LABOR MARKET BRIEFINGS SERIES

LABOR MARKET INFORMATION FOR RESEARCHERS

THE HEALTHCARE SECTOR IN EUROPE
As part of EURAXIND's Labor Market Briefings Series, this report will give an overview of the healthcare sector specifically in Europe and how European researchers can begin making their career in the sector. While providing a general overview of the healthcare sector, this report will focus on the healthcare sector in three European countries, Switzerland, Sweden, and Germany, as all three countries boast significant healthcare sectors. It should be noted that is this is a general overview of the healthcare sector and does not seek to give specific information, rather a glimpse of the sector.
It is difficult to exactly define the healthcare sector as being comprised of human health activities, residential care activities (including long-term care), and social work activities. It should be noted that in our definition we have excluded the pharmaceutical sector, which is often considered to be part of the healthcare sector, since it has already been discussed in our brief of the Life Sciences and Pharmaceutical sector.

Due to technological advances, people the world over are living longer than ever before, with Europe being no exception to this trend. As such, a larger workforce than ever before is needed to provide healthcare to the world's aging citizens. These trends are even more pronounced in Europe, which has one of the world's fastest aging and shrinking populations. It is predicted that the share of European long-term expenditures on Healthcare in GDP is expected to grow from 1.8% in 2010 to 2.2% in 2025 and finally to 3.2% in 2050. Practically speaking, more money than ever is going to be spent by European governments on ensuring the health and well-being of their citizens. As such, workers in the health and social care field represent a large and growing share of the global labor force. In OECD countries, health and social work activities on average constituted around 10% of total employment in 2015. Interestingly, the rapid employment growth in health and social care contrasts markedly with current trends in other sectors. Across the OECD, employment in health and social work grew an average of 42% between 2000 and 2015. Whereas, over the same period, other sectors such as agriculture & industry saw an overall decline in employment.

While employment in the healthcare sector is likely to increase for the foreseeable future, the type of skills and functions needed in the sector are expected to change. This is due to a number of factors.

Firstly, aging populations will change patterns of demand for health and social care services. This will include greater demand for long-term care and related social services, which are particularly labor-intensive. Over time, rising incomes and the availability of new technologies will raise expectations on the quality and scope of care.

Secondly, many countries have started to introduce new care delivery models that will involve greater integration of health and social services. They have done so in order to meet the needs of aging societies. These changes are expanding the roles of non-physician providers (such as nurse practitioners and pharmacists and community health workers) into health care, aimed at maintaining access to services and increasing the productivity of the health workforce, as well as improving the continuity and quality of care for the patients. These changes will likely lead to significant transformations in staffing profiles and the skill requirements in the sector. Overall, the healthcare sector is one of the fastest growing in the world with more money than ever before the sector is positioned to become one of the world’s and especially Europe’s most prominent economic sectors. This same rapid growth has also led to fundamental changes within the sector itself.
In 2015, the EU devoted a total of 9.9% of its GDP to health care. Germany, Sweden and France are ranked as the highest spending EU member states, as each spent around 11% of their respective GDPs on health care. Looking beyond the EU, Switzerland allocated the biggest share of GDP in Europe, spending 11.5% of its GDP on health care. Therefore, this brief will focus on health care in Sweden, Germany, and Switzerland.

**Switzerland**

Switzerland spends the highest percentage of GDP on healthcare (around 11.4%) in Europe. Basic health insurance is compulsory in Switzerland and the Swiss health care system is non-tax-based and is not financed by employers but rather paid for by individual Swiss citizens through contributions to Swiss health insurance schemes. In 2017, the average Swiss adult paid an average of CHF 447 in Swiss health insurance premiums. In Switzerland, health and social work employees constitute around 13% of total employment. The Swiss health care system makes important contributions to employment and prosperity in Switzerland. However, it should be noted that the sector is facing major challenges as a result of large increases in health care cost as they have risen by a third within the last decade. This has put substantial pressure on Switzerland’s health care funding schemes. Furthermore, parallel to the increase in costs, demand for specialist health care personnel is also on the rise. Estimates state that about 185,000 full-time equivalents will be required in the Swiss health care system by 2040, which represents a rise of 50% percent on today’s workforce of 360,000.

