

# Beginners: Labour market - employment

Statistics Explained

## Highlights

Employment is an important indicator for the economy, and statistics collect data about employment and give information about what people do for a living, what is the size of the different economic sectors, how many hours people work. All this information can be very useful for governments and decision-makers who need to take decisions on key economic policies. This way, when they have to carry out their agenda they will know how each economic sector impacts the population.

## Defining employed persons



### Watch the video explaining labour market definitions

According to the guidelines provided by the International Labour Organisation (ILO), an **employed person** is someone who:

- in the week preceding the [Labour Force Survey](#) (LFS) has performed some work — **even if just for one hour** for pay, profit or family gain;
- alternatively, has had a job from which they were temporarily absent due to illness, holiday, strikes, or education and training.

Among employed people, it is possible to distinguish:

- **Employees** — people who work for a public or private employer who pay them for their work;
- **Self-employed** (with or without employees) — people who own the enterprise they work in (or part of it). These people may receive a regular salary from their enterprise or they may benefit directly from the profits made by their enterprise;

- **Family workers** — people who help another member of their family to run an agricultural holding or any other business, provided they are not considered as employees."

The vast majority of people in the EU who are employed are employees. Figures show that, by 2022, out of the 197.1 million people who were employed in the EU, some 170 million were employees, about 25 thousand were self-employed and about 1.2 thousand were family workers.

Source: *Eurostat* ([lfsa\\_egaps](#))

## What is the employment rate?

The **employment rate** represents the share of employed persons in relation to the population considered. The population considered needs to be the same in order to calculate the ratio, for example in terms of age or sex.

The employment rate is usually calculated in relation to working-age people, either those aged 15-64 years or those aged 20-64 years. Similar to the activity rate, employment rates are calculated and analysed for various groups, such as specific age groups (younger or older workers), men and/or women, or groups based on the level of education or country of birth.

According to the statistics, the number of employed people in the EU aged 15-64 years was 197.1 million in 2022. During the same period the total population aged 15-64 years was 282.3 million. We can obtain the share of employed people within the population by dividing the figure on total employment by the number of population. We will obtain an employment rate for the EU of 75 %: in other words, about three in five people aged 15-64 years were employed in 2022.

## Why are employment data from the LFS different to those from national accounts?

Eurostat's databases have a number of different sources of information for analysing labour markets, and more specifically employment. Aside from the LFS, another principal source is national accounts. They generally provide different types of statistics, covering different topics but overlap with the LFS to some degree, and can provide data on the same area sometimes, especially when considering a simple count of people in employment.

The difference between LFS and national accounts data can be explained by two main reasons. On the one hand, national accounts unlike the LFS collect data from a wide range of sources rather than from a single survey. In this process, the accounts have to be consistent, providing a complete set of harmonised information able to cover all economic activities taking place within a national economy. On the other hand, there are conceptual differences between these two sources: employment within the LFS covers individuals aged 15 years and older living in private households, whereas national accounts takes into consideration all persons regardless of their age or where they live. Furthermore, national accounts distinguish between the concept of domestic and national employment. In fact, the first refers to a count of people working in the national economy, regardless of where they live, whereas the second takes into consideration all of the people living within the national economy, even if they work in a different country. The net number of cross-border workers differs substantially according to which one of these approaches is adopted.

