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Population census | Luxembourg

RP 1<sup>ST</sup> RESULTS 2021 N°11

## WHAT IS THE SITUATION WITH REGARD TO ECONOMIC ACTIVITY? BETWEEN WORK, STUDY AND RETIREMENT

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One of the key pieces of information from the population census relates to economic activity: how many residents have a job? How many are unemployed? How many are retired or not in paid employment? These are all questions that shed light on the daily life and economic situation of the resident population.

These factors are closely linked to the age distribution of the population, especially as the demographic decline and ageing of the population in most European countries are having a significant impact on the economy and growth.

Immigration is another factor impacting on labour market status. Luxembourg's high level of immigration, with a considerable increase of 131,588 inhabitants between the last two censuses (i.e. +25.7%), has an impact on the number of people in work, since most immigrants come to Luxembourg to work (labour immigration). Immigration therefore has the effect of attenuating the ageing of Luxembourg's population and also has an impact on activity rates.

# 1. Working and non-working by gender and age

As in previous censuses, residents were asked to declare their economic activity status<sup>1</sup>. In 2021, 591,630 people answered this question, i.e. more than nine out of ten residents, while this status was unknown for 52,311 (8.1%). Only residents whose status was known were considered in this analysis. The people who responded can be classified into several categories: the working population includes people in employment (the employed) and people who are unemployed (the inactive).

The inactive population includes people who are not in employment and are not looking for work (e.g. children, students, pensioners or people who mainly do domestic chores). Table 1 shows the economic activity situation of the resident population in November 2021, taking into account different age groups.

**Table 1: Economic activity of the resident population by age group (%)**

		Employed	Unemployed	Pupil, student	Retired	Domestic tasks	Permanent disability	Annuitant	Other	Total
<b>All</b>	All	48.5	2.0	21.0	19.5	2.7	0.7	0.3	5.3	100
	Men	51.9	1.9	21.1	18.9	0.3	0.7	0.3	5.0	100
	Women	45.2	2.2	20.8	20.1	5.2	0.8	0.2	5.6	100
<b>15-64</b>	All	72.3	3.1	11.4	6.9	3.1	1.1	0.4	1.8	100
	Men	75.7	2.8	11.0	7.2	0.4	1.1	0.4	1.4	100
	Women	68.7	3.3	11.8	6.4	6.0	1.2	0.4	2.3	100
<b>15-24</b>	All	29.5	2.3	65.5	0.0	0.3	0.2	0.0	2.3	100
	Men	32.3	2.7	62.2	0.0	0.1	0.2	0.0	2.5	100
	Women	26.4	1.9	69.0	0.0	0.4	0.1	0.0	2.1	100
<b>25-49</b>	All	89.3	3.4	2.1	0.3	2.4	0.6	0.1	1.8	100
	Men	92.2	2.9	2.2	0.2	0.4	0.5	0.2	1.4	100
	Women	86.3	3.9	2.1	0.3	4.4	0.6	0.1	2.2	100
<b>50-64</b>	All	63.1	2.8	0.0	22.8	6.0	2.6	1.0	1.7	100
	Men	68.3	2.7	0.0	24.0	0.5	2.5	1.0	1.0	100
	Women	57.5	2.9	0.1	21.5	11.7	2.8	1.1	2.4	100

Source: STATEC, RP2021

Note: Numbers only include respondents to the question on economic situation.

<sup>1</sup> The specific question was «What is your current status on the labour market?»

People in employment make up the largest group of residents in terms of economic status<sup>2</sup>. The next largest groups are students and retirees, each accounting for around a fifth of the population. While this was already the case in 2011 for the pupils/students group, the proportion of retired people has risen sharply, from 13.2% to 19.5%, reflecting the ageing of the resident population. An opposite trend is observed for people mainly carrying out domestic tasks since the share drops to 2.7% in 2021 compared to 8.2% in 2011, and for those who are unemployed (2.0% in 2021 compared to 3.2% in 2011). While the proportion of people living off their assets (pensioners) has remained stable at a low level (0.3%), the 2021 re-census was the first opportunity to find out the proportion of people with a permanent disability. This amounts to 0.7% of the resident population, equally divided between men and women.

