

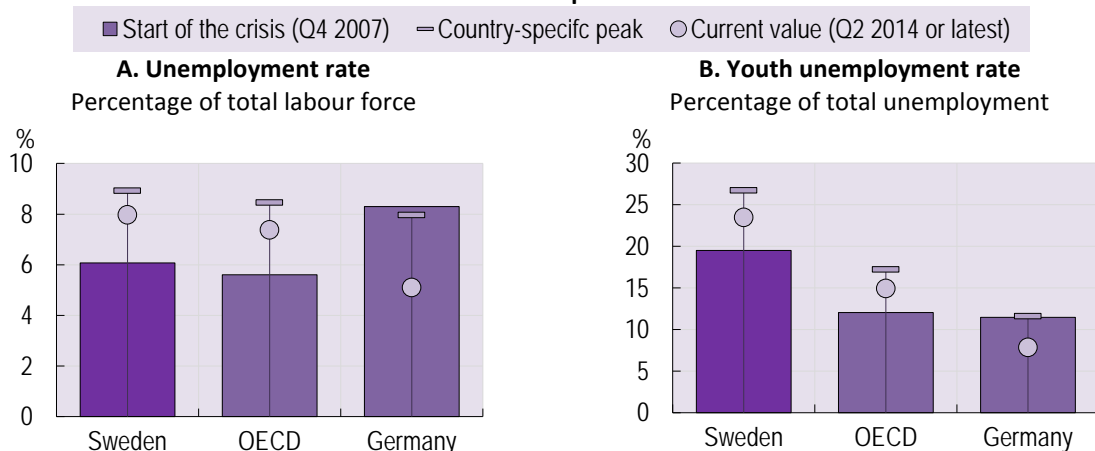
OECD Employment Outlook 2014

The 2014 edition of the OECD Employment Outlook reviews recent labour market trends and short-term prospects in OECD and key emerging economies. It zooms in on how the crisis has affected earnings, provides country comparisons of job quality, examines the causes and consequences of non-regular employment, and estimates the impact of qualifications and skills on labour market outcomes.

For further information: www.oecd.org/employment/outlook

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Labour market developments in Sweden



Source: OECD Short-Term Labour Market Statistics (database), <http://dx.doi.org/10.1787/data-00046-en>.

Sweden's labour market is finally showing signs of recovery...

During the crisis, Sweden's unemployment rate increased by almost 3 percentage points, but part of this increase has now been reabsorbed. By July 2014, unemployment had fallen to 7.7%, well down from a peak of 8.9% in 2010. Further declines are projected by the OECD for the rest of 2014 and in 2015. The employment rate (for the age-group 15-64) has regained its pre-recession level and is the second highest among the OECD countries (74.5% vs 63.6% OECD average in the first quarter of 2014).

Although long-term unemployment has increased since the start of the crisis, it remains low in comparison with other OECD countries: nearly one in five unemployed Swedish have been out of work for over a year, up from less than one in seven in 2007. An effective use of active labour market measures has helped achieving this result.

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...but youth unemployment rates remain high

Despite the recovery in the Swedish economy, youth unemployment remains high. It reached a peak of around 26%, but has only declined to around 23% in comparison to an OECD average of just under 15%.

Moreover the share of youth who are Not in Employment or in Education and Training (the NEET rate) was around 7% in 2013, well below the OECD average (14.3%), but higher than in the pre-crisis period.

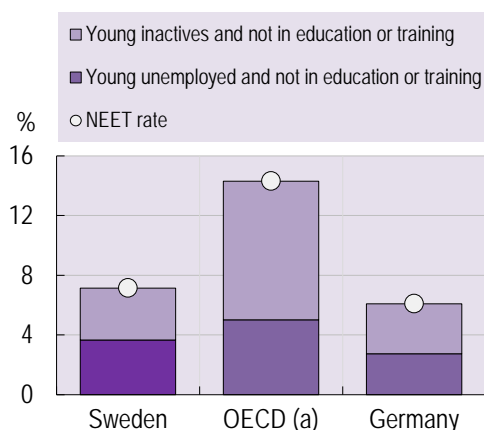
Swedish youth face difficulties in find jobs that match their skills and qualifications

As shown in Chapter 5 of the *OECD Employment Outlook 2014*, skills and education play an important role in determining the labour market outcomes of youth. Even when youth find jobs in Sweden, many of these jobs do not correspond with

their field of study. Improving the match between the skills obtained at school with those required by employers could help ensure a smoother transition from school to work. Work experience while studying can be one way to gain useful skills that employers want, but combining study and work is not very common in Sweden in comparison with other OECD countries.

NEETs rates among youth in Sweden

NEET rate in Q4 2013



a) OECD is the weighted average of 31 countries (excluding Chile, Israel and Korea).

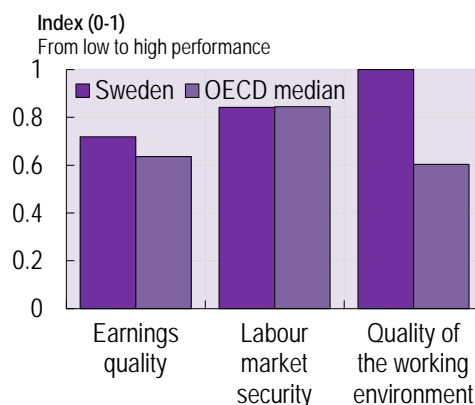
Source: OECD calculations based on quarterly national Labour Force Surveys.

A high share of employees have temporary contracts in Sweden

The Swedish labour market, in line with some other OECD countries, is also characterised by a high level of segmentation, with 16.2% of employees holding a temporary job in 2012. This rises to 56.4% for younger workers (aged 15-24). The share of fixed-term contracts among new hires in Sweden, at close to 75% in 2011-2012, is also very high in comparison with other OECD countries. Chapter 4 of the *OECD Employment Outlook 2014* shows that temporary work is only a stepping-stone to more permanent work for some workers. Of all temporary workers in Sweden in 2008, only 40% were in a permanent full-time job three years later in 2011.

But, overall, job quality is high in Sweden

Job quality in Sweden



Source: *OECD Employment Outlook, 2014*.

The *2014 OECD Employment Outlook* presents a new framework for assessing job quality across OECD countries. This is based on three essential aspects of job quality: earnings quality (average earnings combined with earnings inequality); labour market risk (a composite of the risk of unemployment and unemployment insurance); and the quality of the work environment (a combination of the demands jobs place on workers and the resources at their disposal).

Sweden is ranked as one of the top ten OECD countries in terms of overall job quality. In particular, Sweden ranks first on a summary index of good working conditions, reflecting that a high proportion of Swedish workers, relative to the OECD average, report that they have the resources needed to accomplish their duties (i.e. work autonomy, learning opportunities and good workplace relationships). Earnings quality is also scored relatively high, especially because earnings inequality is very low in Sweden. However, labour market security is ranked as about average, due to the relatively high unemployment risk that Swedish workers face.

OECD Employment Outlook 2014 is available to journalists on the **password-protected** website or on request from the Media Relations Division. For further comment on Sweden, journalists are invited to contact Mark Keese (+33 1 45 24 87 94; mark.keese@oecd.org) or Elena Crivellaro (+33 1 45 24 80 85; elena.crivellaro@oecd.org) from the OECD Employment Analysis and Policy Division.

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