



Labour Market Monitor 2012
A Europe-wide Labour Market Monitoring System
Updated Annually

Silvia Haas
Ulrike Huemer
Helmut Mahringer



1 Introduction

Labour market activities in the Member States of the European Union are usually monitored on the basis of a few key indicators published and updated regularly by Eurostat. In particular, special attention is usually given to the rate of unemployment. However, focusing on a single key determinant captures only a certain, albeit essential, aspect of the labour market and its influence on the lives of its people. Employment opportunities and national labour markets are multidimensional in nature, as labour market institutions and policies vary from country to country and each Member State faces individual challenges, strengths and weaknesses. Thus, a comparison of the labour market situations and developments of the Member States of the European Union is complex.

Against this background experts of the Vienna Chamber of Labour and the Austrian Institute of Economic Research intended to capture a broad spectrum of labour market aspects in a European context. For this purpose five distinct dimensions, referred to as “areas” in our report, which highlight different labour market perspectives were selected in 2010:

1. Overall labour market performance
2. Orientation towards integration
3. Equity and continuity of labour market entry
4. Distribution of earnings
5. Distribution through the welfare state

For each of the five dimensions an index is computed, i.e. the Labour Market Monitor consists of five different indices, each of which is calculated for (essentially) all Member States of the European Union. Each index can assume a value between 1 and 10, with 10 representing the best and 1 the worst value.

To allow for a Europe-wide comparison of labour market developments, a system of categorizing countries into groups has been established, depending on the index scores. In the first classification scheme, countries are ranked in ascending order and allocated to one of four groups of the same size, i.e. “top”, “upper middle”, “lower middle” and “bottom” group. The second way of country categorization is to form clusters of countries in such a way as to minimize the distance between the countries point values within each group, while at the same time maximize the distance to the neighboring groups.

The aim is to establish a labour market observation system which condenses key aspects and trends out of a large number of indicators. The use of European comparable and regularly available indicators should ease consecutive updates of area indices, allowing for an observation of developments over time. The following presentation of results refers to the second update of the labour market monitor constructed in 2010. The advantage of this instrument lies in the

- bundling of complex economic, political and societal nexuses into a few index scores
- comparability of national circumstances which can be used for benchmarking
- regular and swift updates

- creation of a descriptive overview which can be the starting point of more fundamental analysis

The construction of indices does however also represent a tightrope walk between the complexity of the information to be processed and the transparency and usability of the summarised information. This encompasses also the risk of misinterpretations. This risk is counteracted by a transparent procedure and documentation of data and methods. Abstaining from explicit rankings and the separate presentation of five aspects of the labour market are supposed to raise the informative content and counteract misinterpretation.

2 Dimensions of the labour market monitor: The five areas

The first two areas reflect two separate general aspects of the labour market. Area index 1 provides a measure on the “overall labour market performance” of a country in the context of its general economic performance and is based on the usual key indicators, such as, e.g. the employment rate. The “orientation towards integration” index, i.e. area index 2, captures the extent to which different groups of people are integrated into the labour market.

Figure 1: Overview of the five dimensions of the Labour Market Monitor

Labour Market Monitor "Area-Indices" (58 indicators)	1	Overall Labour Market Performance (EU-27, 2011) (7 indicators)
	2	Orientation towards Integration (excl. LU & MT, 2011/2010) (13 Indicators)
	3	Equity of Access and Continuity (excl. BG & EE, 2011/2010/2009/2005) (20 Indicators)
	4	Distribution of Earnings (EU-27, 2011/2010) (8 Indicators)
	5	Distribution Welfare State (EU-27, 2011/2010/2009) (10 Indicators)

Q: Eurostat, WIFO.

The third area index, constructed as a measure of “equity of access and continuity”, has been designed to reflect the ability of a country to provide for equal access in terms of labour force participation, an area where the level of education and the availability of care services are undisputed key factors. Area indices 4 and 5 primarily illustrate disparities in income from employment and public expenditure within the European Union, with index 4 providing a measure on the “distribution of earnings” and index 5 (“distribution by the welfare state”) on the degree of effectiveness of state intervention.

3 Area index 1 – Overall Labour Market Performance

Area index 1, i.e. the "overall labour market performance index" comprises seven indicators representing the labour market performance of a country in the context of its overall economic performance. The indicators subsumed under this index capture the following aspects:

- the extent of employment of the working-age population and the recent development of the demand for labour as expressed in terms of employment rate, employment rate in full-time equivalents and employment growth as compared to the previous year
- the present level of unemployment, i.e. the unemployment rate
- the economic performance of a country, i.e. economic growth and productivity as expressed in terms of real GDP per capita - both in absolute numbers (€ per inhabitant) and changes over time - and in terms of labour productivity per person employed

3.1 Results of the Labour Market Monitor 2012

Luxembourg scores highest on the measure of "overall labour market performance", whereas Greece ranks last in the table for this category. The "top" group is constituted by small EU countries and Germany: Following Luxembourg, the Member States of Sweden, Austria, Germany, Denmark, Finland and the Netherland score highest in this field (Figure 2).

The three top countries, i.e. Luxembourg, Sweden and Austria owe their rankings to different strengths: Whereas Sweden assumes the top position in the sub-area of employment, Austria ranks highest in the field of unemployment. Luxembourg's top position is due to its outstanding performance in the third sub-area, i.e. in the field of economic growth and productivity.

Estonia, the United Kingdom, the Czech Republic, Cyprus, Belgium, France and Slovenia, coming behind the seven leading countries, are categorized as "upper middle". Slovakia, Lithuania, Poland, Malta, Ireland and Romania are positioned in the "lower middle" field. The worst-performing countries by a large margin, with scores below the 25th percentile in the area of "overall labour market performance" are Italy, Portugal, Hungary, Latvia, Bulgaria, Spain and Greece, i.e. the four Southern European countries and the three new Member States constitute the bottom category of the Union.

3.2 Shifts of the Labour Market Monitor 2011/2012

Greece, having moved from "lower middle" to "bottom" in the category of "overall labour market performance", ranks last in the table by a large margin, far apart from the remaining Member States of the European Union, thus assuming the place which was last year taken by Latvia. In particular, Greece's position relative to other Member States has seriously

deteriorated in the employment rate category. In addition, Greece has also fallen further behind the other countries for “employment growth” and “unemployment rate”, with the second highest decline in employment after Latvia in 2011 and the second highest unemployment rate in the 15-64 age group after Spain. Another Southern European country shaken by the financial crisis is Portugal, whose move to the bottom group is primarily due to a relative deterioration of employment indicators.

