
Has the economic crisis contributed to more segmentation in labour market and welfare outcomes?

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european trade union institute

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Executive summary

With regard to non-standard workers, developments during the crisis may appear, at first sight, to have run in opposite directions. While these workers have indeed, in many cases, been more affected by unemployment, serious efforts have at the same time been made in several countries to improve their security, whether in employment (inclusion in short-term working schemes) or in unemployment (improved access to unemployment benefits). This paper thus sets out to analyse whether developments on the labour market and in the welfare system during the economic crisis can be seen as perpetuating the trend towards labour market segmentation or whether the crisis may actually have contributed to containing some of the divisions forged in recent decades.

To this end, after a short review of the relevant literature, labour market developments for non-standard workers during the crisis are assessed with reference to sub-groups such as youth, women and low-educated workers. The subsequent section turns to look at the unemployment benefit coverage of non-standard workers during the crisis, discussing recent changes to regulations that can constrain access to unemployment benefits and looking at developments in unemployment benefit coverage for specific labour market subgroups during the crisis.

The paper shows that segmentation exists in both the labour market and the welfare system and that these two forms of segmentation reinforce one another; country variation in terms of the incidence of non-standard employment is large. Women, and particularly youth, are the categories most affected by non-standard employment. As the design of unemployment benefit systems (and particularly unemployment insurance) is still strongly geared to “standard employment” in most countries, non-standard workers tend to be disadvantaged in terms of access to unemployment benefits. Indeed it is shown that in the majority of countries (where data is available) coverage of women is lower than of men and that young people are particularly disadvantaged when it comes to access to unemployment benefits.

As to the labour market impacts of the crisis, in the majority of countries temporary workers were the first to lose their jobs; however, the second phase of the crisis saw new jobs being created, predominantly on a temporary basis, while part-time employment has continued to grow over the entire period of the crisis. Individuals with low educational levels and young workers have been particularly affected by unemployment but also by subsequent increases in temporary employment and the ongoing growth in part-time employment. Moreover, the countries disproportionately affected by the crisis not only saw

unemployment rising but, for the most part, saw the simultaneous growth of part-time employment. Trends in temporary employment were more diversified in countries particularly hard hit by the crisis, with some using it as external adaptation strategy (particularly Spain) and others (Ireland, Latvia and Estonia) seeing an increase in their shares of temporary employment in total employment in spite of growing unemployment. Importantly, all countries disproportionately affected by unemployment saw involuntary forms of non-standard employment increasing – often by large margins. With regard to labour market developments, we have thus clearly seen further segmentation during the crisis – this is true for specific labour market groups, particularly youth and the low-educated, and with regard to specific countries, largely those disproportionately affected by unemployment.

As regards the welfare system, varying trends in unemployment-benefit coverage were evident during the crisis. In view of the major extent to which specific labour market groups, such as youth and temporary workers, were affected by unemployment, and the fact that precisely these groups are usually among those considerably less likely to qualify for unemployment benefits, a number of countries – such as Finland, France, Portugal, Latvia and Slovenia – deliberately relaxed the qualifying conditions. Other countries increased the duration of unemployment benefits, put in place one-off or lump-sum payments or increased benefit levels. And indeed due in part to these improvements, but also as a result of changing characteristics of the pool of unemployed, increasing benefit coverage rates could be observed in many countries. In others, however, trends ran in the opposite direction. Women, and particularly youth, nonetheless remain in an inferior position and, on the EU27 average, the coverage rate of the latter group has actually declined during the crisis. Due to data deficiencies, it is difficult to judge conclusively whether the crisis has contributed to more or to less segmentation in welfare coverage. In fact, there seems to be a division between countries in this regard and the deliberate opening up of unemployment schemes in several countries to new groups of workers during the crisis can clearly be seen as a positive trend contrasting with developments over recent decades. Last but not least, it is important to point out that, beyond the disadvantages in coverage for specific labour market groups, countries differ strongly in their overall coverage rates – with a lack of reliable comparative data in this regard – and generally in the levels of generosity of the unemployment benefits offered, as is apparent from the expenditure figures.

As to the short-time working schemes that helped to maintain employment during the crisis, several countries made a deliberate point of including non-standard workers in these schemes. The available – albeit sparse – empirical evidence indicates, nevertheless, that participation rates of non-standard workers in short-time work remained low. The use of working time adjustments (largely for permanent workers), i.e. internal flexibility mechanisms, combined with external labour market adjustment through the hiring and firing of – in particular – non-standard workers, may have contributed, all in all, to exacerbating the segmentation between these labour market groups.

It remains to be seen whether recent trends will have a longer-term influence on better inclusion of non-standard workers in unemployment benefit schemes. The recent austerity measures that in several countries entailed a strong focus on cuts in the fields of employment and social policies, but also the fact that some countries improved access to unemployment benefits for specific categories of workers during the crisis on an only temporary basis, raise doubts in this regard.

Introduction¹

Forms of non-standard employment have been actively fostered at the European and national levels by the relaxation or lifting of rules on, for example, employment regulation governing the use of fixed-term and temporary agency work – while maintaining employment protection for permanent workers – and, particularly in the light of increasing female employment and insufficient institutional provision for the combination of work and family, by setting tax, benefit and other incentives for firms and individuals to use part-time work.² At the same time, many countries have tightened up the job-take-up criteria which has de facto often pushed unemployment benefit recipients into non-standard employment relationships sometimes even supported by active labour market policies (ALMPs) such as employment incentives. In the wake of, among other things, EU directives on part-time, fixed-term and temporary agency work, there have also been some attempts to make non-standard employment more attractive to individuals by improving its quality.

Levels of both part-time and temporary employment³ (including fixed-term and temporary agency work) have indeed been rising in recent decades. Some labour market groups have been disproportionately affected by this trend, in particular, women in part-time employment and young people in temporary employment. When the economy was hit by the recent crisis, temporary workers were often the first to lose their jobs and their average share thus decreased during the early phase of the crisis. Re-employment often takes place on the basis of temporary jobs, however, and the fact that temporary employment is on average already picking up in the second phase of the crisis illustrates this fact. Part-time employment continued to grow during the economic crisis, and this growth can be explained only in part by the use of work-sharing measures. Particularly in countries that were most strongly affected by the economic crisis, the share of involuntary temporary and part-time employment increased markedly. These average movements notwith -

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1. The author would like to thank Veronica Nisco and Sotiria Theodoropoulou for comments on earlier versions of this paper; any remaining errors are mine.
 2. While many of the issues touched upon in this paper are also relevant for own-account self-employed workers, this category will not be dealt with here.
 3. The notion of “temporary employment” is used here because the European Labour Force Survey that is used for the empirical analysis does not clearly distinguish between fixed-term and temporary agency employment but instead provides figures for all contracts that are of limited duration including e.g. seasonal employment and temporary agency work if the workers do not have a permanent contract.

standing, countries show very different patterns with regard to developments in non-standard employment during the crisis.

Previous research had shown that non-standard employment does not always act as a stepping stone to regular employment but that it is often more permanent or recurring. Moreover, it is more often associated with transitions out of employment to either unemployment or inactivity. On the security side too there are a number of disadvantages, such as less job security, particularly for temporary workers, as well as lower average earnings and more limited access to lifelong learning measures and unemployment benefits.

The last two of these aspects have in the past not received much attention in either political or academic circles. However, in the context of the flexicurity agenda, the deficient access to social security benefits and among them unemployment benefits, did, in particular, gain some momentum in Europe during the second phase of the Lisbon Strategy.⁴ This is neatly illustrated by the fact that the new integrated guidelines on economic and employment policies as part of the EU2020 strategy explicitly highlight the importance of ensuring adequate social security for workers on fixed-term contracts and the self-employed – interestingly part-time workers are not mentioned here (Council of the European Union 2010)⁵.

The unemployment benefit coverage of non-standard workers has also received considerable attention at European and national level during the economic crisis when the fast and steep increases in unemployment, and the disproportionate affectedness of some labour market groups such as young and/or temporary workers, emphasised the gaps in social security (see for example Council of the European Union 2011: 3 or European Commission 2010c). In response to this situation, a substantial number of countries have improved the access of non-standard workers and/or young workers to unemployment benefits and some countries have also opened up their state-subsidised short-time working schemes to new labour market groups. An important question in this regard is whether these new arrangements are permanent and will contribute to decreasing the duality between regular and non-standard workers with regard to welfare outcomes, or whether they are merely temporary responses to the crisis that will be retracted in the light of the budgetary constraints now making themselves felt.

There are thus some seemingly contradictory developments with regard to non-standard workers in the crisis. On the one hand, these workers have in many cases been more affected by unemployment but, on the other hand, emphasis has in several countries been placed on improving their security in

4. Two studies on coverage were, for example, commissioned by the European Parliament dealing with how to create indicators on coverage of social security systems for people in flexible employment (for more details see section 1).

5. See explanatory text under guideline 7 “Increasing labour market participation of women and men, reducing structural unemployment and promoting job quality”.

employment (short-term working schemes) or unemployment (unemployment benefits, active labour market policies). Part-time employment has continued to grow and new employment in the second phase of the crisis has often been created on a temporary basis. This paper thus sets out to ascertain whether the developments in the labour market and in the welfare system during the economic crisis can be seen as continuing the trend of labour market segmentation or whether crisis may indeed have contributed to containing some of the divisions created over the last decades.

In the first section of this paper the relevant academic articles and policy documents (issued by international bodies) on non-standard workers in the crisis, and particularly these workers' access to unemployment benefits and short-time working measures, are reviewed. Sections 2 and 3 will assess whether the crisis has contributed to exacerbating the duality in labour market outcomes and in terms of welfare benefits. To this end, section 2 analyses recent labour market trends in terms of non-standard workers, taking account also of transitions between employment and unemployment and vice versa. Section 3 looks at segmentation with regard to welfare benefits, focussing on the design of unemployment benefits, and at changes in design that have taken place with regard to the generosity and accessibility of unemployment benefits and short-time working schemes during the crisis. It also compares relative differences in unemployment benefit coverage between different sub-groups and over time. Both sections 2 and 3 use the up-to-date harmonised aggregate European Labour Force Survey data. There are important limitations in the data with regard to unemployment benefit coverage. We do not have figures on the coverage of non-standard workers. However, data is available by gender and age which allows us to proxy access of part-time workers and temporary workers. Moreover, and importantly, labour force survey data on receipt of unemployment benefits has been found to be unreliable. We therefore decided not to report absolute coverage levels but merely the relative differences between sub-groups and changes over time. With regard to the labour market analysis (with the exception of transition figures) and the welfare analysis, we will compare pre-crisis and crisis outcome, it being important in some cases to distinguish between the first and second phases of the crisis (e.g. decline in temporary employment in the first phase but an increase in the second). To capture the broader European trends in segmentation in terms of labour market and welfare benefits during the crisis, this paper will use data, wherever available, on all EU countries for the statistical analysis and the review on changes during the crisis.

1. Literature review

There is as yet, to our knowledge, no comprehensive comparative study on the impact of the economic crisis on labour market dualisation. Several studies by international bodies on the labour market impacts of the crisis do emphasise, and sometimes illustrate, the fact that non-standard workers, and particularly fixed-term and temporary agency workers, were particularly affected by employment loss and unemployment but they do not include any in-depth

analysis (compare e.g. OECD 2009b and 2010a, European Commission 2010a and 2010b; ILO 2010). Interestingly, the crisis has highlighted not only the dualisation in terms of job security but also the shortcomings in terms of unemployment benefit coverage. This is a further issue that is taken up in some of the abovementioned studies. However, with few exceptions, due to a lack of up-to-date data, the studies commonly report on the changes in terms of eligibility criteria, as well as benefit level and duration, that have in some cases improved the access of non-standard workers, but without including any comprehensive in-depth analysis of benefit coverage. Similarly, several studies on the economic crisis have emphasised the recent opening up of short-time working schemes for non-standard workers who previously did not have access. Again, most studies report on changes in regulation rather than look at empirical evidence on access of non-standard workers to short-time working measures. The studies on short-time working schemes often also emphasize the differences in employment protection legislation and its contribution to the putting in place of these schemes. The next two sections look more closely into the recent papers on access of non-standard workers to unemployment benefits and short-time working schemes. As there is little information on the crisis period, and there has been a recent (pre-crisis) trend towards more strongly emphasising unemployment benefit coverage of non-standard workers, we will also refer below to some studies not strictly linked to the economic crisis. Due to the overall shortage of information to date, both academic and policy papers are considered, the latter being usually more timely.

For the pre-crisis period, there are few studies on the issue of *unemployment benefit (UB) coverage of non-standard workers* as this question was much less at the centre of policy discussions. Some earlier comparative research studies worthy of mention are Grimshaw and Rubery 1997; Talós 1999; Klammer and Tillmann 2001; Eurofound 2003; Leschke 2007, 2008; Schulze-Buschoff and Protsch 2008. These look at different countries and different groups of non-standard workers and either analyse institutional regulations with regard to UB access of non-standard workers and/or use empirical data to uncover the differences. All come to the conclusion that non-standard workers are indeed disadvantaged in terms of access to unemployment benefits (to varying degrees depending on country and group of workers in question), but that, upon access, they may actually be in a position to receive proportionately higher benefit levels due to the progressive nature of some of the systems (low benefit ceilings, flat-rate schemes, etc.)

