

A visual essay: international labor market comparisons

Marie-Claire Guillard

International comparisons of labor market and competitiveness indicators, as well as Gross Domestic Product (GDP), provide a snapshot in time of the world economy. The first 3 sections of this visual essay include charts covering 12 selected countries in North America, Europe, and Asia, although not all countries appear on all of the charts because of data constraints. Many of the charts include a weighted average for 15 European Union member countries (EU-15). The EU-15 region comprises the European Union member countries before expansion of the EU to 25 countries on May 1, 2004. The EU-15 countries are Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom. Only seven—Germany, the United Kingdom, France, Italy, Spain, Sweden, and Ireland—of the EU-15 countries are charted separately. In the final section of this essay, three charts are presented for five large emerging economies—Brazil, China, India, Indonesia, and the Russian Federation. The United States is included on these charts as a reference point.

Among the developed economies, the United States had the largest labor market with relatively high labor force participation rates and relatively low unemployment rates. U.S. employment growth over the 1994–2004 period was about the same as for the EU-15, but full-time job growth surpassed part-time job growth in the United States, whereas part-time jobs were the major source of job growth in the EU-15. Manufacturing productivity growth for the United States outpaced that of the other Group of 7 (G-7) countries—Canada, France, Germany, Italy, Japan, and the United Kingdom; and U.S. manufacturing hourly compensation costs were well below the average of the EU-15 countries.

The population of the five emerging economies nearly equaled that of the United States and the rest of the world combined. Compared with the five emerging economies, the United States enjoyed a much higher level of per capita GDP. In China, labor force participation rates for both men and women were higher than those for their U.S. counterparts.

The data in the charts are in rank order from highest to lowest, except for unemployment rates, where the order is reversed. Where two or more indicators per country are charted, the first indicator is the one that determines the rank order.

This visual essay is based upon the U.S. Department of Labor's *A Chartbook of International Labor Comparisons:*

The Americas, Asia, and Europe—January 2006, on the Internet at <http://www.dol.gov/asp/media/reports/chartbook/index.htm>. Additional charts and countries and more detailed definitions, sources, and methods regarding the data comparisons may be found in the appendix of the *Chartbook*.

International comparisons are a regular feature of the Foreign Labor Statistics program of the Bureau of Labor Statistics, on the Internet at <http://www.bls.gov/fls>. Most of the charts are based on the BLS series; to increase country and indicator coverage, they are supplemented by data mainly from the Organization for Economic Cooperation and Development, but also from the International Labor Office and the World Bank.

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The following is a list of the charts presented in this visual essay:

Labor market indicators

1. Size of the labor force, 2004
2. Labor force participation rates by sex, 2004
3. Employment as a percent of the working-age population, 2004
4. Average annual growth rates in employment, 1994–2004
5. Average annual growth rates in full- and part-time employment, 1994–2004
6. Unemployment rates, 2004
7. Youth unemployment rates, 2004
8. Persons unemployed 1 year or longer as a percent of total unemployment, 2004

Competitiveness indicators for manufacturing

9. Hourly compensation costs for production workers in manufacturing in U.S. dollars, 2004
10. Average annual growth rates in manufacturing productivity, output, and hours worked, 1994–2004

Gross domestic product (GDP) per capita

11. Gross domestic product per capita, 2004

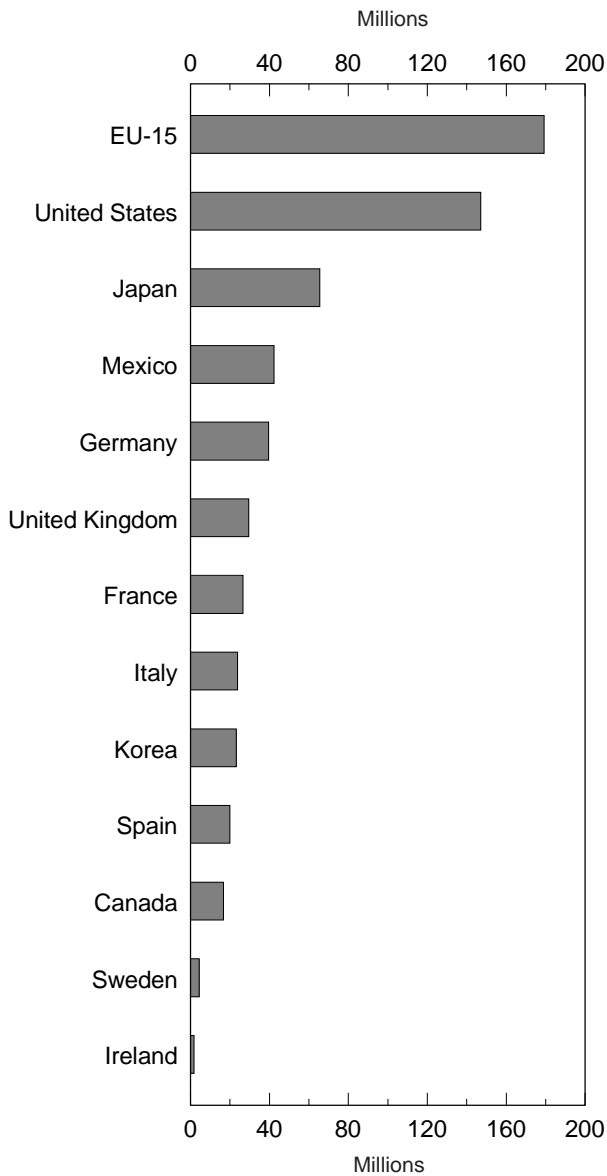
Indicators for large emerging economies and the United States