By contrast, Estonia and Lithuania have been able to considerably improve on core labour market indicators. Estonia owes its move from the “bottom” to the “upper middle” category primarily its progress in the sub-area of employment. Similarly, also Lithuania has been able to move up to another, i.e. the “lower middle” group, due to a relative improvement of employment indicators.

As for further changes in the group classified as “middle”, both Poland and Cyprus have moved towards a lower classification, with Cyprus changing from “top” to “upper middle” and Poland from “upper middle” to “lower middle”. It has to be noted, though, that both countries had a relatively weak starting point. By contrast, Finland, which had a relatively favourable starting position in 2010, moved from “upper middle” to “top” within a year because of relative improvements on the measure of unemployment and comparatively high employment growth (see Table 1).

4 Area index 2 – Orientation towards Integration

The second area index provides a measure of different aspects of “orientation towards integration”, i.e. it captures the degree to which a labour market and employment system is able to integrate and include different groups of people. Comprising a total of 13 indicators, it focuses on the following aspects:

- the employment structure, i.e. employment rates of various age groups, employment gender gaps, involuntary part-time employment, involuntary temporary employment
- the structure of unemployment or unemployment of individual groups, i.e. rate of youth unemployment or older people respectively, long-term unemployment rate and long-term unemployment rate for older people
- the activity level of active labour market policies, i.e. expenditure as a percentage of GDP and as a percentage of GDP per % unemployed person and participation in labour market measures

Malta (MT) and Luxembourg (LU) are not incorporated into the calculation of area index 2, “orientation towards integration”, as there is no data available on the unemployment rate for older workers, i.e. on the unemployment rate of age group 55-64 as well as on the long-term unemployment rate of the same age group.

4.1 Results of the Labour Market Monitor 2012

Whereas Greece scores lowest on the measure of “orientation towards integration”, Denmark comes first in the table for this category. Following Denmark, the countries of Sweden, the Netherlands, Austria, Finland, Belgium and Germany score highest in the “orientation towards integration” measure (Figure 3).

Slovenia, France, Cyprus, the United Kingdom, Poland and Estonia, coming second to the leading group of EU countries on the measure of “orientation towards integration”, are classified as “upper middle” and the Czech Republic, Lithuania, Portugal, Ireland, Latvia and Hungary as “lower middle”.

The poorest performers in the orientation integration dimension are Southern European countries and new Member States, i.e. Romania, Bulgaria, Spain, Italy, Slovakia and Greece.

4.2 Shifts of the Labour Market Monitor 2011/2012

The categorization of EU Member States into four groups on the basis of 2011 data proves relatively stable as compared to the 2010 classification. Only four countries have changed the category, with Estonia and Hungary moving up, and Ireland and Bulgaria moving down the classification. Whereas Estonia changed from “lower middle” to “upper middle”, Hungary has managed to move from the “bottom” to the “lower middle” category.

Estonia’s shift to “upper middle” is due largely to relative improved measures of the unemployment rate in the 15-24 age group. Hungary’s move up the classification has been due largely to its performance on labour market policies, with a relatively high percentage of “participants in active labour market policy measures/interventions as percentage of the labour force” and relatively higher “public expenditure on (active) labour market policies as a percentage of GDP per % of unemployed person”.

Bulgaria’s transition to the group of countries with a poor performance on “integration orientation” is primarily due to low scores on measures of “public expenditure on labour market policies”, with all three individual indicators of this sub-area having worsened.

Ireland’s shift to the “lower middle” category has been largely caused by its relatively poor performance on unemployment indicators (Table 2).

5 Area index 3 – Equity of Access and Continuity

The “equity of access and continuity” dimension captures the degree to which employment opportunities and income target objectives are dependent on the following factors, which constitute the main determinants of labour market opportunities:

- educational opportunities
- state of health
- individual care obligations

Altogether, the index can be disaggregated into a total of 20 indicators on categories of participation in education, exclusion, childcare and health. Due to missing values for Estonia and Bulgaria, the index has coverage for 25 countries only.

5.1 Results of the Labour Market Monitor 2012

The Nordic countries Sweden, Denmark and Finland are the leading countries in this area and form the European top end (Figure 4), with Sweden coming in first on health and educational indicators, and Denmark on the sub-areas of exclusion and childcare. Finland performs particularly well in the field of education, ranking second after Sweden on this measure. Behind the Nordic States, also ranking in the top seven, are Luxembourg, the Netherlands, Ireland and Cyprus.

Slovenia, the United Kingdom, Belgium, France, the Czech Republic and Spain are classified as “upper middle” in terms of this dimension, with scores above the 50th and below the 75th percentile. Austria, coming in 14th and positioned just below the median, as “lower middle” together with Lithuania, Germany, Greece, Poland and Latvia. The bottom end of the “equity of access and continuity” index has remained unchanged, with Slovakia, Malta, Hungary, Italy and Portugal and Romania, i.e. two Southern European and four new Member States, facing the greatest problems in this field.

5.2 Shifts of the Labour Market Monitor 2011/2012

The classification of countries into the four groups has remained comparatively stable, with only 6 out of 25 countries changing the category (Table 3). Whereas Cyprus and Ireland have been able to move up to join the top countries, Slovenia and the United Kingdom have slipped in the index from top to “upper middle”: Whereas Cyprus has shown improvement of its relative position especially in the sub-areas of education and exclusion, Ireland has made progress in the field of childcare and health. And while Slovenia has been able to perform better relative to other countries on measures of education, it moves down markedly from “upper middle” to “lower middle” in the sub-area of health. The United Kingdom moves down the classification, changing from “top” to “upper middle” in the sub-area of education and turns out to be the worst performer in the area of exclusion.

Spain by contrast, has moved up to the “upper middle” mainly because of higher scores on health measures. Austria has moved down the classification and is now ranking as “lower middle” for the “equity of access and continuity” category. However, although Austria’s relative position has weakened, its point value has slightly increased as compared to the previous year, indicating that Austria’s downward transition has been caused by the comparatively stronger performance of countries which have caught up more rapidly.