Working or non-working status varies greatly with age. We focus here on several age groups within the working-age population (see table 1). Among young adults (aged 15 to 24), it is unsurprising that student status predominates (two out of three respondents), while a third of people in this group claim to be in employment. Furthermore, it is within this age group that the proportion of respondents declaring 'other' status is highest (2.3%) - potentially referring to the population of young people neither in employment, education nor training (NEETS). While a large majority of 25- to 49-year-olds said they were in employment (9 out of 10 respondents), this group also had the highest proportion of unemployed people (3.4%). Finally, the situation of people in the 50-64 age group is more varied. While almost two-thirds of them say they are in employment, it is in this group that we find the highest proportion of people who say they perform domestic tasks (6.0%), have a permanent disability (2.6%) and, as expected, are retired (22.8%).

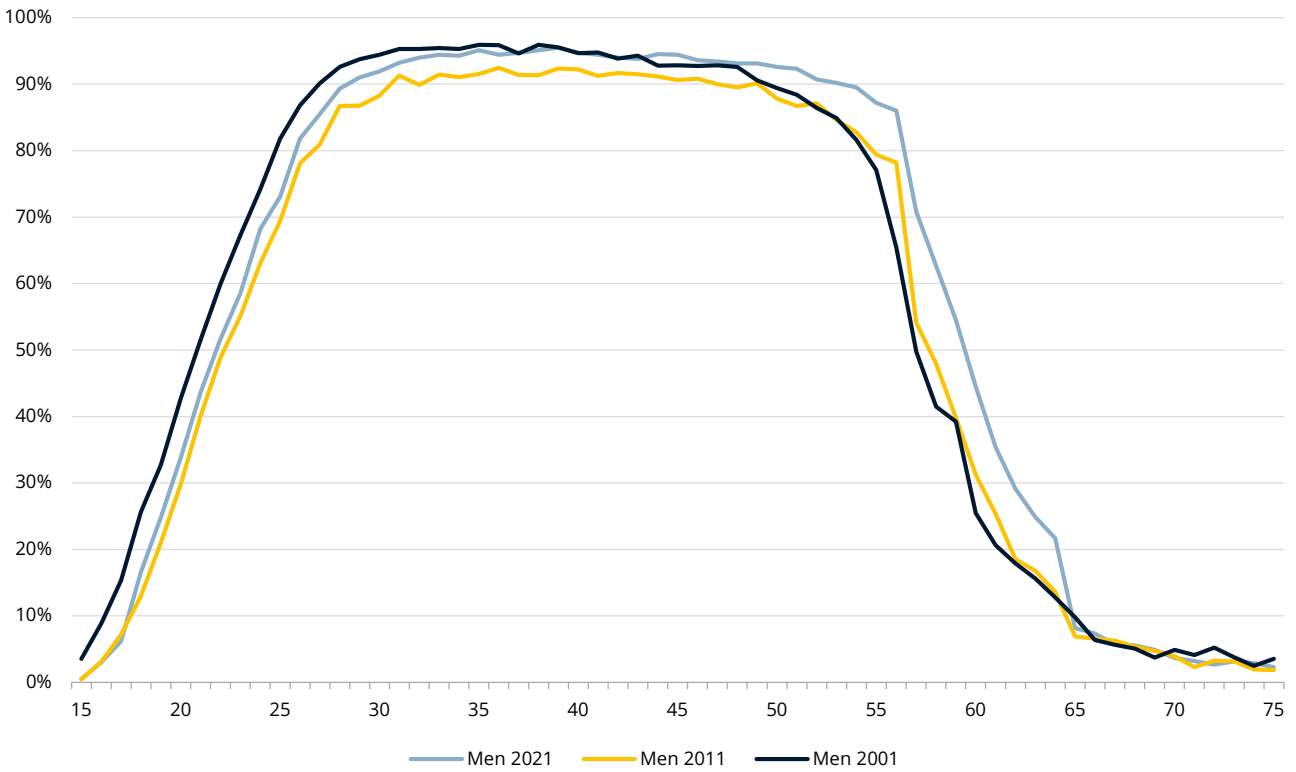
In 2021, 48.5% of the respondent population had a job (287,067<sup>3</sup>). This proportion is significantly higher than in 2011, when it stood at 43.2%. This increase in the number of people in employment reveals a strong dynamism in the labour market over the last decade, which is even more marked if we consider only the population of working age (15 to 64). In 2021, the proportion of people of working age in employment was 72.3%, compared with 63.8% in 2011.

