

## Press release

PB14-056 | 12 September 2014 | 15:00 hrs

# Statistics Netherlands: Cautious recovery labour market in second quarter

- **More unemployed find work**
- **No more jobs lost, marginal growth job vacancies**
- **Self-employed jobs further up**
- **More long-term unemployed**

Statistics Netherlands announced today that the Dutch labour market showed signs of recovery in the second quarter of 2014. Unemployment fell relative to the first quarter, the number of job vacancies grew marginally and no more jobs were lost. The number of long-term unemployed, on the other hand, increased.

### **Fewer unemployed as more people found work**

Unemployment declined in the second quarter. Adjusted for seasonal effects, 672 thousand people were unemployed, i.e. 12 thousand fewer than in the first quarter, when unemployment was still growing. At the end of last year, unemployment also fell, but the reason for the reduction was that more people withdrew from the labour market. The decline in the second quarter occurred because more people found jobs. The last time unemployment decreased while the employed labour force increased is four years ago.

### **Long-term unemployment rate high among over-45s**

Unemployment was substantially reduced among 25 to 44-year-olds and also among young people, but grew further among men and women over the age of 45. People in this age category are more likely to remain unemployed for a long period of time: more than half had been unemployed for at least twelve months. Long-term unemployment is growing: in the second quarter, 40 percent of all employed had been in this situation for at least one year, versus 36 percent in the same period in 2013.

### **Unemployed-to-vacancy ratio six to one**

In the second quarter, 108 thousand jobs were vacant, i.e. 17 thousand more than a year ago. The number of job vacancies has risen marginally during the past year. Consumer spending was up in the second quarter, resulting in more vacancies in the retail sector and temp agencies were also seeking staff. There is still little tension on the labour market, but the situation is improving somewhat. In the second quarter of this year, the unemployed-to-vacancy ratio was 6.2 to 1, versus 7 to 1 in mid-2013, but since then, the ratio has fallen. Mid-2008, there were almost as many job vacancies as unemployed. When the recession set in, unemployment started to grow and the number of vacancies was reduced by half. The tension on the labour market rapidly diminished.

**Number of jobs stable, steady increase self-employed**

The number of jobs was the same in the second relative as in the first quarter. For the first time in more than two years, the number of jobs did not decline. Altogether, more than 200 thousand jobs were lost. In the second quarter, the number of jobs in the Netherlands totalled 9.8 million (7.7 million employee jobs and 2.1 million self-employed jobs). The number of self-employed has risen gradually in recent years. At the same time, the number of employee jobs is diminishing. Most self-employed who have recently entered the labour market do not have personnel. In the past quarter, the number of employee jobs fell by 7 thousand; the number of jobs of self-employed grew by 8 thousand.

**Many jobs lost in care and construction**

The number of jobs grew in the sectors trade, transport and hotels and restaurants, but many sectors faced further loss of jobs in the second quarter. Most jobs were lost in the sectors financial services, manufacturing industry and health care and welfare. Employment in the sector health care and welfare has been falling since late 2012; in one year 25 thousand jobs were lost, predominantly as a result of budget cuts in childcare and home care. In the construction sector, 14 thousand jobs were lost relative to one year previously. The sector is suffering under the production slump in earlier years. In the construction sector as well as in the care sector, employee jobs were lost and the number of self-employed jobs rose.

**More temp hours**

The total amount of temp hours has risen for five consecutive quarters now, in particular long-term temporary employment contracts (secondment and pay rolling). This number has risen for quite some time now and has never been as high as in the second quarter of this year. Typically, a higher demand for temp workers is one of the first signs of recovery on the labour market. At a later stage, companies themselves start taking on staff.

**Shift from permanent towards flexible employment contracts**

The increase in long-term temporary employment contracts is due to the higher demand for flex work. It fits the trend of a reduced demand for permanent employment contracts. In recent years, the number of employees with permanent contracts has declined, while the number of people with flexible contracts has grown. This trend continues in the second quarter of 2014.

**Labour force further down**

The total labour force fell further in the second quarter of 2014. The employed labour force remained virtually unchanged, but the unemployed labour force shrank. The reduction of the total labour force was less substantial than in the first quarter. In one year, the Dutch labour force declined by nearly 90 thousand. The main reason is that fewer young people enter the labour market, because they decide to attend some form of further education. Initially, another reason for the reduced labour force was the fact that a number of people had given up looking for jobs, for example, because they were discouraged by the results so far. In the second quarter, the number of discouraged job seekers was the same as in the second quarter of 2013.