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COVER NOTE

From:	The Employment Committee
To:	Permanent Representatives Committee (Part 1)/Council
Subject:	EMCO Annual Employment Performance Report

Delegations will find attached the EMCO Annual Employment Performance Report.

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EMCO Annual Employment Performance Report

Executive Summary

This report presents the main findings from a detailed analysis of the 2022 Employment Performance Monitor (EPM)[1]. The 2022 edition of the EPM as well as this report incorporate for the first time the 2030 EU headline targets on employment and adult learning, proposed by the European Commission in the European Pillar of Social Rights Action Plan, as well as the related national targets set by the Member States.

The EMCO Indicators Group analysed the 2022 EPM results to provide a thematic analysis and a summary of the key employment challenges and good labour market outcomes across the EU. This contributes to the identification of the main EU priorities that are important to monitor in the coming years. The EPM has also allowed for the identification of employment trends emerging from the analysis of recent year-on-year (which covers the period 2020-2021) as well as 3-year evolutions in data.

Labour market recovery in 2021

The impact of the COVID-19 crisis on the labour market has been cushioned by the swift and decisive policy action at Member State and the EU level and the labour market bounced back in 2021. After a decrease of 1 pp in 2020 compared to 2019, the EU employment rate for people aged 20-64 resumed its upward trend and settled above the pre-COVID level in 2021, at 73.1% from 71.7% in 2020. This level (73.1%) represents a 1.4 pp increase compared to 2020 and a 0.4 pp increase compared to 2019.

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[1]   The Employment Committee (EMCO) was mandated to produce an "Employment Performance Monitor", which serves two main objectives: a) Monitoring the progress towards the overall employment rate target and related national targets and b) Identifying at a glance the key employment challenges (KECs) and good labour market outcomes (GLMOs) across the European Union and for each Member State respectively (see Council Doc. 14478/20).

In almost all Member States (26 MS) the employment rate for the 20-64 age group registered an improvement in 2021 compared to 2020 (Figure 1). The highest rises were recorded in Greece (+4.3 pp), Ireland (+2.8 pp), and Poland (+2.7 pp), while the employment rate remained stable in Slovakia and decreased in Latvia (-1.6 pp). Moreover, in 2021, in 16 out of the 27 EU Member States, the employment rate (20-64) reached or exceeded the pre-pandemic level recorded in 2019, while 11 countries recorded a 2021 employment rate lower than in 2019 (Figure 1).

Figure 1: Employment rate changes by MS (in percentage points)
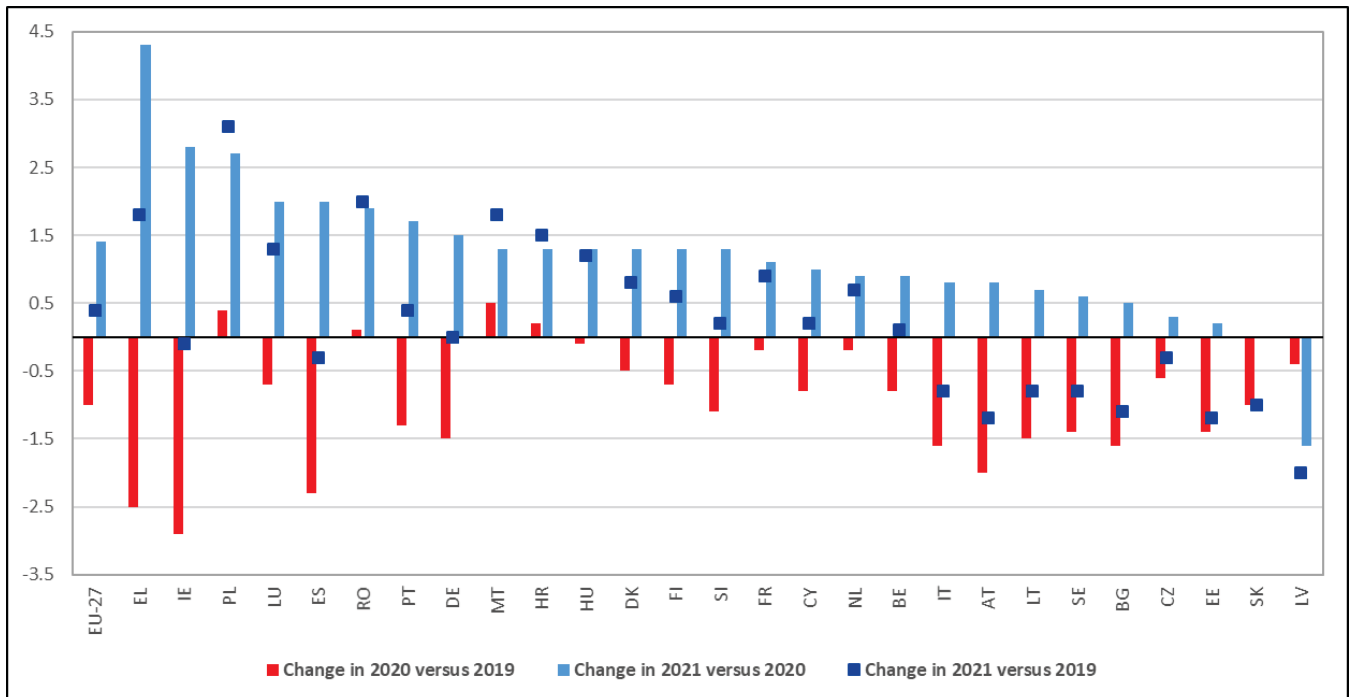
Source: JAF / Eurostat

2020 data for Germany have a break in the time series

The growth in employment rates was very similar across different age groups. The employment rate grew by 1.3 pp for young people aged 15-24 (to 32.7%), by 1.5 pp for people aged 25-54 (to 80.4%), and by 1.3 pp for people aged 55-64 (to 60.5%).