12. World population distribution by percent, 2004
13. Labor force participation rates by sex, 2003
14. Gross domestic product per capita, 2004

Labor market indicators

1. Size of the labor force, 2004

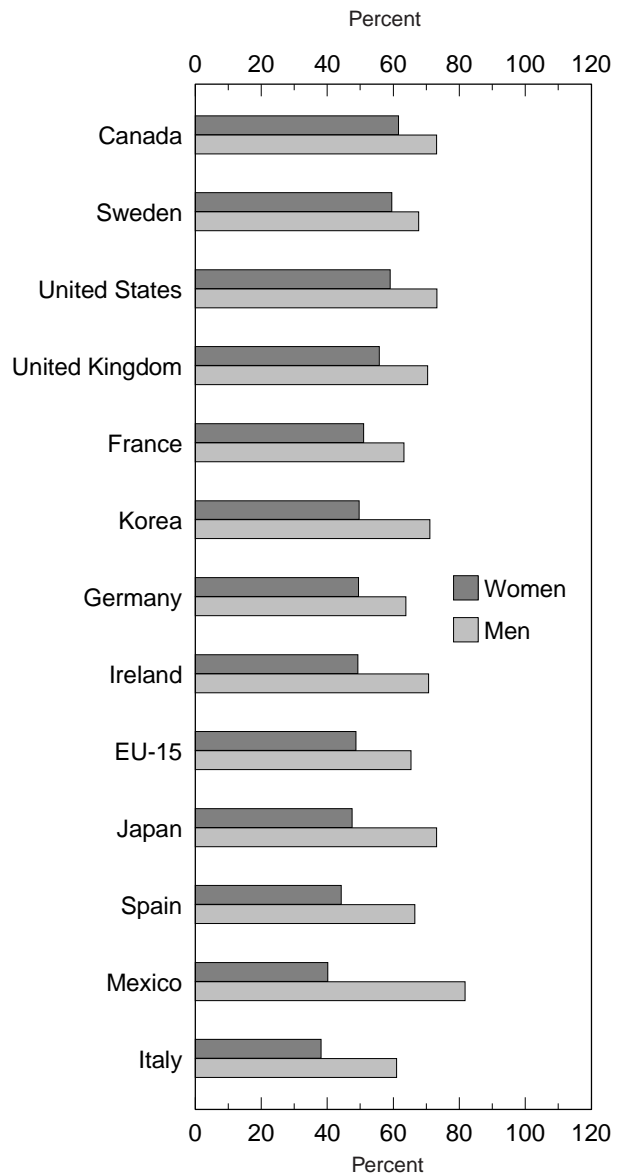
The U.S. labor force was the largest by far among the 12 countries compared. The EU-15 countries combined, however, had a larger labor force than the United States.



SOURCE: Bureau of Labor Statistics and Organization for Economic Cooperation and Development.

2. Labor force participation rates by sex, 2004

- Women’s labor force participation rates varied more across countries than men’s rates. In Canada and Sweden, women participated in the labor force at about the same high rate as U.S. women; Italian and Mexican women had the lowest participation rates.
- Participation rates for men were higher in the non-European countries; the lowest rates were found in Italy, France, and Germany.

