Where is the Best Country in Europe to Get a Job?
Foreword

Europe’s economic footprint is vast. Today’s headlines often focus on China’s changing economy, but the European Union continues to dominate the global marketplace. EU countries account for one-fourth of the world’s economy, outpacing the United States and casting a long shadow over China’s 13 percent share.

European labour markets today are diverse and present myriad challenges — as well as opportunities — for job seekers. On the one hand, countries like Germany, Austria and Switzerland enjoy healthy growth and unemployment back to 2008 pre-crisis levels. By contrast, Greece, Spain and Portugal have continued to struggle with double-digit unemployment and slow economic growth — partly due to inflexible labour market regulations that have proven difficult to reform in recent years.

This report produced in cooperation with Llewellyn Consulting provides an easy-to-read roadmap of the challenges facing European job seekers today. We summarise key trends in EU labour markets, allowing job seekers and employers to draw lessons about which countries today are easier to find a job in, which aren’t, and why.

Our mission at Glassdoor is simple: To help people find a job and a company they love. By summarising key trends in Europe’s labour markets, we hope this report forwards that goal.

Dr. Andrew Chamberlain  
Chief Economist  
Glassdoor

Overview

1 | It is easier to get a job in some European countries than others. The quality of the jobs available differs widely too. Why is this and what are the factors driving these differences?

2 | This study identifies which countries in Europe offer the most and least favourable job prospects and why.

3 | The analysis spans 17 countries, and is based on eight key indicators — the change in the employment rate (employment gap) since the onset of the 2008 global financial crisis; the unemployment rate, including for the young; the degree of temporary employment, including for the young; the level of involuntary part-time work; and the share of, and change in employment by sector. The United States is taken as a benchmark.
Key Findings

- Estonia, Norway, the UK, and Austria offer the best job prospects and compare favourably with the United States — the country often taken as the benchmark for economic dynamism and job opportunities. These countries get a lot of things right, from the quality of the labour force, including education and training, through to the quality of their labour market policies and dynamism of job creation. That said, much depends on overall economic performance, and there can be little doubt that having large oil revenues has proved constructive for Norway.
- France has a markedly-more regulated labour market than the UK and Germany (since the so-called Hartz reforms of 2003), and offers far poorer job prospects. Spain, Greece, and Portugal, with their even-less-dynamic labour markets and combined lacklustre economic performance, have the worst prospects.
- Unemployment is particularly high in Greece and Spain, affecting around 25 percent of the labour force; and lowest in Norway, Switzerland, and Germany (5 percent or less).
- Spain, Greece, Italy, and Portugal have dramatically-high levels of youth unemployment and are by far the worst countries in which to be young and looking for work; Germany, Norway, and Switzerland are the best.
- It is easier to transition from a low-paid job into a high-quality job than to get there directly from unemployment.
- Temporary contracts often mean less-than-ideal working hours, little flexibility, low pay and job security, and affect the young disproportionately. They are most common in Spain, the Netherlands, and Portugal, affecting more than two in ten employed; and least common in Estonia, the UK, and Norway. Germany, Austria, and Switzerland have bounced back strongly from the 2008 crisis, yet temporary employment amongst the young is relatively common.
- Involuntary part-time work has increased across the board since 2008, except in Germany, Belgium, and Sweden. The proportion of those who work part time, but would rather work full time, is highest in Italy, Spain, and Ireland, at around one in ten.
- The service sector’s importance has increased markedly. It employs the most people (accounting for around two thirds or more of total employment) and offers a wide range of jobs.

Figure 1. Job growth and job vacancies heat map, selected countries

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Estonia</th>
<th>Norway</th>
<th>US</th>
<th>UK</th>
<th>Austria</th>
<th>Denmark</th>
<th>Germany</th>
<th>Switzerland</th>
<th>Belgium</th>
<th>Finland</th>
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<th>France</th>
<th>Ireland</th>
<th>Italy</th>
<th>Portugal</th>
<th>Greece</th>
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<td>0.6</td>
<td>0.5</td>
<td>0.7</td>
<td>0.8</td>
<td>0.5</td>
<td>1.0</td>
<td>0.8</td>
<td>0.7</td>
<td>0.5</td>
<td>0.6</td>
<td>0.7</td>
<td>0.1</td>
<td>0.6</td>
<td>0.3</td>
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<td>0.1</td>
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<tr>
<td>Harmonised unemployment rate</td>
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<td>0.9</td>
<td>0.9</td>
<td>0.9</td>
<td>0.9</td>
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<td>0.7</td>
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<td>0.1</td>
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<td>0.8</td>
<td>0.3</td>
<td>0.3</td>
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<td>0.7</td>
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<td>0.3</td>
<td>0.1</td>
<td></td>
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</tbody>
</table>