6 Area index 4 – Distribution of Earnings

The fourth area index provides a measure of the level and distribution of earnings and constitutes a composite aggregate of the following key figures:

- average level of earnings
- functional and personal distribution of primary income, i.e. wages in % of GDP, and income quintile share ratio¹
- taxes on labour as a percentage of total taxation
- gender-specific wage differential
- proportion of low wage earners
- the extent of “working poor”

Altogether, this area index is made up of eight indicators, subsumed under the four sub-areas of income/salary, earnings distribution, working poor and gender pay gap.

6.1 Results of the Labour Market Monitor 2012

As previous year, Belgium manages to come in first, ahead of the remaining EU States and followed at a considerable distance by a group of small countries, i.e. Luxembourg, Denmark, Slovenia, Finland, Malta and Sweden. Belgium's leading position is due largely to its outstanding performance on indicators of income and working poor and to a relatively low gender pay gap (Figure 5).

France, the Netherlands, Ireland, the United Kingdom, Austria, Italy and Cyprus constitute the category classified as “upper middle”. With only one exception (Germany), the countries ranking “lower middle”, i.e. Germany, Portugal, Hungary, the Czech Republic, Slovakia and Poland, and “bottom”, i.e. Spain, Greece, Bulgaria, Estonia, Lithuania, Latvia and Romania, either belong to the Southern European States or the new Member States.

6.2 Shifts of the Labour Market Monitor 2011/2012

The key findings for this index are similar to those of the previous year. The results indicate only slight changes in the categorization and grouping of the countries, with Ireland and Spain having moved down a group and Sweden and Poland having moved up a group (Table 4).

¹ The income quintile share ratio provides a measure on the disparity of income distribution. It is defined as the ratio of the total income of the top quintile, i.e. of the total income received by the 20% of people with the highest income, to the lowest income quintile.

7 Area index 5 – Distribution through the Welfare State

The fifth dimension captures questions of social welfare and levels of transfer. Comprising a total of ten indicators, it provides for:

- key figures on the extent and structure of social protection services as a percentage of the GDP
- the results of public intervention, represented in terms of at-risk-of-poverty rates
- a measure of the total public education expenditure, expressed as a percentage of GDP covering both direct government spending on educational institutions as well as subsidies to private entities

7.1 Results of the Labour Market Monitor 2012

Among the Member States of the European Union, a group of small countries has the strongest performance on measures of social protection and transfer. Denmark, Sweden, Finland and the Netherlands top the table in this category, ahead of Austria, Ireland and Belgium (Figure 6). Denmark's strong performance is largely because of high scores in the two expenditure-related sub-areas (both expressed in % of GDP), where it is ahead of all other European countries on measures of "total public expenditure on education as a percentage of GDP" and social protection benefits related to "disability" and "family/children".

Classified as "upper middle" are the large EU Member States of France, Germany and the United Kingdom as well as Luxembourg and the new Member States of Hungary, Cyprus and Slovenia. Apart from the three States mentioned last, none of the new Member States manages to obtain a score above the median. Equally, the Southern European States of Italy, Portugal, Greece and Spain score far below the median. At the bottom of the ranking for social protection and transfer are Spain, Slovakia, Estonia, Poland, Latvia, Bulgaria and Romania, with Romania and Bulgaria scoring badly across all three sub-areas.

7.2 Shifts of the Labour Market Monitor 2011/2012

The categorization of the Member States as belonging to one of the four groups of countries has remained relatively stable over time (Table 5). As compared with last year's analysis and data, only four of the 27 EU countries have moved up or down the classification: Ireland rises up the ranks, changing from "upper middle" to "top" and thereby causing France to drop places and move to "upper middle". Lithuania, on the other hand, moves upward to "lower middle", whereas Poland drops places and is classified "bottom" as a consequence.

8 Alternative representation of key findings by area index

Another way of categorizing countries is to form clusters of countries in such a way as to minimize the distance between the countries point values within each group, while at the same time maximize the distance to the neighbouring groups. According to this classification scheme, again, small European countries, especially Nordic Member States, tend to top the distribution across all dimensions. The Southern European States and many of the new Member States, however, tend to be located at the lower end of the ranking across the indices (Figure 7).

As for the overall labour market performance index, i.e. area index 1, Luxembourg and Sweden turn out to be the best-performing countries of the European Union. At the other end of the spectrum are two countries that have been hit hard by the financial and economic crisis: Greece comes in last of all Member States by a large margin, far behind Spain, which ranks second to last in this index.

Key findings for area index 2, i.e. for the "orientation towards integration" index, show Denmark performing best of all countries. Greece scores worst in this index by a large margin. In the middle, as many as 19 countries have formed a large cluster of countries.

As for the "equity of access and continuity", i.e. area index 3, Sweden is best, assessed on the basis of determinants relating education, exclusion, childcare and health. Denmark ranks second on this measure, followed at a clear distance by two large groups of countries. Worst-performing country on the measure of "equity of access and continuity" according to the current data is Romania, which implies that this year in contrast to last year's results a single country rather than a group of countries forms the bottom of the ranking of European countries in this dimension.

A high degree of stability can be observed as far as the "distribution of earnings" index, i.e. area index 4 is concerned, with Belgium scoring highest again. The lowest-scoring countries have formed a cluster comprising six Member States (Greece, Bulgaria, Estonia, Lithuania, Latvia, Romania), which score last relative to other EU Member States on this dimension.

For the fifth dimension of the Labour Market Monitor model, "distribution by the welfare state", data reveal that the rankings at both ends of the spectrum have remained unchanged: While Denmark tops the table of European countries in terms of social protection and transfer, Latvia, Bulgaria and Romania score worst in this dimension. Between these two ends of the spectrum three groups of approximately the same size have formed.

Index Construction

The individual area indices are not consolidated to one single index, but represent specifically selected labour market aspects of interest. Behind these area scales lie a number of harmonized indicators which are available for all 27 EU countries (with some exceptions). These indicators are supposed to make the chosen labour market aspects comparable across countries.

Each index is hence composed of a number of indicators, which varies according to the area. The first index "Overall Labour Market Performance" for example, comprises seven indicators in all, whereas a sum of 20 indicators is included in the third area index "Equity and Continuity of Access".