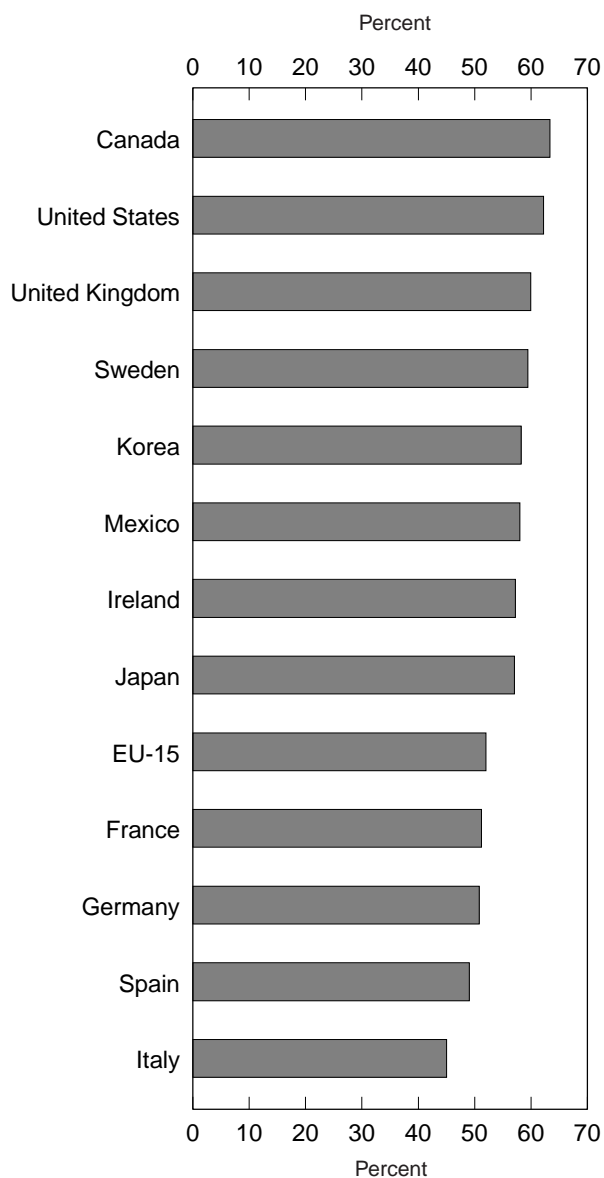


NOTE: Participation rates are for the working-age population (persons ages 15 or 16 and older, depending upon the country).

SOURCE: Bureau of Labor Statistics and Organization for Economic Cooperation and Development.

3. Employment as a percent of the working-age population, 2004

- Canada and the United States had the highest percentages of the working-age population employed.
- In Italy and Spain, less than half of the working-age population was employed.

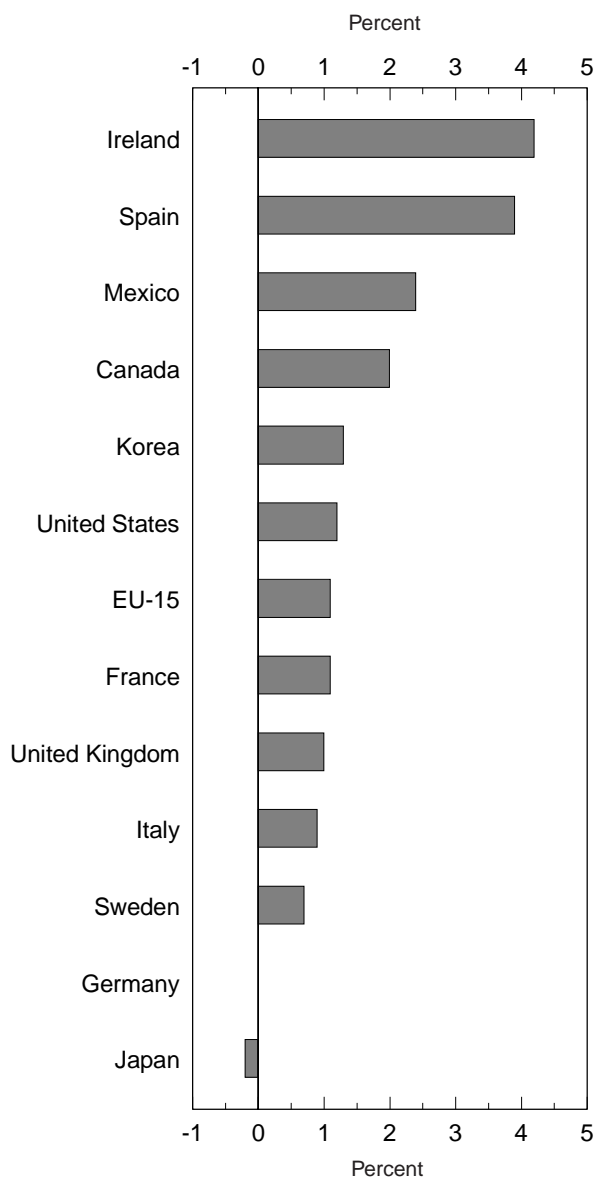


NOTE: The working-age population is defined as persons ages 15 or 16 and older, depending upon the country.

SOURCE: Bureau of Labor Statistics and Organization for Economic Cooperation and Development.

4. Average annual growth rates in employment, 1994–2004

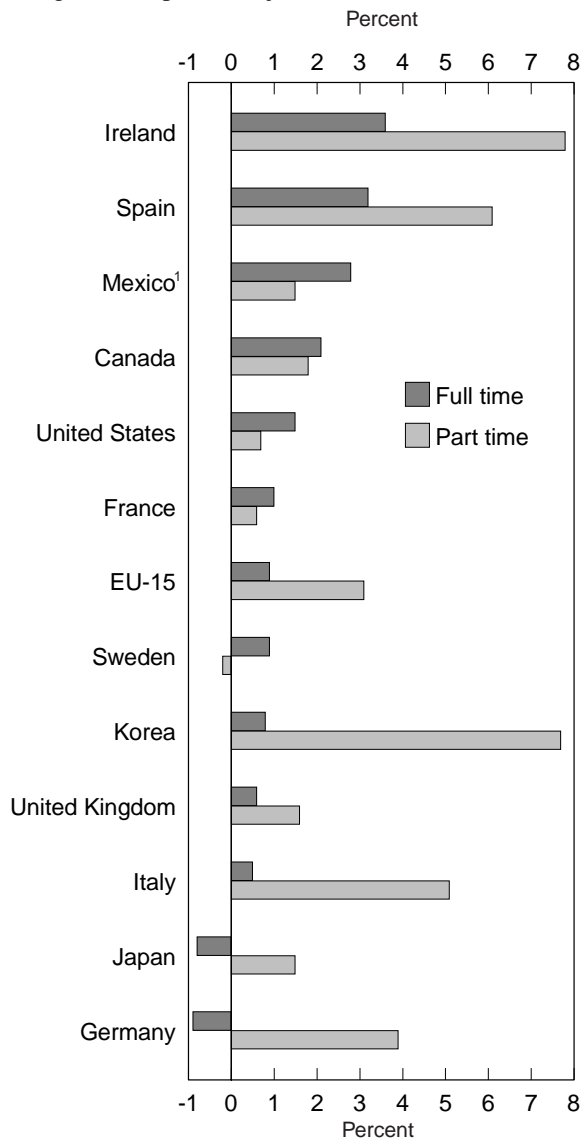
- Ireland and Spain had, by far, the highest growth rates in employment; Germany and Japan had no increase in employment.
- U.S. employment growth was about the same as the average for the EU-15.



