

Structural reforms

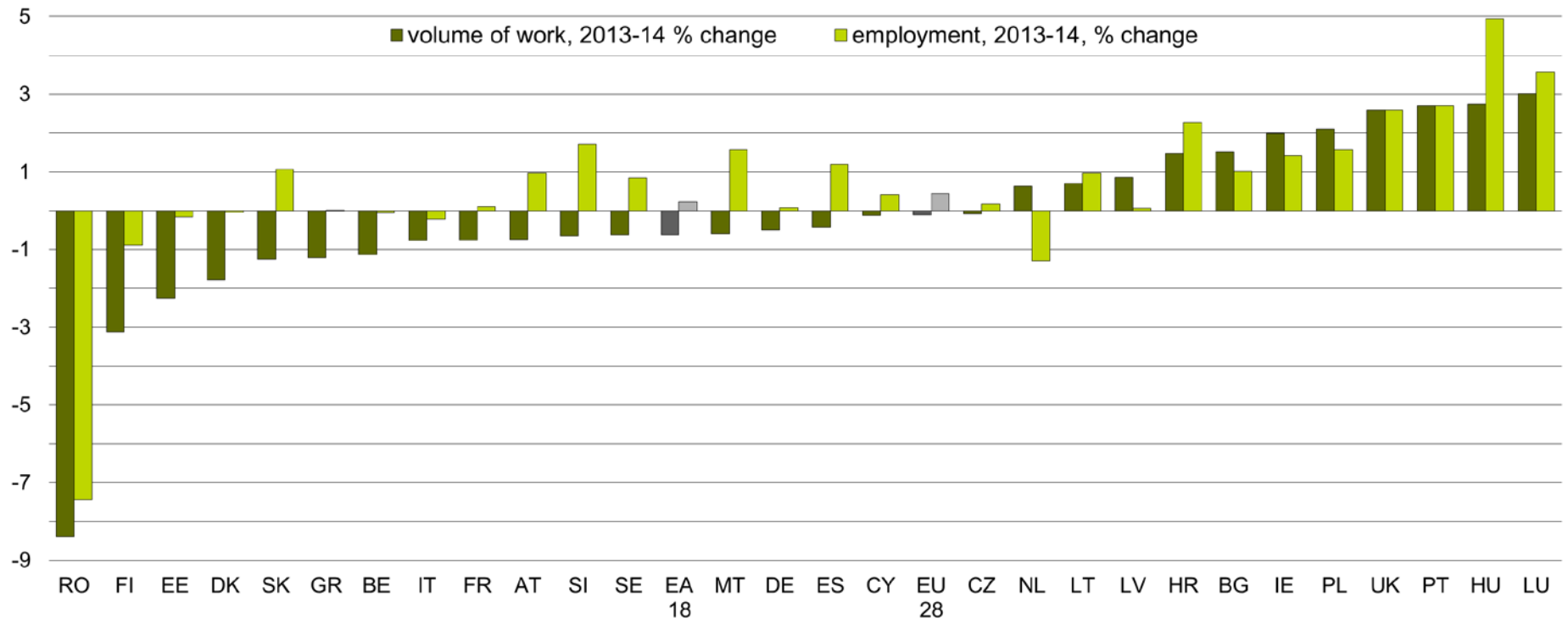
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1. Structural reforms
 - Narrow definition: deregulation of labour markets (& product, services)
 - Flexibility and deregulation as a solution to the EU's unemployment
 - ... *to stimulate the creation of **more and better jobs** (AGS 2015, p. 5)*
2. Can this work?
 - Empirical evidence: relationship between labour market institutions (e.g. EPL, wage bargaining) and unemployment not straightforward, depends on a broader economic and political context.
 - More regulated markets may also perform better in terms of high employment, low unemployment, combating poverty and inequality
 - Labour market institutions did not cause recession in 2008, therefore unlikely to be the solution
3. Our evidence shows clearly that protective labour market policies and institutions and their reforms since the beginning of the crisis cannot explain the variation in employment outcomes and cannot, therefore, be at the heart of the solution to the current crisis.

More...?