The proportion of men in employment is 51.9% (154,052), compared with 45.2% (133,015) for women. While the proportion of women in employment is lower than that of men, the increase between 2011 and 2021 has been much more pronounced than that of men (+7 percentage points compared with +3.6), reflecting an increase in women's participation in employment since 2001. The graphs showing the proportion of women and men in employment by age over the last 3 censuses are particularly revealing in this respect. They also show a clear increase in the proportion of women in employment since 2011.

<sup>2</sup> This is why employment will be the subject of a specific publication in the future.

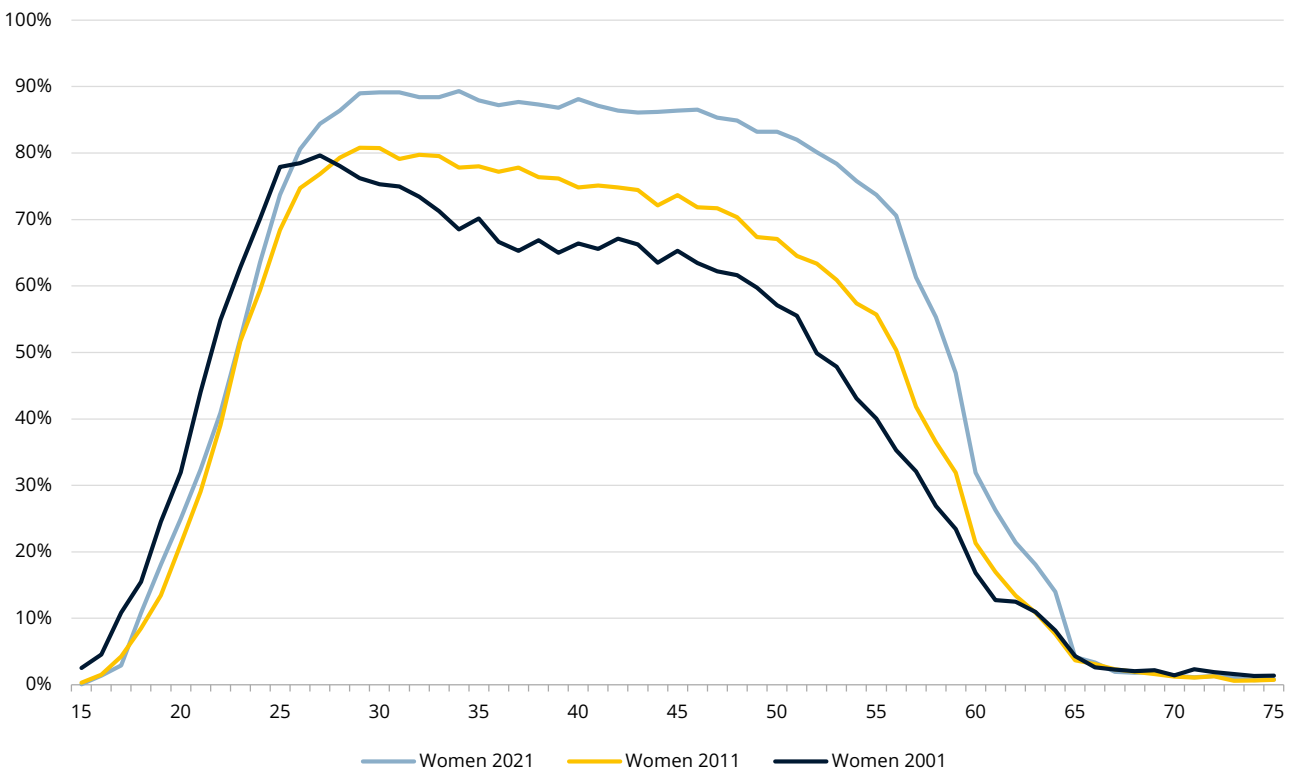
<sup>3</sup> These figures only apply to people who answered the question on economic activity.