SOURCE: Bureau of Labor Statistics and Organization for Economic Cooperation and Development.

5. Average annual growth rates in full- and part-time employment, 1994–2004

- In only five of the countries, including the United States, did full-time job growth surpass part-time job growth. In the majority of countries covered, part-time jobs were the main or sole source of job growth.
- Full-time job growth was strongest in Ireland, followed by Spain and Mexico.
- Ireland, Korea, and Spain had the most rapid growth in part-time jobs.



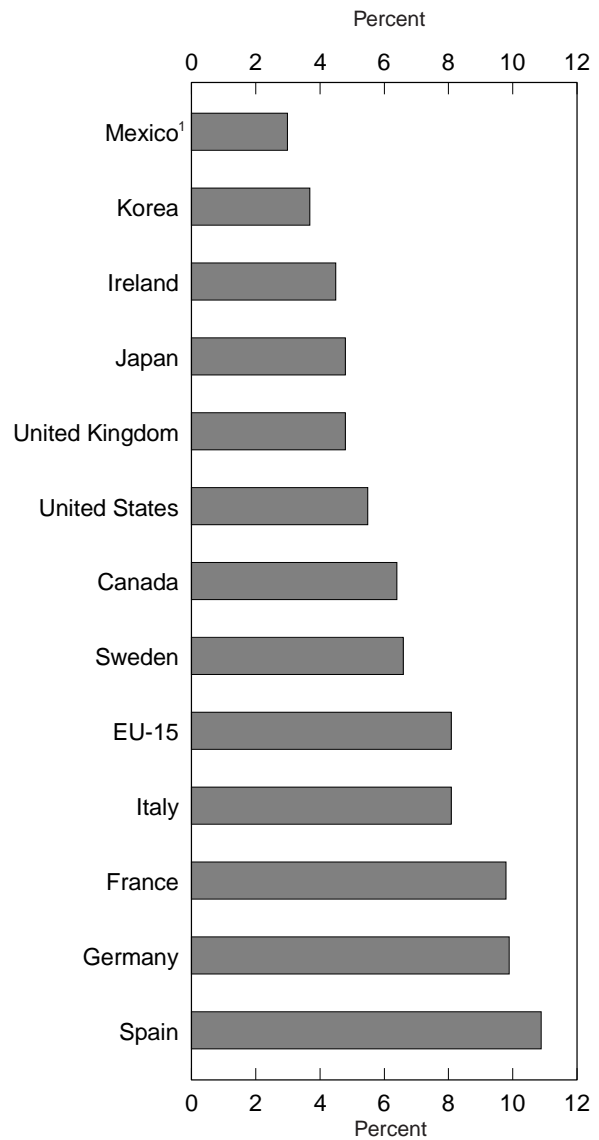
¹ Data for Mexico cover 1995–2004.

NOTE: Full-time employment is defined as persons usually working more than 30 hours per week in their main job. U.S. data refer to employees only. Data for other countries refer to total employment, which includes employees, self-employed persons, and unpaid family workers.

SOURCE: Organization for Economic Cooperation and Development.

6. Unemployment rates, 2004

- Unemployment rates in the European countries were generally higher than in the United States, although Ireland and the United Kingdom were exceptions.
- Mexico and Korea had the lowest rates of unemployment.