The EU-27 activity rate for the 15-64 age group, which had declined by 0.9 pp in 2020 on a year-on-year basis as a result of the pandemic, showed an increase in 2021 to 73.6% compared to 72.3% in 2020 and 73.2% in 2019 on the back of the recovery of the economy in 2021. This was mainly driven by the labour market participation of women and of the 55-64 age group. Nevertheless, the activity rate of women (aged 15-64) remains almost 10 pp lower than that of men in the same age group (68.5% in 2021 compared to 78.7% for men).

The unemployment rate (for people 15-74 years old) declined by 0.2 pp in the EU in 2021 to 7% (a 0.3 pp drop for men and a 0.2 pp drop for women). It declined in most Member States compared to 2020, most prominently in Greece (-2.9 pp to 14.7%), Luxembourg (-1.5 pp to 5.3%) and Lithuania (-1.4 pp to 7.1%). On the other hand, Belgium, Ireland and Sweden registered a rise in the unemployment rate in 2021 compared to 2020 of 0.5 pp to 6.3%, 0.3 pp to 6.2% and 0.3 pp to 8.8%, respectively.

Concerning young people, the EU unemployment rate for the 15-24 age group declined by 1 pp in 2021 to 16.6%. The 2021 youth unemployment rate decline was more notable in Luxembourg (-6.3 pp, to 16.9%) and Lithuania (-5.3 pp, to 14.3%), while Belgium (+2.3 pp, to 18.2%) and Sweden (+1.2 pp, to 24.7%) recorded the most prominent rises. Despite the 2021 improvement of the labour market situation of young people, their unemployment rate remains above the 2019 level by 1 pp (15-24 age group), ranging from 6.9% in Germany to 35.5% in Greece in 2021. The COVID-19 crisis has impacted young people comparatively more strongly, also because they are overrepresented in temporary employment which has been particularly affected. The EU youth unemployment ratio, which presents the share of unemployed young people among the whole youth population, settled at 6.5% in 2021 from 6.7% in 2020 and 6.2% in 2019. This ratio ranged from 2.2% in Czechia to 13.4% in Sweden.

The rate of people aged 15-29 who are neither in employment nor in education and training (NEET) registered a 0.9 pp decline in 2021 in the EU to 13.1% from 14% in 2020 and 12.9% in 2019. The NEET rate declined particularly in Ireland (-4.3 pp) and Spain (-3.2 pp). The NEET rate (15-29) for men was 11.8% in 2021 (compared to 12.5% a year before), while for women it was 14.5% (compared to 15.5% a year before). The lowest 2021 NEET rate was recorded in the Netherlands (5.5%), while on the other hand the highest was found in Italy (23.1%, that is 4.2 times as high as in the Netherlands), pointing to wide variations across the EU Member States.

The war worsens the outlook, but labour markets are expected to remain resilient

Looking forward, the Commission Summer 2022 (Interim) European Economic Forecast underlines that Russia's war of aggression against Ukraine worsens the outlook. Overall, the EU economy is expected to continue expanding in 2023, but at a slower pace than expected in the Spring 2022 Forecast (which had already revised the previous projections downwards). Real GDP in the EU is expected to grow by 2.7% in 2022 and 1.5% in 2023. Annual average inflation is projected to peak at historical highs in 2022, at 7.6% in the euro area and 8.3% in the EU, before easing in 2023 to 4.0% and 4.6%, respectively. Risks to the forecast for economic activity and inflation are dependent on the evolution of the war and in particular its implications for gas supply to Europe. Concerning labour market developments, the Summer 2022 Economic Forecast highlights that labour markets are expected to remain resilient, but employment growth is set to weaken.

According to the 2022 Spring Economic Forecast[2], employment in the EU is projected to grow by 1.2% this year, though this annual growth rate is driven by the strong momentum in the second half of last year, and by 0.7% in 2023. People fleeing the war in Ukraine to the EU are expected to enter labour markets only gradually, with tangible effects only becoming visible from next year. Despite the economic slowdown, unemployment rates are forecast to decline further, to 6.7% this year and 6.5% in 2023 in the EU from 7% in 2021.

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[2]   The Summer interim Economic Forecast does not contain information about employment/unemployment.

Thematic priorities and trends to watch

In terms of **thematic priorities** for Member States, a reading of the 2022 EPM's Key Employment Challenges (KECs) and Good Labour Market Outcomes (GLMOs) points to the following:

- 21 Member States have KECs relating to **skills and lifelong learning** (principally related to skills mismatches and low participation in lifelong learning) and 13 achieved GLMOs (compared to 22 and 10 respectively in the 2021 edition).

- 21 Member States have KECs on **labour market participation**, and 16 achieved GLMOs (the same numbers as in the 2021 edition). Most of the KECs relate to the participation of older workers and to the youth unemployment and NEET rates.

- 20 Member States face KECs related to **unemployment benefits** and/or **the impact of tax and benefit systems on labour market participation** (e.g. low wage traps, unemployment traps), whilst 12 achieved GLMOs (compared to 21 and 13 respectively in the 2021 edition).

- 19 Member States face KECs related to **education and training systems** (mainly on educational outcomes depending on socio-economic background and low attainment of basic skills), whilst 8 had GLMOs (compared to 19 and 10 respectively in the 2021 edition).

- 14 Member States face KECs in the area of **gender equality** (especially regarding gender employment gaps) and 12 achieved GLMOs (same performance as a year ago).