Notes: Data have been normalised using the min-max method, and are expressed as 0-to-1 scores (best = 1.0; worst = 0.0). For each indicator, the best three scores are coloured dark green. Light green cells = average or above average scores. Pink cells = below average scores. Red = worst three scores. The aggregate score is the (unweighted) average of all the indicators available for each country.
Source: Llewellyn Consulting based on OECD data
Introduction
Factors Influencing Job Growth & Job Vacancies

It is much easier to get a job in some countries than others, and there are also major differences in the quality and the associated rewards of the jobs available. There are many reasons for this variability: but the most powerful are differences in the overall health of an economy from period to period – in particular, how fast it grows, what specific sectors are driving that growth, how long it can be sustained, and the underlying structural characteristics of its labour market – the nature of the overarching institutions, the dominant customs, and particularly the way that it is regulated.

**Economic performance.** The performance of individual European economies has varied greatly since the 2008 financial and economic crisis. Some countries — the UK for example — are now growing strongly, and as a result employment is expanding quite fast. Moreover, provided that the economic recovery endures, this seems likely to continue. In others, however, economic performance has been, and remains, much less satisfactory. Some economies are still below 2008 levels, and employment levels are yet to recover much at all.

**Dynamic job creation processes.** The relationship between employment and economic growth is complex, as the two influences feed off each other. A fast-growing economy will usually create lots of new jobs. At the same time, rapid job growth will itself help an economy to grow, as household incomes are supported and people have greater confidence to go out and spend.¹

**Labour market regulations.** The way in which the labour market is regulated can exert a huge influence. Some regulations, for instance, even if enacted with the most worthy of intentions, can actually undermine job creation. Such interventions — high minimum wages, for example, or guarantees of employment — operate (as often they are intended to do) to the benefit of those who already have a job. However, at least when the economy and overall employment growth are weak, such regulations can hinder those who are seeking to enter employment. And those people are often the young. In Spain, for example, it was for many years particularly expensive to dismiss workers, with the result that employers were highly reluctant to hire — it was seen as too expensive a risk to take in case things did not work out.
Introduction
Factors Influencing Job Growth & Job Vacancies

Job quality. When such regulations are eased, increases in employment can be big, particularly where labour markets are especially inflexible, as indeed Spain found when it eased its super-tight regulations. Seldom, however, do the effects of deregulation all run just one way. While easing employment regulations is generally positive for employment, one less satisfactory outcome is often the emergence of a so-called “dual labour market”: one group of people are employed on a permanent basis and are protected by the residual aspects of the old regulation (the so-called “insiders”); while another group, previously unemployed, now also have jobs, but only on a temporary basis, thereby being less protected (the so-called “outsiders”). Moreover, many of the resulting new jobs tend to be of relatively low quality — not only temporary, but likely also lower paid, with fewer benefits, and part time rather than full time.

In Spain today, as indeed in the Netherlands and Portugal, over 20 percent of employment contracts are temporary in nature. This is high compared with many other countries — in the UK for example it is only 6 percent.

Such outcomes may not be as bad as they sound, however. Not everyone wants a full-time job: some, including importantly those with family responsibilities, prefer the flexibility that part-time employment offers. And not all people seek career progression. That said, involuntary part-time employment (i.e. those who work part-time, but would prefer to work full-time given the choice) is still a major issue in a number of countries.

There is one more thing to be said in favour of low-paid jobs, however. Panel-based studies of OECD labour markets find that it is easier for a person to transition from a low-paid job into a high-quality, well-paid, job than it is to get into a good job directly from unemployment. There are many reasons for this: understandably, employers often prefer people with an employment record; and a worker already in employment is likely to have maintained his or her skills better than someone who has been unemployed for a long period, or who has never had a job at all. A job, even if low paid and temporary, often stands to improve a person’s career prospects.