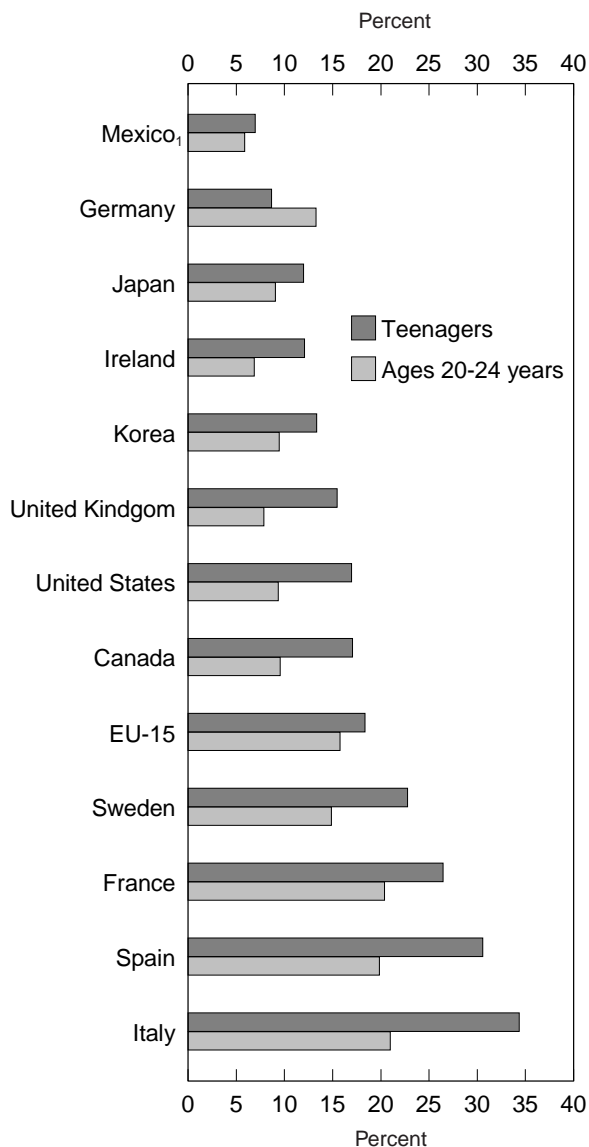


¹ The rate for Mexico is understated in relation to U.S. concepts. See Gary Martin, "Employment and Unemployment in Mexico in the 1990s," *Monthly Labor Review*, November 2000, pp. 3–18.

SOURCE: Bureau of Labor Statistics and Organization for Economic Cooperation and Development.

7. Youth unemployment rates, 2004

- Unemployment rates of teenagers were higher than those of 20- to 24-year-olds in all countries except Germany.
- Italian teenagers had the highest unemployment rate, followed by their counterparts in Spain and France.



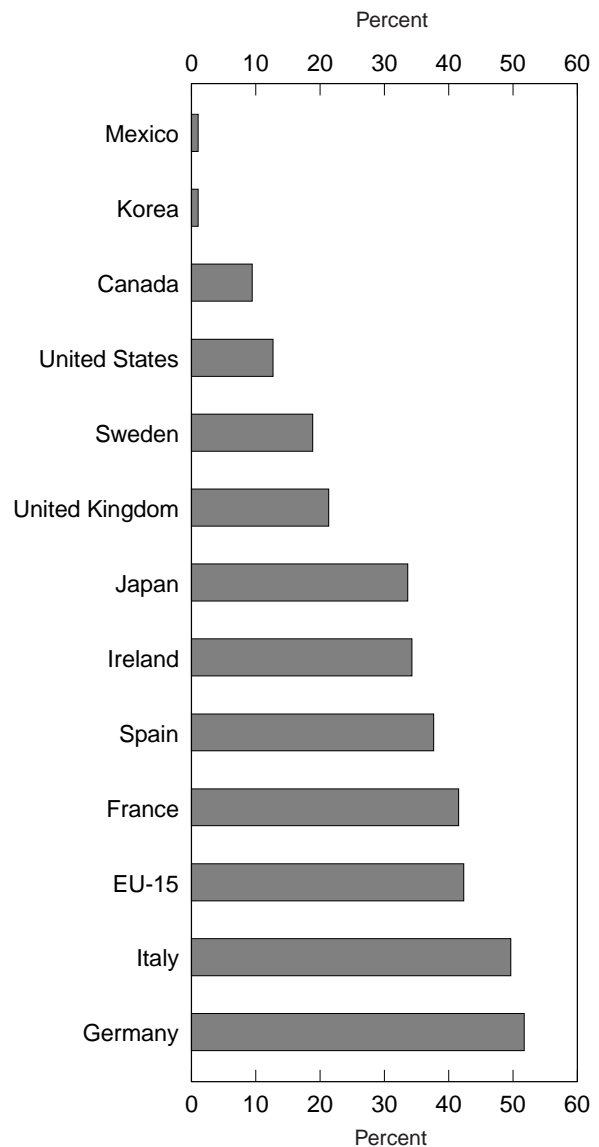
¹ The rates for Mexico are understated in relation to U.S. concepts. See Gary Martin, "Employment and Unemployment in Mexico in the 1990s," *Monthly Labor Review*, November 2000, pp. 3-18.

NOTE: Teenagers are defined as persons under age 20 and older than 14 or 15, depending upon the country.

SOURCE: Bureau of Labor Statistics and Organization for Economic Cooperation and Development.

8. Persons unemployed 1 year or longer as a percent of total unemployment, 2004

- Long-duration unemployment was least prevalent in Mexico and Korea.
- About half of the unemployed in Germany and Italy were without work for at least 1 year. More than 40 percent of unemployed persons in the EU-15 were unemployed for a year or more.