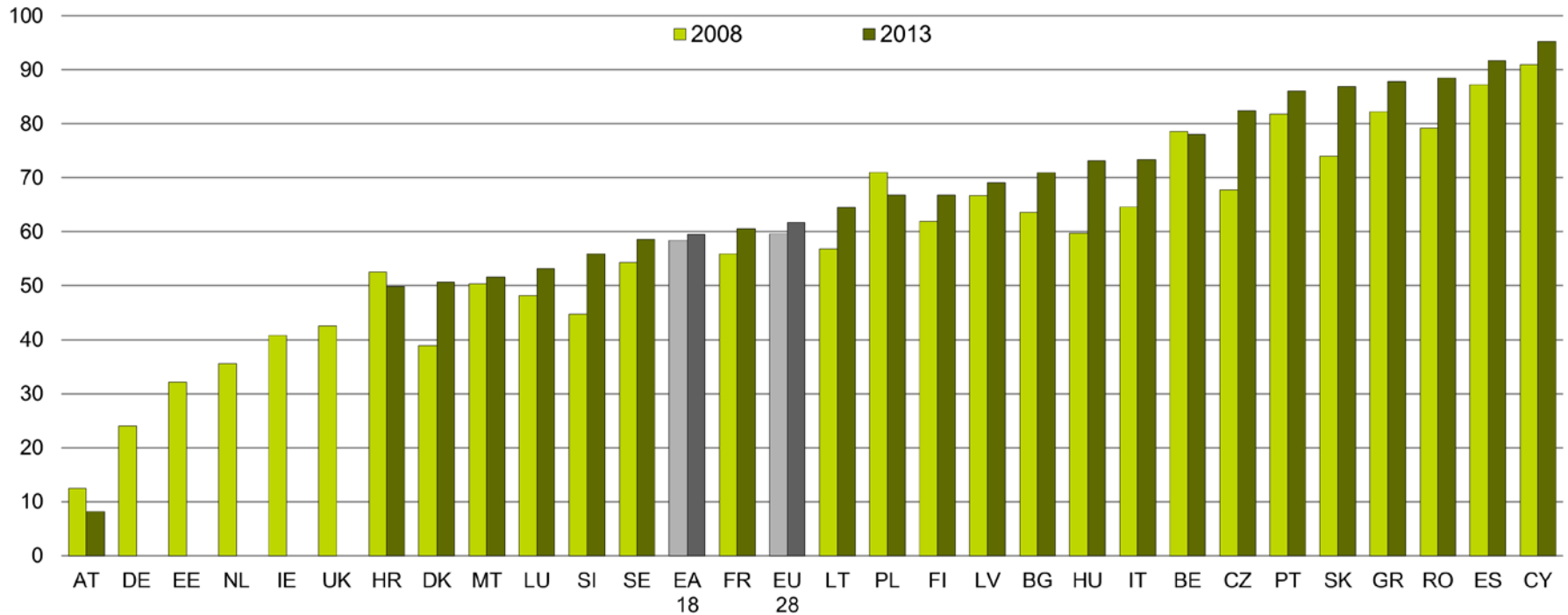
Figure 2.2. Work redistribution (age 15-64)



Source: Eurostat [lfsq_ergan].

... and better jobs?

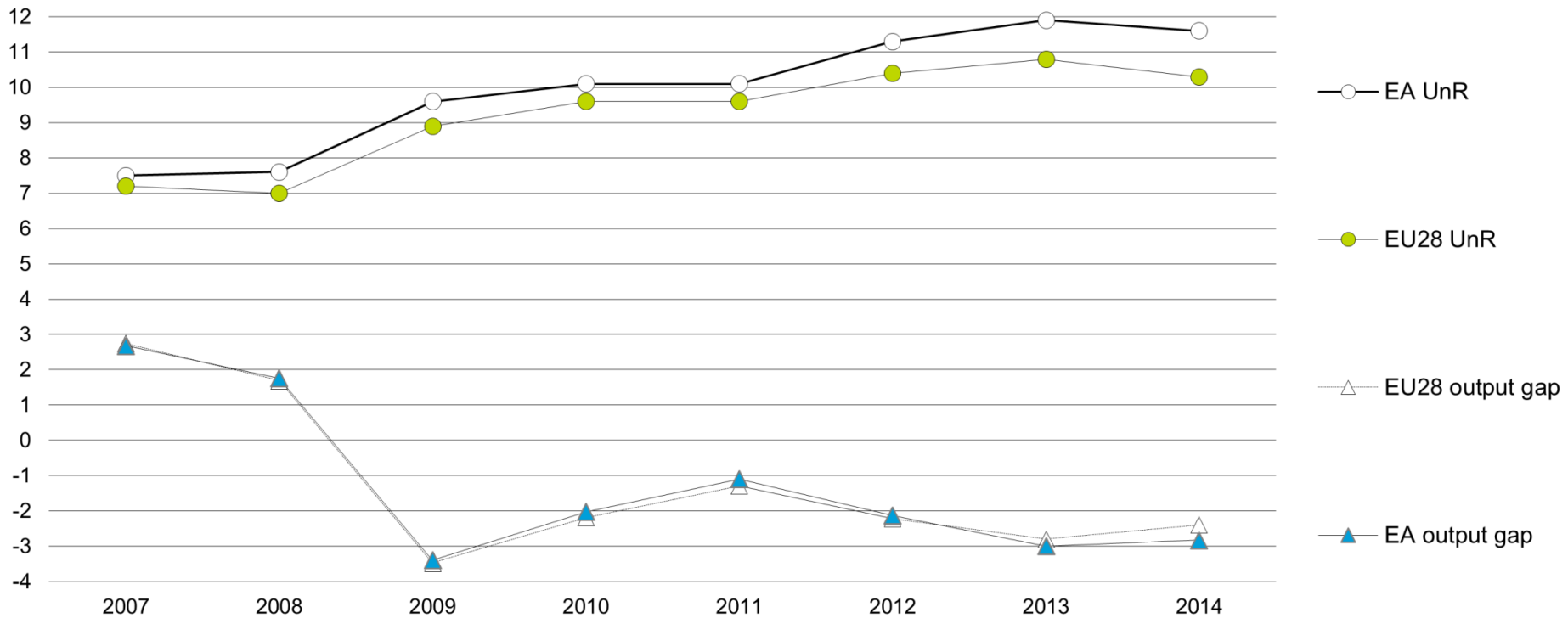
Figure 2.10. Involuntary temporary employment as % of total temporary employment, 2008, 2013, age 15-64