What matters most is not that some jobs are low paid: but that people do not get stuck in the low paid job, and have the opportunity to progress in their careers. And success in avoiding that undesirable outcome depends on a number of factors, including the overall dynamism of the economy, and the quality of labour market programmes to help the unemployed train for, and find, a better job.
To understand how labour market recoveries compare across Europe, it is instructive to compare current employment rates\textsuperscript{2} with the pre-crisis (2008) rates — the so-called “employment gap”. The most impressive employment rebound has been in Germany; and only in three countries (Germany, Austria and Switzerland) has employment yet risen to above its pre-crisis rate. (Figure 2).

Most of the region’s other economies are yet to regain their pre-crisis employment rates. The gap is largest in Greece, Spain (despite its recent surge in jobs growth), and Ireland, at around 10 percentage points (pp), and is also large in Portugal. In other countries the gap is much smaller: just under 4pp in Finland, and around half of that in the Netherlands and France. In Belgium, the UK, and Estonia employment rates have largely recovered, now being only 1pp below their pre-crisis rates.

Notes: The employment rate is defined as the ratio of those employed to the working age population (15 to 64 year olds). The employed are defined as those aged 15 or over who report that they have been in gainful employment for at least one hour in the previous week, or who had a job during the previous week but were absent.

Source: OECD Employment Outlook 2015
2. Unemployment

In most of the countries where employment is yet to regain its pre-crisis level, the labour force participation rate, i.e. the proportion of those of working age who are employed, or looking for employment (also known as the active population) — has changed little.

This implies that, notwithstanding economic conditions being tough almost everywhere, few people have withdrawn from the labour force (e.g. taken early retirement or given up seeking work), or that the numbers newly entering the labour force have offset those leaving it. In turn this means that falls in employment have translated more or less one-for-one into higher unemployment.

Unemployment is particularly high in Greece and Spain, at an extraordinary 25 percent or more of the labour force, and high also in Portugal, Italy, Ireland, and France, at 10 percent or more. Rates are lowest in the UK and Austria (around 6 percent); and in Germany, Switzerland, and Norway (5 percent or less). (Figure 3).

Figure 3. Harmonised unemployment rate, percent of the labour force, 2014

Unemployment is highest in Greece and Spain and lowest in Norway, Switzerland, and Germany.

Notes: The harmonised unemployment rate is the proportion of the labour force that is of working age and without work, is available for work, and has taken specific steps to find work. This definition has been applied uniformly across countries so as to obtain estimates of unemployment rates that are more internationally comparable than estimates based on national definitions of unemployment. This indicator is seasonally adjusted. The labour force is the total number of unemployed people plus those in civilian employment.

Source: OECD Employment Database
3. Youth Unemployment

Youth unemployment has risen all across Europe and, in a number of countries, it has reached dramatically high levels: it is over 50 percent in Spain and Greece, nearly 43 percent in Italy, 35 percent in Portugal, close to 25 percent in France, Ireland, and Belgium, and over 20 percent in Finland. Such levels are extremely concerning — persistently-high unemployment (i.e. year after year of high unemployment) not only severely compromises career prospects, it can also lead to social and political unrest.

In other countries however, things are not as bad: youth unemployment is lower, and in some countries it is now falling. In the UK, for example, rates of youth unemployment, having peaked at just over 20 percent in 2011-12, are now down to 17 percent, which is close to the pre-crisis rate of 15 percent.

In the Netherlands and Denmark, youth unemployment, although much higher than in 2008, is now around 13 percent. In Austria, Switzerland, and Norway, rates are now only slightly above those of 2008, and in Germany they are now below their pre-crisis level. (Figure 4).

![Figure 4. Youth unemployment rate, percent of youth labour force, 2014](image)

Notes: The youth unemployment rate is the number of 15 to 24 year olds unemployed as a percentage of the youth labour force.

Source: OECD Employment Database

Youth unemployment in some countries is dramatically high. Only in Germany is it now below its pre-crisis level.
4. Temporary Employment

Many of the new jobs on offer come in the form of fixed-term temporary contracts, often with less-than-ideal working hours, little flexibility, and low pay. The people in these jobs tend to be more vulnerable during cost-cutting rounds and economic downturns.

There is considerable variation, particularly in the terms of employment contracts across countries. (Figure 5). Temporary contracts are particularly common in Spain, the Netherlands, and Portugal, affecting more than two in ten of those employed. But perhaps surprisingly the proportion is also relatively high in Sweden, France, and Finland, where it exceeds 15 percent; and in Italy (14 percent); Switzerland and Germany (13 percent).