Whereas there seems to have been little interest by bodies such as the European Commission, the OECD or the ILO in this issue in the late 1990s and the early 2000, this changed somewhat in the second half of the 2000 decade when, also as a response to the strong emphasis on the concept of flexicurity, the European Parliament commissioned a study on “Indicators on coverage of social security systems for people in flexible employment” (Alphametrics 2005) with a focus on, among other things, unemployment insurance. A follow-up of this study “Flexicurity: indicators on the coverage of certain social protection benefits for persons in flexible employment in the EU” was issued in 2009 (Alphametrics 2009). Both studies made use of a mix of information on

regulations taken from e.g. the MISSOC data base and the European labour force survey data. Similarly, the OECD Employment Outlook 2010 contains a study on the quality of part-time employment that, among other issues, looks at access of part-time workers to unemployment benefits. To this end, information on unemployment benefit design and its implications for part-time workers is collected. Both the European Commission and the OECD studies point to numerous forms of discrimination of non-standard workers with regard to access to unemployment benefits, again with substantial country differences. Discrimination is more likely in primary than in secondary UB schemes, but evident also in the latter.

The greater concern among international bodies for social security of non-standard workers is also reflected in the new EU2020 strategy which now explicitly mentions the importance of “Adequate social security [...] for those on fixed-term contracts and the self-employed” in the explanatory text of guideline 7 of the European Employment Strategy (EES) (European Commissions 2010d).

With regard to the crisis period, the deficient coverage of non-standard workers has been repeatedly emphasised in official documents and this issue seems to be given a more prominent place than in the past. In addition to temporary workers, part-time workers and self-employed, young workers, women and seasonal workers (or more generally workers with short or reduced contribution histories) are often singled out as groups in danger of not having access to unemployment benefits (compare e.g. European Commission 2010b: 147ff; ILO 2010) and these papers also report on the recent changes with regard to allowing easier access to unemployment benefits for disadvantaged groups. OECD (2009b: 79ff) emphasises the fact that growing shares of workers may remain unprotected if temporary work and other non-standard work patterns become more common. They also point out that a lack in protection for these workers is of particular concern during an economic downturn as they are likely to experience a disproportionate share of job losses. In this regard, ensuring the availability and adequacy of lower-tier schemes such as social assistance is regarded as a response more appropriate than ad-hoc changes to unemployment insurance. Another OECD study by Immervoll (2009: 48) reaches the same results as regards the disproportionate affectedness by the crisis and deficient UB coverage of non-standard workers, while remaining more open in its policy recommendations insofar as it points to the medium-term need for a debate on the relative roles of insurance and assistance benefits with regard to better coverage of non-standard workers.⁶ A recent volume by Clasen and Clegg (2011) provides country case studies and a number of cross-country studies that take account of twenty years of unemployment benefit reforms. General issues covered in the book include the extent to which benefit

6. European Commission 2010b (provisional version) which contains a lengthy section on the use of and adaptation of UB during the crisis should probably also be mentioned. Despite its direct focus on the issue, it remains as of yet limited use as the analysis is still superficial and not pursued in a sufficiently coherent manner.

schemes have adapted – or have failed to adapt – to the major changes that have affected labour markets.

Short-time working schemes have been a popular instrument for maintaining employment levels during the crisis. They can thus be regarded as a functional equivalent to unemployment benefits. What does the literature reveal about the access of non-standard workers to these schemes during the crisis? In general, employers have fewer incentives (in terms of cost) to offer short-time working measures to groups that they can easily fire and to those that are less at the core of their operations (e.g. have less firm-specific qualifications). In fact, in many countries, short-time working schemes have in the past been restricted to core workers either explicitly (e.g. requiring that fixed-term and temp agency workers be released first) or by way of offering these schemes only to workers who are eligible for UB. During the crisis, however, several countries have opened up the schemes (temporarily) to temporary and/or part-time workers or other groups of workers (for an overview table see European Commission 2010a, 81f; and for country-specific descriptions of the schemes and recent changes refer to Arpaia et al. 2010).

There are also several papers focussing particularly on Spain, France (and Italy) which look more closely into the issue of how far strict EPL for permanent contracts, and/or large gaps between the dismissal cost of workers with permanent and temporary contracts, have contributed to disproportionate increases in unemployment in the crisis (compare e.g. Betolila and Cahuc 2010; Wölfl and Mora-Sanguinetti 2011) and to the use, or otherwise, of short-time working (compare Boeri and Bruecker 2011; European Commission 2010c: 82 and 121ff and Arpaia et al. 2010). Several of these articles put forward the so-called “single open-ended contract” as a possible solution to labour market segmentation. This contract, which – without using the above wording – is also proposed in the European Commission’s recent agenda for new skills and jobs, would have no ex-ante time limit and would provide a relatively long entry phase with employment protection rights as well as access to lifelong learning and the like, gradually increasing with seniority (European Commission 23.11.2010: 5).

Overall, from the above literature review we can conclude that, while interest in these issues, particularly among international bodies, has increased, there is as yet no reliable empirical evidence on unemployment benefit coverage of non-standard workers during the crisis and little empirical evidence on short-time workers. This points to a lack in availability of reliable benefit coverage figures broken down by contract type, as well as to the difficulties in capturing rapidly changing regulations as regards unemployment benefit design.

2. Labour market developments in the crisis – is segmentation increasing?

This section analyses labour market developments during the crisis with the aim of assessing whether the recent trends have contributed to increasing or reducing segmentation. After a short general section focussing on longer-term

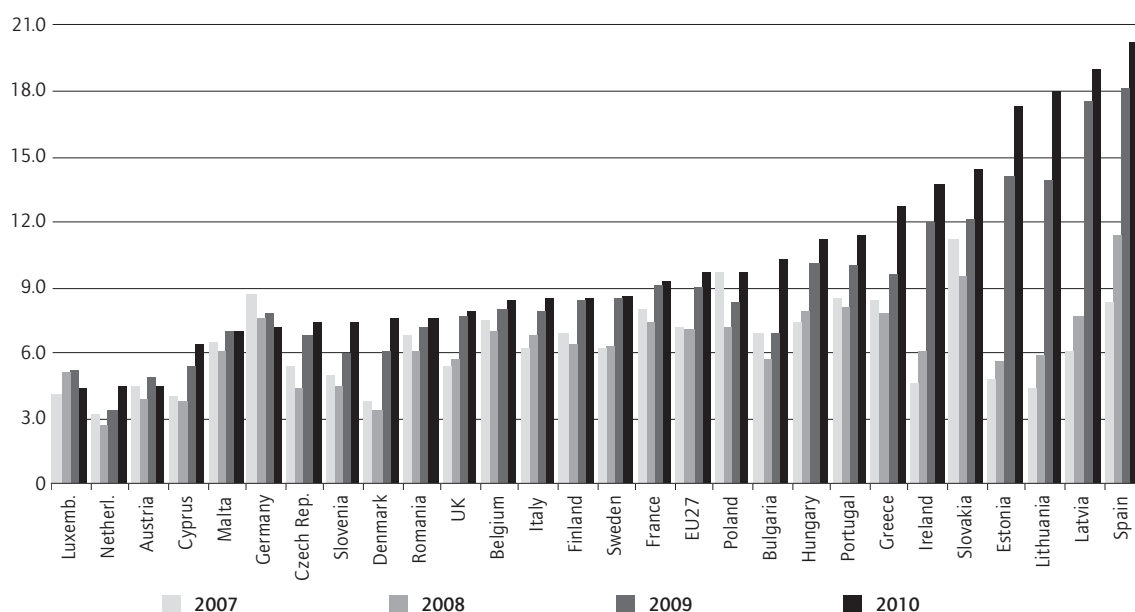
trends and developments in unemployment during the crisis, separate analyses will be presented of part-time and temporary workers. Importantly, the analysis will also take account of labour market subgroups, as it is well known that certain groups are disproportionately affected by non-standard employment. We look at annual developments between 2007 and 2010. As, in the majority of countries, the crisis hit in the second quarter of 2008, the inclusion of 2007 annual averages gives us a pre-crisis figure for most countries.

During the last two decades and, not least, as part of the flexicurity agenda (compare e.g. European Expert Group on Flexicurity 2007), non-standard employment has been actively supported at both the EU and the national levels. Liberalisation and deregulation of the regulations pertaining to fixed-term and temporary agency work over the 1990s and 2000s in many countries led to increasing shares of these forms of contract in total employment. The increase in the share of part-time employment in total employment, on the other hand, was a reflection, by and large, of continuously rising female labour market participation. To illustrate this, using data from the European Labour Force Survey and looking at the developments over the Lisbon period (i.e. from 2000 to 2010), we saw part-time employment rising continuously in the EU27 from a share in total employment of close to 16% in 2000 to 18.5% in 2010. The share of temporary employment in total employment grew similarly from 12.2% to 14.6% in 2007 when it peaked. However, not surprisingly – and in contrast to part-time work – temporary employment declined markedly during the crisis to a share of 13.9% in 2010. Similar developments in temporary agency work have been reported by CIETT (2011). This form of contract peaked in 2007 at 2% and had fallen back down to its 2000 level of 1.5% in 2009 (latest available data). Over the Lisbon period employment rates rose continuously up to the onset of the crisis in 2008, thanks to employment growth due mainly to increasing shares of women and older workers in employment. Non-standard employment contributed largely to the employment increases during the Lisbon period (European Commission 2007).

As a result of the large output shocks experienced by the majority of European countries, EU unemployment increased markedly from 7.1% in 2008 to 9.7 % in 2010, whereas it had been declining steadily over the preceding four years. The EU average unemployment rate conceals large country differences in terms of extent and developments, as Figure 1 illustrates. Unemployment rates range from below 5% in Luxembourg, the Netherlands and Austria to around 20% in Spain and Latvia. Several countries (Spain, Ireland – and, starting out from a very low level, Denmark) doubled and some (Baltic countries) tripled their unemployment rates over the 2-year period; Germany and Luxembourg were the only countries that saw a decline in unemployment between 2008 and 2010. The varying trends in developments in terms of unemployment between 2007 and 2008 indicate that European countries were hit by the crisis at different points in time. The countries particularly affected – the Baltic States, Spain and Ireland – already saw substantial increases between 2007 and 2008 when other countries, and particularly Poland, continued to experience a pronounced decline. As expected, there is a strong negative statistical correlation between

output and unemployment, albeit with several countries performing substantially worse – or better – than what would be expected from the size of the output shock. This indicates that countries differ substantially in their ability to buffer output shocks by institutions such as working time measures or the use of active labour market policies (for details see Leschke and Watt 2010).

Figure 1 Developments in unemployment in the crisis

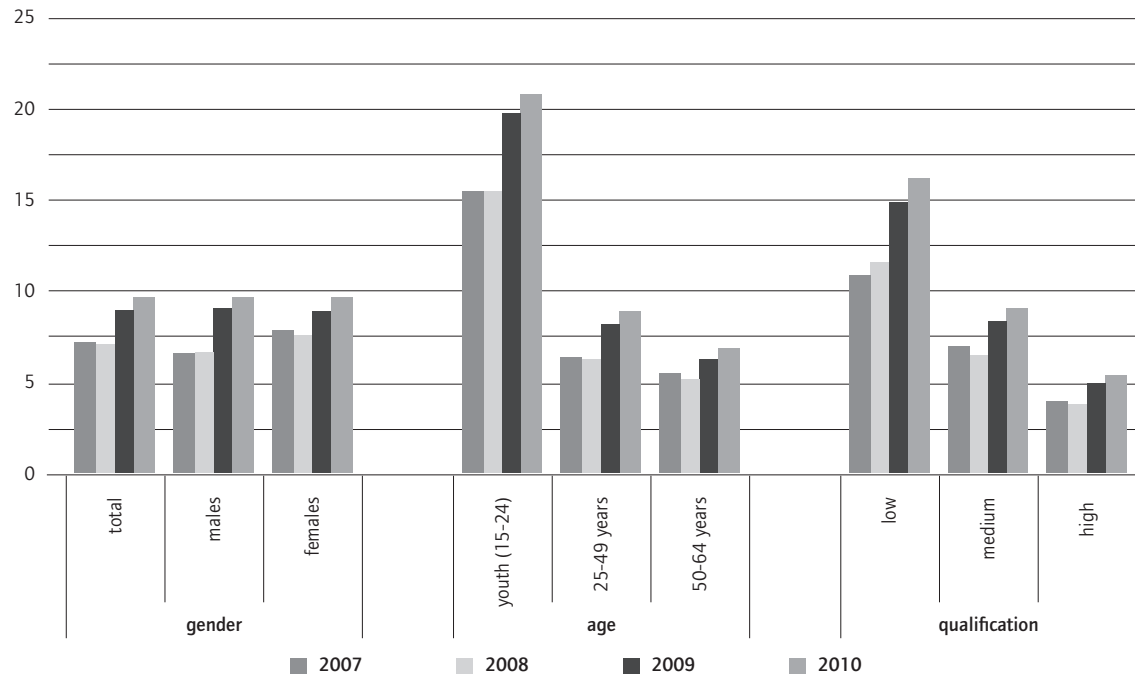


Data source: Eurostat, online database

Note: Unemployment according to ILO definition.

Figure 2, which displays EU27 average developments in unemployment during the crisis by subgroup, illustrates that young and low-qualified workers were particularly affected by increasing unemployment. Both groups already had considerably higher-than-average levels of unemployment before the crisis. Youth unemployment is now close to 21%, and thus more than double the unemployment rate of prime-age and older workers. Among the most hard-hit countries, Estonia, Ireland and Latvia more than tripled their youth unemployment rates, while Lithuania saw a quadrupling of this rate which in Spain more than doubled from an already very high pre-crisis level. Both men and women have seen their unemployment rates increasing, men at a faster pace than women, particularly in the first phase of the crisis due to the larger affectedness of male-dominated sectors (e.g. manufacturing and construction) but from a lower level, with the result that female and male unemployment rates are now approximately equal.

Figure 2 Developments in unemployment by subgroup, EU27



Data source: Eurostat, online database.
 Note: Unemployment according to ILO definition.

