

Employment and unemployment in January 2004

- Number of employed persons 28,000 lower than a year ago
- Employment rate 64.9 per cent
- Number of unemployed nearly the same as one year before
- Rate of unemployment 9.5 per cent, 241,000 unemployed
- 30,000 new vacancies at labour exchange offices

According to the Labour Force Survey of Statistics Finland, the number of **employed persons** fell by 28,000 and that of unemployed persons by 2,000 in January compared with one year before. The total number of the **labour force** was 31,000 lower than one year previously. The number of working age population rose by 10,000 during the year. In all, 41,000 more persons than in January 2003 were outside the labour force. Among groups outside the labour force the proportion of women performing domestic work grew by most.

The number of wage earners fell, while that of self-employed rose slightly from the year before. The number of wage earners engaged in continuous full-time work grew by 3,000. The number of fixed-term employment relationships declined by 34,000 from one year ago. Compared with the previous year's January, employment increased in health care, transport and real estate activities. Jobs declined in manufacturing, hotels and restaurants and agriculture. With the exception of Lapland, employment decreased in all provinces.

In January, the **employment rate**, that is, the proportion of the employed among persons aged 15 to 64, stood at 64.9 per cent, which was 0.9 percentage points lower than the year before. The employment rate for women fell by 1.4 percentage points to 64.0 per cent, while that of men went down by 0.2 percentage points to 65.9 per cent. Adjusted for seasonal variation, the employment rate was 67.0 per cent.

Changes in the labour force 1/2003 - 1/2004, thousand

	January 2004	January 2003	CHANGE, % 1/03 - 1/04
<i>Statistics Finland's Labour Force Survey:</i>			
Employed, total	2 281	2 309	-1.2
- wage earners	1 977	2 007	-1.5
- self-employed and unpaid family workers	304	302	0.5
Employment rate, %	64.9	65.8	-0.9 ²
Unemployed¹	241	243	-0.9
Unemployment rate, %	9.5	9.5	0.0 ²
Labour force, total	2 521	2 552	-1.2
Labour force participation rate	64.1	65.1	-1.0 ²
Economically inactive, total	1 410	1 369	3.0
- students	389	376	3.3
- persons performing domestic work	96	77	24.3
Economically inactive persons in disguised unemployment	96	115	-16.8
<i>Ministry of Labour's Labour Exchange Statistics:</i>			
Unemployed job seekers	307	308	-0.1
- unemployed over a year	73	76	-4.1
Employed with subsidised measures	35	35	-1.5
In labour market training	31	31	-1.7
In trainee and job alternation places	19	18	8.5
New vacancies at labour exchange offices	30	33	-9.6

Unrounded figures are used in the CHANGE column

² percentage points

¹ Based on the recommendations of the International Labour Organisation (ILO)

According to the Labour Force Survey, there were 241,000 **unemployed** in January, i.e. 2,000 fewer than one year before. The change is within the margin of error ($\pm 16,000$). The **rate of unemployment** was 9.5 per cent, the same as one year before. Adjusted for seasonal variation, the unemployment rate was 9.0 per cent.

The unemployment rate for men rose by 0.5 percentage points to 10.3 per cent and that for women fell by the same amount to 8.8 per cent. The unemployment rate among young people aged 15 to 24 was 22.8 per cent, whereas in the previous year's January it stood at 20.4 per cent. Adjusted for seasonal variation, the unemployment rate for young people was 22.4 per cent. The rate of unemployment was lowest in the Province of Southern Finland, i.e. 8.0 per cent, and highest in the Province of Eastern Finland, at 14.2 per cent. Of all industries, the unemployment rate was highest in construction, 13.5 per cent.

At the end of January 2004, there were altogether 307,000 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 1,000 less than in January 2003. Compared with the year before, unemployment grew in the areas of five and continued to fall in the areas of ten employment and economic development centres. The number of those covered by employment policy measures grew by 1,000 from the previous year, being 3.4 per cent of the labour force. There were 37,000 unemployed job seekers aged under 25 registered at the labour exchange offices. Their number was the same as in January 2003. During January, 30,000 new vacancies were reported to the labour exchange offices, which is 3,000 fewer than in last year's January.

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. The difference between the January unemployment figures of Statistics Finland and the Ministry of Labour was approximately the same as one year previously.

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 ± 0.6 percentage points. The confidence interval for the number of unemployed is approximately $\pm 16,000$ persons.

Inquiries:

Statistics Finland: Mr Pekka Tossavainen +358 9 1734 3517, Mr Kalle Sinivuori +358 9 1734 3524, Ms Salme Kiiski +358 9 1734 3230, Mr Veli Rajaniemi +358 9 1734 3434;

e-mail tyovoima.tilastokeskus@stat.fi;

Ministry of Labour: Mr Oiva Lönnberg +358 9 1604 8048;

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