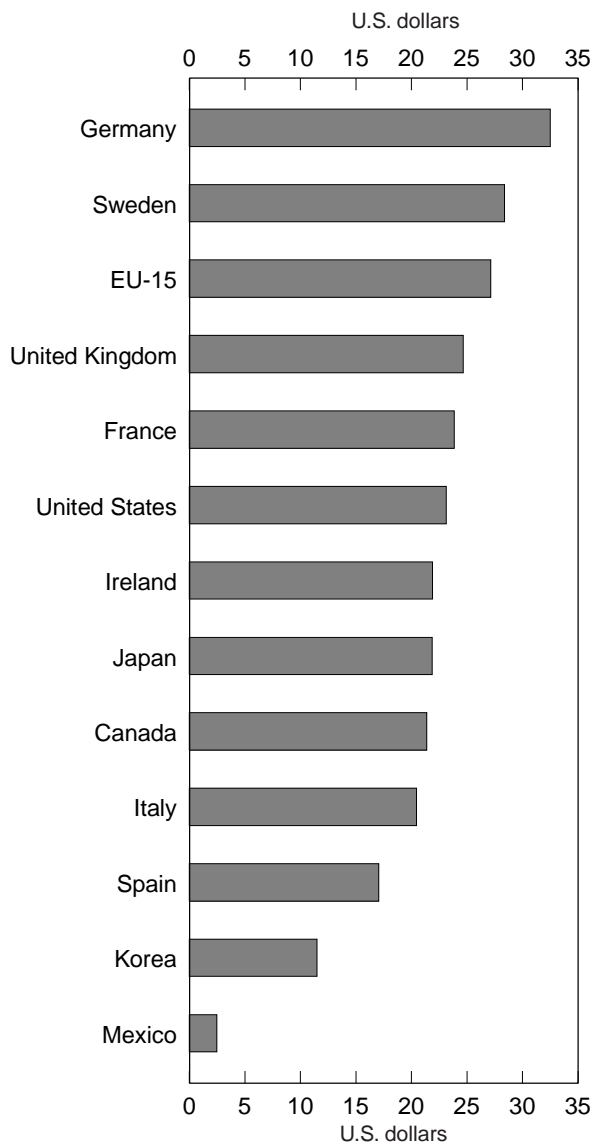


SOURCE: Organization for Economic Cooperation and Development.

Competitiveness indicators for manufacturing

9. Hourly compensation costs for production workers in manufacturing in U.S. dollars, 2004

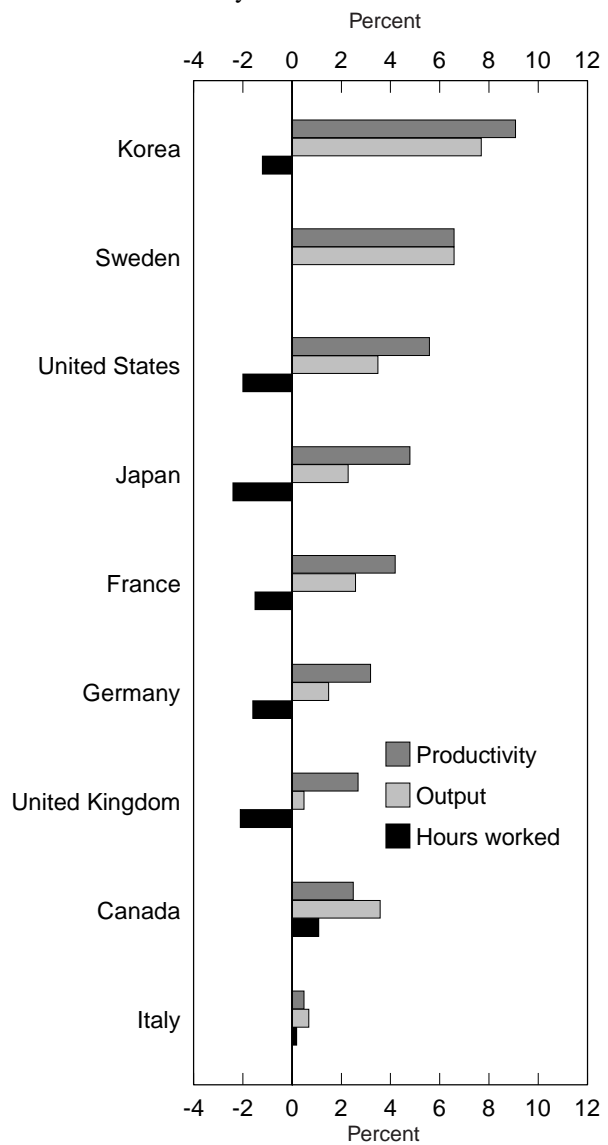
- Four countries, all of which are in Europe, had higher hourly compensation costs than the United States.
- Hourly compensation costs were significantly lower in Mexico and Korea.



NOTE: Hourly compensation costs in U.S. dollars provide comparative measures of employer labor costs; they do not provide comparisons of the purchasing power of worker incomes.
SOURCE: Bureau of Labor Statistics.

10. Average annual growth rates in manufacturing productivity, output, and hours worked, 1994–2004

- Korea, Sweden, and the United States had the largest gains in manufacturing labor productivity; the lowest gains were in Canada and Italy.
- Korea and Sweden had the greatest output increases; the lowest were in the United Kingdom and Italy.
- The United States showed the third largest decline in hours worked; hours worked increased only in Canada and Italy.