Source: Eurostat [lfsa_etgar]. Notes: EA18 data for 2012 (not 2013); DE, EE, NL, IE and UK missing for 2013.

What affects unemployment?

Figure 2.3. Unemployment rate and output gap in the EU28 and EA



Source: AMECO, ZUTN, AVGDGP.

Labour market institutions do not explain the divergence in unemployment rates

Figure 2.5. Labour market policies and institutions in member states with highest and lowest unemployment rates, 2008-2013

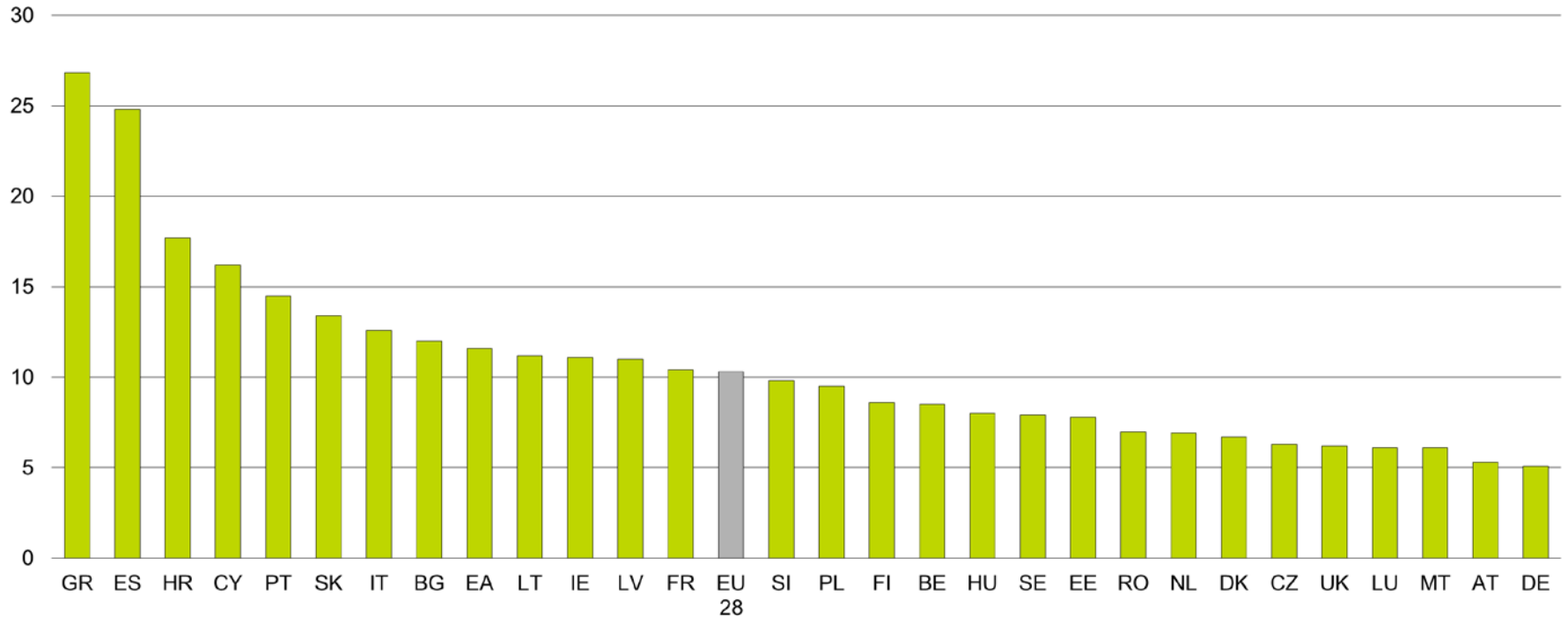
			AT	DE	GR	ES
Employment Protection Legislation ¹	Protection of permanent workers against individual and collective dismissals (0-6) 0=least restrictive	2008	2.44	2.98	2.85	2.66
		2013	2.44	2.98	2.41	2.28
	Regulation on temporary forms of employment (0-6) 0=least restrictive	2008	2.17	1.54	3.17	3.50
		2013	2.17	1.75	2.92	3.17
Unemployment Benefits Generosity ² (Average of net replacement rates over 60 months of unemployment)	excl. social assistance benefits	2008	60	46	11	36
		2012	59	41	11	36
	incl. social assistance benefits	2008	64	65	21	47
		2012	69	60	11	47
Collective wage bargaining ³	Coordination of wage-setting (1-5, 1=fragmented confined largely to individual firms or plants)	2008	4	4	2	4
		2013	4	4	5	4
Labour market reforms	Number of labour market reforms ⁴	2000-2008	83	93	75	132
		2009-2013	59	40	117	121
		2000-2013	142	133	192	253