2.1 Developments in part-time employment during the crisis

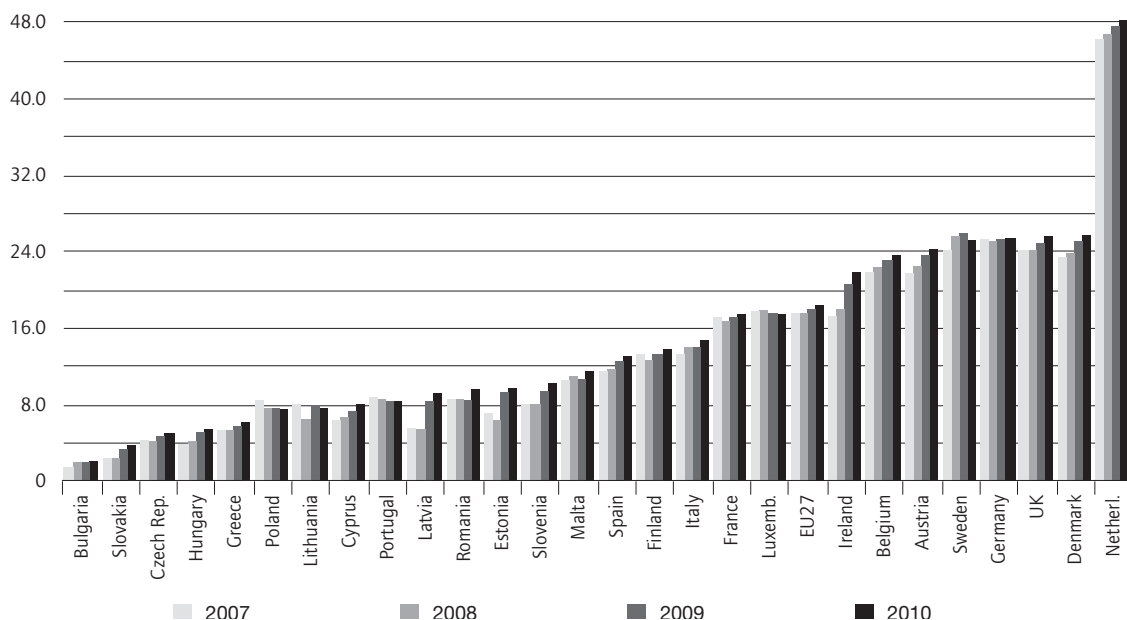
Part-time employment varies markedly in Europe with some countries, particularly central and eastern European member states, having very small shares, and others, a mix of Nordic, continental and Anglo-Saxon countries, displaying shares in total employment of more than 25% (Figure 3). The Netherlands, with close to half of the working population in part-time employment, remain far in the lead. Gender differences in part-time employment are very pronounced, with 31.4% of women and only 7.8% of men working part-time in the EU27 in 2010.⁷ For the most part, but not exclusively, it is countries with high female employment rates that also have high part-time shares in total employment. Importantly, countries also vary substantially with regard to the average number of hours worked by part-timers with, for example, Germany and Sweden having approximately the same part-time employment share of 25% but at very different average working hours of, respectively, 18.1 (the lowest in the EU) and 23.5 (the second highest) (see annex 1). The numbers of hours worked are important not only when it comes

7. The gender differences can be explained among others by the unequal gender distribution of house- and care work and to large institutional deficiencies in many countries, particularly with regard to the lack of child- and elderly care facilities which hampers the possibility of combining care and full-time work. The lack at the company level of work-life balance policies also plays a role (see e.g. OECD 2007).

to earnings but also with regard to access to unemployment benefits, insofar as many countries apply an hours' threshold and thereby exclude marginal part-time workers from unemployment insurance benefits.

In line with previous developments, part-time employment continued to grow progressively during the crisis except for the first year when it remained stable. EU27 average part-time employment increased from 17.6% in both 2007 and 2008 to 18.5% in 2010. Interestingly, against the trend over the Lisbon period, a non-negligible number of countries saw part-time employment declining during the first crisis year. However, the rising trend in part-time employment from 2008 onwards was evident in all but three countries, namely, Luxembourg, Poland and Portugal, all of which displayed only small declines. The countries that displayed considerably higher-than-average increases in part-time employment were Estonia, Latvia, Ireland, Hungary, Slovenia and Slovakia. Importantly, all these countries were disproportionately affected by increasing unemployment and (except for Ireland) displayed well-below-EU-average shares in part-time. In the four countries with very high unemployment rates (Estonia, Latvia, Ireland and Slovakia), men were contributing more to the rising part-time rates than women.

Figure 3 Developments in part-time employment since the onset of the crisis

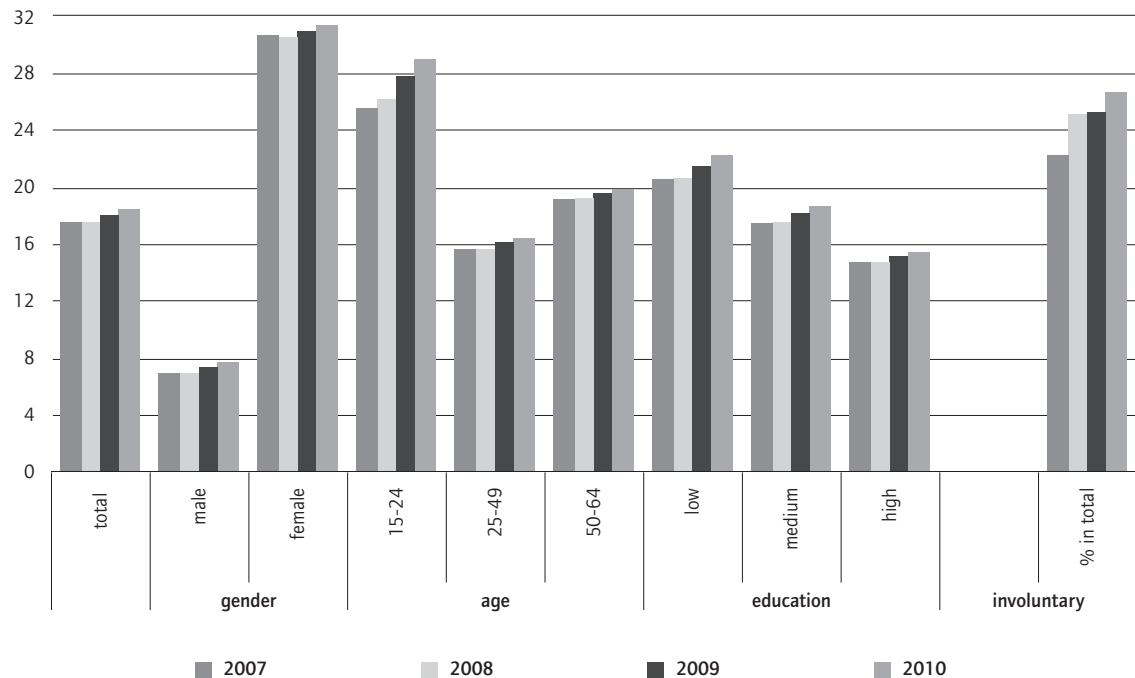


Data source: Eurostat, online database.

Figure 4 uses the EU27 aggregate data and looks at developments in part-time by subgroup. Women, youth and low-educated workers are more likely than other labour market groups to be in part-time employment. Both men and women – the former somewhat more strongly but starting from a much lower level – were affected by rising part-time employment during the crisis. With

part-time rising from 25.6% to 29% between 2007 and 2010, young workers were considerably more affected than prime-age and elderly workers, even given the fact that unemployment among this group was also soaring. Also, part-time employment increased more strongly among workers with the lowest level of education than among those who had been educated to higher levels. One reason for increased shares in part-time work may well also be the use of short-time working measures, insofar as part-time work in the European Labour Force Survey is determined on the basis of a spontaneous response and not on the basis of working hours.⁸ During the crisis period the share of individuals working part-time because they could not find a full-time job increased considerably, with the sharpest increase in involuntary part-time taking place between 2007 and 2008, indicating that it had become more difficult during that period to find a job that met the individual's preferred criteria. The countries most hard-hit by the crisis (the Baltic States, Spain and particularly Ireland), but also, for example, the UK, saw their shares in involuntary part-time employment increase more drastically than the average (not shown).

Figure 4 Developments in part-time by subgroup, EU27



Data source: Eurostat, online database.

Note: involuntary are all part-time workers that gave as a reason for working part-time that they could not find a full-time job.

8. The only exceptions to this rule are the Netherlands, Iceland and Norway where part-time is determined by whether or not the usual hours are fewer than 35.

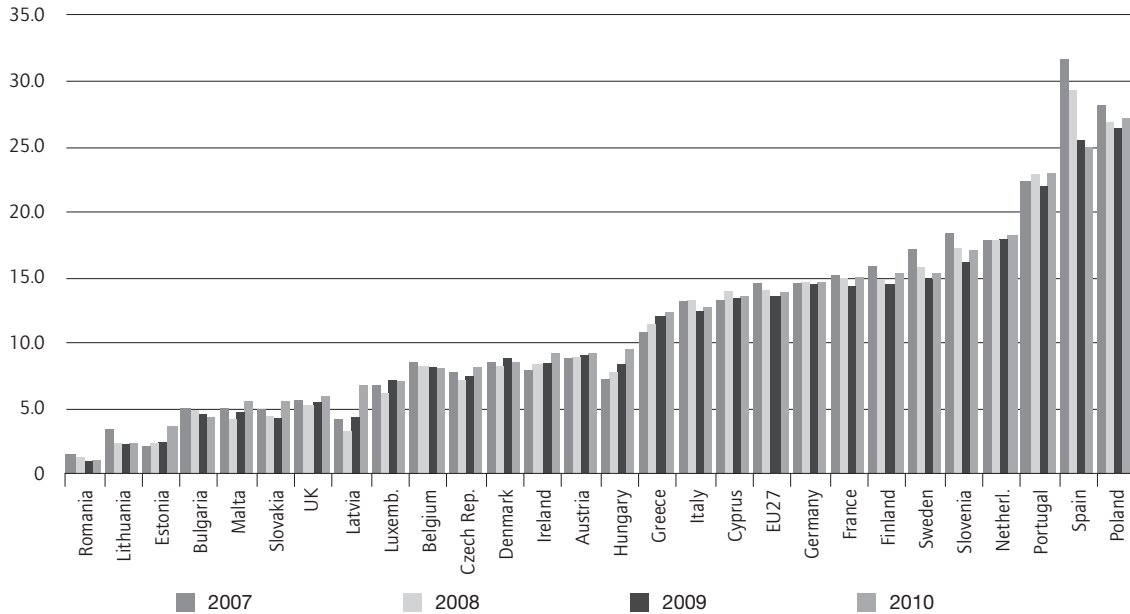
2.2 Temporary employment

With regard to the extent of temporary employment several papers have pointed to the potential link with the strictness of employment protection legislation (EPL) (see literature review). However, we will not pursue this aspect any further here as simple correlations for OECD countries between the share of temporary employment in total employment and the 2008 OECD EPL indicators⁹ for, respectively, regular employment, temporary employment and the gap in EPL between regular and temporary employment turned out to be weak or even to run counter to the expected direction (for the sake of completeness the 2008 EPL values and the correlation outcomes are presented in Annex 2).

As was the case for part-time work, country variation in the extent of temporary employment is marked, with Poland and Spain (shares of more than 25%) and Portugal (around 23%) taking the lead. At the other end of the spectrum we find new member states such as Romania, Lithuania and Estonia with shares of less than 5% (Figure 5). Temporary workers were in many countries the first to lose their jobs during the crisis – the latest joint employment report by the Council of the European Union (8 March 2011: 11) states that job losses among temporary workers were almost four times higher than for those in permanent employment. Indeed temporary employment, which peaked in the EU27 at 14.6% in 2007, fell to 14.1% in 2008 and 13.6% in 2009. However, the recent increase to 13.9% in 2010 shows that there is a tendency for firms to rehire workers on the basis of fixed-term contracts or by way of recourse to temporary agency workers (on the latter see European Commission February 2011). This reflects, not least, a lack of confidence on the part of employers about the resilience of the upturn. Many countries replicated the EU average trend in temporary employment with decreasing temporary employment in the first crisis period and increases again between 2009 and 2010 (Figure 5). Downward trends between 2007 and 2009 – and thus labour market adjustment via external flexibility – were particularly pronounced in six countries, three of which had temporary employment shares considerably below the EU average (Lithuania, Romania and Slovakia) with the remaining three displaying shares above the EU average (Sweden, Slovenia and Spain). Pronounced upward trends were observed in Estonia, Ireland and Hungary, all countries strongly affected by the economic crisis in terms of labour market outcomes and all countries with comparatively low temporary employment shares in the population. Spain, the country with the highest temporary employment shares over the last decade saw a decline in this form of employment of close to 7 percentage points, with temporary employment having not yet picked up but having now stabilised.