Three steps of calculation are necessary before indicators can be aggregated to an index:

1. Indicators can take on different values (such as percent or Euros) and hence have to be normalized. The Min-Max method was chosen for this purpose.
2. Normalised indicators are transformed to range from 1 to 10.
3. Indicators are weighted by the average standard deviation of all 27 EU countries so as to have a more equal impact on the overall area index.

Within each area index countries take on values from 1 to 10, where 1 is the lowest score and 10 the highest.

Essentially it has to be considered that even after a careful selection process of indicators; an index can never fully capture national differences and country-specific circumstances. Therefore results are to be considered as an approximation to labour market related country patterns.

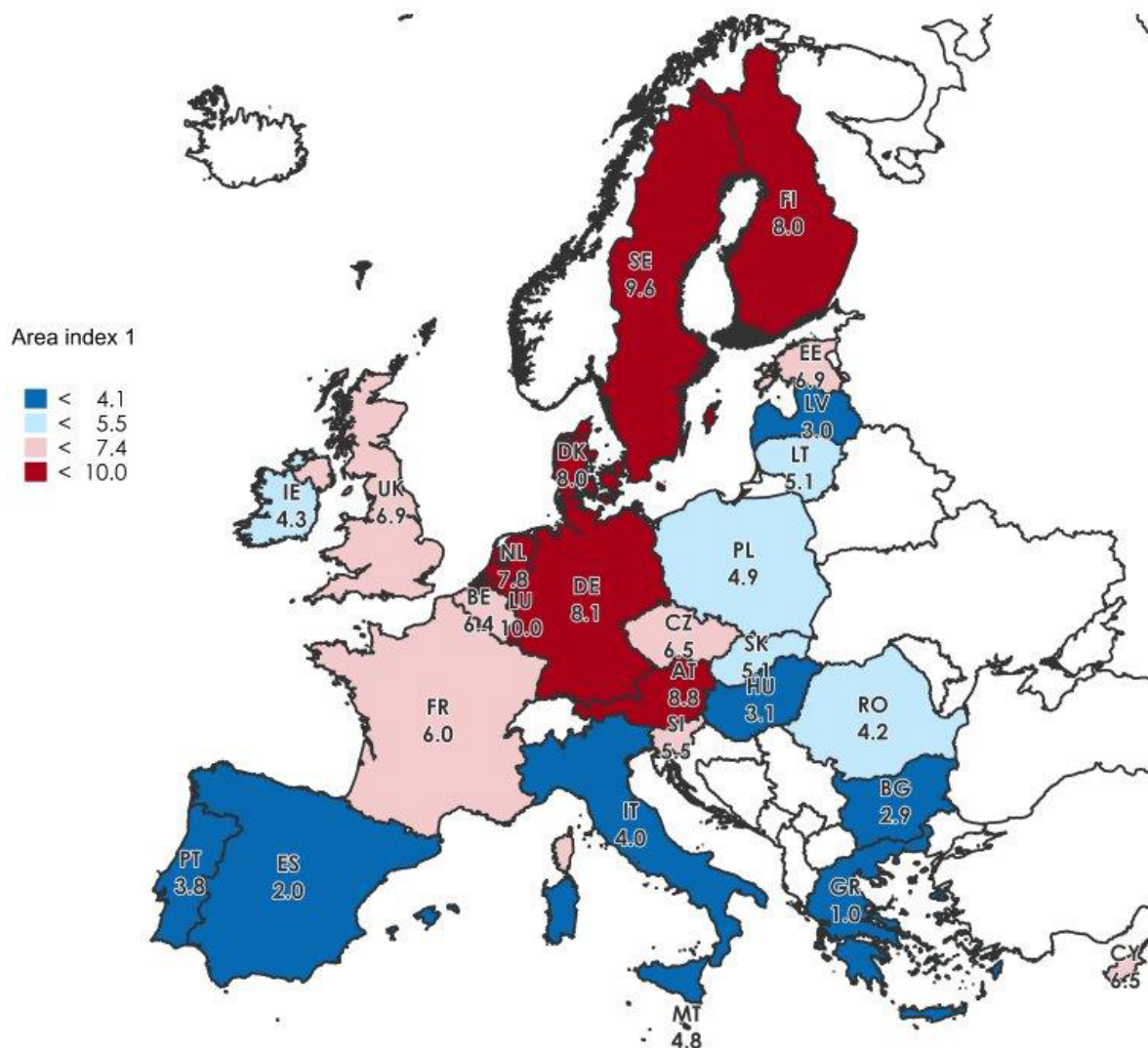
9 Abbreviations EU-27

EU-27: The 27 members of the European Union (since January 1st, 2007):

BE	Belgium
BG	Bulgaria
CZ	Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
IE	Ireland
GR	Greece
ES	Spain
FR	France
IT	Italy
CY	Cyprus
LV	Latvia
LT	Lithuania
LU	Luxembourg
HU	Hungary
MT	Malta
NL	Netherlands
AT	Austria
PL	Poland
PT	Portugal
RO	Romania
SI	Slovenia
SK	Slovakia
FI	Finland
SE	Sweden
UK	United Kingdom

