

## 4. Labour market in the Öresund region

### Employment

It has now been ten years since the Öresund Bridge opened. Since then, employment has increased sharply in the entire Öresund region, despite the economic downturn 2002-2004 and the dramatic downturn between the autumn months of 2008 and 2009. But the statistics on both sides of the sound have had difficulty in capturing the development of the labour market in its entirety, since the current version of Örestat's register-based la-

#### Labour market statistics - facts and problems

The register-based labour market statistics are based on the national register-based labour market statistics (RAS: Statistics Denmark; RAMS: Statistics Sweden). The population in RAS is the registered population in Denmark on 1 January of each year. RAMS uses the registered population in Sweden on 31 December. That is why statistics of Denmark and Sweden refer to different years. The most recent versions used at Örestat are RAS 2008 and RAMS 2007. RAS is adapted to RAMS in the Öresund statistics, implying that the figures referring to the Danish part of Öresund are published with one year's delay compared to the official Danish statistics. RAS/RAMS exclude cross-border commuters from the labour force, which means that employment is misleading in the register-based labour market statistics. The most recent official commuting

bour market statistics is from 2007. The current development is therefore supplemented with data from LFS (the Danish and Swedish Labour Force Surveys).

According to register-based labour market statistics, employment in 2007 amounted to nearly 1.83 million persons within the region; additionally, there are 18 400 commuters to work across Öresund who are not included in the register-based labour market

information is from 2007, and then 17 800 employees commuted from Öresund SE to Öresund DK. These Öresund commuters are not counted when Statistics Sweden presents employment by the location of one's home (night-time population) for Öresund SE. Likewise, this information is missing in the Danish labour market statistics, when Statistics Denmark counts the number of employees by the location of the workplace (daytime population). Even the roughly estimated 600 commuters who move from Denmark to Sweden are not counted as employed in the Danish and Swedish register-based labour market statistics. Because the current economic situation - a sharp drop since autumn of 2008 and a certain recovery during recent months - is not noted in the register-based statistics, a description of the situation is supplemented with information from the Danish and

statistics<sup>1</sup>. 17 800 persons commuted from Öresund SE to Öresund DK, and 600 persons in the opposite direction. 70 percent of those employed in the region - corresponding to 1.29 million people - lived on the Danish side and 30 percent or 540 000 persons lived on the Swedish side of the Öresund region.

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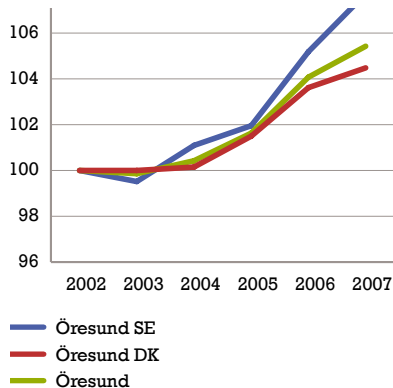
<sup>1</sup>Commuting across Öresund at end of 2007

Swedish Labour Force Surveys (LFS). The Labour Force Survey is a questionnaire survey and thus it can only to a limited degree be broken down on a regional level. Örestat's data bank presents harmonised LFS data.

Another troublesome problem is that unemployment statistics in the regional and national reports are not comparable with one another. The situation is complicated because the Swedish Labour Force Survey applies as official statistics but not the Danish Labour Force Survey. Moreover, it is not possible to compare the Danish register-based unemployment with the corresponding European registers, since the Danish definition is based on an average value of the registered unemployment calculated in hours. New - harmonised - labour market statistics are instead used in Örestat's data bank. (see below)

From 2002 to 2007, employment increased by 91 800 persons or 4.1 percent. During this period, the labour market was affected by an economic downturn at the beginning of the five-year period. But the negative

#### Employment trends (RAS/RAMS) 2002-2007 Index (2002=100)



Source: Örestat

effects were milder compared to the other parts of the country in Denmark and Sweden. The economic upswing that followed from 2004 to 2007 resulted in a sharp employment growth, high capacity utilisation and a marked drop in unemployment.

Like population trends, we can also see by employment trends that the sharpest increase occurred on the Swedish side of Öresund, where employment increased by 5.2 percent or by 38 100 persons. The Danish region reported an increase of 3.6 percent corresponding to 53 700 persons.

According to the LFS, a clear break in the trend occurred. A clear employment growth was even noted during the third quarter of 2008 in the entire Öresund region. Then the whole region experienced a sharp drop (see the graph page 30 ). However, the most recent - national and not harmonised - LFS figures for the fourth quarter indicate that employment had passed the bottom and was in a recovery phase.