Sources: 1: OECD, 2: OECD, Benefits and Wages statistics database 3: Visser, J., (2013), ICTWSS: Database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts in 34 countries between 1960 and 2012, v.4, 4: own calculations using data from the LABREF database-DG Ecfm.

Additional slides

Unemployment rates

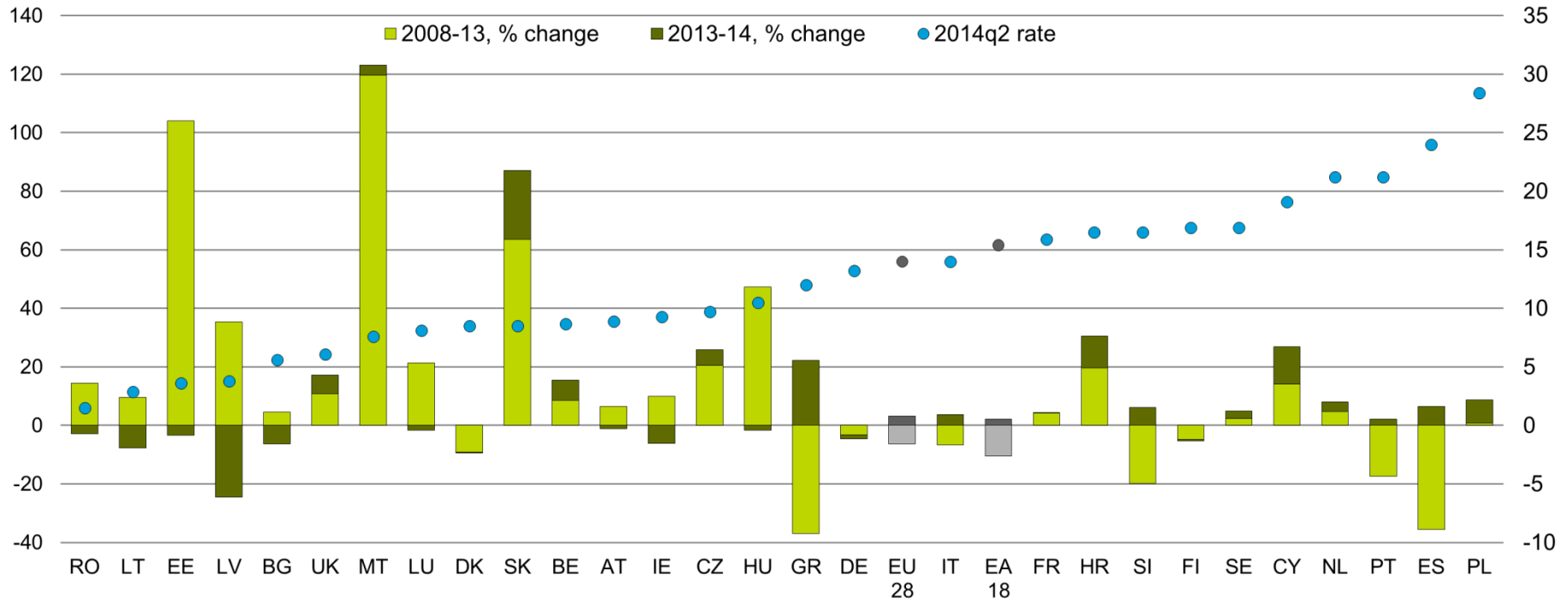
Figure 2.4. Unemployment rates in EU28 member states, 2014