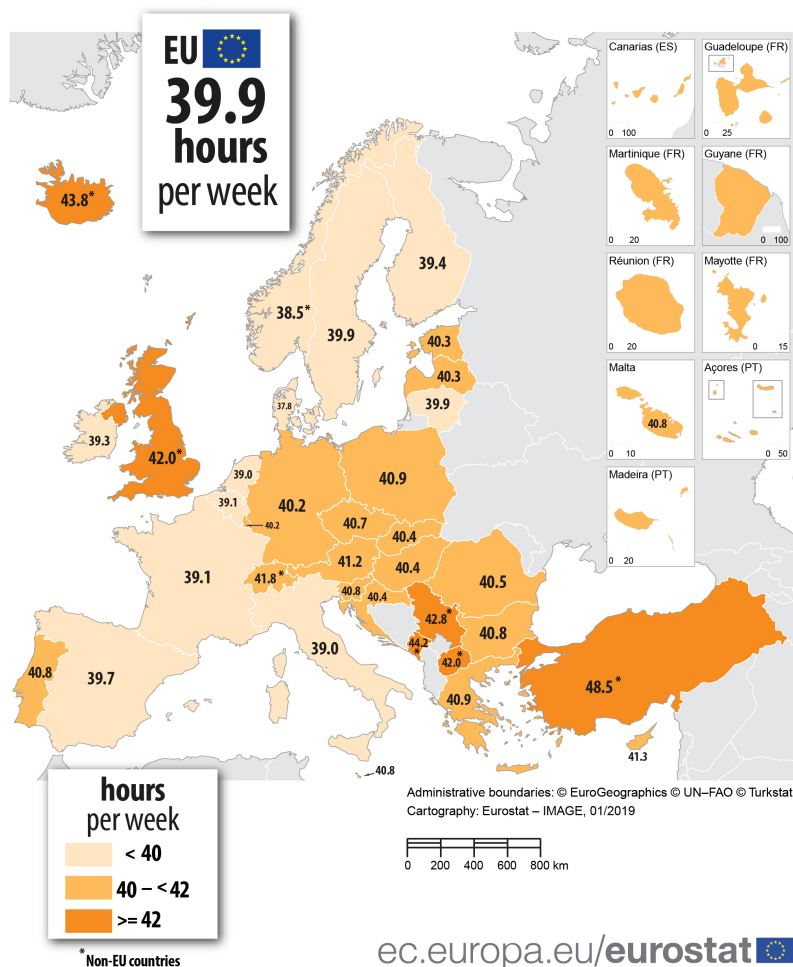
While national accounts calculate both domestic and national employment figures, the former are generally given more importance, in other words they are more interested in where people work, rather than where they live. By contrast, statistics collected within the framework of the LFS are based exclusively on information on people who live within the national territory.

Data from the LFS are usually considered more suitable for measuring the labour market's **activity rates** and **employment rates**, or providing socio-demographic analysis (by age, gender or education). However, National Accounts are judged more suitable to measure employment levels, employment growth and industry breakdowns.

## Average number of hours usually worked per week

In the LFS, the **average number of hours usually worked per week** gives information about the number of hours a person usually works during a week, including overtime (whether or not paid). The average number of hours worked does not include the time spent commuting to the workplace, nor the time for meal breaks while at work.

### Average number of usual weekly hours of work in the main job (2018, hours) *Full-time employees*



Source: *Eurostat* (lfsa\_ewhun2)

## Part-time employment

According to the LFS, a **part-time worker** is *an employed person whose normal hours of work are less than those of comparable full-time workers* ( [Part-time work convention](#) , International Labour Organisation). Within the LFS, the data are collected after spontaneous declarations made by the surveyed individuals.<sup>1</sup>

## Temporary employment

**Temporary employment** describes the working situation of employees who work under a fixed-term contract. The end of their contract established by a set of rules, for example, a specific date, the end of a particular task, or the return of another employee who has been temporarily replaced. Examples for temporary work contracts are those that cover people in seasonal employment (for example, people working in a ski resort during the winter, or picking grapes at the end of the summer) or those engaged through an employment agency (who are subsequently hired to do a specific task or to cover for a specific employee).