Figure 1: Percentage of men in employment by age over the last three censuses



Source STATEC, RP2001, RP2011, RP2021

Figure 2: Percentage of women in employment by age over the last three censuses



Source STATEC, RP2001, RP2011, RP2021

## 2.

# What is the situation for nationals and immigrants?

Depending on the country of birth, the situation with regard to economic activity is not identical (see table 2). For example, while 48.5% of the resident population as a whole is employed, this rate is much lower for people born in Luxembourg (36.9%), due to a different age structure. On the other hand, people born in Luxembourg are over-represented among pupils/students (29%, compared with 21% for the population as a whole) and retired people (22.2%, compared with 19.5% for the population as a whole).

For all countries of birth outside Luxembourg, the proportion of people in employment is much higher. In fact, 61.8% of non-natives are in employment. This percentage rises to 69% for residents born in Africa, 66.3% for those born in the Caribbean/South or Central America, 66.2% for residents born in France and 64.1% for those born in Portugal. These figures are indicative of the high level of labour immigration that characterises Luxembourg.

**Table 2: Economic activity status of the resident population by country of birth (%)**

Country of birth	Employed	Unemployed	Pupil, student	Retired	Domestic tasks	Permanent disability	Annuitant	Other	Total	Total Workforce
Luxembourg	36.9	1.1	29.0	22.2	2.5	0.5	0.2	7.6	100	315 241
Foreign	61.8	3.1	11.8	16.4	3.0	1.0	0.3	2.6	100	276 115
of which :										
France	66.2	2.0	12.4	14.7	1.8	0.6	0.3	2.0	100	37 582
Germany	50.3	1.6	11.9	28.6	4.1	0.5	0.5	2.4	100	15 008
United Kingdom	51.7	2.1	21.8	17.3	3.6	0.2	0.4	2.8	100	4 985
Portugal	64.1	2.5	7.9	19.9	1.6	2.1	0.1	1.7	100	66 926
Italy	53.5	1.6	9.8	30.3	2.4	0.6	0.2	1.7	100	17 398
Other Member State of the European Union	61.7	2.2	13.2	17.2	3.0	0.5	0.4	2.0	100	54 168
Elsewhere in Europe	62.3	6.1	10.6	10.9	5.4	1.0	0.3	3.4	100	22 591
Africa	69.0	5.1	9.8	8.2	2.5	1.0	0.1	4.3	100	25 624
Caribbean, America southern or central	66.3	5.8	13.3	5.3	5.4	0.4	0.1	3.4	100	8 788
North America	51.4	2.0	28.1	8.2	4.5	0.4	0.5	4.9	100	3 145
Asia	53.9	5.9	20.5	6.6	6.1	0.3	0.3	6.3	100	19 442
Océania	58.1	4.2	20.2	5.3	7.2	0.0	0.8	4.2	100	377
Other	16.0	0.0	6.2	67.9	6.2	0.0	1.2	2.5	100	81
<b>Total</b>	<b>48.5</b>	<b>2.0</b>	<b>21.0</b>	<b>19.5</b>	<b>2.7</b>	<b>0.7</b>	<b>0.3</b>	<b>5.3</b>	<b>100</b>	<b>591 356</b>