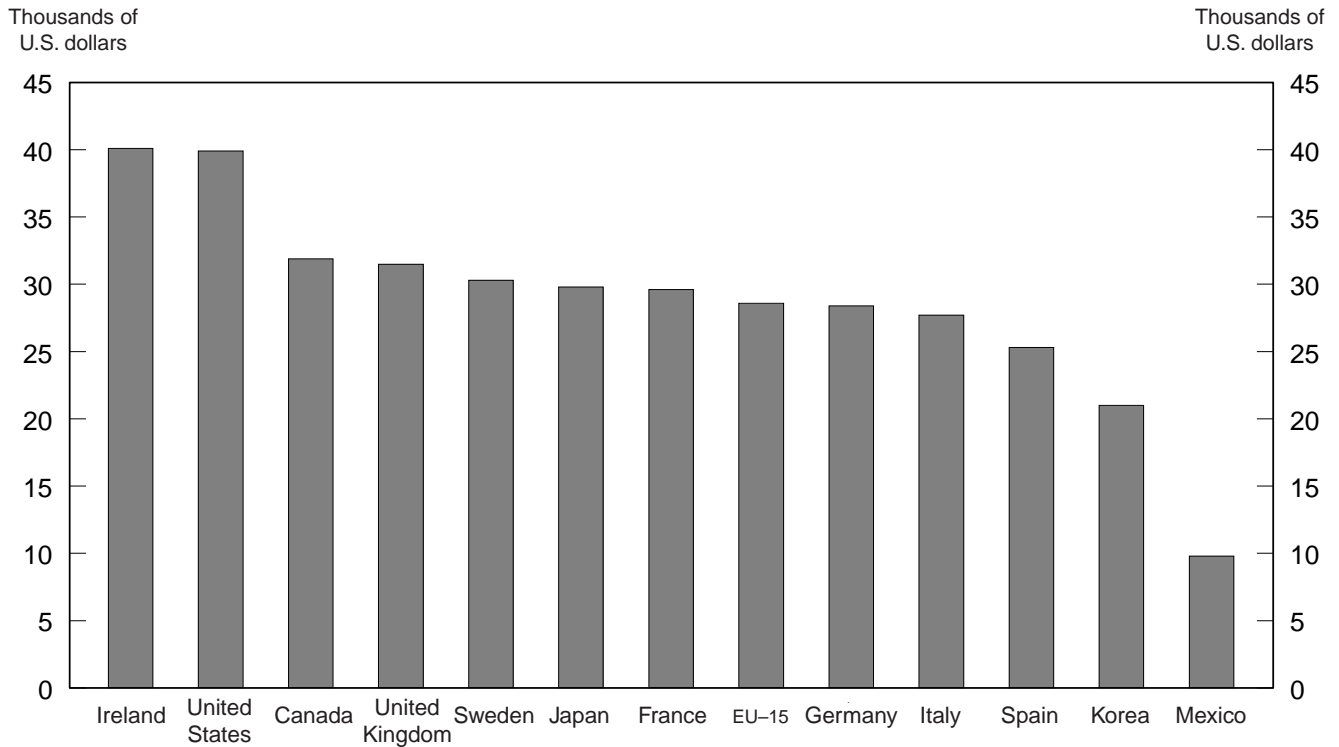


NOTE: Productivity is defined as output per hour worked.
SOURCE: Bureau of Labor Statistics.

Gross domestic product (GDP) per capita

11. Gross domestic product per capita, 2004

Ireland and the United States had the highest GDP per capita. The other countries showed levels of GDP per capita between 80 percent (Canada) and 25 percent (Mexico) of the U.S. level.

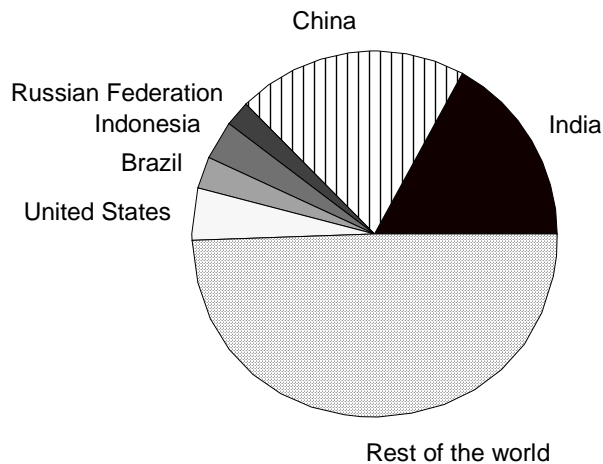


NOTE: GDP per capita converted at purchasing power parity (PPP). PPP is the number of foreign currency units required to buy goods and services in a foreign country equivalent to what can be bought with \$1 in the United States. SOURCE: Bureau of Labor Statistics and the World Bank.

