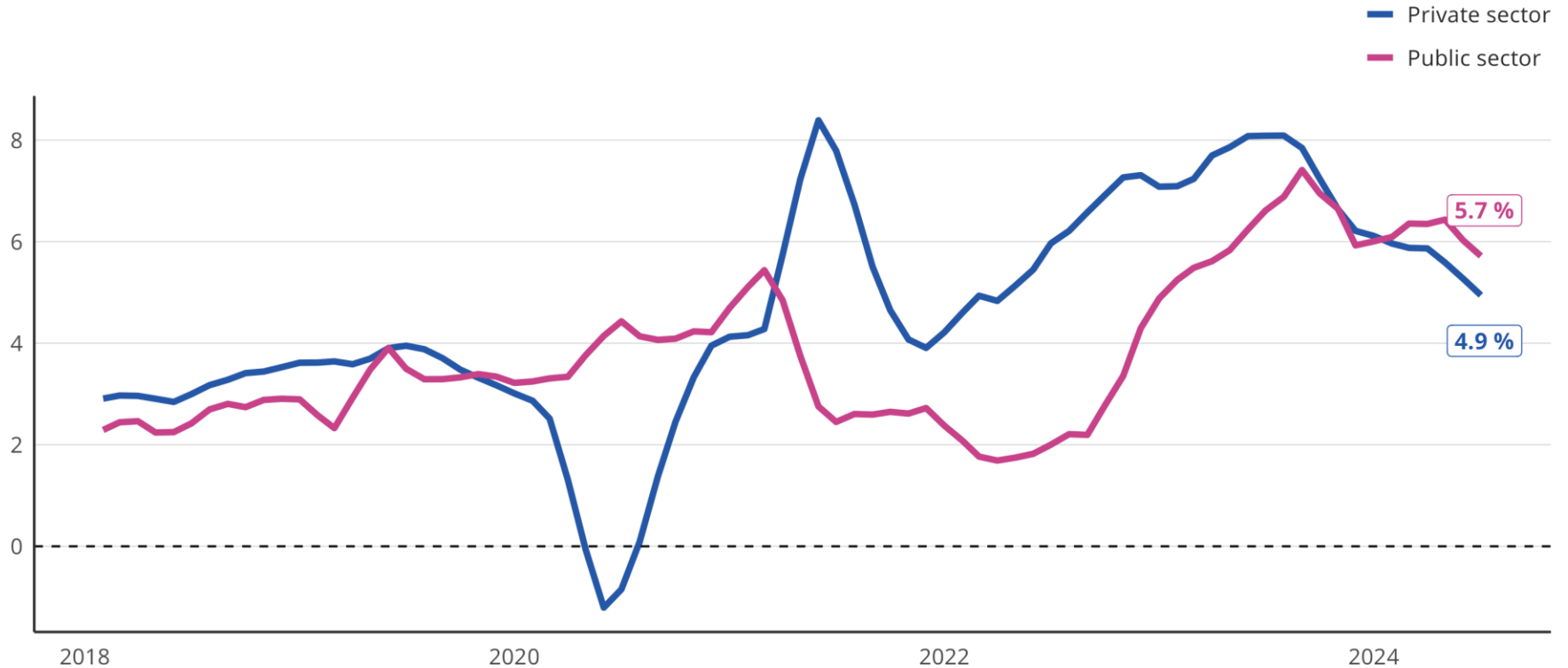
Source: ONS.

→ hiringlab.org

→ data.indeed.com

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