The strong demand for labour has led to greater chances for employment for even marginalised groups among jobseekers (immigrants, persons with disabilities) to enter the labour market. Older persons seeking employment are also more inclined to remain on the labour market.

Growth has been particularly significant for those aged 60-64 - 39 000 persons or 46.1 percent in this age group were employed from 2002 to 2007. The number of employed persons in age groups 16-19 and 20-24 has risen to 28 600 or 13.9 percent during this period, while other age groups show varying trends depending on the underlying demographic development (see the graph on next page).

#### Employment rate

The job participation rate, or employment rate illustrates the percentage of the population who are working and is an important socio-economic indicator. The register-based labour market statistics for the base

year 2002 show that 72.7 percent of the population aged 16–64 were working in the Öresund region as a whole. Six years later and following the boom from 2003 to 2007, the ratio was 74.9 percent, not including the Öresund commuters.

However, the statistics show a marked difference between the Danish and Swedish parts of the Öresund region. In 2007, 77.7 percent

of the population aged 16–64 supported themselves via work on the labour market in Öresund DK, compared to 68.9 percent in Öresund SE. Above all, the employment rate is much higher among younger age groups in the Danish part compared to the Swedish part of the Öresund region (see the graph next page). For instance, the employment rate for the 16–19 age group differs in Öresund DK and Öresund SE by more than 53

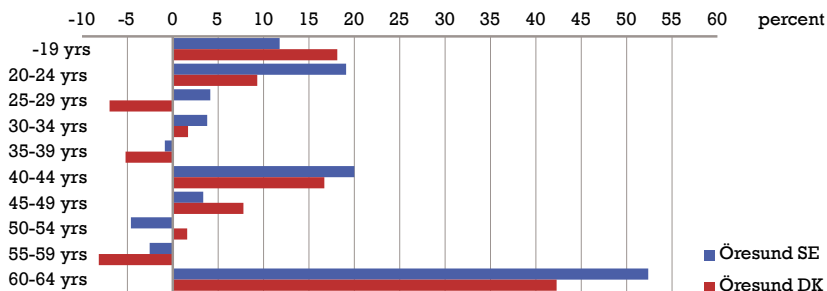
percentage points (69.9 percent in Öresund DK and 16.9 percent in Öresund SE). The difference for the 20–24 age group is 20.7 percentage points (76.3 percent in Öresund DK and 55.6 percent in Öresund SE). Among other reasons, this is due to Denmark investing in an apprenticeship system in vocational training, and apprentices are classified as employed in the statistics.

However, the 60–64 age group is more active on the labour market in Öresund SE than in Denmark (62.9 percent and 44.0 percent respectively), which can be explained because of the Danish “*efterlønssystem*” which allows employees who have turned 60 to withdraw from the labour market.

### Commuting to work across Öresund - what does a miss of 18 400 persons imply in the employment statistics?

When the register-based labour market statistics are supplemented with the cross-border commuters across Öresund, the

#### Employment by age. Change 2002-2007



Source: Örestat

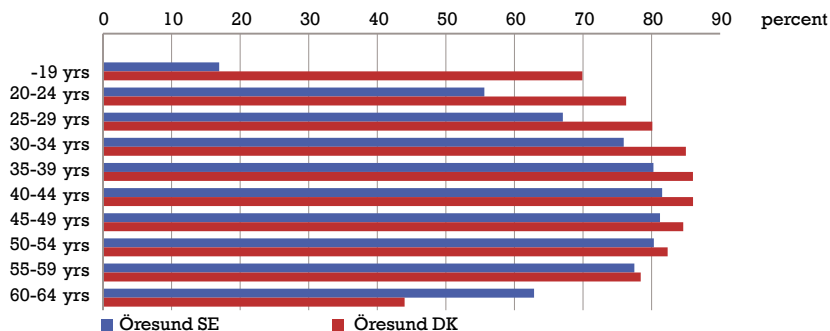
number of employed persons in the entire Öresund region amounted to 1.85 million employees in 2007 (night-time population). Öresund SE had 562 000 employed persons, of whom 17 800 were commuting to work, or 3.2 percent, from Öresund SE to Öresund DK. Malmö had the highest number of commuters travelling to Denmark, with 10 700 Öresund commuters or 8.4 percent of

all employed persons. Commuting has been increasing every year. According to estimations from the Swedish Public Employment Service Estimations, commuting to work in an east to west direction has passed the 20 000 mark, despite the weak demand last year. The figure in the other direction is more or less constant at 600 persons commuting to work.