In other countries, however, the figures are far lower. In Ireland, Austria, Belgium, and Denmark, temporary contracts account for only 9 percent of the total. In Norway the proportion is 8 percent; the UK 6 percent; and Estonia 3 percent. Interestingly, although temporary employment has increased since the crisis in most countries, it has decreased in Spain, Germany, Portugal, Norway, and Switzerland (because many of the jobs that were destroyed during the crisis in these countries were temporary jobs).

Among young workers, the numbers on fixed-term contracts are even higher; particularly in Spain (nearly 70 percent), and Portugal, France, Sweden, Italy, and the Netherlands (around 60 percent). Even in Germany and Switzerland, the proportion is above 50 percent. The UK and Estonia have the lowest proportion, by quite a margin. (Figure 6)

**Figure 5.** Temporary employment, percent of total employees, 2014

**Figure 6.** Temporary employment, percent of total employees, 15-24 y/o, 2014

Notes: Temporary employment refers to fixed-term contracts or contracts with a limited duration. “Total employees” excludes the self-employed.

Source: OECD Employment Database
5. Involuntary Part-Time Work

The proportion of those who work part-time but would rather be working full-time has, with the exception of Germany, Belgium, and Sweden, increased everywhere since 2008. The proportion is highest in Italy, Spain, and Ireland, and lowest in Austria, Switzerland, Belgium, Luxembourg, Norway, and Estonia. (Figure 7).

**Figure 7.** Involuntary part-time workers, percent of total employment, 2014

*Notes: Total employment includes the self-employed. For the UK, the 2008 figure refers to 2007.*

*Source: OECD Employment Database*
6. Employment by Sector

The importance of the service sector has increased markedly since 2008, in all countries, but particularly in Portugal, Spain, Ireland, and Switzerland. Today, in terms of employment, the service sector is by far the most important, accounting for fully 65 percent to 80 percent of total employment.

The range of jobs offered by the services sector is extremely wide — from shop work to education, from transport to healthcare. And the sector’s size is set to continue growing. (Figures 8 and 9).

**Figure 8. Share of employment by sector, 2014**

![Chart showing the share of employment by sector in 2014 for various countries.](chart_url)

Notes: Shares of employment by sector do not add to 100 percent because not all the secondary sector is included. ‘Services’ excludes ‘activities of households as employers; undifferentiated goods- and services-producing activities of households for own use’.

Source: Eurostat

**Figure 9. Change in the share of employment by sector (2014 on 2008) (percentage-points)**

![Chart showing the change in the share of employment by sector from 2008 to 2014 for various countries.](chart_url)

Source: Eurostat

Manufacturing employment, by contrast, which typically accounts for under 20 percent of the total (and for 10 percent or less in the UK, the Netherlands, Greece, and Norway), has fallen across the board, but particularly in Belgium, Finland, Greece, Denmark, and Sweden. Construction typically employs 4 percent to 10 percent of the total; and the primary sector (principally agriculture) typically up to 5 percent-odd, except in Greece, where it is much higher, at 13 percent. The employment share in the primary sector remains little changed; except in Greece and Norway (where it has increased by around 3pp and 1pp, respectively); and Portugal (where it has decreased by around 2pp).
Taking It All Together

On the basis of the wide range of measures considered above, and while recognising that statistics can never tell the whole story, the European countries in which the employment situation is the most favourable are clearly Estonia, Norway, the UK, and Austria. Indeed, overall, the situation in these countries currently compares favourably even with the United States, the country that is often taken as the benchmark for economic dynamism in general and job opportunities in particular.

Spain is at the other end of the spectrum, and is closely followed, perhaps unsurprisingly, by Greece, and then Portugal. As illustrated in Figure 1 on page 3, those economies — and in particular their labour markets — have a long way to go.

Footnotes

1 There are many influences on the dynamism of a country’s job creation processes. Some probably relate to history and culture; others to laws and regulations which govern the functioning of labour markets. Some of these laws and regulations bear upon the functioning of companies — for example, how easy or difficult it is to set up a company, or to conduct business once it has been set up.
2 The proportion of people aged between 15 and 64 who are employed.
3 In all countries except Germany, Austria and Switzerland.
4 Across the countries, activity rates (the proportion of people among the total working-age population who are considered ‘active’) have varied little between 2008 and 2014, i.e. 3 percentage points or less.
5 The proportion of people aged 15 to 24 who are unemployed, but actively looking for work.
6 Two percentage points or less.