- 14 Member States face KECs in the area of **work-life balance** (as regards provision and uptake of care facilities and the impact of parenthood on labour market participation) and 8 achieved GLMOs (compared to 11 and 7 in the 2021 edition).

- 13 Member States face KECs in the area of **labour market functioning** (with segmentation still being a concern) and 9 achieved GLMOs (respectively 12 and 5 a year ago)

Finally, the analysis identifies some **trends to watch** (for the period 2020-2021) based on the EPM dashboard methodology[3]:

Positive trends

- An increase in the **employment rate of people aged 20-64** in 21 MS

- An increase in **total employment** in 18 MS

- An increase in participation in **life-long learning** (percentage of adult population aged 25-64 participating in education and training over the past 4 weeks) in 22 MS

Negative trends

- An increase in the **NEET rate for young people aged 15-24** in 11 MS

- An increase in the **at-risk-of-poverty rate of unemployed** in 11 MS

- A deterioration in **inactivity and part-time work due to personal and family responsibilities** in 13 MS

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[3]   The EPM dashboard includes the main indicators under the 10 JAF Policy Areas. The objective of the dashboard is to identify common EU "trends to watch" and "positive recent trends" with the aim of putting a stronger focus on the horizontal aspect of changes across Member States, thus identifying common conjunctural trends in the EU. Given the objective of the dashboard, the focus is on both, year-on-year changes and the changes for the three recent years for each Member State and the EU-27.

1. The 2030 EU headline targets and national targets

On 4 March 2021, the European Commission published its Communication on the European Pillar of Social Rights Action Plan, which outlined concrete actions to further implement the principles of the European Pillar of Social Rights through a joint effort by the Member States and the EU in line with their respective competences. The Action Plan proposed, *inter alia*, three headline targets on employment, adult learning and poverty reduction for the EU to be achieved by the end of 2030:

▪ At least 78% of the population aged 20 to 64 should be in employment[4]

▪ At least 60% of all adults (aged 25-64) should participate in learning activities every year[5]

▪ The number of people at risk of poverty or social exclusion should be reduced by at least 15 million (compared to 2019)[6]

The EU headline targets were welcomed by the EU leaders in the Porto Declaration at the Porto Social Summit of 7-8 May 2021 and by the European Council on 24-25 June 2021. These targets will be an integral part of the monitoring of progress towards the implementation of the principles of the European Pillar of Social Rights, in the context of the policy coordination framework in the European Semester.

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[4] According to the Social Pillar Action Plan, in order to achieve this overall goal, Europe must strive to: at least halve the gender employment gap compared to 2019, increase the provision of formal early childhood education and care (ECEC) and decrease the rate of young people neither in employment, nor in education or training (NEETs) aged 15—29 from 12.6% (2019) to 9%.

[5] The Pillar Action Plan sets complementary goals: at least 80% of those aged 16-74 should have basic digital skills and early school leaving should be further reduced

[6] Out of 15 million people to lift out of poverty or social exclusion, at least 5 million should be children.
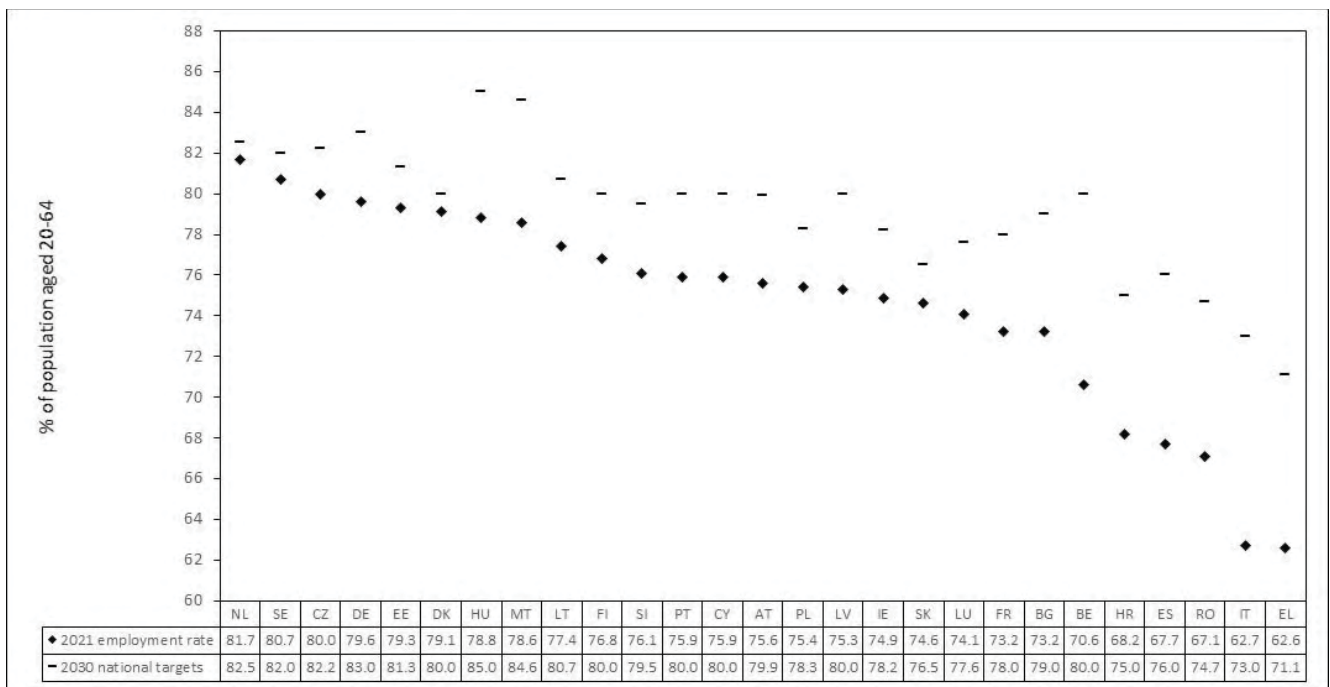

In the Porto Social Commitment of 7 May 2021, the President of the European Parliament, the President of the European Commission, the Prime Minister of Portugal (Presidency of the EU Council), the leaders of EU Social Partners and the Social Platform called on Member States "*to set ambitious national targets which, taking due account of the starting position of each country, constitute an adequate contribution to the achievement of the European targets*". At the June 2021 EPSCO meeting, the Commission invited Ministers to set national targets that would be monitored within the European Semester and offered its availability to support Member States along the process. The Commission in June 2021 suggested possible criteria and simulated values to guide the setting of national targets by the Member States consistent with the EU-level ambition and fostering upward convergence among Member States.

