Measures of Flexicurity in a non-EU context

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Measurement of labour market outcomes

- ***Indicators:***

  Employment rates, total, for women, the young and old people

  Unemployment rates by age

  Labour turnover

  Long-term unemployment

  Labour productivity

- ***Problems:***

  Unemployment rates may not be the best indicator for labour market slack

  Indicators of underemployment and precarious employment are missing

  Self-employment , unpaid work and helping family members must be included to have a better picture of the actual labour market situation

Flexible labour laws and contractual arrangements

- ***Indicators:***

  Employment protection legislation (OECD: Index scale 1 – 6)

  Share of employees with fixed-term contracts

  Share of employees with part-time contracts

  Undeclared work as a % of GDP

  Wage flexibility:real wage flexibility estimates

- ***Problems:***

  Focus only on the work relationship between employer and employee – no mention of share of self-employment or adaptability of enterpises

  Undeclared work is not further defined – is it an element of flexibility or lack of security or indicator of low EPL?

  Most indicators relate to the formal sector and are thus marginally relevent for non-EU countries

Measures of ALMP's

- ***Indicators:***

  Expenditure on ALMP's as % of GDP and expenditure intensity per unemployed

  Share of adult workers not having received a new start within 12 months (EU target)

- ***Problems:***

  For non-EU countries ALMP's need to include anti-poverty measures but they should be shown as expenditures per capita of the total population and not just the unemployed

  The second measure is important only for registered unemployed who are only the peak of the iceberg of hidden unemployment. The measure also presupposes that there are institutional conditions in place which carry out activation and advisory services which are non-existant in the non-EU

Measuring LLL

- ***Indicators:***

  % of total population 25-64 participating in education and training

  Educational attainment of age cohorts 45-54 and 25-34 (share of the population with at least upper secondary education

- ***Problems:***

  Non-coverage of the young by primary school educations is missed by the above indicators and this is important for non-EU

  Older age groups and their educational attainment is of less significance due to young populations in the non-EU

Measuring income security

- ***Indicators:***

  Net replacement ratios in the first year as well as after 5 years

  Access to active labour market policies as % of unemployed

  Coverage by unemployment benefits of flexible workers (part/time, temporary, self/employed)

  Unemployment trap

  Tax wedge and labour cost

- ***Problems:***

  Replacement rations are only of significance if there are cross the board unemployment benefits which is rarely the case

  Coverage by unemployment benefit or regular workers is more to the point than of flexible workers only

  All measures again refer only to the formal sector and typical EU income security mechanisms

Data collection tools

- *All data collection tools should be survey based*
- *They must be able to capture and differentiate between formal and informal sector employment*
- *They must convey the correct interpretation of the meaning of employment, unemployment and inactivity based on cultural and traditional understanding of work*
- *Possible tools: well prepared labour force surveys with specific informal sector focus*
- *Household budget surveys with expenditure based measures of income and consumption*

Combining sources

- *LFS should be combined with establishment sources so that the difference between the two methods can be monitored*
- *Registered unemployment is a reflexion of domestic legislature and its' distance from LFS concept indicates the difference between actual and formal activity statuses*

Missing indicators for the non-EU

- Poverty, health, access to basic amenities
- Indicators of decent work, pay, working conditions with gender differential
- Indicators of the level of development as measured by GDP in PPPs in intl.$
- Data sources: ILO, Eurostat, UNDP, OECD.