**Sweden**

Health care provision is one of the top priorities of the Swedish government. This is evidenced by the annual budget of SEK 4.7 billion ($592 million) to health care services, representing 11% of Swedish GDP. The sector constitutes around 16.7% of total employment in the country. In Sweden, health care coverage is universal and automatic. The 1982 Health and Medical Services Act in the country states that the health system must cover all legal citizens. The publicly financed health system covers public health and preventive services; primary care; inpatient and outpatient specialized care; emergency care; inpatient and outpatient prescription drugs; mental health care; rehabilitation services; disability support services; patient transport support services; home care and long-term care, including nursing home care and hospice care; dental care and optometry for children and young people; and, with limited subsidies, adult dental care. Health care in Sweden is so comprehensive that private health insurance, in the form of supplementary coverage, accounts for less than 1% of expenditures. Associated mainly with occupational health services, it is purchased primarily to ensure quick access to an ambulatory care specialist and to avoid waiting lists for elective treatment. In 2015, 614,000 individuals had private insurance, accounting for roughly 10% of all employed individuals aged 15 to 74 years.
Germany

As health insurance is mandatory for all citizens and permanent residents of Germany, the country is the third largest in the world for health care products and services. The sector is growing at an annual rate of 5% and sees revenues of over €336.4bil annually, putting it amongst the largest and most dynamic sectors in the German economy. Furthermore, the health care sector accounts for around 12.8% of total employment in the country employing 7 million Germans. Since health care in Germany is mandatory, it is provided through two systems. The first is through competitive, not-for-profit, non-governmental health insurance funds known as statutory health insurance (SHI) systems. And the second is through a Substitutive private health insurance system (PHI). Of these, about 85% of the German population is covered by the SHI system and 10% by the PHI system. Germany’s health care sector is said to be one of the most technologically advanced and innovative in the world. As such, many countries look to Germany for the most up to date health care related products and practices.
As Europe’s population ages the healthcare sector has become ever more necessary. More and more health professionals are needed to care for the health of Europe’s population. The sector actually has the second highest number of employment vacancies after the wholesale and retail trade. Some one million employment vacancies are expected for the sector in 2020. As such, employment opportunities in the sector are set to continue growing throughout the coming decades. Sadly, while employment in the sector is relatively easy to come by significant employment is not. As comparatively, salaries for skilled workers in the sector are significantly lower than equivalent positions in other sectors. Furthermore, employees in the sector by and large voice their displeasure with working conditions and employer-employee relations. Employment in the sector is dominated by females who comprise over 70% of the workforce in the sector. In terms of enterprises, due to the high cost of health materials, such as medicine and hospital equipment, the majority of Healthcare enterprises are actually quite large. Some smaller enterprises do exist, such as private practice offices, but they are still a minority.

Here are some examples of major employers in the specific countries:

Europe
Novozymes A/S, Fagron, and Novartis.

Switzerland
Cederroth, Elekta, and Diamyd Medical

Sweden
The Capio group, Praktikertjänst Aktiebolag, and Bonzun.

Germany
Fresenius Medical Care AG & Co, Rhon-Klinikum, and EviMed.
For researchers looking to begin a new career in the health care sector, the sector offers a large number of positions for researchers. The sector continually demands the most cutting edge in health care products and services and researchers are the ones best suited to provide this. Specifically, researchers with life science related degrees such as Biochemistry, Biology, biotechnology, biomedical science, chemistry, food science, Genetics, Microbiology, Pharmacology, Nanotechnology and medical-related degrees such as biomedical engineering, medical sciences can look forward to finding significant employment in the sector. Some of the most common positions for researchers with these degrees are as biomedical scientists, bio-technologists, clinical radiologists, epidemiologists, health promotion specialists, health care scientists, microbiologists and health & safety advisors. This is just a small number of common employment positions in the sector for researchers. Furthermore, graduates in Computer Science, Mathematics, and the exact sciences can also find substantial employment as a part of hospitals and health organization IT departments. In regard to competition, as employment in the sector is growing and there are a large number of positions suitable for researchers, competition is quite low.

The skills demanded of researchers looking to enter the health care sector are: teamwork, communication, interpersonal, research, problem-solving, creativity, enthusiasm, time management, and organizational skills.
Overall, the health care sector is one of the fastest growing in the world and especially in Europe, due to people living longer than ever before and Europe’s ageing population. Specifically, Sweden, Switzerland and Germany boast large and strong health care sectors. Germany specifically has one of the most advanced health care sectors in the world.

Employment in the sector much like the sector itself is growing rapidly and employment positions in the sector are abundant. However, while there is an abundance of employment positions work in the sector is quite low paying and employment quality is often less than ideal. Lastly, researchers looking to make their way in this sector, can find an abundance of employment opportunities in a large number of positions. Specifically, researchers with degrees in the life sciences, medical, IT, and computer science benefit from high demand for their services.

Other useful sources of information and links

Global Health care-

Health at a Glance-

International Profiles of Health Care Systems-

European Labor Market Outlook-
https://www.cipd.co.uk/Images/labour-market-outlook_2017-winter-2016-17_tcm18-18238.pdf

European workforce-