The problem is that those who commute to work in Denmark are not included in the statistics on employed persons, thus contributing to the growing hidden statistics in Malmö and Öresund SE. Öresund SE has a relatively low employment rate. Of those aged 16-64, 68.9 percent were employed, according to the official statistics. But this figure does not include commuters across Öresund, and thus the employment rate is underestimated by 2.3 percentage points. In Malmö, only 60.9 percent were employed. If the Öresund commuters are included in the number, the employment rate would increase by 5.7 percentage points to 66.6 percent.

Correspondingly, the following applies for the Danish side of the Öresund region: The number of employees with their workplace in the region (daytime population) is above all underestimated in the metropolitan region of Copenhagen, which among other things leads to misleading forecasts concerning the labour force supply in the future.

### Employment by age – 2007



Source: Örestat

### Trends during 2008 and 2009

Örestat's current version of the register-based labour market statistics is from 2007. This means that the register-based labour market statistics do not show the plunge in employment that hit the labour market in the Öresund region in connection with the crisis during autumn 2008. The report is therefore supplemented with current information from the Danish and Swedish Labour Force Surveys (LFS). The Labour Force Survey is a questionnaire survey and thus can only be broken down to a limited degree by age or on a regional level.

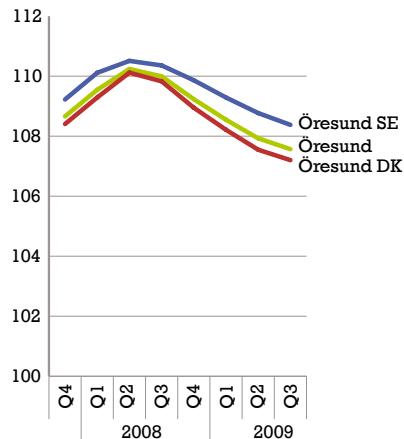
According to the LFS, a clear break in the trend occurred. A clear employment growth was even noted during the third quarter of 2008 in the entire Öresund region. Then the entire region experienced a sharp drop (see the graph). However, the most recent - national and not harmonised - LFS figures for the fourth quarter indicate that employment had passed the bottom and was in a recovery phase.

### Notice

An important barometer on the labour market is the number of persons who have been

### Employment trends (LFS) Trended values 2007 Q4 – 2009 Q3

Index (2002 Q3=100)



Source: Örestat (LFS)

given notice of termination. On both sides of the Sound, companies are obligated to register planned terminations to the national labour market authorities<sup>2</sup>. The number of persons given notices of termination increased explosively during the fourth quarter of 2008, and has since then up until the end of the first six months of 2009 been at a very high rate. From the third quarter of 2009, the inflow of new notices has slowed down to the Swedish Public Employment Service and the Danish employment offices for the Copenhagen Region of Denmark and Zealand. During the fourth quarter 2009 200 persons were given notices of termination, which corresponds to 2.3 per thousand of the population aged 16-64; one year earlier roughly 9 400 persons were given notices (4.1 per thousand). The trend is pointing clearly downward. Compared to Öresund SE the situation for notices in Öresund DK can seem mild. While 2 800

<sup>2</sup>The handling of terminations differs in Denmark and Sweden, meaning that the figures are not completely consistent.

### Given notice of termination

4th Quarter	Number			Per thousand of population aged 16-64		
	Öresund DK	Öresund SE	Öresund	Öresund DK	Öresund SE	Öresund
2007	600	729	1,329	0.39	1.00	0.58
2008	3,326	6,025	9,351	2.14	8.16	4.08
2009	2,440	2,766	5,206	1.56	3.70	2.25

Source: The Swedish Public Employment Service and Employment Region Copenhagen and Zealand, The Danish National Labour Market Authority

persons in Öresund SE were given notices during the fourth the quarter of 2009 (3.7 per thousand), 2 400 (1.6 per thousand) in Öresund DK were given notices during the same period.

### Unemployment

During the third quarter of 2009, an average of 68 600 persons were unemployed in the Öresund region as a whole, which corresponds to 3.0 percent of the population aged 18-64. During the most recent five-year period (i.e. between the third quarters of 2004 and 2009), unemployment dropped by 32 900 persons or 32.4 percent. However, this was not a steady trend. During the first part of the reporting period, unemployment dropped and reached bottom at the turn of

the first six months of 2008, before the trend very quickly turned upward (see the graph next page).