9. For the most recent information on the OECD EPL indicator and its components see Venn (2009).

Figure 5 Developments in temporary employment since the onset of the crisis



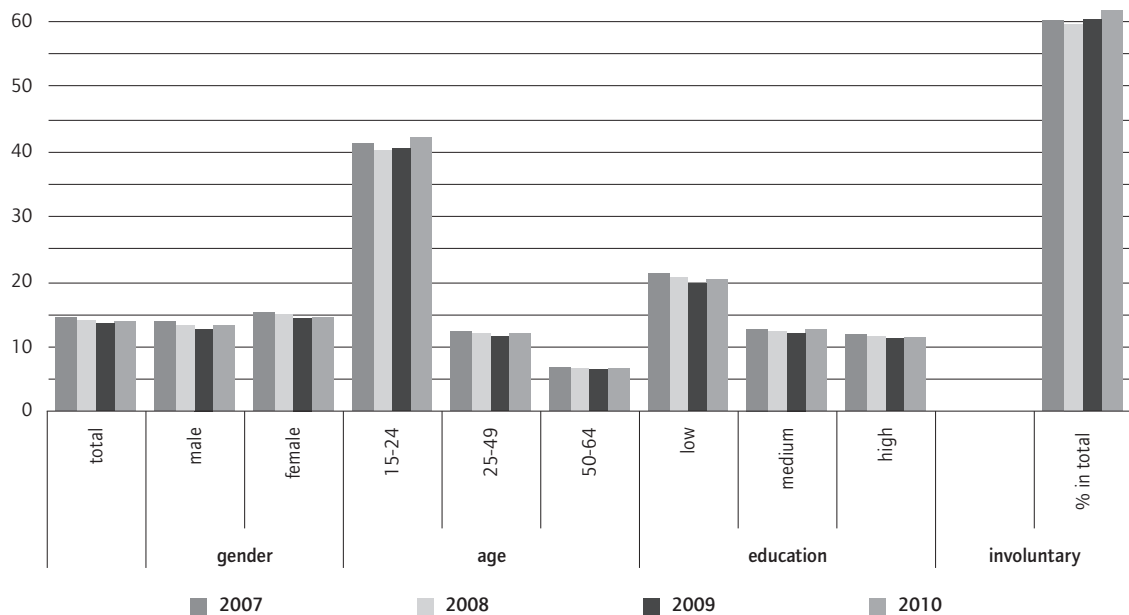
Data source: Eurostat, online database.

Whereas in relation to part-time employment the number of working hours was important, particularly when it comes to earnings and access to unemployment insurance benefits, in the case of temporary employment the average duration of contracts is of relevance in determining access to unemployment insurance benefits as almost all schemes define a contribution period within a specific reference period (see next section). In the majority of countries more than half of all temporary contracts run for, at the most, one year. On the EU27 average, approximately 35% of temporary contracts are shorter than six months. Spain, but also Lithuania, Latvia and Hungary, have particularly short durations (see Annex 3 for the full table).

Figure 6 illustrates for the EU27 that temporary contracts are somewhat more common among women than men with the difference having remained more or less stable during the crisis. With shares of around 42% in 2010, young workers (15-24 years) are by far most likely to hold a temporary job. This pattern is replicated in almost all countries. The large share of youth in temporary employment is one of the explanations for the particularly severe deterioration of the labour market situation of young people during the crisis. Moreover, with shares of around 20% in total employment, low-educated workers are substantially more likely than those with medium or higher educational levels (around 12%) to hold a temporary contract. All labour market groups replicate the trend of decreasing temporary employment in the early crisis period and increasing temporary employment in the most recent period. In the majority of cases, temporary employment is exercised not as a matter of choice (i.e. workers would have preferred but were unable to find a permanent job) and the share of involuntary temporary employment increased

somewhat (by about 1.5 percentage points) between 2007 and 2010. The share of involuntary temporary employment increased markedly in Latvia and particularly Ireland, two of the countries most strongly affected by the economic crisis. Other countries with very marked increases in this respect were the Czech Republic, Denmark and the UK (not shown).

Figure 6 Developments in temporary employment by subgroup, EU27



Data source: Eurostat, online database.

2.3 Transitions between employment and unemployment

The annual aggregate stock data shown above is of course limited in its usefulness, particularly by the fact that we do not observe the shares of workers moving in and out of part-time or temporary employment within a year. Unfortunately, the comparative flow data available is not up to date and thus does not allow assessment of changes during the crisis period. The latest available data – taken from the EU-SILC and depicting yearly¹⁰ flows from 2006 (t) to 2007 (t+1) – shows, however, that both part-time and temporary workers are in all countries more likely than full-time and permanent workers to move from work into unemployment and/or inactivity from one year to another. The extent in differences between standard and non-standard employment differs substantially between countries. This is important also for the next section which looks at unemployment benefit coverage.

¹⁰ Comparative monthly flow data with information on working time and type of contract is, to our knowledge, not available. Such data would be preferable to the annual figures which do not pick up the changes taking place in the course of the year that are particularly likely for temporary workers whose contracts are commonly of short duration.

The stepping-stone function of non-standard employment is relatively limited, at least according to the data to hand, and this is particularly the case for part-time workers. In only six countries did more than one third of part-time workers move into full-time employment between 2006 and 2007; for temporary workers this was true in 13 countries, in the majority of which more than 40% of temporary workers were moving into permanent employment. Even so, there is considerable stability, in particular in part-time but also in temporary employment, with, once again, large country variation (for country-specific details see Annex 4). The findings are in line with previous studies (e.g. European Commission 2009b; Leschke 2008; OECD 2010b).

As regards different labour market groups, the European labour force survey data for the period 2002-2007 shows that overall transition rates from unemployment or inactivity to employment are higher for men than for women and that youth and prime-age workers as well as persons with higher educational levels are more likely to move up than are older workers and those with lower educational levels (European Commission 2009b). The findings on gender, age and education are confirmed by earlier studies based on the European Community Household Panel (ECHP) data (European Commission 2004) as well as by Erhel *et al.* (2010) who use the Statistics on Income and Living Conditions (EU-SILC) 2006 data.

3. Segmentation with regard to the welfare system? Access of non-standard workers to unemployment benefits

The previous section showed that non-standard workers are generally more likely to become unemployed or inactive. During the crisis period temporary workers were particularly prone to lose their jobs. Unemployment insurance benefits or secondary schemes such as unemployment assistance (or social assistance) are usually granted to unemployed workers for a limited (in the case of secondary schemes sometimes unlimited) period in order to maintain their living standard and allow them to look for a suitable job.¹¹ Unemployment benefits also have a role as automatic stabilisers, particularly in times of crisis with large increases in unemployment.

Substantial shares of unemployed persons do, in fact, not have access to unemployment (insurance) benefits. In part, this is deliberate policy (i.e. a link between contributions and benefits is intended), while in other cases it is unintended, insofar as qualifying criteria for unemployment insurance are in many cases no longer in line with the changes in employment relationships (see e.g. OECD 2009a: 79). As social security schemes are still largely based

¹¹ Job take-up criteria have been tightened up, however, in many countries over the last decade which means that, after a short benefit period, the unemployed person is obliged to take up “any” job irrespective of previous earnings and qualification.

on “standard employment” (dependent, permanent and full-time) relationships, a number of basic principles underlying the design of unemployment insurance can lead to disadvantageous treatment of, among others, non-standard workers, in particular with regard to access to unemployment benefits. Earnings or hours thresholds represent a direct criterion for excluding those working short hours. Moreover, the qualifying period (usually a minimum contribution period within a given reference period) can further restrict the access of persons whose contracts are of short duration. When the contribution period is measured not in months but in hours or days worked this can also represent a problem for workers with fewer than full-time hours per month. Moreover, in several countries the length of benefit payments depends on the previous period of contributions. Self-employed persons – not dealt with here – are often automatically excluded from unemployment insurance systems or are faced with long waiting periods.¹² Hours and earnings thresholds, as well as qualifying periods, are in most cases not of relevance for secondary benefit schemes. However, secondary schemes (unemployment assistance benefits) exist in only a limited number of European countries and new member states, in particular, do not, for the most part, have unemployment assistance benefits. Moreover, unemployment assistance benefits are not always universal (for example, they are in some cases restricted to unemployed persons with families), while benefits are usually very low and means-tested on the family or (more rarely) the individual and/or assets (compare OECD Benefits and Wages homepage).

This section seeks to highlight the disadvantages suffered by non-standard workers in access to unemployment benefits, with special reference to changes during the crisis. As unemployment benefit systems are designed to meet complex (and fast changing) conditions, there is no room here to refer to the detailed qualifying conditions and other design features. Regularly updated information on the design of unemployment benefits systems can be found in the MISSOC comparative tables (2010). Detailed information on unemployment benefit schemes, particularly with regard to part-time workers, is also available from a special OECD (2010c) survey.¹³ These sources are used to give an aggregate view of possible disadvantages deriving from eligibility criteria such as hours’ and earnings thresholds and qualifying periods. The subsequent section will give an overview on changes in unemployment benefit schemes during the crisis, a period during which several countries have relaxed conditions and thus opened up their schemes to new groups of workers. Information for this section derives from comparative sources such as OECD, European Commission and Eurofound. Last but not least aggregate Labour Force Survey data on unemployment benefit coverage rates and changes during the crisis will allow an idea to be gained of the “real” coverage of non-standard workers. As a breakdown by former contract form and/or working time is not

12. On the access of self-employed to social security schemes in a number of European countries see Schulze-Buschhoff and Protsch (2008).

13. An in-depth study on access of part-time and temporary workers to unemployment benefit schemes in Denmark, Germany, Spain and the UK using the European Community Household panel data (1993-2001) and institutional information up to 2006 is available in Leschke (2008).

available, we will use as proxies the comparison between men and women and youth and prime-age workers. Wherever possible, we will also refer to short-time working schemes as these are often financed from unemployment benefit funds and can act as functional equivalents to unemployment benefits.

3.1 Review of disadvantages with regard to access to and level of unemployment benefits

OECD (2010b: table 4.2, p. 235) and OECD (2010c) provide information on the unemployment benefit systems of 21 of the EU27 countries.¹⁴ This information allows us to gain an idea of the number of countries in which specific labour market groups, such as part-time or temporary workers, are faced with disadvantages in access to unemployment insurance benefits. As the unemployment benefit design is extremely complex and varied and subject to frequent change, the following is no more than an indication and it should be borne in mind that countries differ markedly in terms of specific design features and that these features are subject to interaction. This means that even if a country has several restrictive features (see footnotes 14-17), it might still turn out to have higher overall benefit coverage than another country with, at first sight, fewer restrictive features.

According to the data collected in OECD (2010b and 2010c), in six out of 21 countries¹⁵ the qualifying period is calculated in days or hours rather than in weeks or months, which will place at a disadvantage workers with fewer than full-time hours or fewer working days in a week. Moreover, seven countries¹⁶ have a minimum hours or earnings threshold in addition to the usual eligibility conditions. Twelve countries¹⁷ have a relatively short reference periods for contributions (the equivalent of one year of contributions in a two-year reference period or shorter) which can pose a problem, particularly for temporary (and other groups of) workers with short tenure and frequent spells of unemployment. The majority of countries (12 out of 21)¹⁸ base the length of benefit payments on the contribution record which can create further disadvantages for non-standard workers. Again, it is important here to bear in mind that countries differ substantially with regard to the duration of

14. There is no information on Romania, Bulgaria, Latvia, Lithuania, Cyprus and Malta as they are not members of the OECD. As the MISSOC comparative tables are not sufficiently detailed to complement the missing information for these countries, based on that source these countries will not be taken into account here.

15. Qualifying period in hours or days: Belgium, France, Greece, Hungary, Poland, Portugal.

16. Additional qualifying conditions based on previous hours or earnings: Austria, Belgium, Denmark, Germany, Finland, Poland, Sweden, UK.

17. Comparatively short qualifying period: Austria, Belgium, Germany, Italy, Luxembourg, Portugal, Sweden and – with particularly short qualifying periods – Ireland, (the Netherlands), Poland, Slovak Republic and Slovenia. The UK system combines the level of earnings and contribution periods, thereby placing at a disadvantage both individuals with low earnings and those with short tenure (for detailed information compare Leschke 2008).

18. Duration conditional on employment or contribution record: Austria, Estonia, France, Germany, Greece, Hungary, Ireland, Netherlands, Poland, Portugal, Slovenia, Spain.

unemployment insurance benefit payments. Countries such as the UK or the Czech Republic do not take into account contribution records for calculating the benefit period but grant uniformly short unemployment insurance benefits of only six months. This also has an implication for secondary assistance schemes (where they exist) as in these cases means-testing sets in at a very early stage.

In most countries unemployment benefit levels are calculated as a share of previous earnings, placing part-time workers at a disadvantage with regard to absolute benefit levels.¹⁹ Temporary employment often entails a wages penalty which is then also carried on into the benefit system. However, there are a number of mechanisms in unemployment benefit systems that can lead to redistribution between those with higher and those with lower earnings. The most obvious examples are countries such as the UK or Poland that apply universal flat-rate benefits. However, flat-rate benefits are in most cases very low and sometimes adjusted in case of part-time work (e.g. Ireland). Another example that leads to redistribution is the case of high universal minimum benefits (e.g. Sweden and Denmark); however, these are often adjusted in the case of part-time workers. Low benefit ceilings also contribute to increasing the net replacement rates of unemployed persons with lower former earnings as compared to those with higher earnings, a good example being Denmark, albeit with the part-time insured receiving only two thirds of the maximum benefit. Last but not least, some countries have introduced specific regulations to increase the unemployment benefits of low-wage-earners (e.g. Austria) (compare MISSOC 2010, OECD 2010c). Indeed, Leschke (2008) shows that, due to these redistribution mechanisms, the net replacement rates of part-time workers (insofar as they have access in the first place) are often higher than those of full-time workers.

Short-time working schemes were, in the past, often not accessible to temporary workers and in some cases part-time workers. With the advent of the crisis, this has changed in a number of cases (see next section).

3.2 The crisis - reforming unemployment benefits and short-time working schemes to better include non-standard workers

In the past, improving the access of non-standard workers to unemployment benefits was seldom an explicit trigger for reform.²⁰ However, in some countries, as a side effect of other reforms, hours or earnings thresholds have been lowered or abolished and some schemes have been opened up to new

19. Net replacement rates on unemployment for different wage levels and family types are available at the OECD Benefits and Wages homepage.