By June 2022, all Member States had identified and submitted national targets to the Commission. These national targets were presented and discussed by the EPSCO Ministers during the June 2022 meeting. The following sections provide a closer look at the national targets on the employment rate and adult participation in learning.

Employment rate target

The national employment targets put forward by Member States rely on the indicator used for the 2030 EU headline target, i.e. the employment rate for the 20-64 age group. They tend to display overall a very good level of ambition, which is reflected in Figure 2 and Table 1 below. Most Member States have set targets at or above the EU headline target of 78% by 2030. Based on the submitted targets, meeting the 2030 EU headline targets on employment is within reach (the weighted average of the national targets amounts to 78.5%). On average Member States with low initial employment rates set more ambitious targets, considering their starting position, which is important to ensure upward convergence over the decade to come.

Figure 2: National employment rate targets set by Member States for 2030 compared to employment rates in 2021

	NL	SE	CZ	DE	EE	DK	HU	MT	LT	FI	SI	PT	CY	AT	PL	LV	IE	SK	LU	FR	BG	BE	HR	ES	RO	IT	EL
2021 employment rate	81.7	80.7	80.0	79.6	79.3	79.1	78.8	78.6	77.4	76.8	76.1	75.9	75.9	75.6	75.4	75.3	74.9	74.6	74.1	73.2	73.2	70.6	68.2	67.7	67.1	62.7	62.6
2030 national targets	82.5	82.0	82.2	83.0	81.3	80.0	85.0	84.6	80.7	80.0	79.5	80.0	80.0	79.9	78.3	80.0	78.2	76.5	77.6	78.0	79.0	80.0	75.0	76.0	74.7	73.0	71.1

Source: EU Labour Force Survey for 2021 employment rate (JAF 2022) and Member States.

The employment rate in 2021 was already higher than the EU headline target of 78% in 8 Member States. While reaching 78% requires an average 4.9 pp increase by 2030, as shown in Table 1, 9 Member States aim to increase their employment rate by more than this amount. With 10.3 pp, Italy aims for the biggest increase, followed by Belgium (9.4 pp) and Greece (8.5 pp).

Table 1: Difference between the employment rate 20-64 in 2021 and the EU average, the headline target and the national target (in pp)

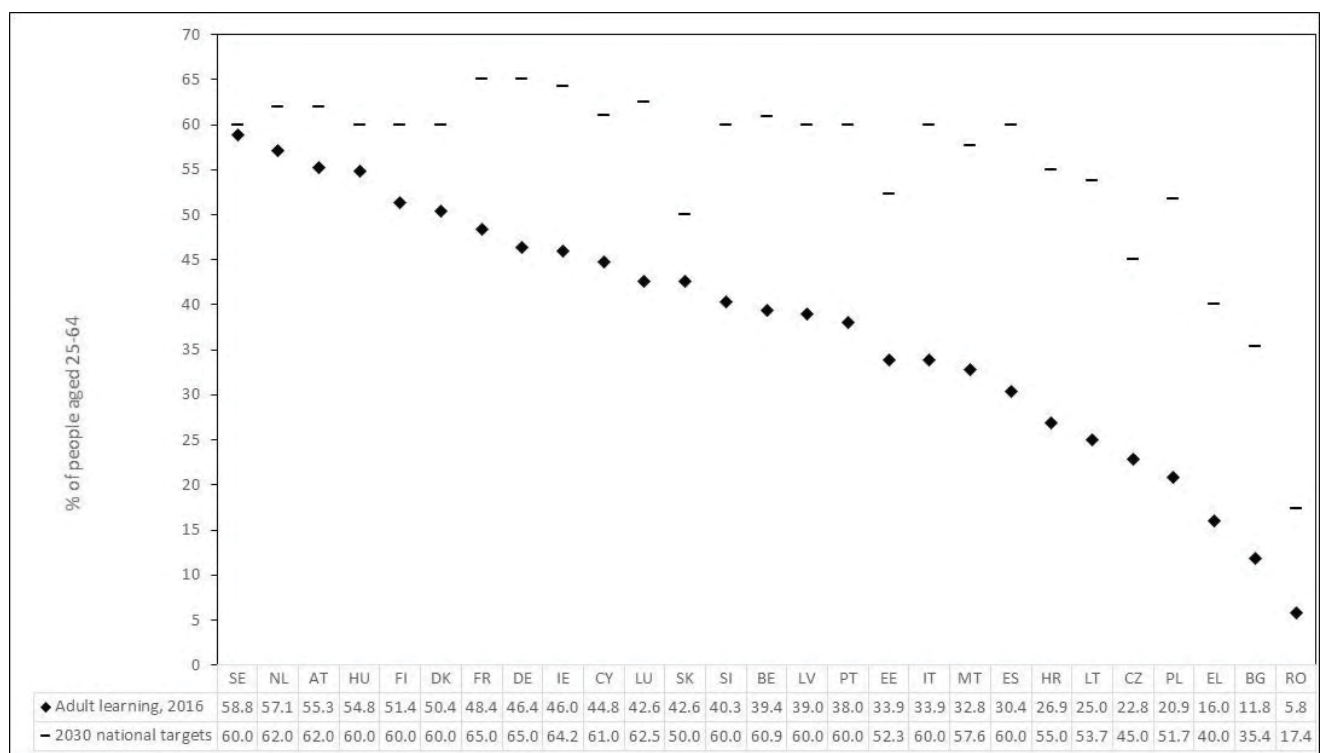| Reference year 2021	Difference to EU average (2021)	Difference to EU target	Difference to national target
EU-27	0.0	-4.9	-4.9
BE	-2.5	-7.4	-9.4
BG	0.1	-4.8	-5.8
CZ	6.9	2.0	-2.2
DK	6.0	1.1	-0.9
DE	6.5	1.6	-3.4
EE	6.2	1.3	-2.0
IE	1.8	-3.1	-3.3
EL	-10.5	-15.4	-8.5
ES	-5.4	-10.3	-8.3
FR	0.1	-4.8	-4.8
HR	-4.9	-9.8	-6.8
IT	-10.4	-15.3	-10.3
CY	2.8	-2.1	-4.1
LV	2.2	-2.7	-4.7
LT	4.3	-0.6	-3.3
LU	1.0	-3.9	-3.5
HU	5.7	0.8	-6.2
MT	5.5	0.6	-6.0
NL	8.6	3.7	-0.8
AT	2.5	-2.4	-4.3
PL	2.3	-2.6	-2.9
PT	2.8	-2.1	-4.1
RO	-6.0	-10.9	-7.6
SL	3.0	-1.9	-3.4
SK	1.5	-3.4	-1.9
FI	3.7	-1.2	-3.2
SE	7.6	2.7	-1.3