Broken down by the two regions, 53.0 percent (36 400) of the unemployed persons in the Öresund region had their homes in Öresund DK during the third quarter of 2009, while 47.0 percent (32 200) had their homes in Öresund SE. When looking at the whole five-year period from Septem-

ber 2004-2009, unemployment has fallen in both of the regional areas, but the improvement occurred considerably more rapidly on the Danish side. During this period, unemployment had fallen from 4.2 percent to 2.3 percent in Öresund DK (corresponding to a rate of decrease of 43.9 percent), and from 5.2 percent to 4.3 percent in Öresund SE (corresponding to a rate of decrease of 12.1 percent, see the first graph next page).

If unemployment is broken down into age groups, the picture for Öresund DK and Öresund SE is quite similar (see the graph on page 33). Unemployment is somewhat higher for the younger age groups and lower for those who are older. In general those age groups who establish themselves on the la-

#### The harmonised unemployment statistics

Örestat's unemployment statistics are based on the data storage of the Swedish Public Employment Service and the Danish central register for labour market statistics CRAM. Compared with the national data registers, the reporting period has been changed to an average value during the third week of each reporting month. The harmonised statistics

are monthly statistics and present unemployed persons aged 18-64 who are living in the Öresund region.

In contrast to the Danish register-based labour market statistics, the Swedish statistics do not use the labour force as a variable. Consequently, the relative unemployment in relation to the population aged 18-64 is presented.

bour market have the highest percentage of unemployed persons. Most of the vacancies require either vocational training or work experience, which most of the jobseekers who begin on the labour market are lacking. The relatively low unemployment among older persons may be due to these people leaving the labour market even before they have reached retirement age, and thus avoid becoming unemployed.

The greatest difference between Öresund DK and Öresund SE is above all among the youngest and the oldest group. Among other things, the difference can be explained by

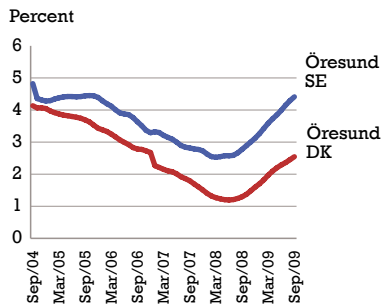
- the Danish apprenticeship system and other efforts to create employment that make it easier for young people to enter the labour market.
- the so-called “*efterlonssystem*” that gives older employees a chance to withdraw from the labour market earlier.

### Summary

Up until the end of the first six months of 2008, relatively significant employment growth was noted for the Öresund region, which was followed by unemployment at bottom levels, above all in The capital Region of Denmark. As a result of the economic crisis, the labour market in the Öresund

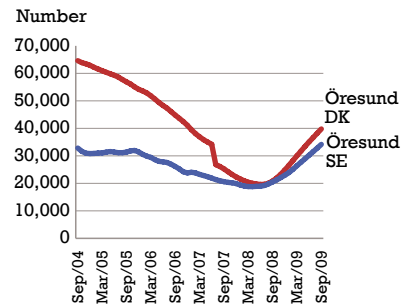
region has undergone a sharp downturn between the fourth quarter of 2008 up until the end of the first half of 2009. During the autumn months of 2009, the dramatic drop in employment appeared to enter a somewhat calmer phase. Many signs indicate that the labour market of the Öresund region has overcome the worst of the bleak situation.

### Unemployment as percent of population Trend from Sept 2004 – Sept 2009



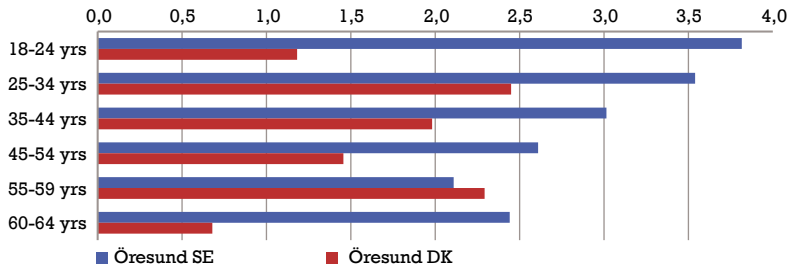
Source: Örestat

### Number of unemployed persons Trend from Sept 2004-Sept 2009



Source: Örestat

### Unemployment by age as percentage of population – 2009 Q3



Source: Örestat

However, dark elements still dominate on the labour market, with a weak demand for labour and increased unemployment.