20. A notable exception is the reform of the Dutch unemployment benefit system, in the late 1980s and early 1990s, in reaction to increasing non-standard employment and particularly part-time work (Koopmans et al. 2005, 365-367).

groups of workers such as certain groups of self-employed. On the down side, some of the reforms aimed at improving the financial sustainability of unemployment benefit systems have further worsened the situation of non-standard workers. This is visible particularly in the trend to strengthen secondary systems by shortening the duration of non-means-tested benefits and tightening up qualifying criteria.

The recent economic crisis, however, triggered a number of reforms in several countries that were explicitly aimed at better including specific non-covered or less well covered labour market groups, among them non-standard workers. This can also be seen as a reaction to the strong level of affectedness by (prolonged) unemployment of groups such as temporary workers, among them many young workers, which suddenly made the sometimes large gaps in unemployment benefit coverage very evident.

In the following we will review the changes to unemployment benefit systems in the EU27²¹ with regard to qualifying criteria (increasing eligibility), benefit level and duration (increasing generosity).²² We will also look at the changes in the short-time working schemes. An important question is whether these changes represent long-term adaptations of the UI/UB systems to new trends in employment or whether they were short-term and temporary reactions to the crisis. The fact that some of the measures were temporary in the first place and that the austerity packages of several countries placed a strong focus on cuts in the social and employment field (for a review of the German, British and Danish examples, see Leschke and Jepsen 2011) hints at the latter. Active labour market policies – not a focus of this paper – and particularly job search support have also been strengthened in many countries.

3.2.1 Unemployment benefits

Qualifying criteria were relaxed in Finland, France, Portugal, Latvia and Slovenia; the latter three countries previously had very strict qualifying criteria. This is beneficial for employees with short tenure such as temporary workers. In Slovakia parental leave now counts as a contribution period for gaining access to benefits (for details see European Commission 2010c: 137; European Commission 2011: 76-78). Greece grants lump-sum payments to job losers and other vulnerable groups and, similarly, France accorded a one-off payment to jobseekers not eligible for unemployment benefits due to insufficient contributions.²³ Several temporary improvements have also been made to the Italian system for, among others, apprentices and project workers (one-off

21. OECD countries such as the US, Canada, Japan and Switzerland have also seen changes in their unemployment benefit systems (for more encompassing information see OECD 2010a).

22. Changes with regard to contributions that were evident in a number of countries are not reviewed here as they do not usually have a direct impact on the coverage of non-standard workers. They can, however, have an indirect impact if they set incentives to hire individuals on standard rather than non-standard contracts (see e.g. Spain where in the past the government has tried to set incentives to hire individuals on the basis of regular contracts by reducing contributions in such cases).

23. However, this measure was due to run for one year only, starting in February 2009 (OECD 2009c: 188).

payments). The Spanish government approved a temporary flat-rate unemployment assistance benefit payable for six months to all unemployed persons whose unemployment insurance benefit had ceased since January 2009.²⁴ Meanwhile, from May 2009 Ireland actually reduced the benefit level for young claimants (18-24 years) (European Commission February 2011).

Unemployment benefit levels have been increased, during the early period of the unemployment spell in Belgium, the Netherlands, Bulgaria, the Czech Republic and Poland, and regardless of the duration of unemployment in Latvia and Finland (European Commission 2011: 76-78).

Benefit duration in unemployment insurance or assistance has been increased in Finland, Romania, Latvia and Lithuania, in the latter only in municipalities hit particularly hard by the crisis (European Commission 2011: 76-78). Inversely, Ireland, the Czech Republic, Poland, France and Denmark²⁵ have decreased the maximum duration of UI benefits. Second-tier systems such as social assistance have been improved in a number of countries, as evidenced by increases to, for example, housing support. Some countries (e.g. Estonia) had planned improvements to their unemployment benefits systems which, due to financial pressure on the systems, were not carried through.

3.2.2 Short-time working schemes

While eligibility for unemployment insurance benefits is not, in most countries, a prerequisite for participation in short-time work, there are a number of exceptions. Besides other changes, such as extended duration or less restrictive access for firms, several countries (e.g. Austria, Belgium, Germany, France, Luxembourg) in which the short-time working schemes were restricted to regular workers before the crisis have now opened up their schemes, temporarily or permanently, to new groups of workers. To give some examples, Belgium has permanently opened up its scheme to temporary agency workers and workers with fixed-term contracts. The French scheme has been opened up temporarily to part-time employees working fewer than 18 hours. In Germany fixed-term workers and temporary agency workers can temporarily participate in the short-time working scheme. Italy has also temporarily opened its scheme to all categories of employees (for a good overview of country-specific rules and changes during the crisis, see Arpaia et al. 2010).

Several studies look into the issue of whether short-time working schemes have been used by non-standard workers. OECD Employment Outlook (2010) and Venn (2011), based on data from 19 countries, show empirically that short-time working schemes have catered mainly for permanent rather than temporary

24. Unemployment assistance in Spain is usually restricted to specific labour market groups such as unemployed persons with family responsibilities and older workers. The special benefit was removed in February 2011; it had covered about 700,000 unemployed people (Sanz de Miguel 2.3.2011).

25. Denmark formerly had a comparatively long universal duration of unemployment insurance benefits of four years; in 2010 this was reduced to two years.

workers. Using information on take-up rates from national sources, and matching this data with national accounts and European Labour Force Survey (LFS) data to capture the explaining variables, the authors conclude that not only were temporary workers far more likely to lose their job in the crisis but that they were also far less likely to participate in short-time working schemes (either they were not eligible in the first place, or they did not fulfil the eligibility criteria, and/or employers received fewer incentives to have them participate).

Crimmann et al. (2010), based on German firm-level data for 2003 and 2009, show that firms with higher shares of temporary agency workers and part-timers are less likely to use short-time working schemes. The share of workers with fixed-term contracts does not have a significant impact on the use of work-sharing in either of the two years. Boeri and Bruecker (2011), using the same data but exploiting the panel structure, confirm these findings.

In contrast to this, using exclusively LFS data, a Dublin Foundation (2010) study concludes that there are three groups of countries, traditional, hybrid and unconventional ones, and that in the latter two groups temporary workers and part-time workers are more likely than are full-time and permanent ones to participate in short-time working schemes. However, short-time working as defined in the LFS may not adequately capture the schemes that we commonly have in mind when thinking about short-time working in the crisis²⁶. What is more, the LFS records self-assessed part-time work and not contractual part-time work, thus persons on shorter hours due to short-time work are likely to report themselves as being in part-time rather than in full-time employment, even when their contract may specify full-time work.

This illustrates that, despite the new possibilities for including non-standard workers in short-time working schemes in several countries, firms are still inclined to not prolong fixed-term contracts and to release temporary agency workers before resorting to short-time working for their permanent staff. This is hardly surprising, insofar as short-time working schemes are usually merely co-financed by public means, while still entailing a cost for firms.

Table 1 gives an overview of the countries that modified their unemployment benefit schemes or their short-time working measures to improve coverage or increase benefit levels. It is interesting to note that a number of countries increased eligibility and or (initial) benefit levels while at the same time shortening the duration of benefits; France and Poland are obvious examples in this regard (strategy of exchanging or trading rights). However, there are also examples, such as Finland and Latvia, where all components of unemployment benefits were improved as a response to the crisis, and others, such as Ireland, where several components of unemployment benefits were reduced.

26. The variables used are HOUUREAS and NOWKREAS capturing, respectively, population that was working less/not at all, in the reference week because of lack of work for technical or economic reasons but that still had a formal attachment to their job. This definition thus also captures the population that is not benefiting from state subsidies during short-time work.

Table 1 Countries with modifications in unemployment benefit systems or short-time working schemes during the crisis

(Temporary) modifications	Countries
Relaxing qualifying criteria (eligibility)	Finland, France, Portugal, Latvia, Slovenia, (Slovakia)
Lump-sum/one-off payments	Greece, France, Italy, Spain
Increasing benefit level	Belgium, Netherlands, Bulgaria, Czech Republic, Poland
Increasing benefit duration	Finland, Romania, Latvia, Lithuania
Decreasing benefit duration	Ireland, Czech Republic, Poland, France, Denmark
Short-time working schemes opened up to new groups of workers	Austria, Belgium, Germany, France, Luxembourg

Note: depending on the country and the reform, the changes affected either all unemployment benefit recipients or certain categories of workers. For detailed information see text and footnotes.

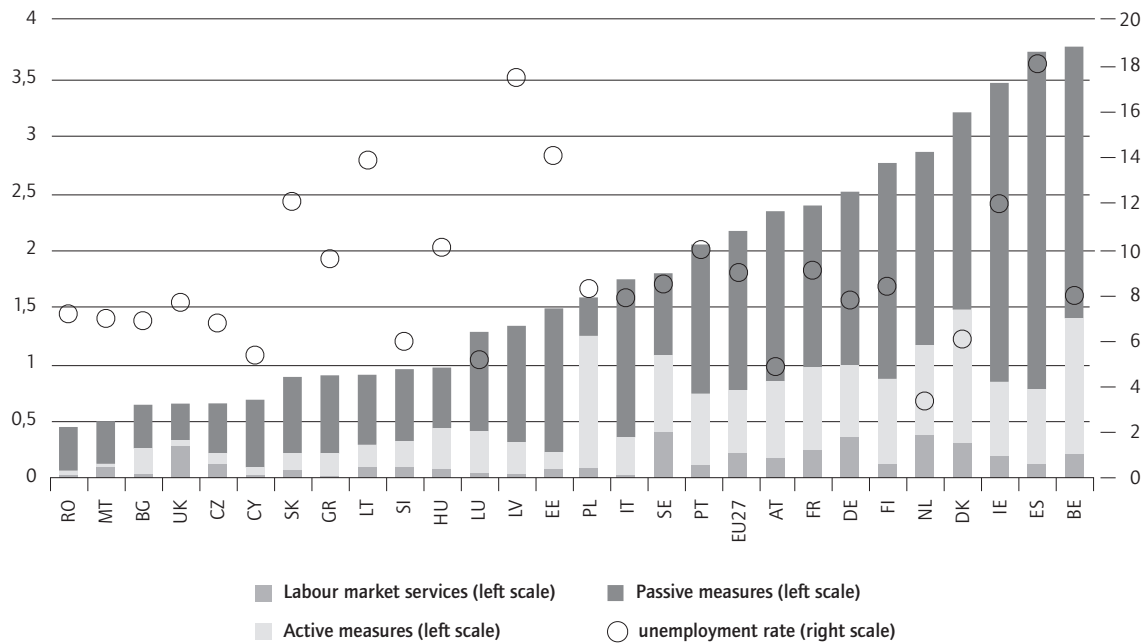
3.3 Changes in unemployment benefit coverage during the crisis

Unemployment benefit systems differ markedly between countries not only in their overall coverage rate but also in their generosity with regard to benefit level and duration. One way of illustrating this is to look at country differences with regard to expenditure on unemployment benefits and on active labour market policies and (both measured as a percentage of GDP) in relation to the unemployment rate. As Figure 7 shows, there is no relationship between unemployment rates and either passive (PLMP) or active expenditure (ALMP), as illustrated for example by Spain and Latvia (Latvia, at comparable unemployment figures, spending only around one third of the amount that Spain is spending on unemployment benefits). Similarly, countries such as Denmark and Belgium with average unemployment rates, display the highest expenditure on active measures. Generally, the new member states, but also the UK and Greece, are low spenders. As a reaction to rising unemployment rates in the crisis, all countries increased expenditure on passive measures (in some cases the money was spent in a preventative way on short-time measures) (see Annex 5). The typical crowding out of active measures, insofar as PLMPs and ALMPs are often paid from the same source, was evident in only a few countries, among them the UK and Italy. On the EU27 average, expenditure on active measures and on labour market services increased, albeit less steeply than expenditure on unemployment benefits.

The remainder of the section looks at unemployment benefit coverage for different labour market groups and developments during the crisis. There are several problems with regard to the data. The aggregate European Labour Force Survey data provides comparatively timely information on persons registered at the public employment office and in receipt of unemployment benefit or assistance.²⁷ However, the information on persons in receipt of unemployment benefits contained in labour force survey data has been

27. The purpose of this information is to compare the ILO-based unemployment to registered unemployment.

Figure 7 Expenditure on unemployment benefits and active labour market policies as % of GDP and unemployment rates, 2009



Data source: Eurostat, online database. Sorted by overall expenditure.

identified as unreliable due to, among other things, underreporting and misreporting (Immervoll et al. 2004: 58-67).²⁸ Indeed Immervoll *et al.* (2004) show for a number of countries that the figures on unemployment receipt rates from administrative data sources and those from labour force surveys differ substantially and that the differences are not always in the same direction. For this reason, we do not show absolute levels of benefit receipt but rather distributions and changes over time in relative terms. In the absence of timely comparative data²⁹ on the coverage of non-standard workers, the comparison between men and women (men being more likely to be permanently and, particularly, full-time employed) and between youth and prime-age workers (prime-age workers being more likely full-time and, particularly, permanently employed) will allow us to obtain an approximation of the inclusiveness of the different countries' benefit systems. Data is missing for several countries for reasons of confidentiality but EU27 aggregates are available as data confidentiality does not apply here. Moreover, the LFS data does not distinguish between unemployment insurance and assistance. The data allow

²⁸. Differences in the wording of survey questions across countries plays a crucial role here, for details see Immervoll et al. 2004: 59-60.