Source: STATEC, RP2021

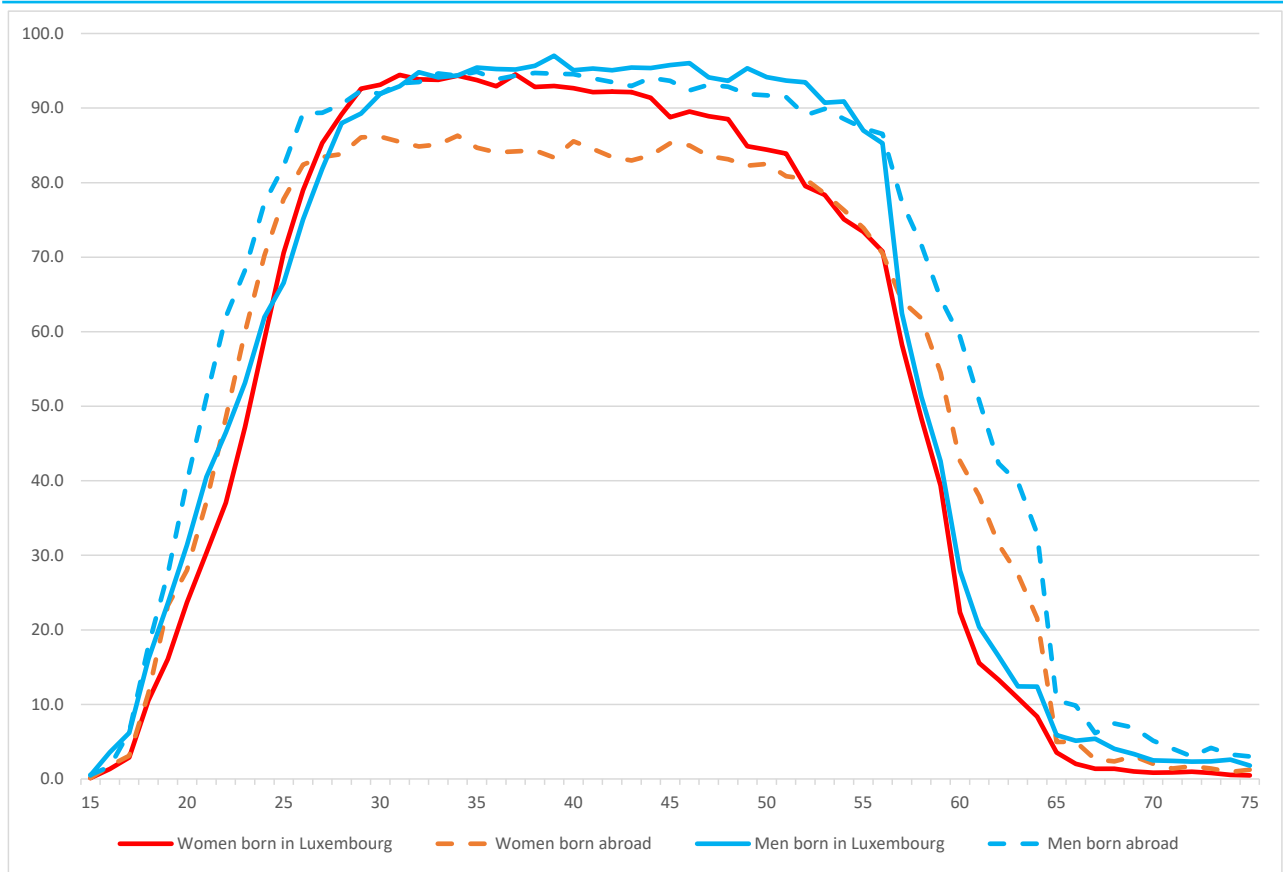
Note: Numbers include only respondents to the question on economic situation and country of birth.

By age, immigrants are more often in employment, both younger and older, than people born in Luxembourg (see figure 3). The proportion of immigrants in employment is higher among the under-27s (women) and under-30s (men) than among the native-born, as it is among the over-55s,

both men and women. Between these two extremes of working life, contrary to the average trend, more Luxembourg-born men and women than immigrants are in employment. This can be explained by the higher proportions of unemployed people and of people employed in their own household among Luxembourg-born men and women.

It should be noted that the most obvious differences are among women between the ages of 30 and 55: immigrant women are much less likely to be in employment than native-born women.