Source: EMCO IG

Adult learning target

The national adult learning targets for 2030 put forward by Member States rely on the indicator used for the 2030 EU headline target, i.e. adult participation in learning during the past 12 months for the 25-64 age group.

In addition to national targets for 2030, Figure 3 also shows the latest indicator values for 2016, which are available from a special Adult Education Survey extraction, excluding guided on-the-job training to ensure comparability with the forthcoming EU Labour Force Survey-based indicator. After the transition to the EU Labour Force Survey as a new data source in 2022, new values will be available in 2023.

Most of the Member States show high levels of ambition to increase their participation in adult learning, also reflecting the challenges ensuing from the green and digital transitions. This is notably the case for many countries that start from lower levels, thus importantly supporting upward convergence in the Union. Some Member States have chosen a cautious approach in setting their national targets, i.a. because of the forthcoming change in data source. Aggregating the submitted national targets (using population weights) shows a relatively small shortfall of around 2.4 pps in relation to the EU-level ambition by 2030 (57.6% versus 60%).

Figure 3: National targets in adult participation in education and training over the previous 12 months (25-64, excl. guided-on-the-job training) set by MS for 2030 compared to 2016

	SE	NL	AT	HU	FI	DK	FR	DE	IE	CY	LU	SK	SI	BE	LV	PT	EE	IT	MT	ES	HR	LT	CZ	PL	EL	BG	RO
◆ Adult learning, 2016	58.8	57.1	55.3	54.8	51.4	50.4	48.4	46.4	46.0	44.8	42.6	42.6	40.3	39.4	39.0	38.0	33.9	33.9	32.8	30.4	26.9	25.0	22.8	20.9	16.0	11.8	5.8
– 2030 national targets	60.0	62.0	62.0	60.0	60.0	60.0	65.0	65.0	64.2	61.0	62.5	50.0	60.0	60.9	60.0	60.0	52.3	60.0	57.6	60.0	55.0	53.7	45.0	51.7	40.0	35.4	17.4

Sources: EU Adult Education Survey 2016 (special extraction) and Member States.

On the basis of the available data for 2016, no Member State has already reached the EU headline target, which requires a 22.6 pp increase on average in the EU. 7 Member States aim higher than this increase, with Poland (30.8 pp), Spain (29.6 pp) and Lithuania (28.7 pp) showing the highest expected changes.

Table 2: Difference between the adult participation in learning during the past 12 months (2016) and the EU average (37.4% in 2016), the EU headline target and the national target (in pp)

Reference year 2016	Difference to EU average (2016)	Difference to EU target	Difference to national target
EU-27	0	-22.6	-22.6
BE	2	-20.6	-21.5
BG	-25.6	-48.2	-23.6
CZ	-14.6	-37.2	-22.2
DK	13	-9.6	-9.6
DE	9	-13.6	-18.6
EE	-3.5	-26.1	-18.4
IE	8.6	-14	-18.2
EL	-21.4	-44	-24
ES	-7	-29.6	-29.6
FR	11	-11.6	-16.6
HR	-10.5	-33.1	-28.1
IT	-3.5	-26.1	-26.1
CY	7.4	-15.2	-16.2
LV	1.6	-21	-21
LT	-12.4	-35	-28.7
LU	5.2	-17.4	-19.9
HU	17.4	-5.2	-5.2
MT	-4.6	-27.2	-24.8
NL	19.7	-2.9	-4.9
AT	17.9	-4.7	-6.7
PL	-16.5	-39.1	-30.8
PT	0.6	-22	-22
RO	-31.6	-54.2	-11.6
SI	2.9	-19.7	-19.7
SK	5.2	-17.4	-7.4
FI	14	-8.6	-8.6
SE	21.4	-1.2	-1.2

Source: IG

2.   Overview of Key Employment Challenges and Employment trends in the EU labour market

One of the main objectives of the Employment Performance Monitor is to identify at a glance, across the European Union and for each Member State, the key employment challenges (KECs) and good labour market outcomes (GLMOs), which are derived through the assessment produced by the Joint Assessment Framework (JAF). Tables displaying a summary of key employment challenges and good labour market outcomes across the EU can be found in Part I of the EPM[7], whereas specific key employment challenges and good labour market outcomes for each Member State are presented in Part II[8]. The EPM also includes a dashboard of key employment indicators (EPM dashboard[9]) which can be used to identify "trends to watch" and "positive recent trends" common to a number of Member States in the field of employment.