²⁹. With a time lag, the European Labour Force Survey and the EU-SILC micro data will become available. They allow some more in-depth assessment of unemployment benefit receipt. Possibilities of analysis remain limited, however, due to relatively small case numbers in the EU-SILC data and very limited longitudinal information in the Labour Force Survey. Moreover, in comparative data sets it is usually not possible to decompose unemployment benefit receipt into unemployment insurance and unemployment assistance.

assessment of benefit coverage at different durations of unemployment – due to fewer missing countries and less parsimonious data, we will focus for the most part on short-time unemployed (1-2 months).

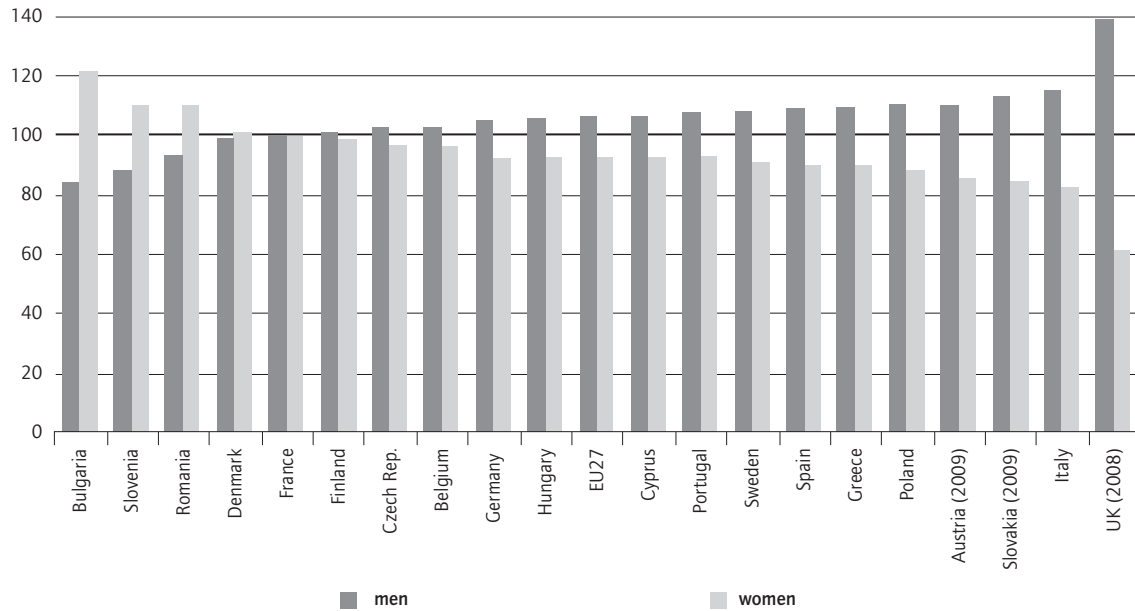
While countries can be seen to differ substantially in terms of unemployment benefit coverage, comparative information on this issue is sparse. Factors of relevance for overall coverage include different eligibility governing the schemes, varying incentives to register with the employment office, availability of assistance schemes and differences in the characteristics of unemployed workers.³⁰ Gender differences are evident but not extremely large on the EU27 average – at least for short-term unemployed (Figure 8). However, we know from other sources that men are more likely than women to have access to unemployment insurance benefits, whereas women often have to rely on unemployment assistance or other secondary benefits which are usually less generous and more likely to be means-tested (see e.g. Leschke and Jepsen 2011; Leschke 2008). Among the countries with available data coverage is higher for women than for men in only four countries – Romania, Bulgaria, Slovenia and, with only small gender differences, Denmark (probably due to the fact that, in this latter country, women are more likely than men to participate in the voluntary unemployment insurance – see *ibid*). France shows approximately equal coverage. The other 14 countries with available data have higher coverage for men than for women, with particularly large differences in the UK, Italy, Slovakia and Austria. The large gender differences in the UK are likely to be related to strict qualifying conditions for contribution-based job-seekers' allowance (unemployment insurance) and, at the same time, the strict means-testing applied to income-based job seeker's allowance (assistance scheme) thereby affecting women more than men insofar as they are predominantly secondary earners in couple households.

Examination of the same figure for youth (15-24 years) and adult workers (25-64 years) reveals considerably larger differences with adults being, on average, approximately three times more likely to have access to unemployment benefits.³¹ Complete data on this indicator was available for only 12 countries and differences between youth and adults were large in all countries except the UK; and most so in Sweden, Spain, Poland, Greece and Finland. Except for Greece, these are all countries with above average shares in temporary employment. The examples of the UK and Germany show that with regard to youth coverage universal basic-benefit schemes work relatively well. However, the benefits payable under these schemes are usually low.

30. In principle, timing of assistance schemes and average duration of unemployment is also of relevance; however, these factors are left out here as we are looking at short-term unemployment of only one or two months.

31. OECD (2009c: 164) gives details on the countries where young jobseekers that have never worked can access unemployment benefits. This is the case in Germany, Finland, Denmark Sweden, Ireland, UK, Belgium, Luxembourg and Greece (and Australia and New Zealand); however, there are in most cases strict conditions and mutual obligations.

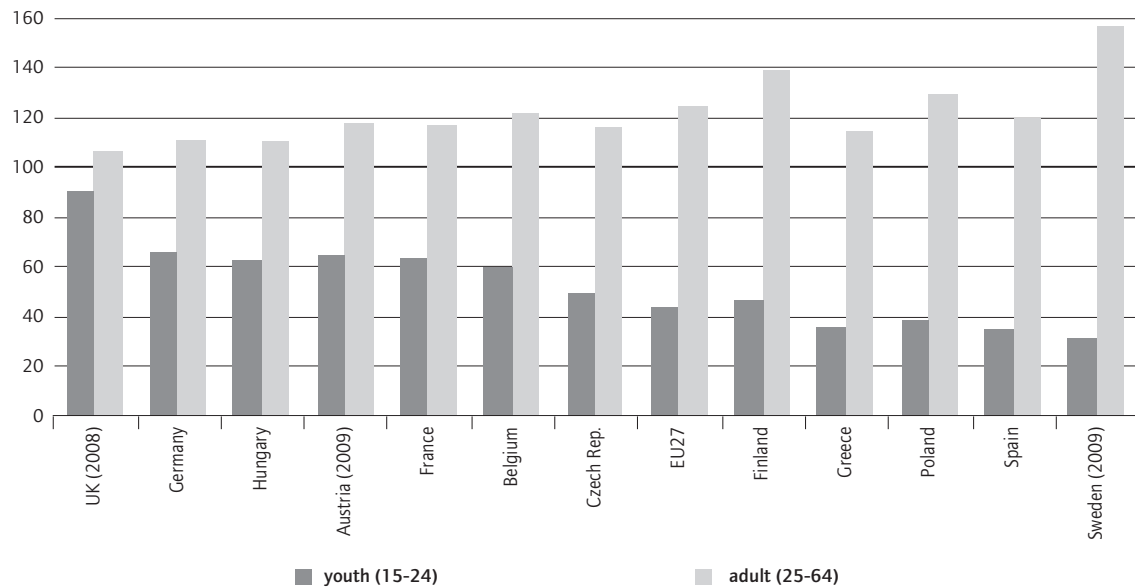
Figure 8 Comparison of registered short-term unemployed in receipt of insurance or assistance by gender, 2010 (total=100)



Data source: Eurostat, online database.

Note: Duration of unemployment 1-2 months. Age: 15-64 years. Countries are sorted by the difference between female and male coverage rates in ascending order.

Figure 9 Comparison of registered short-term unemployed receiving insurance or assistance by age, 2010 (total=100)

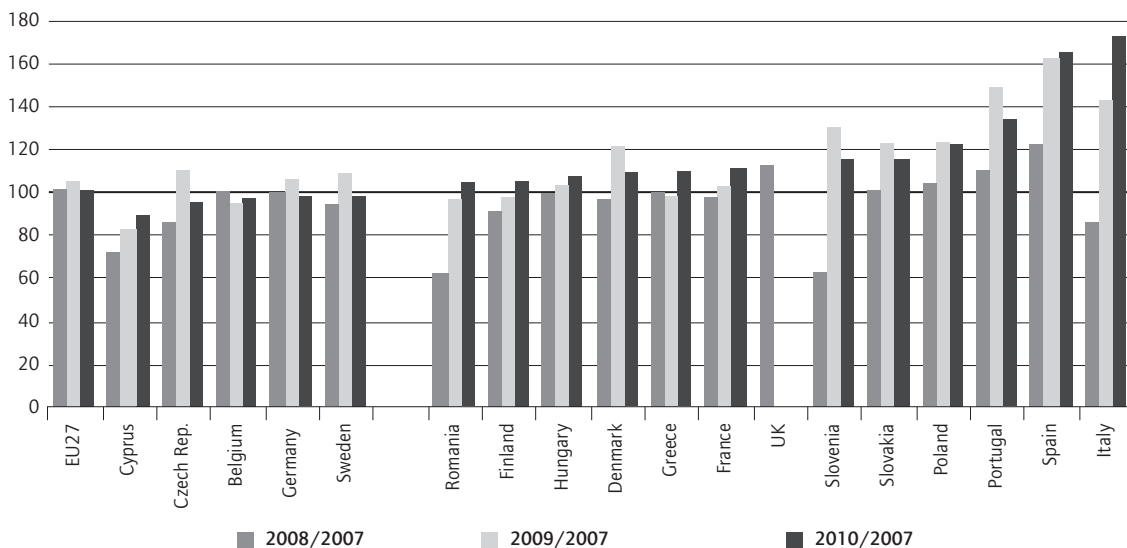


Data source: Eurostat, online database.

Note: Duration of unemployment 1-2 months. Countries are sorted by difference between youth and adult coverage rates in ascending order.

Do we see any common trends as regards the developments of unemployment benefit coverage during the crisis? The modifications of the unemployment benefit systems in several countries should, in most countries, have positive implications for coverage. However, the characteristics of the newly unemployed³² will also play a role and these are likely to have changed during the crisis. On the EU average, the first two crisis years, and particularly 2009, saw slight improvements in unemployment benefit coverage, whereas the level dropped back again in 2010 (Figure 10). The left-hand panel shows the countries with decreasing or stable benefit coverage between 2007 and 2010. Benefit coverage did not decline in linear fashion in these countries; in fact, in most cases, a higher than pre-crisis benefit coverage was recorded in 2008 and/or 2009 with coverage dropping again subsequently. The right-hand panel, shows the countries with increasing coverage. The countries with the strongest upward trend are Portugal, Spain and Italy. Not surprisingly, all countries that have relaxed the eligibility criteria to unemployment benefit schemes (Finland, France, Portugal, Slovenia, Slovakia) or introduced special payments to unemployed (e.g. Spain, Italy and Greece) show upward trends in coverage during the crisis. Upward trends in coverage of short-term unemployed in the remaining countries are likely to be induced by changing characteristics of the pool of unemployed, particularly increasing male unemployment.

Figure 10 Developments in short-term registered unemployed receiving benefit or assistance, 2007=100



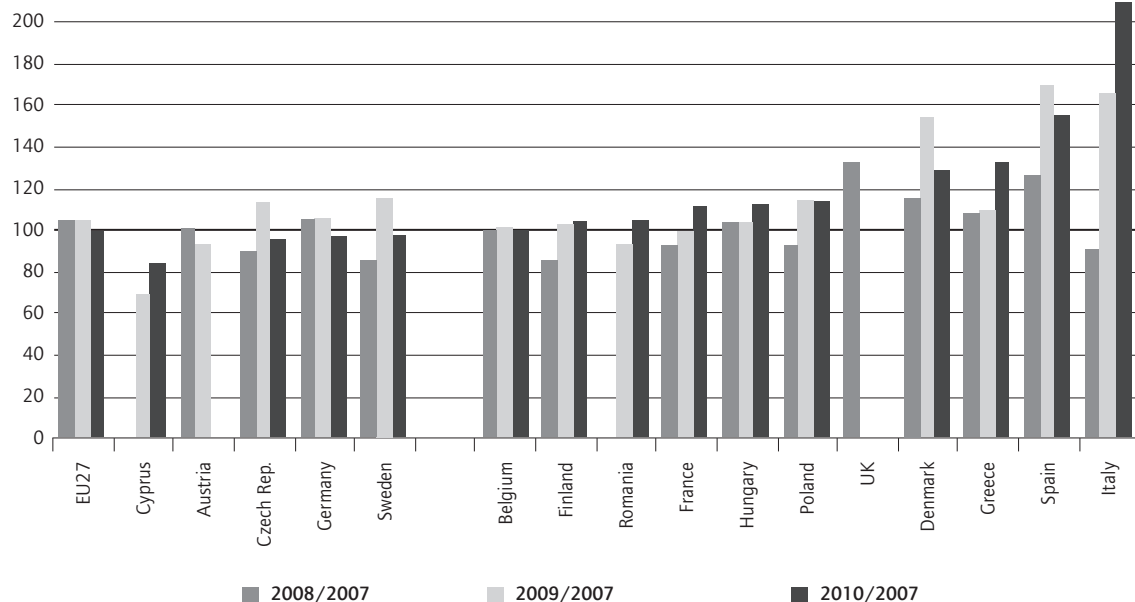
Data source: Eurostat, online database.

Note: Age 15-64 years; duration of unemployment 1-2 months. Countries are sorted by the direction and magnitude of change between 2007 and 2010.

- 32.** The implications of the changing characteristics of the unemployed are not clear, as the effect could go in both directions. This can be illustrated by a simple example: more men than women have lost their jobs during the crisis and men are on average more likely to have access to benefits than women. On the other hand, temporary workers (with shorter tenure and therefore on average lower access than permanent workers) were also more likely to have lost their jobs.

