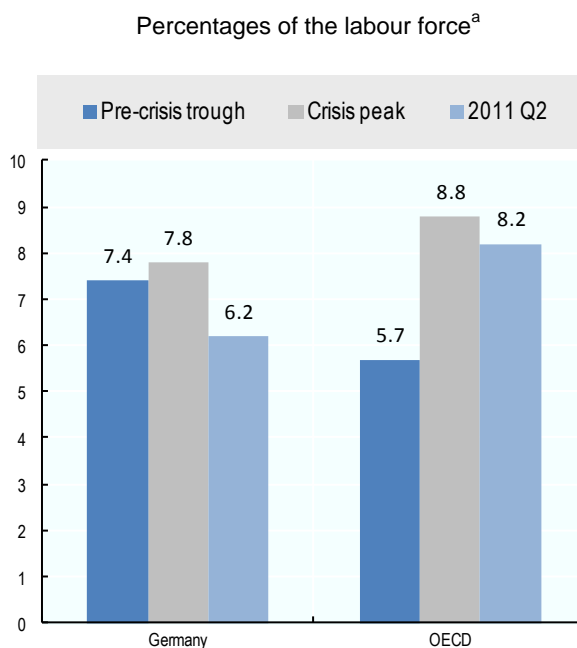




Employment Outlook 2011 – How does Germany compare?

The German labour market held up very well during the 2008-09 recession, but is likely to feel the effects of the recent weakening of growth across the OECD area. The German unemployment rate rose only moderately in the wake of the recent global financial crisis before resuming its downward trend and at 6.2% (ILO definition) is now significantly below its pre-crisis level (see Figure). By contrast, the OECD average unemployment rate increased much more sharply during the recession and it is still well above its level in 2007. The 2011 OECD *Employment Outlook* also shows that long-term unemployment has fallen since 2007 in Germany, even as it surged in a number of OECD countries, including the United States where long jobless spells had previously been rare. Despite the recent resilience of the German labour market, employment growth is likely to be affected by the recent sharp deceleration of GDP growth. The stalling recovery is an even greater concern for countries where unemployment remains very high.

Unemployment rate during the recent downturn, Germany and the OECD average



a. Seasonally-adjusted data. Peaks and troughs are determined using real GDP series in levels.

Source: OECD Main Economic Indicators Database.

German workers are less likely than their OECD counterparts to hold jobs that do not correspond to their qualifications. New analysis in the 2011 *Employment Outlook* shows that about one in four OECD workers are overqualified for their jobs, that is, they possess higher qualifications than those typically required of workers in their occupation. In Germany, only 18% of workers are over-qualified. Over-qualified workers experience a pay penalty relative to equally qualified workers employed in occupations matching their level of formal qualifications, suggesting that their full productive potential may not be realised on their current jobs. German workers are also significantly less likely than workers on average in other OECD countries to report that they have the skills to cope with more demanding duties at work, while being more likely to be in a job that corresponds to their field of study.



OECD Employment Outlook 2011 is available to journalists on the **password-protected** website or on request from the **Media Relations Division**. For further comment on Germany, journalists are invited to contact Mark Keese (tel: +33 1 45 24 87 94 or e-mail: mark.keese@oecd.org) or Paul Swaim (tel: +33 1 45 24 19 77 e-mail: paul.swaim@oecd.org) from the OECD Employment Analysis and Policy Division. For further information: www.oecd.org/els/employment/outlook.