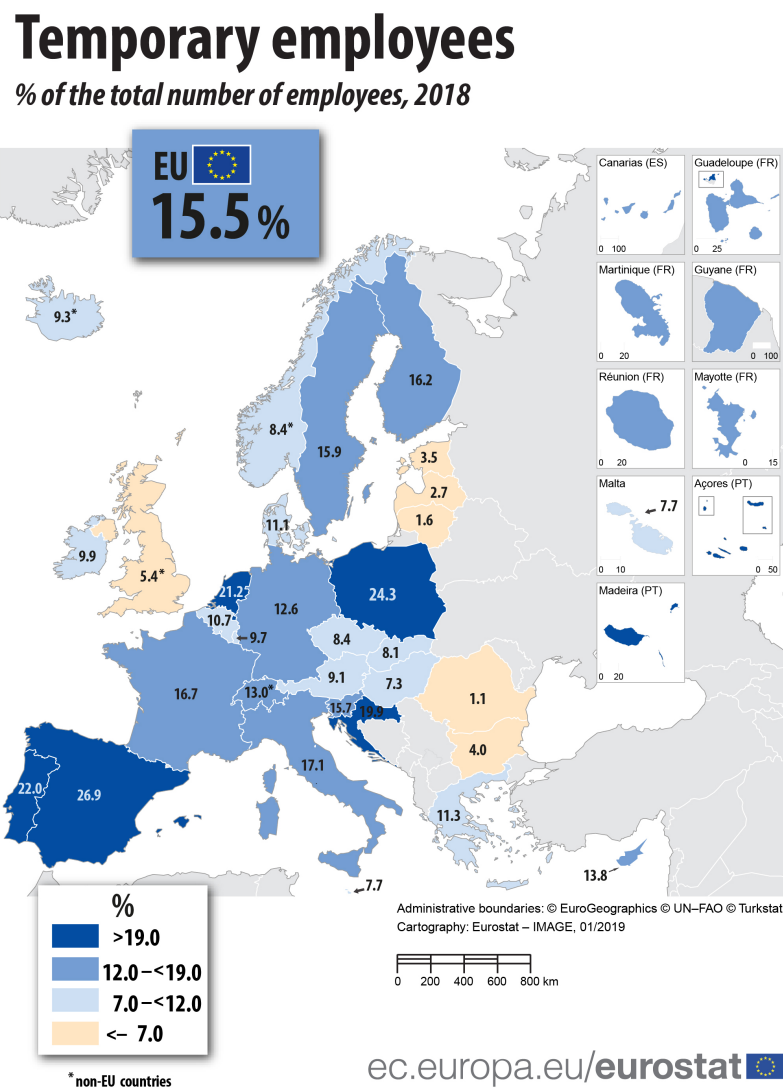
A relatively high share of young people aged 15-24 years in the EU were employed on a temporary or fixed-term contract in 2022; the ratio stood at 49.9 %. While this may reflect the desire of some young people to find work that fits in around other commitments in their lives (such as attending further education or raising a family), it may also imply that young people are largely employed in precarious, insecure jobs, with low levels of social protection, and

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<sup>1</sup>Except in the Netherlands and Iceland where a 35 hours threshold is applied, Sweden where a threshold is applied to the self-employed, and Norway where persons working between 32 and 36 hours are asked whether this is a full- or part-time position

have difficulty finding permanent employment.

Thus, the issue of **precarious employment** is related to temporary (or limited duration) work contracts. Indeed, people in precarious employment can be defined as those with a work contract of no more than three months. For example, in 2022 the share of precarious workers across the EU was particularly high for those working within agriculture, forestry and fishing (4.3 % of this particular workforce) and was also relatively high for the following activities: distributive trades (which includes people working in shops), transport services, and accommodation and food services.



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## Footnotes

## Explore further

## Other articles

### Related articles in Statistics 4 beginners :

- [The labour market — basic definitions](#)
- [The labour market — unemployment](#)

### Related articles in Statistics Explained :

- [EU labour force survey — latest developments](#)
- [EU labour force survey — legal basis and methodology](#)

### Glossary items in Statistics Explained :

- [International Labour Organisation \(ILO\)](#)
- [Labour force survey \(LFS\)](#)
- [Labour force](#)
- [Activity rate](#)
- [Employed person](#)
- [Employment rate](#)
- [Employees](#)
- [Enterprise](#)
- [Family worker](#)

## External links

- [European Commission — Employment, social affairs and inclusion](#)
- [European Commission — European employment strategy](#)
- [International Labour Organisation \(ILO\)](#)
- [Organisation for Economic Co-operation and Development \(OECD\) — Employment](#)