Indicators for large emerging economies and the United States

12. World population distribution by percent, 2004

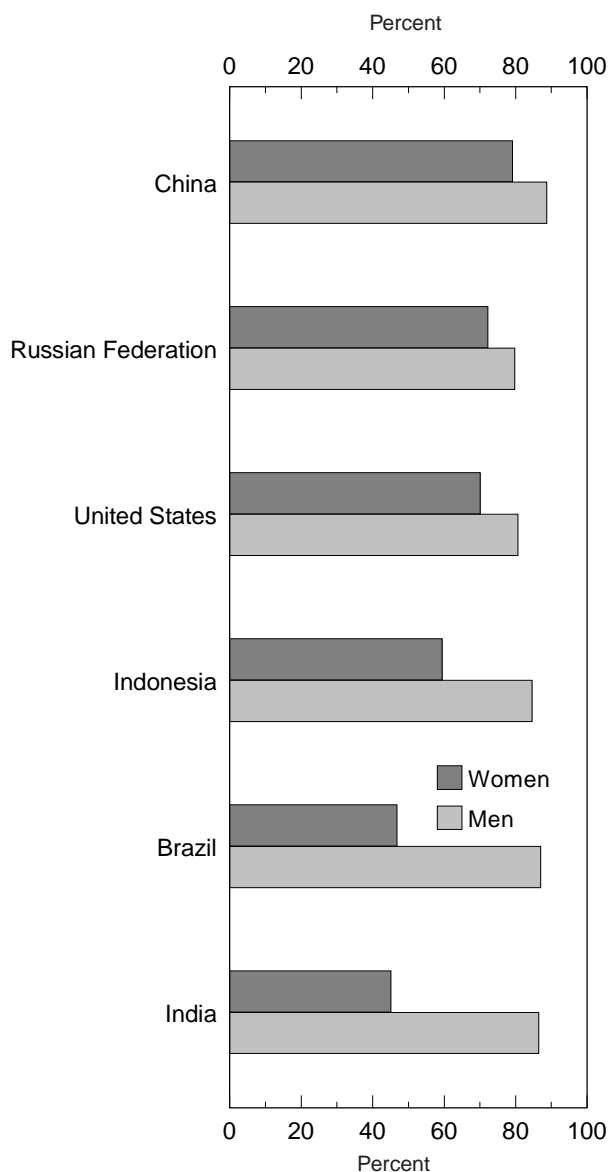
- The five large emerging economies—Brazil, China, India, Indonesia, and the Russian Federation—made up almost half of the world's population.
- China and India together comprised more than one-third of the world's population.



SOURCE: World Bank.

13. Labor force participation rates by sex, 2003

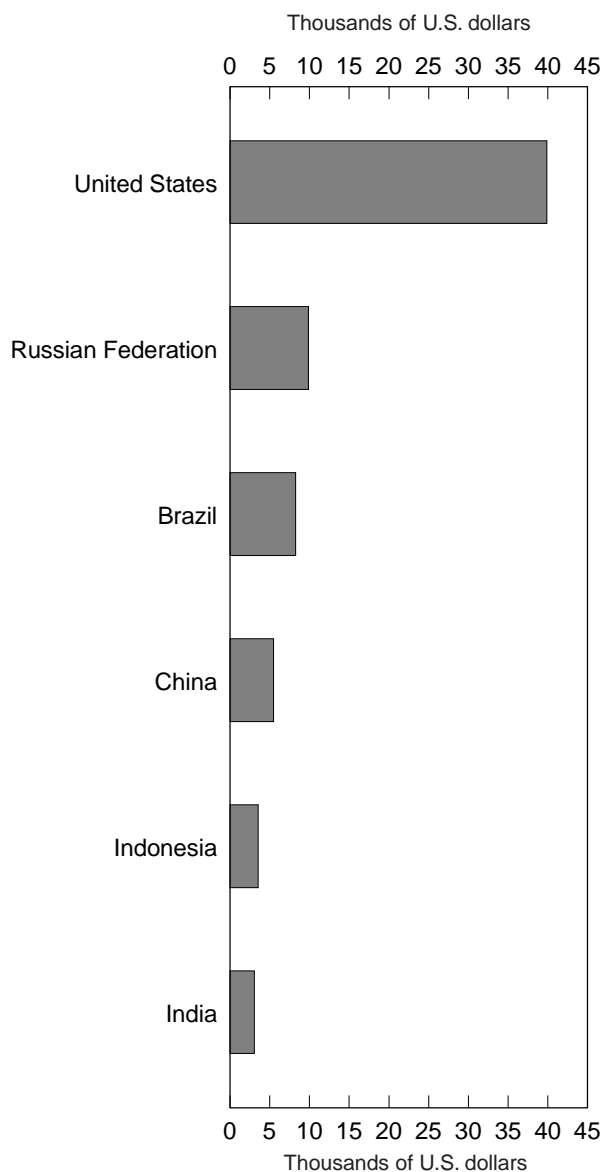
- China had the highest labor force participation rates for both men and women.
- The participation rates for women were below 50 percent in Brazil and India.



NOTE: Participation rates are for the working-age population (persons ages 15 or 16 through 64, depending upon the country).
SOURCE: World Bank.

14. Gross domestic product per capita, 2004

- Among the five large emerging economies, the Russian Federation and Brazil had the highest GDP per capita, though still less than a quarter of the U.S. level.
- China's GDP per capita was about 14 percent of the U.S. level; Indonesia's and India's were less than a tenth of the U.S. level.



NOTE: GDP per capita converted at purchasing power parity (PPP). PPP is the number of foreign currency units required to buy goods and services in a foreign country equivalent to what can be bought with \$1 in the United States.
SOURCE: Bureau of Labor Statistics and the World Bank.