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## Employment and unemployment in June 2003

- 5,000 fewer employed than a year ago
- Employment rate 70.7 per cent
- Number of unemployed 17,000 higher than the year before
- Rate of unemployment 9.6 per cent, 264,000 unemployed
- 26,000 new vacancies at labour exchange offices

According to the Labour Force Survey of Statistics Finland, the number of employed persons was 5,000 lower than a year earlier. The number of wage-earners engaged in continuous full-time work fell by 45,000. In June, 31,000 more wage-earners than one year ago were in fixed-term employment relationships. During June, 26,000 new vacancies were reported to the labour exchange offices, which is 2,000 more than in June 2002.

In June, the employment rate, that is, the proportion of the employed among persons aged 15 to 64, stood at 70.7 per cent, which is 0.4 percentage points lower than the year before. The employment rate for men fell by 0.8 percentage points to 72.2 per cent. The employment rate for women was unchanged at 69.2 per cent. Adjusted for seasonal variation, the employment rate was 67.3 per cent. Compared to last year's June, employment declined in agriculture and forestry, manufacturing and transport. Jobs increased in trade, financial intermediation, insurance and business and public services. Employment decreased in all provinces except in the Province of Eastern Finland.

### Changes in the labour force 6/2002 – 6/2003, thousand

	June 2003	June 2002	CHANGE, % 6/02 – 6/03
<i>Statistics Finland's Labour Force Survey:</i>			
<b>Employed, total</b>	2 482	2 487	-0.2
- wage-earners	2 188	2 200	-0.6
- self-employed and unpaid family workers	294	288	2.4
<b>Employment rate, %</b>	70.7	71.1	-0.4 <sup>2</sup>
<b>Unemployed<sup>1</sup></b>	264	247	7.0
<b>Labour force, total</b>	2 746	2 735	0.4
<b>Unemployment rate, %</b>	9.6	9.0	0.6 <sup>2</sup>
<b>Economically inactive, total</b>	1 180	1 183	-0.3
- discouraged job seekers	41	39	4.9
- other disguised unemployment	46	73	-36.8
<i>Ministry of Labour's Labour Exchange Statistics:</i>			
<b>Unemployed job seekers</b>	295	297	-0.7
- unemployed over a year	72	78	-7.6
Employed with subsidised measures	37	37	-0.6
In labour market training	23	20	14.3
In trainee and job alternation places	20	14	35.7
<b>New vacancies in labour exchange offices</b>	26	24	9.5

Unrounded figures are used in the CHANGE column

<sup>2</sup> percentage points

<sup>1</sup> Based on the recommendations of the International Labour Organisation (ILO)

According to the Labour Force Survey, there were 264,000 unemployed in June, i.e. 17,000 more than the year before. The rate of unemployment was 9.6 per cent, which is 0.6 percentage points higher than one year previously. Adjusted for seasonal variation, the unemployment rate was 9.3 per cent.

The unemployment rate for men rose by 1.3 percentage points to 10.1 per cent. The unemployment rate for women fell by 0.1 percentage points and was 9.2 per cent. The unemployment rate among young people aged 15 to 24 was 21.6 per cent, while it stood at 22.2 per cent in June 2002. Adjusted for seasonal variation, the unemployment rate for young people was 20.8 per cent. The rate of unemployment was lowest in the Province of Southern Finland, i.e. 7.7 per cent, and highest in the Province of Lapland, at 24.1 per cent. Of all industries, the unemployment rate was highest in construction, 9.1 per cent.

According to the Labour Force Survey, the number of employed persons in the first half of this year, 2,360,000, was the same as in the corresponding period of 2002. The number of unemployed persons was 262,000, which is about 1,000 fewer than in the first half of last year.

At the end of June 2003, there were 295,000 persons registered, in accordance with the Unemployment Security Act and the Labour Exchange Office Regulations, as job seekers at the labour exchange offices. This is about 2,000 fewer than in June 2002. Unemployment declined elsewhere in the country, but rose in the areas of the employment and economic development centres of Uusimaa and Pirkanmaa. The number of those covered by employment policy measures increased by 8,000 from the year before and was 3.0 per cent of the labour force. There were 42,000 unemployed job seekers aged under 25 registered at the labour exchange offices. Their number was 1,000 higher than in last year's June.

### Differences between the Labour Force Survey and the Labour Exchange Statistics

The employment situation is monitored monthly both with the sample-based Labour Force Survey of Statistics Finland and with the register-based Labour Exchange Statistics of the Ministry of Labour. The Labour Exchange Statistics describe the situation on the last weekday of the month. The data for the Labour Force Survey are collected for every week of the month.

The Labour Force Survey follows the recommendations of the International Labour Organisation (ILO) and the practices required by Eurostat, the Statistical Office of the European Communities. According to them, a person is classified as unemployed if he or she is aged 15 or over, does not have a job, has actively sought employment in the past four weeks and would be available for work within two weeks. The Labour Exchange Statistics are based on legislation and administrative regulations.

The Labour Force Survey and the Labour Exchange Statistics apply two basically different statistical criteria to how actively a person seeks work and makes him/herself available on the labour market. Those unemployed persons who have neither contacted a labour exchange office for over four weeks, nor actively sought work in any other way either, are generally classified in the Labour Force Survey as belonging to disguised unemployment. Full-time students can be recorded as unemployed in the Labour Force Survey if they meet the ILO recommendations, whereas in the Labour Exchange Statistics they are not accepted as being unemployed during term time. Due to statistical differences, the number of unemployed job seekers does not agree with the number of unemployed calculated in accordance with the ILO recommendations.

Since the Labour Force Survey is a sample survey, its data allow for random variation. In respect of the unemployment rate, for example, the 95 per cent confidence interval or the margin of error is about  $\pm 0.6$  percentage points. The confidence interval for the number of unemployed is approximately  $\pm 16,000$  persons.

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