### Employment in Öresund region<sup>3</sup> By location of housing (night-time population)

Age	Employment in 2007		
	Öresund SE	Öresund DK	Öresund
-19 yrs	10 946	77 277	88 223
20-24 yrs	42 350	103 405	145 755
25-29 yrs	51 956	122 382	174 338
30-34 yrs	60 971	150 974	211 945
35-39 yrs	65 356	156 379	221 735
40-44 yrs	70 888	171 172	241 760
45-49 yrs	61 150	143 375	204 525
50-54 yrs	59 331	130 031	189 362
55-59 yrs	59 246	122 865	182 111
60-64 yrs	49 791	75 230	125 021
65+	12 782	35 637	48 419
<b>Totalt</b>	<b>544 467</b>	<b>1 288 727</b>	<b>1 833 194</b>

Age	Change from 2002 to 2007 in %		
	Öresund SE	Öresund DK	Öresund
-19 yrs	11.8	18.1	17.3
20-24 yrs	19.1	9.3	12.0
25-29 yrs	4.1	-7.0	-3.9
30-34 yrs	3.8	1.7	2.3
35-39 yrs	-0.9	-5.2	-4.0
40-44 yrs	20.0	16.7	17.6
45-49 yrs	3.4	7.8	6.4
50-54 yrs	-4.6	1.6	-0.4
55-59 yrs	-2.5	-8.2	-6.4
60-64 yrs	52.4	42.3	46.1
65+	43.8	15.6	21.1
<b>Totalt</b>	<b>5.2</b>	<b>3.6</b>	<b>4.1</b>

Age	Employment rate 2007		
	Öresund SE	Öresund DK	Öresund
-19 yrs	16.9	69.9	50.4
20-24 yrs	55.6	76.3	68.9
25-29 yrs	67.1	80.1	75.7
30-34 yrs	75.9	85.0	82.2
35-39 yrs	80.3	86.0	84.2
40-44 yrs	81.5	86.0	84.7
45-49 yrs	81.2	84.6	83.6
50-54 yrs	80.3	82.3	81.7
55-59 yrs	77.5	78.4	78.1
60-64 yrs	62.9	44.0	50.0
65+	-	-	-
<b>Total</b>	<b>68,9</b>	<b>77,7</b>	<b>74,9</b>

<sup>3</sup>without commuting across Öresund  
Source: Örestat

## Unemployment in the Öresund region

	Number		% of population	2007 Q3	Change from 2002 to 2007
	2002 Q3	2007 Q3			
<b>Age</b>					
<b>Öresund DK</b>					
18-24 yrs	5,064	3,927	2.8	2.0	-22.5
25-34 yrs	19,200	10,224	5.4	3.1	-46.8
35-44 yrs	16,830	9,912	4.5	2.6	-41.1
45-54 yrs	11,260	7,399	3.5	2.2	-34.3
55-59 yrs	10,267	3,658	5.7	2.4	-64.4
60-64 yrs	2,210	1,242	1.6	0.7	-43.8
<b>Öresund SE</b>					
18-24 yrs	6,643	5,972	6.9	5.3	-10.1
25-34 yrs	11,336	8,856	7.5	5.5	-21.9
35-44 yrs	8,667	7,511	5.4	4.4	-13.3
45-54 yrs	5,389	5,765	3.6	3.8	7.0
55-59 yrs	2,296	2,191	2.8	2.9	-4.6
60-64 yrs	2,310	1,930	3.5	2.4	-16.5
<b>Öresund</b>					
18-24 yrs	11,707	9,899	4.2	3.2	-15.4
25-34 yrs	30,536	19,080	6.0	3.9	-37.5
35-44 yrs	25,498	17,423	4.7	3.2	-31.7
45-54 yrs	16,649	13,164	3.5	2.7	-20.9
55-59 yrs	12,563	5,849	4.8	2.6	-53.4
60-64 yrs	4,520	3,172	2.2	1.3	-29.8
<b>Öresund DK</b>					
	64,831	36,361	4.2	2.3	-43.9
<b>Öresund SE</b>					
	36,642	32,225	5.2	4.3	-12.1
<b>Öresund</b>					
	101,473	68,586	4.5	3.0	-32.4

	Percentage	
	2002 Q3	2007 Q3
Öresund DK	63.9%	53.0%
Öresund SE	36.1%	47.0%
Öresund	100.0%	100.0%

Source: Örestat