The EU27 male average coverage rate increased slightly in the initial crisis phase but was back to its 2007 level in 2010 (Figure 11). Coverage for women has improved very slightly after an initial drop (Figure 12). Of the 18 (16) countries with available data for women (men) between 2007 and 2010 (and in some cases shorter periods), ten countries displayed improving coverage for women and eleven for men, with Belgium keeping coverage rates stable for men. Eight countries saw a drop in benefit coverage for women and five for men. The largest improvements for women were evident in Spain, followed by Italy and Poland (Figure 12). Men saw the largest increases in Italy, followed by Spain and Greece (Figure 11). Italy is well-known for its comparatively low unemployment benefit coverage (Jessoula and Vesan 2011). Greece and Denmark are interesting cases, insofar as men have seen their coverage substantially increase whereas coverage of women decreased during the crisis. Denmark is one of the few countries that had somewhat higher benefit coverage of women before the crisis. The UK case is once again interesting but we have data only for 2007 and 2008: coverage is increasing substantially more among men than women, emphasising the advantages for standard workers in the British system and hinting at changing characteristics of particularly male unemployed in registered unemployment. Hardly surprisingly, all countries (with available data) that improved the benefit system with regard to eligibility or duration saw positive outcomes for both men and women.

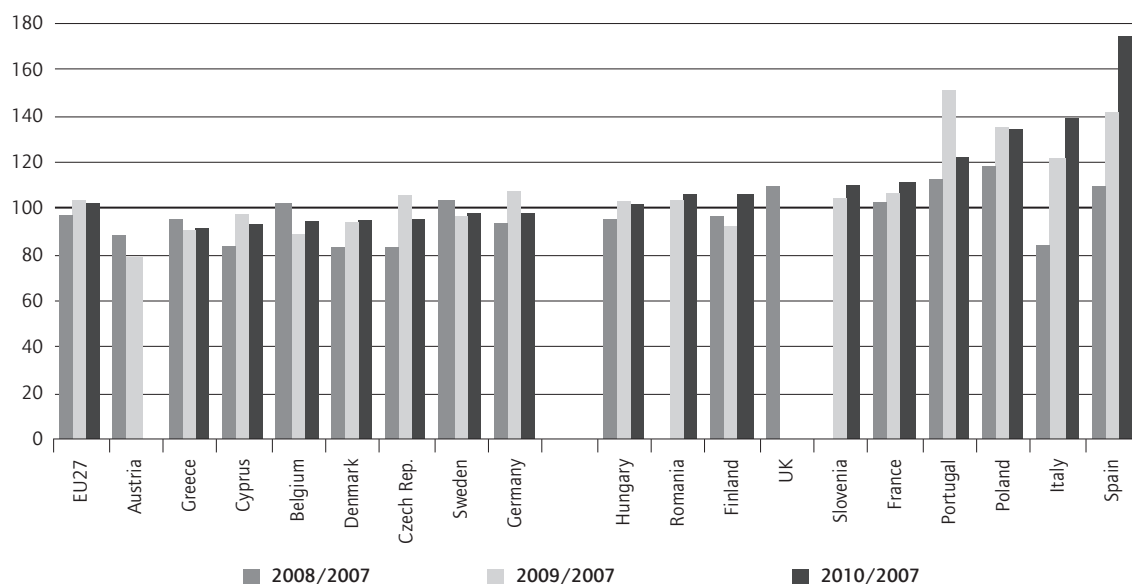
Figure 11 Developments in short-term registered unemployed men in receipt of benefit or assistance, 2007=100



Data source: Eurostat, online database.

Note: age 15-64 years; duration of unemployment 1-2 months. In contrast to figure 12 no data for Portugal and Slovenia as 2007 values are missing.

Figure 12 Developments in short-term registered unemployed women in receipt of benefit or assistance, 2007=100

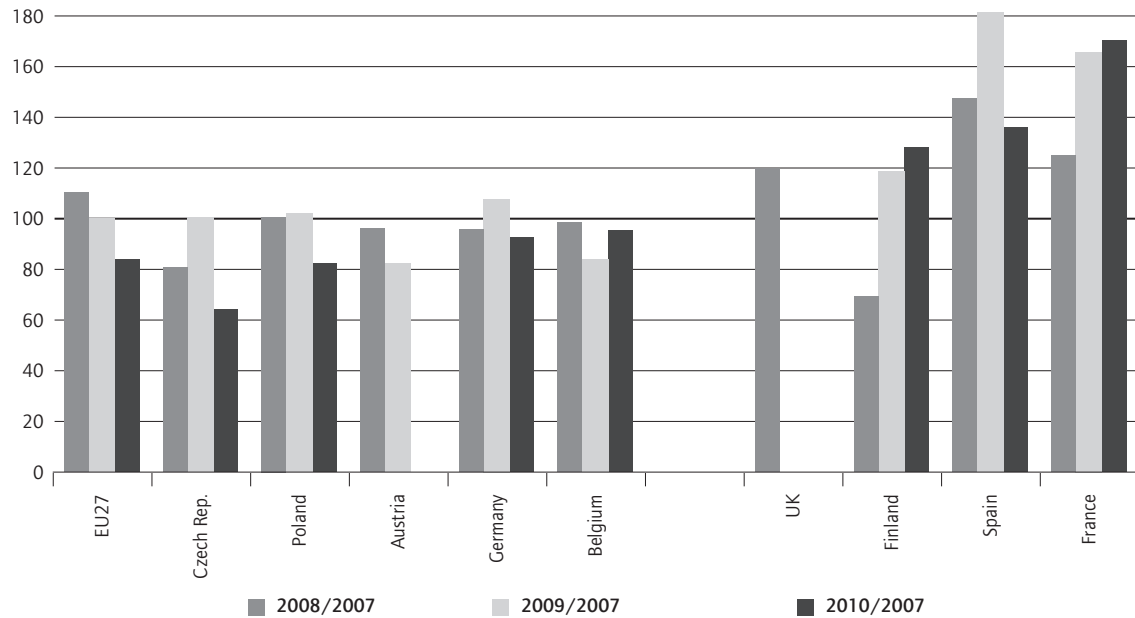


Data source: Eurostat, online database.

Note: age 15-64 years; duration of unemployment 1-2 months.

Moving to the trends in unemployment benefit coverage for youth, on the EU27 average a substantial drop of close to 20 per cent from an already low level was recorded between 2007 and 2010, whereas the first crisis period had seen a short upsurge. This development has to be seen also in the context of youth being disproportionately affected by unemployment as well as increasing shares of part-time and temporary employment during the crisis, as was shown in Section 2. Out of nine countries with available data, the Czech Republic with coverage declining by almost 40 per cent saw the most drastic decline, followed by Poland and Austria. In France, on the other hand, the coverage of youth improved substantially, and both Spain and Finland (countries with large differences between coverage of youth and adults – Figure 9) also saw coverage increase markedly. All these three countries had deliberately improved benefit eligibility during the crisis. Crisis developments notwithstanding, countries still differ markedly in their ability to provide unemployment benefits to the general population and more specifically to youth. The case of Spain is particularly interesting. Here, both young and temporary workers were disproportionately affected by the crisis; at the same time benefit coverage – traditionally differing strongly between permanent and temporary workers (Leschke 2008) – increased. Overall unemployment benefit coverage of youth remains, however, comparatively low (Mato 2011)

Figure 13 Development in youth (15-24) registered as unemployed and in receipt of benefits/assistance, 2007=100



Data source: Eurostat, online database.
 Note: duration of unemployment 1-2 months.

Overall, we can conclude that there are no clear country patterns with regard to improved access to unemployment benefits during the crisis. Improvements in coverage rates were not confined to the countries which deliberately relaxed qualifying conditions or increased the duration of benefits, as the changing characteristics of the unemployed (such as more male standard workers in the pool of unemployed) also impacted upon the coverage rate. Moreover, only a few countries showed improvements for all the labour market groups examined here, clear examples being Finland and France. The Czech Republic, but also Germany and Sweden (no information for youth), showed decreasing coverage for all groups. When judging the results, it has to be kept in mind, however, that overall coverage rates vary strongly between countries, albeit with no good comparative data available. Table 2 summarises the findings of the above analysis.

Table 2 Increased unemployment benefit coverage in 2010 as compared to 2007 – wrapping up the findings of the above analysis

Labour market group	No. of countries with available information	Countries with increased or equal coverage in 2010 as compared to 2007	Countries with decreased coverage in 2010 as compared to 2007	Relative development in EU27 average coverage rates between 2007 and 2010
Total (15-65 years)	18	(13) Italy, Spain, Portugal, Poland, (UK), Slovakia, Slovenia, France, Greece, Denmark, Hungary, Finland, Romania	(5) Cyprus, Czech Republic, Belgium, Germany, Sweden	1%
Youth (15-25 years)	9	(4) France, Spain, Finland (UK)	(5) Czech Republic, Poland, Austria, Germany, Belgium	-16%
Women	18	(10) Spain, Italy, Poland, Portugal, France, Slovenia, (UK), Finland, Romania, Hungary	(8) Austria, Greece, Cyprus, Belgium, Denmark, Czech Republic, Sweden, Germany	2%
Men	16	(11) Italy, Spain, Greece, Denmark, UK,, Poland, Hungary, France, Romania, Finland, Belgium (equal)	(5) Cyprus, Austria, Czech Republic, Germany, Sweden	-0.5%

Note: data for the UK refer to 2007 and 2008, as no more recent data is available.

Conclusions

This paper has taken an in-depth look at developments in the situation of non-standard workers with regard to labour market outcomes and welfare coverage during the crisis. The aim was to assess whether the crisis period can be seen as perpetuating or even exacerbating the situation of labour market segmentation, or whether it may actually have contributed to containing some of the duality that has developed in recent decades.

It has been shown not only that segmentation exists in both the labour market and the welfare system but also that the two spheres reinforce one another. Women, and particularly youth, are the groups most affected by non-standard employment. Importantly, the analysis revealed strong country variations in the incidence of non-standard employment, and also with regard to the importance of transitions to regular employment, with most of the new member states displaying low shares of both temporary and part-time in total employment. Due to the fact that the design of unemployment benefit systems (and particularly unemployment insurance) is still, in most countries, strongly geared to “standard employment”, non-standard workers are disadvantaged in access to unemployment benefits. It has been shown that, in the majority of countries (for which data is available), coverage of women is lower than of men, and that youth are at a particular disadvantage in the receipt of unemployment benefit.

The crisis had a direct impact on temporary employment in that in most countries, during the first phase of the crisis, temporary workers were the first to lose their jobs, whereas in the second phase of the crisis new jobs were for a large part created on a temporary basis. Part-time employment, on the other hand, continued to grow throughout the crisis. Individuals with low educational levels and young workers were particularly affected by unemployment, but also by subsequent increases in temporary employment and the still ongoing increase in part-time employment. Moreover, the countries disproportionately affected by the crisis not only saw unemployment rising but also, for the most part, saw further growth in part-time employment. Trends in temporary employment were more diversified in the countries particularly hard-hit by the crisis, with some using it as external adaptation strategy (particularly Spain) and others (Ireland, Latvia and Estonia) seeing their shares of temporary employment in total employment increase in spite of growing unemployment. Importantly, all countries disproportionately affected by unemployment saw involuntary forms of non-standard employment increasing – often by large margins, which points to the fact that in times of harsh labour market conditions the unemployed are forced to take up sub-standard employment. With regard to labour market developments,

we have thus definitely witnessed further segmentation during the crisis. This is true both in relation to specific labour market groups, particularly youth and the low educated, and also with regard to specific countries, largely those disproportionately affected by unemployment.

As regards the welfare system, varying trends in unemployment benefit coverage were evident during the crisis. In the light of the high degree to which specific labour market groups, such as youth and temporary workers, are affected by unemployment, and the fact that precisely these groups are usually less likely to qualify for unemployment benefits, a number of countries – such as Finland, France, Portugal, Latvia and Slovenia – deliberately relaxed (in many cases, but not all, permanently) the qualifying conditions leading to improvements in benefit coverage for groups such as youth or women. Other countries saw unemployment benefit coverage decline during the crisis. However, with regard to benefit coverage, women and particularly youth remain in an inferior position in all countries and, on average, the coverage rate of the latter group has actually declined during the crisis. As the available data can act only as a proxy (underreporting and misclassification bias; no data on benefit coverage of part-time and temporary workers; no separate data on unemployment insurance and unemployment assistance) and information is either partly or completely missing for several European countries, it is difficult to judge whether the crisis has contributed to more or less segmentation in welfare coverage. There seems, in fact, to be a division between countries in this regard and the deliberate opening up of unemployment schemes in several countries to new groups of workers during the crisis can clearly be seen as a positive trend that contrasts with developments over the last decades. Last but not least, it is important to point out that, beyond the disadvantages in coverage for specific labour market groups, countries differ strongly in their overall coverage rates and generally also in terms of the generosity of unemployment benefits, as is evident from the expenditure figures. A considerable problem for cross-country research on this issue is that we lack reliable comparative data on absolute unemployment benefit coverage.

With regard to the short-time working schemes that helped to maintain employment during the crisis, several countries also deliberately included non-standard workers in these schemes. However, the (sparse) empirical evidence points to the fact that participation rates of non-standard workers in short-time work remained low, which is hardly surprising as employers co-finance these schemes and are likely to be more interested in keeping on workers with longer tenure as they are more likely to possess firm-specific skills and are, in any case, usually more difficult and more expensive to make redundant. The use of working time adjustments (largely for permanent workers), and thus mechanisms of internal flexibility and, on the other hand, external labour market adjustment through the hiring and firing of, particularly, non-standard workers, might have contributed, overall, to increasing the segmentation between these labour market groups.