**Figure 3: Percentage of employed nationals and immigrants by age and gender**



Source : STATEC, RP2021

Retirees born in Italy and Germany account for a large proportion of the resident population (30.3% and 28.6% respectively, compared with 19.5% overall). Some of these older immigrants have stayed to live in Luxembourg for their retirement.

It is also interesting to note that a significant proportion of residents born in Portugal are permanently disabled, which is certainly linked to the type of work they do, which is more exposed to the risk of accidents at work.

Differences in employment and unemployment will be discussed in more detail in the next publication on activity.

# 3.

## Local analysis of activity

### 3.1.

#### 83.5% of Luxembourg City residents have a job or are looking for one

The activity rate provides information on the number of people in work or available for work (the unemployed) out of the total population of working age (15 to 64). A high participation rate is indicative of the human resources available in a country. It is generally associated with economic growth. This rate is highly dependent on a number of factors, such as the number of people entering and leaving the labour force (longer periods of schooling or working life have a major impact on it), as does the participation of women in the labour force, and the economic climate. The advantage of the activity rate is that it also takes into account the population available for employment. According to the census, the activity rate is 75.4% for the country as a whole<sup>4</sup>. In European comparisons, Luxembourg is below the EU average, well behind Germany (almost 80%) and about the same as France.

There is considerable variation between communes in terms of activity rates: the highest is in Luxembourg-City, where 83.5% of the population of working age have a job or are looking for one. The capital and two of its neighbouring municipalities have very high rates.

Some of the municipalities making up the main employment centres identified in the previous publication appear to have high activity rates (around the capital, but also Esch-sur-Alzette and Mersch). In Nordstad and Wiltz, the rates are high, but lower.

Conversely, several communes have rates below 70%. The rate is lowest in Lenningen in the canton of Remich (at 67.8%) and Preizerdaul (67.9%) in the canton of Redange.

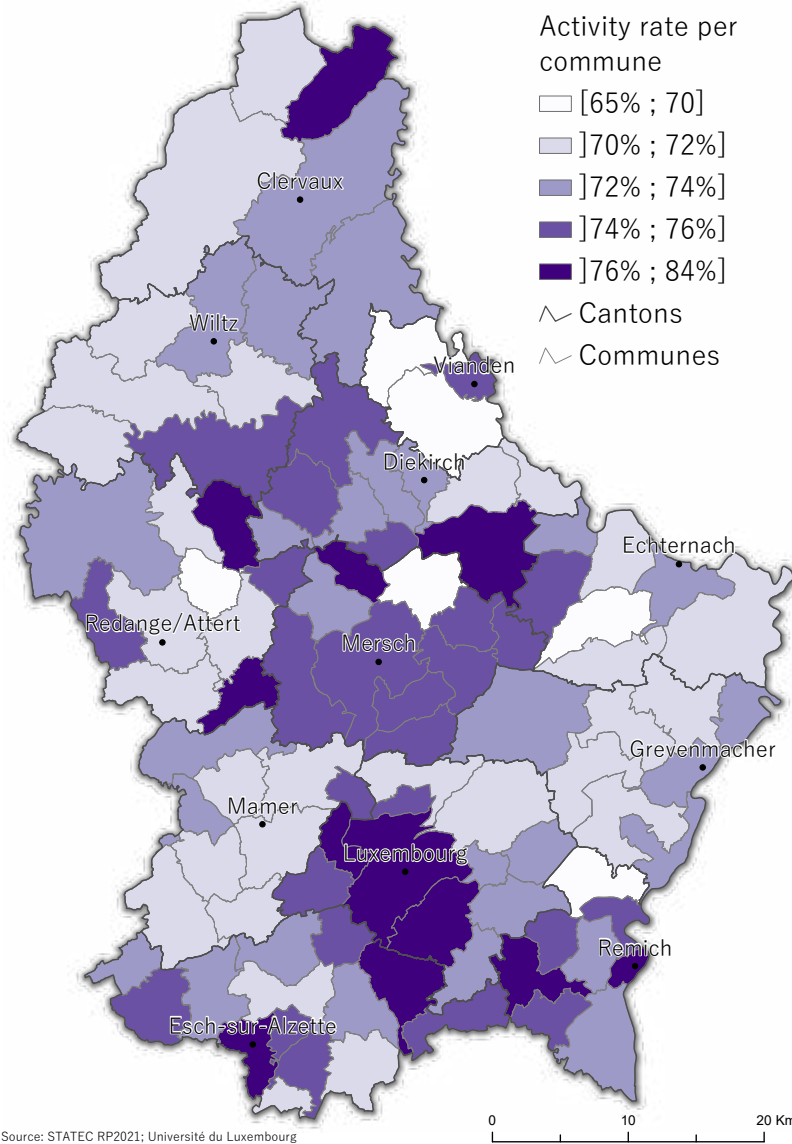
Here we find a structure almost similar to the employment rate<sup>5</sup> in that the highest rates tend to go hand in hand with the main employment centres and the suburbs, while the lowest rates tend to be characteristic of more rural municipalities close to borders.