10 Appendix: Figures and Tables

Figure 2: Area index 1 – Overall Labour Market Performance



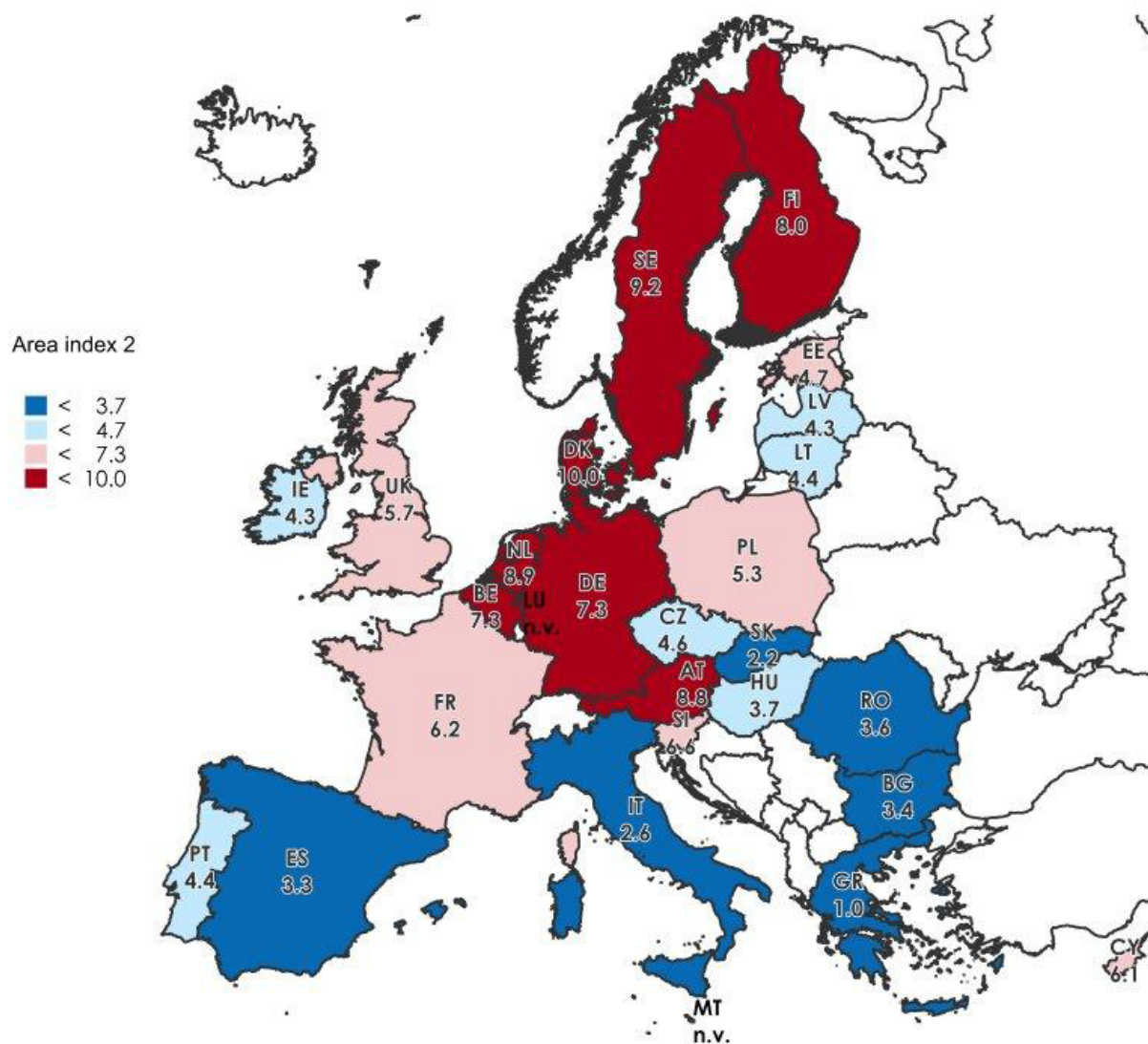
S: Eurostat, WIFO calculations. – Note: The individual values make up the boundary for the next group: 4.1 = 25% percentile, 5.5 = 50% percentile and 7.4 = 75% percentile.

Table 1: Country categorization – Overall Labour Market Performance (Area index 1)

		Country categorization Labour Market Monitor 2012			
		Top	Upper middle	Lower middle	Bottom
Country categorization Labour Market Monitor 2011	Top	LU, SE, AT, DE, DK, NL	CY		
	Upper middle	FI	UK, CZ, BE, FR, SI	PL	
	Lower middle			SK, MT, IE, RO	PT, GR
	Bottom		EE	LT	IT, HU, LV, BG, ES
Country categorization Labour Market Monitor 2012		LU, SE, AT, DE, DK, FI, NL	EE, UK, CZ, CY, BE, FR, SI	SK, LT, PL, MT, IE, RO	IT, PT, HU, LV, BG, ES, GR

S: Eurostat, WIFO calculations. – Country categorization 2011 on the basis of updated values. Countries along the diagonal line shaded in grey have not changed the category. Countries below the diagonal line have moved down the classification and countries above the diagonal line have moved up the classification. Data on country categories of Labour Market Monitor 2012 on the basis of 2011.

Figure 3: Area index 2 – Orientation towards Integration (excl. LU and MT)



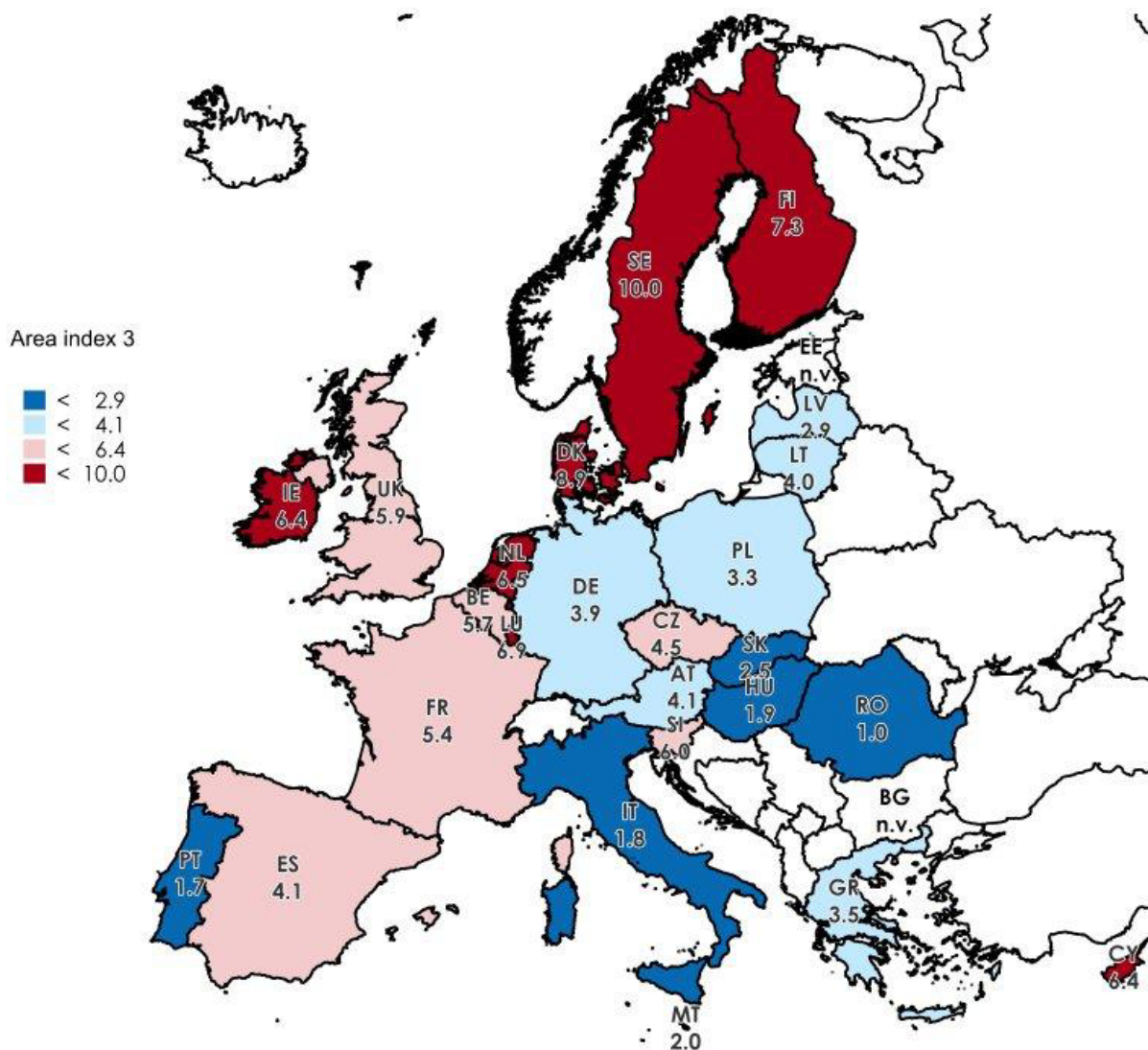
S: Eurostat, WIFO calculations. – Note: The individual values make up the boundary for the next group: 3.7 = 25% percentile, 4.7 = 50% percentile and 7.3 = 75% percentile.

