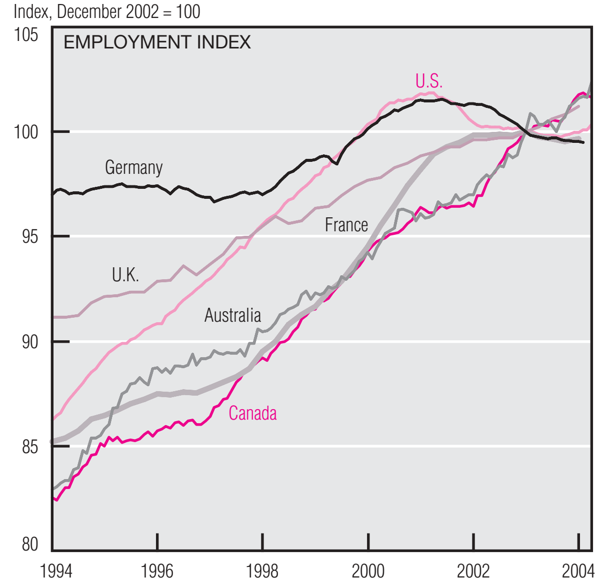
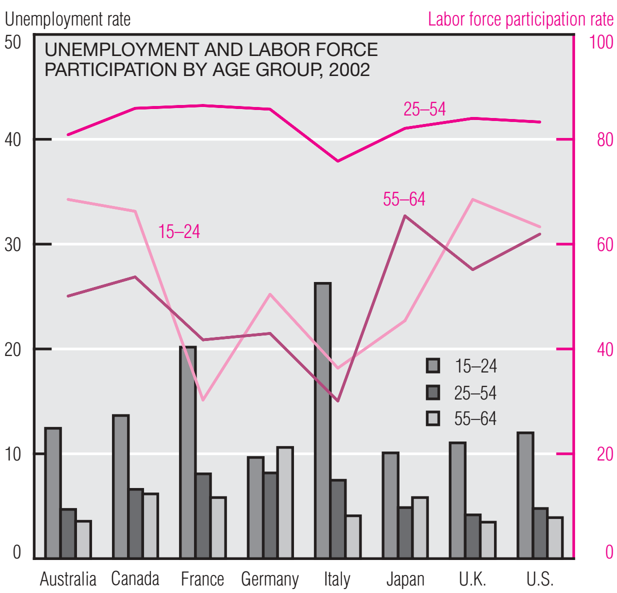
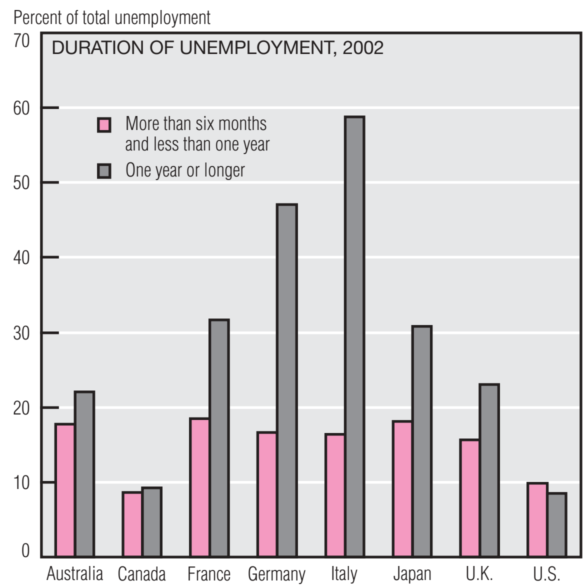
Employment Conditions in the OECD







SOURCES: U.S. Department of Labor, Bureau of Labor Statistics; Australian Bureau of Statistics; Statistics Canada; Deutsche Bundesbank; Eurostat; French National Institute for Statistics and Economic Studies; Japanese Ministry of Public Management, Home Affairs, Post, and Telecommunications; U.K. Office for National Statistics; Organisation for Economic Co-operation and Development, *Labor Force Statistics*; and Bloomberg Financial Information Services.

Unemployment rates fell and employment rose in most nations of the Organisation for Economic Co-operation and Development (OECD) from 1997 to 2001. For countries like Australia and the U.K., the drop in unemployment was spectacular and persistent, thanks to sustained growth and the structural reforms of the 1980s. Then, from 2001 to 2003, unemployment rates steadily rose from 8.0% to 9.1% in the euro zone and from 4.8% to 6.0% in the U.S. In Japan, unemployment trended up from 2.3% in 1993 to more than 5.0% in 2002–03; however, in the second half of 2003, it dropped back from 5.4% to 5.0% as the country's growth gathered momentum.

Differences in unemployment rates among OECD countries are particularly pronounced when they are broken down by age categories. Young people (those aged 15 to 24) have the highest unemployment; in the U.S., for example, the rate is 12%. But this age group fares worst in countries with high overall unemployment: Young people's jobless rates run to 20% in France and 26% in Italy. Moreover, the rate of labor market participation for this age group is low—30% in France and 36% in Italy, compared to 69% in the U.K. and 63% in the U.S.

Long-term unemployment, measured as the share of unemployed people who have been jobless for at least a year, differs dramatically between Europe and North America. In European countries, this proportion is high (32% in France, 47% in Germany, and 59% in Italy); in North America, long-term unemployment shares are relatively low (8.5% in the U.S. and 9% in Canada).