A summary overview of the findings from both of these sections of the EPM is presented in the sections below with the aim of providing an overall picture of the labour market situation in the EU, covering both structural challenges as well as overall recent trends. It is important to identify and monitor the main EU priorities in the coming years, especially as some outstanding issues could be exacerbated by the Ukraine crisis.

### a.   Overview of key employment challenges and good labour market outcomes

This section provides a summary overview of the KECs and GLMOs across the EU, based on a horizontal reading of the information in the EPM. KECs are defined as major areas of underperformance that can signal structural problems, whereas GLMOs are defined as areas of particularly good labour market performance.

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[7]   Table 1 (Summary overview of the Key Employment Challenges and particularly Good Labour Market Outcomes per Member State and per policy area) and Table 2 (Common Key Employment Challenges– Details)
[8]   Part II: Country Overviews
[9]   The EPM dashboard can be found in Annex B in the EPM

Figure 4: Summary overview of KECs and GLMOs across the EU per JAF Policy Area
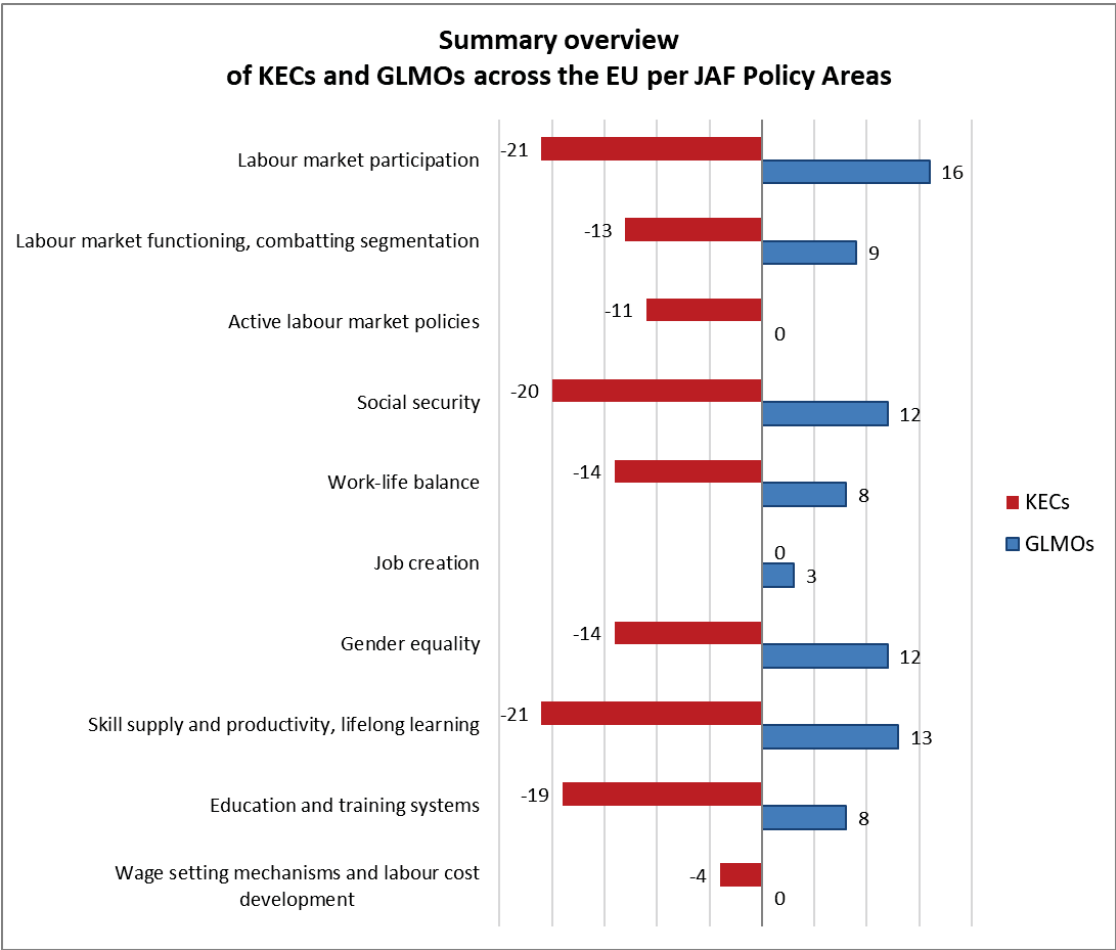
Source: 2022 EPM

Key Employment Challenges

In the EU as a whole, readings of the EPM show that Member States face the following **key employment challenges** under the 10 JAF policy areas (Figure 4):

- Labour market participation (21 MS), which mainly relate to

    - Low and/or decreasing employment rate: overall (4 MS), women (4 MS), older workers (10 MS), low-skilled (8 MS) and non-EU migrants (7 MS)

    - High and/or increasing incidence of youth unemployment and/ or NEETs (9 MS)

    - Low duration of working life (1 MS)

- Labour market functioning, combatting segmentation (13 MS)

    - High/increasing labour market segmentation (8 MS), low transition from temporary to permanent employment (3 MS)