<sup>4</sup> It can be obtained by summing the first two columns of table 1 for the population aged 15 to 64.

<sup>5</sup> See also the map of employment rates in the publication «Une polarisation croissante des déplacements domicile-travail au Luxembourg», 2024, Premiers Résultats, no. 10. Employment rates measure the number of people in work among 15-64 year-olds living in the municipality.



Map 1: Activity rates by municipality of residence in 2021



Source: STATEC RP2021; Université du Luxembourg

Source: STATEC RP2021, University of Luxembourg

### 3.2. High unemployment rates in the north and south of the country

The unemployment rate obtained from the census is declarative. All that is required is for residents to have indicated that they are unemployed, with no obligation to look for work or register with the Employment Administration. The resulting unemployment rate<sup>6</sup> (as a proportion of the working-age population) may therefore be quite different from that of the Employment Administration (ADEM) or the rate measured by the International Labour Office (ILO). It reveals another image of

unemployment: that of people who declare themselves to be looking for work.

At the time of the census and according to the respondents, this rate was 4.1% at national level. This means that 4.1% of working-age people declared themselves to be unemployed, i.e. looking for work.

The interest here is in being able to present the variety of unemployment rates at municipal level<sup>7</sup>. The northern and southern extremities of the country are characterised by unemployment rates well above the national average. The unemployment rate is above 5% in the rural or semi-dense urban clusters of Wiltz, Vianden or denser Diekirch (6.4%, 5.6%, 5.5% each), but also Ettelbruck (5.1%). Although unemployment is high in many municipalities where few jobs are located

<sup>6</sup> The unemployment rate is calculated by dividing the unemployed population by the economically active population (i.e. those in employment + the unemployed).