Table 2: Country categorization – Orientation towards Integration (Area index 2)

		Country categorization Labour Market Monitor 2012			
		Top	Upper middle	Lower middle	Bottom
Country categorization Labour Market Monitor 2011	Top	DK, SE, NL, AT, FI, DE, BE			
	Upper middle		SI, FR, CY, UK, PL	IE	
	Lower middle		EE	CZ, PT, LV, LT	BG
	Bottom			HU	RO, ES, IT, SK, GR
Country categorization Labour Market Monitor 2012		DK, SE, NL, AT, FI, BE, DE	SI, FR, CY, UK, PL, EE	CZ, LT, PT, IE, LV, HU	RO, BG, ES, IT, SK, GR

S: Eurostat, WIFO calculations. – Country categorization 2011 on the basis of updated values. Countries along the diagonal line shaded in grey have not changed the category. Countries below the diagonal line have moved down the classification and countries above the diagonal line have moved up the classification. Data on country categories of Labour Market Monitor 2012 on the basis of 2010 and 2011.

Figure 4: Area index 3 – Equity of access and continuity (excl. BG and EE)



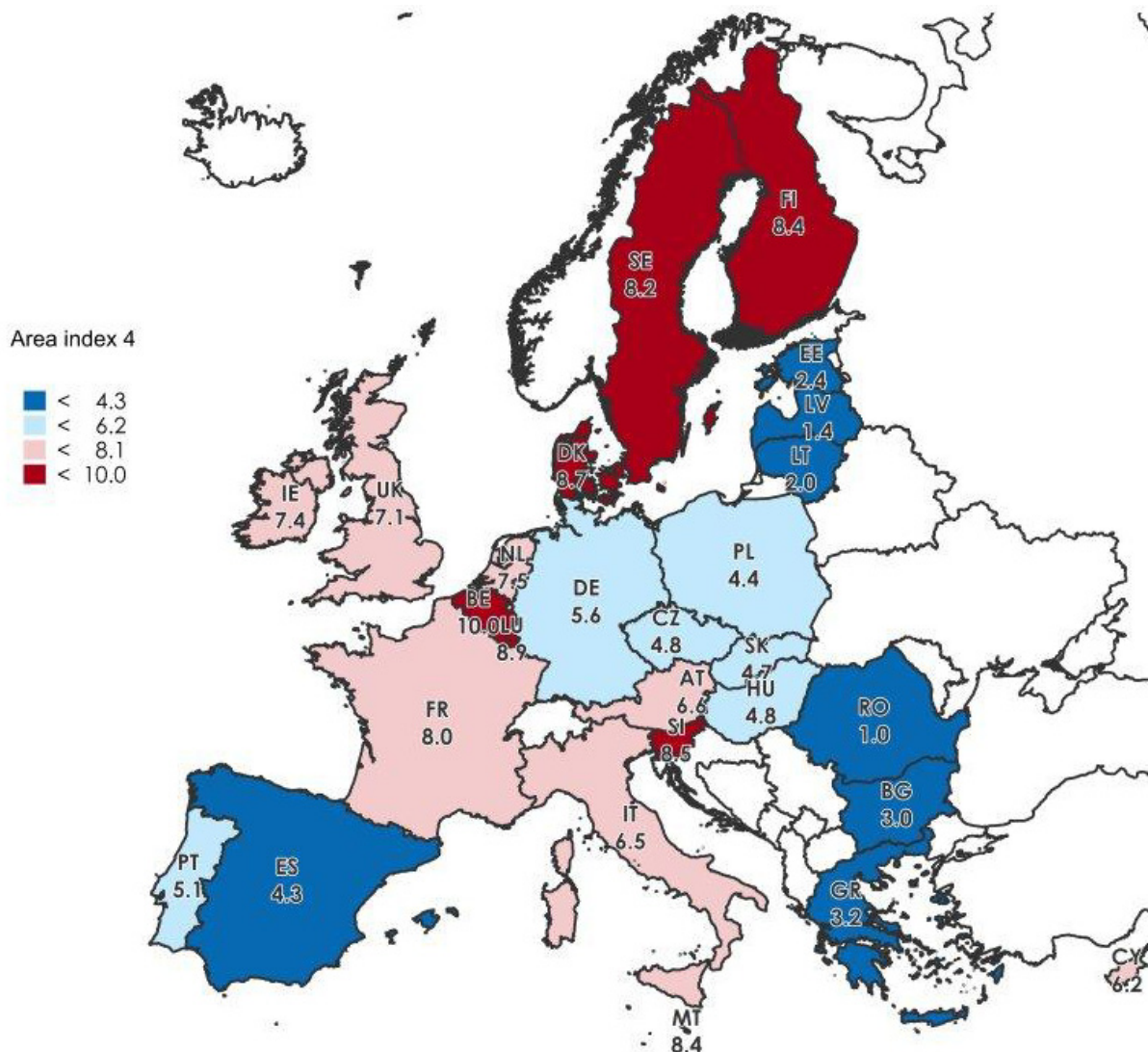
S: Eurostat, WIFO calculations. – Note: The individual values make up the boundary for the next group: 2.9 = 25% percentile, 4.1 = 50% percentile and 6.4 = 75% percentile.