    - High incidence of undeclared work (4 MS)

- Active Labour Market Policies (11 MS), which mainly relate to

    - Low level of ALMP expenditure / Insufficient provision of well targeted tailored measures / Insufficient functioning of public employment services (11 MS)

    - High incidence of long-term unemployment (3 MS)

- Adequate and employment oriented social security systems (20 MS), which mainly relate to

    - Inadequate level and coverage of unemployment benefits / High poverty and/or low wage traps / High levels of at risk-of poverty (12 MS)

    - Disincentives for labour market participation in social security systems / Disability pensions / Unemployment traps (11 MS)

- Work-life balance (14 MS), which mainly relate to

    - Insufficient provision / uptake of high quality, affordable child and/or dependent care facilities (10 MS)

    - High incidence of inactivity and part-time work due to family obligations, high impact of parenthood on employment (6 MS)

- Gender equality (14 MS), which mainly relate to

    - Gender gaps: employment (8 MS), pay (6 MS)

    - Disincentives for second earners (3 MS)

- Skill supply and productivity, lifelong learning (21 MS), which mainly relate to

    - Weaknesses with respect to educational attainment of the (adult) population (8 MS)

    - Low participation in lifelong learning / lack of an integrated lifelong learning strategy (9 MS)

    - Skills mismatches / Insufficient forecasting skills system (11 MS)

    - Low level of digital skills among adults (5 MS)

- Education and training systems (19 MS), which mainly relate to

    - High incidence of early school leaving (3 MS)

    - Low upper secondary education attainment (2 MS)

    - Low tertiary education attainment rate (2 MS)

    - Low attainment of basic skills (4 MS)

    - Educational outcomes depending on socio-economic and migrant background (8 MS)

    - Low attractiveness of the teacher profession (3 MS)

    - Insufficient provision of education and training opportunities to meet labour market needs (3 MS)

- Wage setting mechanisms and labour cost development (4 MS), which relate to

    - Minimum wage setting (1 MS)

    - Collective bargaining (3 MS)

Good labour market Outcomes

At the same time, Member States demonstrated **good labour market outcomes** in the areas of

- Labour market participation (16 MS)

- Labour market functioning, combatting segmentation (9 MS)

- Social security (12 MS)

- Work-life balance (8 MS)

- Job creation (3 MS)

- Gender Equality (12 MS)

- Skill supply and productivity, lifelong learning (13 MS)

- Education and training systems (8 MS)

b.   Review of the employment trends identified in the 2022 EPM dashboard

This section provides an overview of recent developments in the employment situation in the EU, based on the results from the latest edition of the EPM dashboard. This is a tool which uses the main indicators under the 10 JAF Policy Areas to identify common EU employment "trends to watch" and "positive recent trends"[10] and therefore common labour market trends in the EU. The youth NEET rate indicator for the 15-29 age group is included in the 2022 update of the EPM, including in the dashboard, in line with the Social Scoreboard headline indicators and the Reinforced Youth Guarantee.

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[10]   Common trends are identified when around 1/3 of Member States show a notable deterioration/ improvement.

Figure 5: Employment trends to watch and areas of improvement for 2020-2021
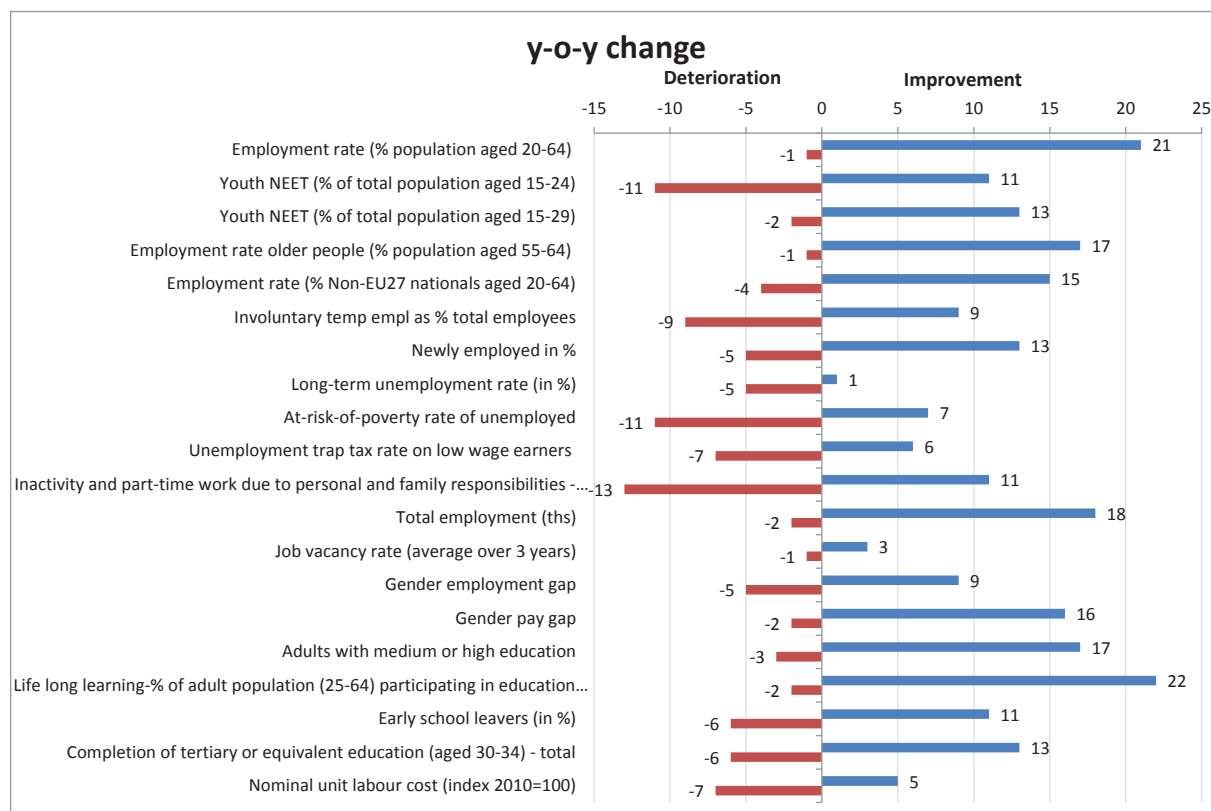
Source: 2022 EPM