In relation to the Europe 2020 strategy, it is interesting to note that social security coverage of non-standard workers has now been explicitly placed on

the agenda. Previously, during the Lisbon period, i.e. between 2000 and 2010, attention was focused not on social security but rather on the notion of employment security or employability. The economic crisis has further emphasised the coverage gaps and several institutions (including the OECD and the European Commission) have raised the question, particularly in relation to the crisis developments, of whether more encompassing unemployment benefit coverage should be achieved rather through first-tier schemes (with a stronger link to the labour market) or through second-tier schemes such as unemployment or social assistance. Generally, it remains to be seen whether the recent trends will have a longer-term influence on better inclusion of non-standard workers in unemployment benefit schemes. The recent austerity measures that in several countries placed a strong focus on cuts in the fields of employment and social policies (e.g. Germany, UK), but also the fact that some countries improved access to unemployment benefits for specific categories of workers on a temporary basis only, raise doubts in this regard.

In response to the labour market situation of non-standard workers, several European Commission documents have taken up the idea of a “single open-ended contract” (with no ex-ante time limit but providing a long entry phase with employment protection rights gradually increasing) that has been proposed for countries such as Spain, France and Italy in order to decrease labour market segmentation.

As regards the need for future research, it will be interesting to look at the longer-term labour market and welfare developments with regard to non-standard workers, taking account also of austerity measures. Importantly, moreover, when panel data for the crisis period becomes available it will be possible to disentangle some of the effects by looking at the individual trajectories of unemployed workers during the crisis with regard to their labour market experience (transitions from (non-)standard employment to unemployment and vice versa) and their access to unemployment benefits. More detailed country-specific studies that will allow account to be taken of different institutional factors, including the distinction between different categories of temporary workers (e.g. fixed-term and temporary agency workers), as well as between unemployment insurance and assistance benefits, will also be useful.

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Annex 1: Working time

Average weekly working hours for part-time workers by gender, 2008
(latest available data)

	Total	Male	Female
BE	22.9	23.3	22.8
BG	22.0	23.5	21.0
CZ	21.9	21.5	22.0
DK	20.0	16.2	21.8
DE	18.1	16.8	18.4
EE	20.4	20.2	20.5
IE	18.8	20.0	18.4
GR	19.9	21.0	19.4
ES	18.8	18.5	18.9
FR	22.7	22.3	22.8
IT	21.0	20.8	21.0
CY	19.7	20.2	19.5
LV	20.5	21.1	20.1
LT	23.3	24.4	22.6
LU	22.0	24.8	21.7
HU	23.8	24.4	23.4
MT	21.7	21.9	21.6
NL	20.6	20.7	20.5
AT	20.1	18.2	20.5
PO	21.0	21.4	20.7
PT	18.9	19.2	18.7
RO	27.0	28.7	25.3
SI	19.5	19.5	19.6
SK	20.8	19.7	21.2
FI	19.9	19.5	20.1
SE	23.5	21.2	24.4
UK	18.4	18.0	18.5

Data source: Eurostat, online database.

Annex 2: EPL

Employment protection in OECD countries in 2008*

	Protection of permanent workers against (individual) dismissal	Regulation of temporary forms of employment	Specific requirements for collective dismissal	OECD employment protection index	Gap between perm. and temp.
Austria	2.19	2.29	3.25	2.41	96
Belgium	1.94	2.67	4.13	2.61	73
Czech Republic	3.00	1.71	2.13	2.32	175
Denmark	1.53	1.79	3.13	1.91	85
Estonia	2.27	2.17	3.25	2.39	105
Finland	2.38	2.17	2.38	2.29	110
France	2.60	3.75	2.13	3.00	69
Germany	2.85	1.96	3.75	2.63	145
Greece	2.28	3.54	3.25	2.97	64
Hungary	1.82	2.08	2.88	2.11	88
Ireland	1.67	0.71	2.38	1.39	235
Italy	1.69	2.54	4.88	2.58	67
Luxembourg	2.68	3.92	3.88	3.39	68
Netherlands	2.73	1.42	3.00	2.23	192
Poland	2.01	2.33	3.63	2.41	86
Portugal	3.51	2.54	1.88	2.84	138
Slovak Republic	2.45	1.17	3.75	2.13	209
Slovenia	2.98	2.50	2.88	2.76	119
Spain	2.38	3.83	3.13	3.11	62
Sweden	2.72	0.71	3.75	2.06	383
United Kingdom	1.17	0.29	2.88	1.09	403

Source: OECD.StatExtracts. To find out more about the methodology used to calculate the OECD employment protection indicators, see www.oecd.org/employment/protection.

Note: Scale from 0 (least restrictions) to 6 (most restrictions).

* For France and Portugal, data refer to 2009.

No relevant correlation between EPL (gap) and temporary employment shares

2008 values for EPL and temp emp. shares	Expectation	correlation coefficient
correlation EPL perm and temp emp.	Positive	0.36
correlation EPL temp and temp emp.	Negative	0.32
correlation gap perm/temp and temp emp.	positive and strongest	-0.19

Source: own calculation based on OECD EPL data and LFS data on temporary employment.

Annex 3: Temporary contract duration

Average contract duration of temporary workers, 2010

	<1 month	1-3 months	4-6 months	7-12 months	13-18 months	19-24 months	25-36 months	>36 months	No response
EU27	5.0	15.7	15.0	23.4	2.8	7.0	9.4	8.3	13.5
Belgium	20.9	11.6	13.7	31.9	1.7	4.6	4.6	10.9	:
Bulgaria	:	9.4	23.9	20.6	:	:	:	:	40.7
Czech Rep.	0.8	7.2	17.1	40.9	11.6	6.5	6.0	9.7	:
Denmark	4.2	9.2	16.7	18.7	6.3	10.6	10.5	20.4	3.4
Germany	:	4.3	13.7	26.9	2.5	11.1	28.3	11.2	2.1
Estonia	:	:	30.3	:	:	:	:	:	:
Ireland	2.7	7.2	7.3	9.0	6.5	4.7	7.7	54.9	:
Greece	5.1	8.9	20.4	30.9	9.1	6.0	4.9	14.8	:
Spain	3.6	47.2	15.4	14.0	0.3	1.4	1.2	2.6	14.4
France	17.9	12.9	15.7	22.2	1.4	11.5	3.7	2.5	12.3
Italy	2.8	14.1	20.3	33.9	1.6	4.1	6.1	9.2	8.0
Cyprus	1.4	3.3	11.2	21.0	:	4.0	2.6	54.8	:
Latvia	:	26.8	47.2	11.5	:	:	:	:	:
Lithuania	21.3	40.4	:	:	:	:	:	:	:
Luxemb.	:	12.0	14.8	24.6	:	13.4	9.2	9.9	7.7
Hungary	7.2	32.9	29.8	23.6	1.2	1.7	0.9	2.7	:
Malta	:	:	:	30.8	:	:	:	:	:
Netherl.	0.5	5.2	5.4	14.2	1.7	1.6	1.1	1.0	69.4
Austria	:	11.4	12.9	20.1	1.9	4.2	28.2	20.9	:
Poland	2.4	13.6	13.6	28.3	3.9	12.2	8.5	17.6	:
Portugal	:	4.1	21.3	29.3	:	1.2	1.6	0.9	40.3
Romania	:	13.2	33.1	32.0	:	:	:	:	:
Slovenia	7.5	21.0	19.1	35.0	3.5	4.7	3.6	5.7	:
Slovakia	2.5	14.1	20.0	26.3	3.1	:	:	:	28.0
Finland	6.4	21.9	20.1	26.4	6.8	5.6	5.6	5.5	1.6
Sweden	20.2	12.3	15.6	13.3	6.5	4.9	4.7	8.8	13.6
UK	2.3	5.1	8.1	15.3	8.5	3.0	4.1	5.6	47.9

Data source: Eurostat, online database.

Annex 4: Transitions

Transition by employment status 2006 (t) - 2007 (t+1) (percent of status in year t)

2006 status	2007 status	BE	CZ	DK	DE	EE	GR*	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
Full-time	Full-time	92	95	88	93	94	91	91	93	90	94	92	94	94	90	93	93	89	91	94	95	96	89	90	91
	Part-time	4	1	5	2	1	3	2	2	3	2	2	1	2	2	2	5	4	2	1	1	0	2	6	5
	Unemp.	1	2	2u	2	2	3	4	2	2	2	3	3	2	4	1	1	3	3	3	2	2	3	1	1
	Inactive	2	3	5	3	3	3	3	3	4	2	3	3	3	2	5	4	2	3	4	2	2	5	3	4
Part-time	Full-time	11	28	28	14	32	24	36	11	26	17	44	54	14	43	23	8	19	30	9	28	35	33	23	16
	Part-time	83	48	59	62	52	58	47	79	63	68	37	32	80	30	52	84	69	52	75	58	47	47	64	72
	Unemp.	2	23	u	6	4	6u	7	5	3	3	6	7	3	10	3	1	4	6	4	10	4	4	3	1
	Inactive	4	21	10u	17	11	12u	10	5	7	12	12	7	3	17	21	7	8	11	12	4	14	15	10	11

** percentages for Denmark and Greece refer to 2005 (t) and 2006 (t+1).

Notes: age: 16-64, employment status self-perceived.

Source: European Commission (2010).

Transition by contract type 2006 (t) - 2007 (t+1) (percent of status in year t)

2006 status	2007 status	BE	CZ	DK	DE	EE	GR*	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
Permanent	Perm.	94	91	90	88	93	86	87	93	90	92	90	93	94	83	91	93	88	89	91	91	87	90	92	91
	Temp.	2	4	:	2	1	5	5	1	3	3	3	2	2	7	1	2	4	5	3	5	8	0	3	3
	Self.	1	1	2u	1	1	1u	2	0	2	1	1	1	0	2	1	1	1	1	1	1	2	1	2	1
	Unemp.	1	1	2u	3	1	4	3	2	1	2	3	2	2	3	1	1	3	1	3	1	2	2	2	1
	Inactive	2	3	6	6	4	3	3	3	4	2	3	2	2	5	6	3	4	4	2	2	2	5	4	4
Temporary	Perm.	35	40u	:	26	58	18	26	12	30	22	50	46	39	48	71	26	41	27	18	36	69	8	44	51
	Temp.	53	47u	:	39	11	66	56	75	49	69	31	32	49	32	12	64	43	57	67	52	20	66	37	23
	Self.	3	1u	:	1	1	u	2	0	4	1	6	2	0	2	3	1	0	1	3	2	1	4	1	4
	Unemp.	5	5u	:	13	16	8u	11	10	8	4	7	13	10	9	7	3	9	9	9	8	5	9	8	4
	Inactive	5	8u	:	21	14	6u	5	3	9	4	5	8	2	9	7	6	7	5	3	2	5	13	11	19

** percentages for Denmark and Greece refer to 2005 (t) and 2006 (t+1).

Notes: age: 16-64, employment status self-perceived, observations flagged "u" are unreliable. Countries are flagged "p" – provisional.

Source: European Commission (2010).

Annex 5: Expenditure on passive and active labour market measures

Expenditure on passive and active labour market measures as % of GDP and unemployment rates: comparison 2007 and 2009

	Labour market services		Active measures		Passive measures		Unemployment rate	
	2007	2009	2007	2009	2007	2009	2007	2009
EU27	0.190	0.229	0.462	0.551	0.951	1.395	7.2	9.0
Belgium	0.199	0.218	0.980	1.191	2.010	2.382	7.5	8.0
Bulgaria	0.051	0.044	0.286	0.224	0.144	0.383	6.9	6.9
Czech Rep.	0.133	0.130	0.120	0.094	0.204	0.439	5.4	6.8
Denmark	0.144	0.311	1.020	1.174	1.496	1.730	3.8	6.1
Germany	0.269	0.370	0.463	0.627	1.290	1.522	8.7	7.8
Estonia	0.024	0.087	0.028	0.149	0.096	1.260	4.8	14.1
Ireland	0.212	0.199	0.486	0.653	0.915	2.621	4.6	12.0
Greece	0.017	0.010	0.152	0.212	0.334	0.687	8.4	9.6
Spain	0.091	0.133	0.627	0.652	1.443	2.961	8.3	18.1
France	0.224	0.256	0.708	0.722	1.238	1.420	8.0	9.1
Italy	0.037	0.031	0.369	0.335	0.693	1.385	6.2	7.9
Cyprus	0.042	0.036	0.081	0.066	0.467	0.593	4.0	5.4
Latvia	0.064	0.044	0.108	0.272	0.287	1.027	6.1	17.5
Lithuania	0.087	0.100	0.228	0.200	0.113	0.614	4.4	13.9
Luxembourg	0.044	0.047	0.376	0.373	0.520	0.870	4.1	5.2
Hungary	0.084	0.088	0.183	0.358	0.358	0.531	7.4	10.1
Malta	0.110	0.103	0.032	0.030	0.360	0.374	6.5	7.0
Netherlands	0.340	0.386	0.722	0.786	1.406	1.696	3.2	3.4
Austria	0.168	0.185	0.511	0.668	1.242	1.495	4.5	4.9
Poland	0.096	0.098	0.404	1.157	0.513	0.337	9.7	8.3
Portugal	0.118	0.119	0.372	0.629	1.049	1.308	8.5	10.0
Romania	0.037	0.032	0.076	0.041	0.227	0.383	6.8	7.2
Slovenia	0.087	0.100	0.111	0.230	0.299	0.633	5.0	6.0
Slovakia	0.106	0.075	0.116	0.150	0.363	0.670	11.2	12.1
Finland	0.125	0.126	0.706	0.752	1.426	1.893	6.9	8.4
Sweden	0.184	0.412	0.871	0.670	0.652	0.722	6.2	8.5
UK	0.273	0.289	0.048	0.045	0.159	0.327	5.4	7.7

Data source: Eurostat, online database.

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