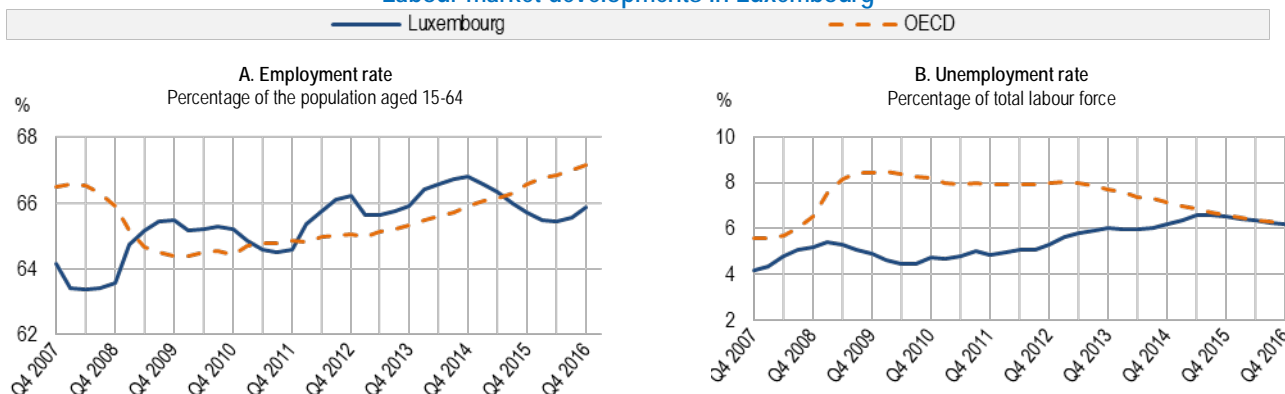


The 2017 edition of the OECD Employment Outlook provides an international assessment of recent labour market trends and short-term prospects. It also contains chapters on: benchmarking labour market performance based on the new OECD Jobs Strategy scoreboard; labour market resilience in the wake of the global crisis; the role of technological change and globalisation in transforming labour markets; and key country differences in collective bargaining arrangements.

[DOI: 10.1787/empl\\_outlook-2017-en](https://doi.org/10.1787/empl_outlook-2017-en)

### Labour market developments in Luxembourg



Note: OECD weighted average.

Source: OECD Short-Term Labour Market Statistics Database (accessed 30 May 2017), <http://dx.doi.org/10.1787/data-00046-en>.

### RECENT LABOUR MARKET TRENDS AND PROSPECTS

Labour market conditions continue to improve and the OECD average employment rate finally returned to its pre-crisis rate in the first quarter of 2017, nearly ten years after the global financial crisis erupted. The OECD-average unemployment rate continues its slow descent, but remains slightly above its pre-crisis level because employment has not increased enough to fully offset a rising trend in participation rates. The unemployment rate is projected to fall back to its pre-crisis level in late 2018 or early 2019. The recovery remains very uneven across countries and different groups within the workforce.

- Albeit with a considerable lag, unemployment has been following the same declining path in Luxembourg as in the rest of the OECD since mid-2015. Nevertheless, at 5.9% in April, it is still 1.7 percentage points higher than its pre-crisis level in 2007, and is projected to decline by very little through to the end of 2018.
- Despite some recent improvements, the unemployment rate for youth remains

higher in Luxembourg than in the OECD area and is concentrated amongst the low skilled.

- Employment as a share of the population aged 15-64 has declined recently in Luxembourg while increasing in most other OECD countries. This is the result of the ongoing decline in the employment rate for men, whereas the rate for women has been increasing. The 2015-18 action plan for gender equality is a first step to strengthen women's involvement in the labour market but further efforts are required to promote a good work-life balance, for example, by providing childcare services or full-time schooling so as to eliminate the remaining barriers to female employment and to ensure gender equality. Boosting the employment rate would also help to address the challenges Luxembourg faces as a result of population ageing.

## Scoreboard of labour market performance for Luxembourg



Note: An upward ↗ (downward ↘) pointing arrow for an indicator means that higher (lower) values reflect better performance.

*Earnings quality*: Gross hourly earnings in USD adjusted for inequality. *Labour market insecurity*: Expected monetary loss associated with the risk of becoming unemployed as a share of previous earnings. *Job strain*: Percentage of workers in jobs characterised by a combination of high job demands and few job resources to meet those demands. *Low income rate*: Share of working-age persons living with less than 50% of median equivalised household disposable income. *Gender labour income gap*: Difference between average per capita annual earnings of men and women divided by average per capita earnings of men. *Employment gap for disadvantaged groups*: Average difference in the employment rate for prime-age men and the rates for five disadvantaged groups (mothers with children, youth who are not in full-time education or training, workers aged 55-64, non-natives, and persons with disabilities) as a percentage of the employment rate for prime-age men.

Source and definitions: OECD calculations using data for 2015 or latest year available from multiple sources. See [OECD Employment Outlook 2017](#), Table 1.2. for further details.

### NEW OECD SCOREBOARD SHOWS RELATIVE STRENGTHS AND WEAKNESSES OF THE LUXEMBOURG LABOUR MARKET

The 2017 issue of the *OECD Employment Outlook* presents a comparative scoreboard of labour market performance that provides a rich overview of the strengths and weaknesses of different national labour markets, going well beyond the standard measures of employment and unemployment rates. These include measures of job quality (pay, employment security, working environment) and labour market inclusiveness (income equality, gender equality, employment access for potentially disadvantaged groups). Some countries score well on most or all indicators, implying that there are no hard trade-offs that prevent countries from performing well in all areas.

- Luxembourg's labour market scores around the average of OECD countries for about half of the indicators, including for employment and unemployment, and on how well women and potentially

disadvantaged groups, such as people with disabilities, fare in the labour market.

- Luxembourg is amongst the top performers in terms of low labour market insecurity and very high earnings quality. Relative to other OECD countries, Luxembourg also has a low share of workers experiencing high levels of job strain and a low share of working-age persons living in poor households.
- Most of the performance indicators for Luxembourg's labour market showed no significant change over the past decade. As in the majority of OECD countries, Luxembourg has made progress in integrating women and disadvantaged groups into the labour market. However, the share of working-age persons living in poor households increased.

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