Source: AMECO ZUTN.

Temporary employment rate

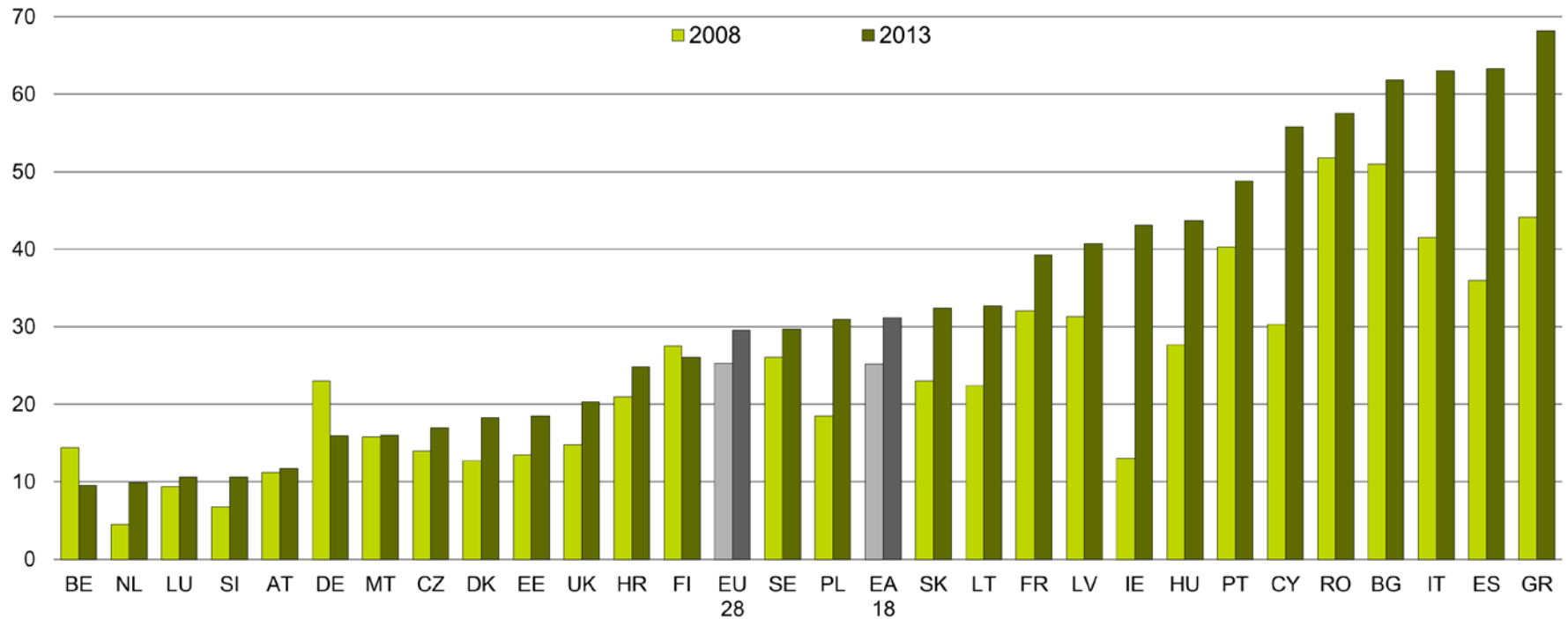
Figure 2.8. Temporary employment (changes since 2008 and rate in 2014q2, age 15-64)



Source: Eurostat [lfsq_etgan2].

Part-time work

Figure 2.9. Involuntary part-time employment as % of total part-time employment, 2008, 2013, age 15-64



Source: Eurostat [lfsa_eppgai]. Notes: UK data for 2009 (not 2008).