

Not to be released before 23 November 2004 (8.00 am Finnish time)

2004:256

Employment and unemployment in October 2004

- Number of employed persons 30,000 higher than one year ago
- Employment rate 66.6 per cent
- Number of unemployed 7,000 lower than one year before
- Rate of unemployment 8.0 per cent, 203,000 unemployed
- 22,000 new vacancies at labour exchange offices

According to the Labour Force Survey of Statistics Finland, the number of **employed persons** in October 2004 was 2,349,000, or 30,000 higher than a year earlier. The number of **unemployed persons** fell by 7,000. The change fits within the margin of error. The number of **economically inactive persons** was 14,000 lower than twelve months previously.

There were 49,000 more wage earners than one year earlier. By contrast, the number of self-employed persons fell by 19,000. The number of wage earners engaged in continuous full-time work increased by 26,000 from twelve months back. The number of persons employed part-time went up by 42,000. Compared with October 2003, employment increased in construction, trade, business services and other services. Jobs decreased in agriculture and manufacturing. Employment increased in all other provinces except for Lapland where it remained almost unchanged.

In October, the **employment rate**, that is, the proportion of the employed among persons aged 15 to 64, stood at 66.6 per cent, which was 0.6 percentage points higher than one year before. The employment rate for women rose by 1.2 percentage points to 64.8 per cent and that for men remained unchanged at 64.8 per cent. Adjusted for seasonal variation, the employment rate was 67.4 per cent.

Changes in the labour force 10/2003 - 10/2004, thousand

	October 2004	October 2003	CHANGE, % 10/03 - 10/04
<i>Statistics Finland's Labour Force Survey:</i>			
Employed total	2 349	2 319	1.3
- wage and salary earners	2 049	2 000	2.5
- self-employed and assisting family members	299	318	-6.0
Employment rate, %	66.6	66.0	0.6 ²
Unemployed¹	203	210	-3.2
Unemployment rate, %	8.0	8.3	-0.3 ²
Labour force, total	2 552	2 529	0.9
Labour force participation rate	64.8	64.3	0.5 ²
Economically inactive, total	1 387	1 401	-1.0
- students	380	401	-5.2
- persons performing domestic work	95	89	6.9
Economically inactive persons in disguised unemployment	104	103	1.3
<i>Ministry of Labour's Labour Exchange Statistics:</i>			
Unemployed job seekers	271	275	-1.5
- unemployed over a year	72	70	2.2
Employed with subsidised measures	37	37	-1.6
In labour market training	34	34	1.4
In trainee and job alternation places	23	23	-0.4
New vacancies at labour exchange offices	22	20	10.5

Unrounded figures are used in the CHANGE column

² percentage points

¹ Based on the recommendations of the International Labour Organisation (ILO)

According to the Labour Force Survey, there were 203,000 **unemployed** in October. The **rate of unemployment** was 8.0 per cent, i.e. 0.3 percentage points lower than one year before. Adjusted for seasonal variation, the unemployment rate was 8.7 per cent.

The unemployment rate for men fell by 0.1 percentage point to 7.6 per cent and that for women by 0.5 percentage points to 8.4 per cent. The unemployment rate among young people aged 15 to 24 went down by 1.4 percentage points to 17.8 per cent. Adjusted for seasonal variation, the unemployment rate for young people was 20.9 per cent. The rate of unemployment was lowest in the Province of Southern Finland, i.e. 6.7 per cent, and highest in the Province of Eastern Finland, at 11.3 per cent. Among the industries, unemployment was highest in construction at 8.7 per cent.

According to the Labour Force Survey, the average number of employed persons in the January to October period of 2004 was 2,368,000, which is 5,000 fewer than in the corresponding period of last year. The number of unemployed persons was 234,000, or 6,000 lower than in the January to October period of 2003.

At the end of October 2004, there were altogether 271,000 persons registered, in accordance with the Unemployment Security Act and the Labour Exchange Office Regulations, as job seekers at the **labour exchange offices**. The number of job seekers was 4,000 lower than in October 2003. Unemployment decreased elsewhere in the country but went up in the areas of the Employment and Economic Development Centres of Uusimaa and Satakunta. The number of those covered by employment policy measures was the same as in October 2003, being 3.8 per cent of the labour force. There were 31,000 unemployed job seekers aged under 25 registered at the labour exchange offices. Their number was 2,000 lower than in October 2003. During October, 22,000 new vacancies were reported to the labour exchange offices, which is 2,000 more than in last year's October.

Differences between the Labour Force Survey and the Labour Exchange Statistics

The employment situation is monitored monthly both with the sample-based Labour Force Survey of Statistics Finland and with the register-based Labour Exchange Statistics of the Ministry of Labour. The Labour Exchange Statistics describe the situation on the last weekday of the month. The data for the Labour Force Survey are collected for every week of the month.

The Labour Force Survey follows the recommendations of the International Labour Organisation (ILO) and the practices required by Eurostat, the Statistical Office of the European Communities. According to them, a person is classified as unemployed if he or she is aged 15 or over, does not have a job, has actively sought employment in the past four weeks and would be available for work within two weeks. The Labour Exchange Statistics are based on legislation and administrative regulations.

The Labour Force Survey and the Labour Exchange Statistics apply two basically different statistical criteria to how actively a person seeks work and makes him/herself available on the labour market. Those unemployed persons who have neither contacted a labour exchange office for over four weeks, nor actively sought work in any other way either, are generally classified in the Labour Force Survey as belonging to disguised unemployment. Full-time students can be recorded as unemployed in the Labour Force Survey if they meet the ILO recommendations, whereas in the Labour Exchange Statistics they are not accepted as being unemployed during term time. Due to statistical differences, the number of unemployed job seekers does not agree with the number of unemployed calculated in accordance with the ILO recommendations.

Since the Labour Force Survey is a sample survey, its data allow for random variation. In respect of the unemployment rate, for example, the 95 per cent confidence interval or the margin of error is about ± 0.6 percentage points. The confidence interval for the number of unemployed is approximately $\pm 14,000$ persons.

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