In the EU as a whole, **positive developments** can be observed in the following areas for the most recent period 2020-2021 (Figure 5):
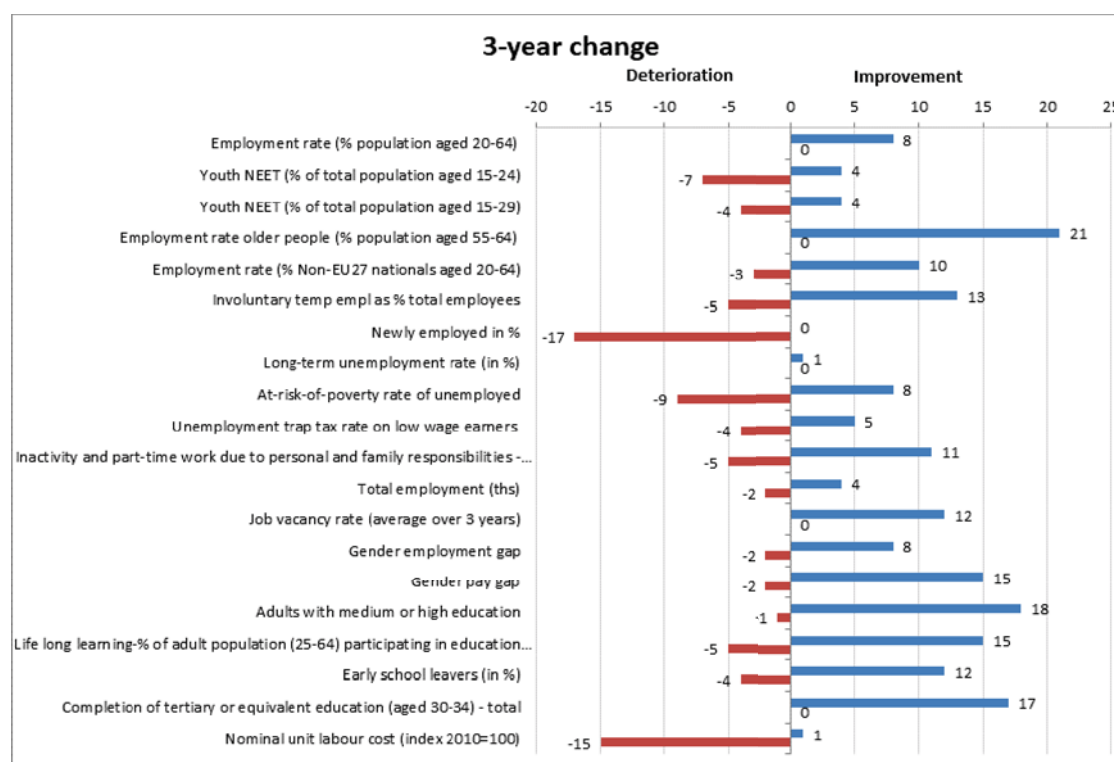
- An increase in **life-long learning** (percentage of adult population aged 25-64 participating in education and training) in 22 MS

- An increase in the **employment rate of people aged 20-64** in 21 MS

- An increase in **total employment** in 18 MS

- An increase in the **employment rate of older people** (aged 55-64) in 17 MS

- An increase of the **share of adults with medium or high education** in 17 MS

- A decrease in the **gender pay gap** in 16 MS

- An increase in the **employment rate of non EU-27 nationals** aged 20-64 in 15 MS

- A decrease in the **NEET rate** (for people aged 15-29), an increase in the **newly employed** and an increase in the **completion rate of tertiary or equivalent** for 13 MS.

- A decrease in **early school leavers**, in the **NEET rate (15-24)** and in **inactivity and part-time work due to personal and family responsibilities** in 11 MS.

In contrast, the following main **negative trends**, or "trends to watch" are identified for the most recent period 2020-2021 **(Figure 5)**:

- A deterioration in **inactivity and part-time work due to personal and family responsibilities** in 13 MS

- An increase in the **at-risk-of-poverty rate of unemployed** in 11 MS

- An increase in the **NEET rate for young people aged 15-24** in 11 MS

Figure 6: Employment trends to watch and areas of improvement for the period 2018-2021

Source: 2022 EPM

Looking at the longer-term developments (over three years), the following main positive developments can be observed:

- An increase in the **employment rate of older workers aged 55-64** (in 21 MS)

- An increase of the share of **adults with medium or high education** (in 18 MS)

- An increase in the **completion of tertiary or equivalent education** (in 17 MS)

- An increase in **life-long learning** (percentage of adult population aged 25-64 participating in education and training) – (in 15 MS)

- A decrease in the **gender pay gap** (in 15 MS)

- A decrease in **early school leavers** (in 12 MS)

In contrast, the areas with the most substantial deterioration compared to 2019 are (Figure 6):

- A deterioration in the **share of the newly employed** (in 17 MS) and

- A deterioration in the **nominal unit labour cost** (in 15 MS)

- An increase in the **at-risk-of-poverty rate of unemployed** (in 9 MS)

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