Table 3: Country categorization – Equity of Access and Continuity (Area index 3)

		Country categorization Labour Market Monitor 2012			
		Top	Upper middle	Lower middle	Bottom
Country categorization Labour Market Monitor 2011	Top	SE, DK, FI, LU, NL	SI, UK		
	Upper middle	CY, IE	BE, FR, CZ	AT	
	Lower middle		ES	LT, DE, GR, PL, LV	
	Bottom				SK, MT, HU, IT, PT, RO
Country categorization Labour Market Monitor 2012		SE, DK, FI, LU, NL, IE, CY	SI, UK, BE, FR, CZ, ES	AT, LT, DE, GR, PL, LV	SK, MT, HU, IT, PT, RO

S: Eurostat, WIFO calculations. – Country categorization 2011 on the basis of updated values. Countries along the diagonal line shaded in grey have not changed the category. Countries below the diagonal line have moved down the classification and countries above the diagonal line have moved up the classification. Data on country categories of Labour Market Monitor 2012 on the basis of 2005, 2009, 2010 and 2011.

Figure 5: Area index 4 – Distribution of Earnings



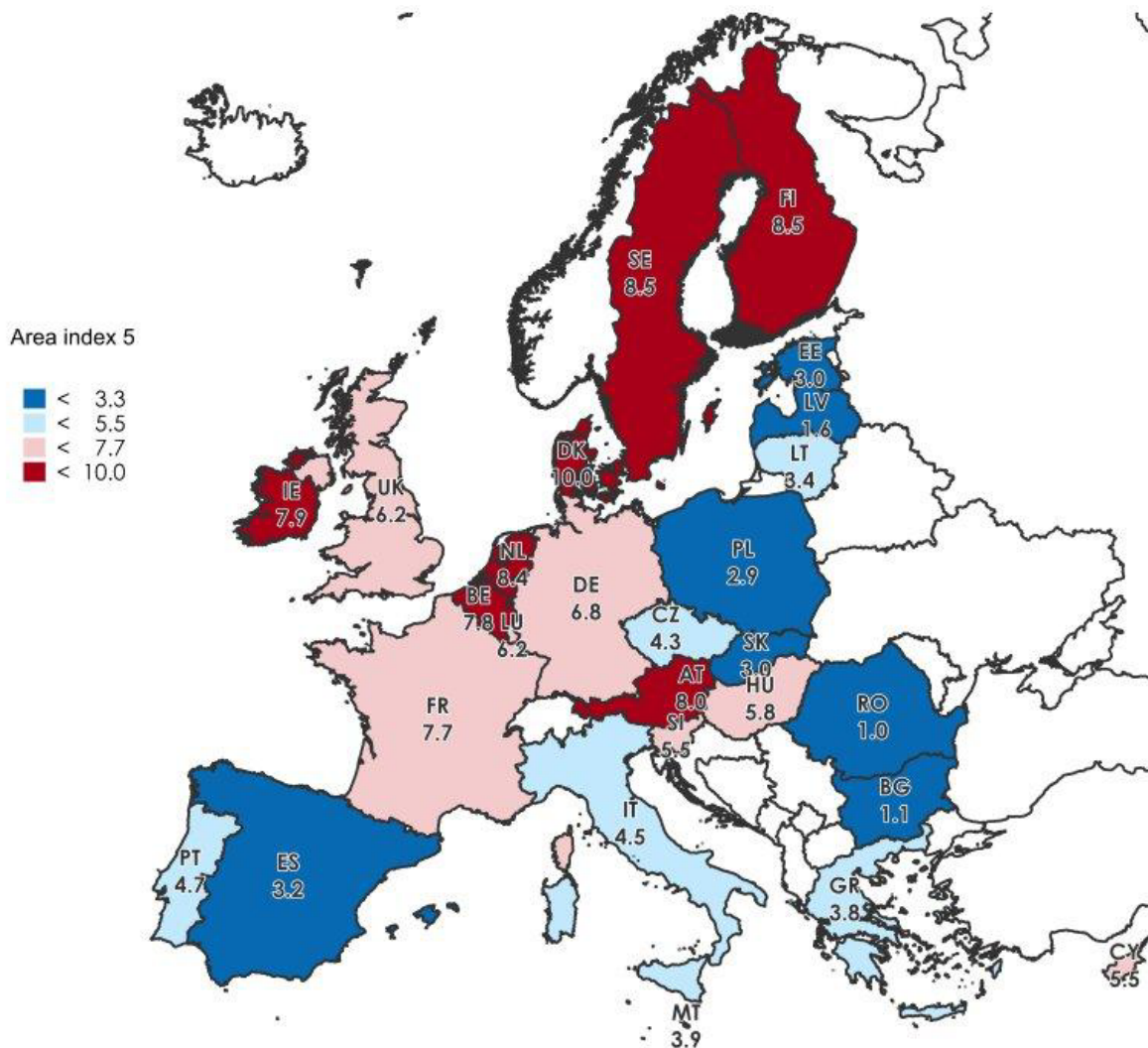
S: Eurostat, WIFO calculations. – Note: The individual values make up the boundary for the next group: 4.3 = 25% percentile, 6.2 = 50% percentile and 8.1 = 75% percentile.