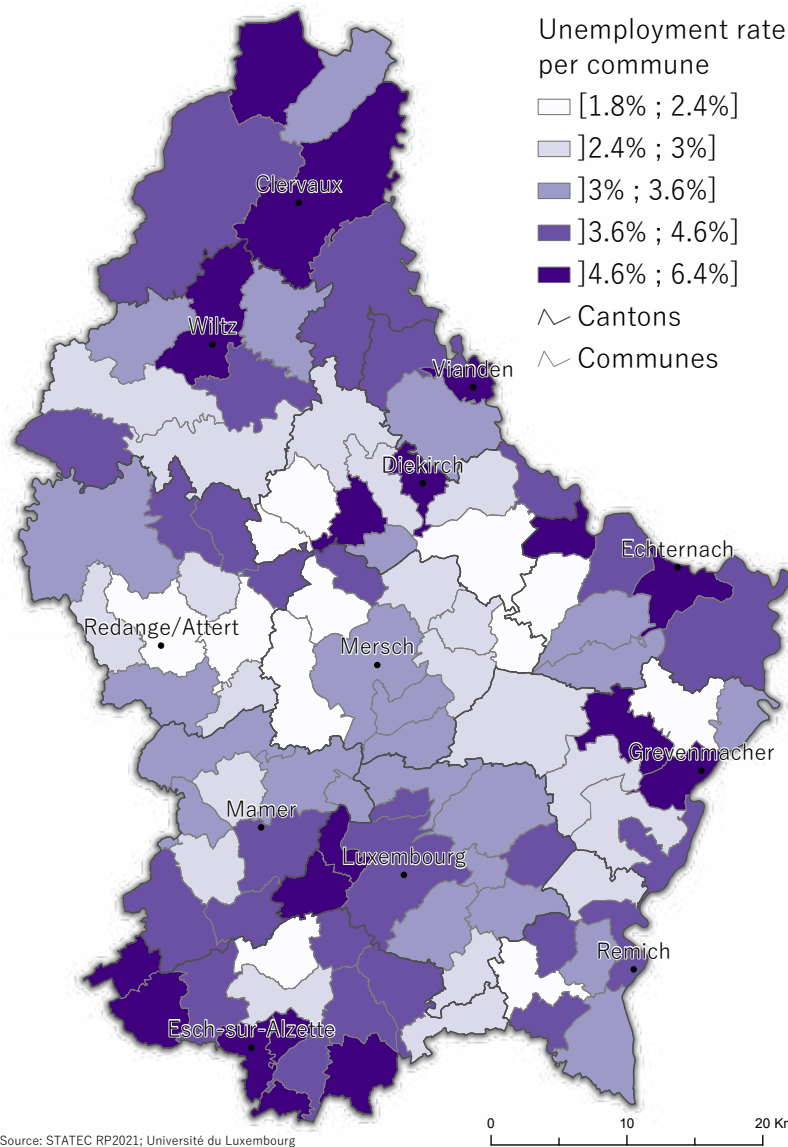
<sup>7</sup> Bear in mind, however, that for some municipalities, the unemployment rate is calculated on a small number of people.

(at the northern, southern and eastern ends of the region), it is interesting to note that unemployment rates are also higher than average in several municipalities that make up or are close to the country's main employment centres. These municipalities attract a larger population, including people looking for work.

other municipalities, a very small proportion of the working-age population is looking for work. Less than 2.4% in a dozen municipalities such as Reckange-sur-Mess (2%) and Dalheim (1.9%) in the south, Manternach (2.3%) or Redange-sur-Attert and the municipalities near Mersch and Diekirch.

In the south, Esch-sur-Alzette (5.9%) and Differdange (5.8%), as well as Rumelange, Pétange and Dudelange, have high rates (5.5%, 5.4% and 5.2%). Conversely, in

**Map 2: Unemployment rates by municipality of residence in 2021**



Source: STATEC RP2021, University of Luxembourg

The next publication will provide an opportunity to go into more detail on the characteristics and to highlight the diversity of the employed population, as well as the unemployed.

#### Methodological insert: who are the non-respondents on this question of economic activity/inactivity?

Of the 643,941 inhabitants of Luxembourg enumerated in November and December 2021, 52,311 did not answer the question on economic activity. The rate of non-responses is identical to that of the 2011 census. Non-responses have therefore not been taken into account in the calculations, maps and tables presented in this publication. It is important here to provide some additional information on this population. Nearly 48% of non-respondents live in the capital. The urban population is in fact more difficult to measure and to interest for the census.

While 21% of non-respondents were born in Luxembourg, the vast majority were born in another EU country (52.2%). Of the immigrants who did not indicate their economic activity status, almost seven out of ten had arrived in Luxembourg since the previous census. More specifically, a third of immigrants who did not answer the question on economic activity had been living in Luxembourg for less than 4 years. Ignorance of the census, lack of interest or even mistrust may explain this lack of response. It should also be noted that the two levels of education most represented among non-respondents are upper secondary (35.5%) and masters (22.4%).

Comparisons with the previous census are possible, but should be made with caution. In fact, the response possibilities are not exactly the same in 2021 as they were in 2011 in terms of economic activity. The introduction of permanent disability as a situation, as well as the recovery of certain missing information from administrative files, constitute new elements.

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