Table 4: Country categorization – Distribution of Earnings (Area index 4)

		Country categorization Labour Market Monitor 2012			
		Top	Upper middle	Lower middle	Bottom
Country categorization Labour Market Monitor 2011	Top	BE, LU, DK, SI, FI, MT	IE		
	Upper middle	SE	FR, NL, UK, AT, IT, CY		
	Lower middle			DE, PT, HU, CZ, SK	ES
	Bottom			PL	GR, BG, EE, LT, LV, RO
Country categorization Labour Market Monitor 2012		BE, LU, DK, SI, FI, MT, SE	FR, NL, IE, UK, AT, IT, CY	DE, PT, HU, CZ, SK, PL	ES, GR, BG, EE, LT, LV, RO

S: Eurostat, WIFO calculations. – Country categorization 2011 on the basis of updated values. Countries along the diagonal line shaded in grey have not changed the category. Countries below the diagonal line have moved down the classification and countries above the diagonal line have moved up the classification. Data on country categories of Labour Market Monitor 2012 on the basis of 2010 and 2011.

Figure 6: Area index 5 – Distribution by the Welfare State



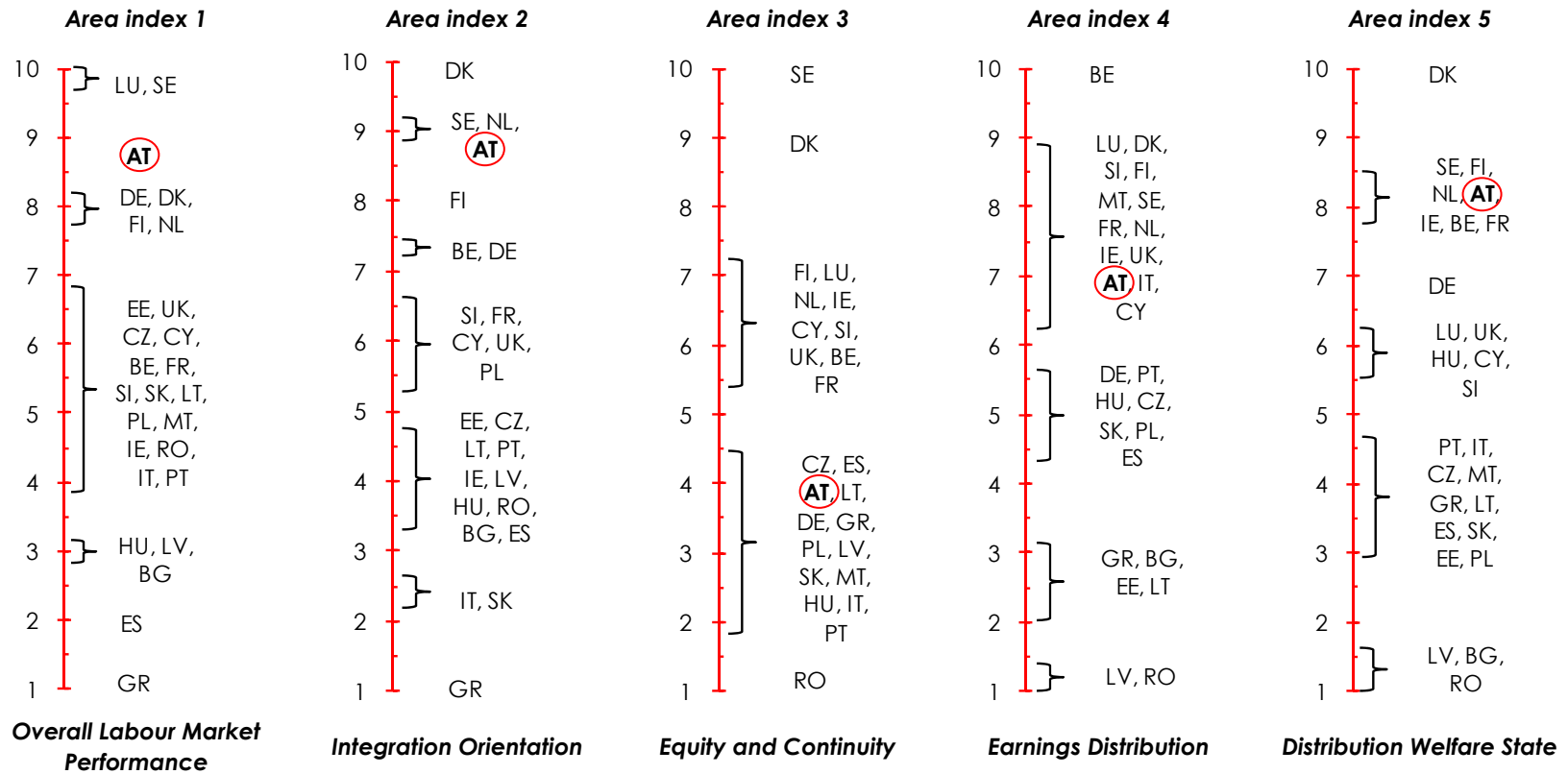
S: Eurostat, WIFO calculations. – Note: The individual values make up the boundary for the next group: 3.3 = 25% percentile, 5.5 = 50% percentile and 7.7 = 75% percentile.

Table 5: Country categorization – Distribution by the Welfare State (Area index 5)

		Country categorization Labour Market Monitor 2012			
		Top	Upper middle	Lower middle	Bottom
Country categorization Labour Market Monitor 2011	Top	DK, SE, FI, NL, AT, BE	FR		
	Upper middle	IE	DE, LU, UK, HU, CY, SI		
	Lower middle			PT, IT, CZ, MT, GR	PL
	Bottom			LT	ES, SK, EE, LV, BG, RO
Country categorization Labour Market Monitor 2012		DK, SE, FI, NL, AT, IE, BE	FR, DE, LU, UK, HU, CY, SI	PT, IT, CZ, MT, GR, LT	ES, SK, EE, PL, LV, BG, RO

S: Eurostat, WIFO calculations. – Country categorization 2011 on the basis of updated values. Countries along the diagonal line shaded in grey have not changed the category. Countries below the diagonal line have moved down the classification and countries above the diagonal line have moved up the classification. Data on country categories of Labour Market Monitor 2012 on the basis of 2009, 2010 and 2011.

Figure 7: Index calculation 2012 – Country groupings by area index with minimum distance of 0.6 points



Note: Numbers on axes denote scores in area indices. For each index, 1 is the minimum and 10 the maximum value. Countries are grouped in terms of their distance to the next cluster. Countries are regarded to be a new group when their distance to the next group is at least 0.6 points, with the distance being computed on the basis of the distribution of scores in the respective areas. Within groups, countries are ranked in descending order of their scores.

S: Eurostat, WIFO calculations.