

Experiencias comparadas de los mercados laborales europeos

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Roadmap of the talk

- Trends & facts: unemployment and employment
- Explanations
- Institutions & new forms of employment
- Female labour supply
- Integration of migrants
- The employment growth-productivity trade off
- Conclusions

15 years ago....

- The OECD Jobs Study:
- “The labour market has become particularly worrying in Europe...”
- “Slow employment growth has always been a feature of the EC regions...”
- “There are indications that employment has been unusually weak vis-à-vis output growth...”
- “In the EC employment growth has been generally sluggish....” (**jobless growth**)

The “usual” structural problems of EU labour markets vs. US labour market:

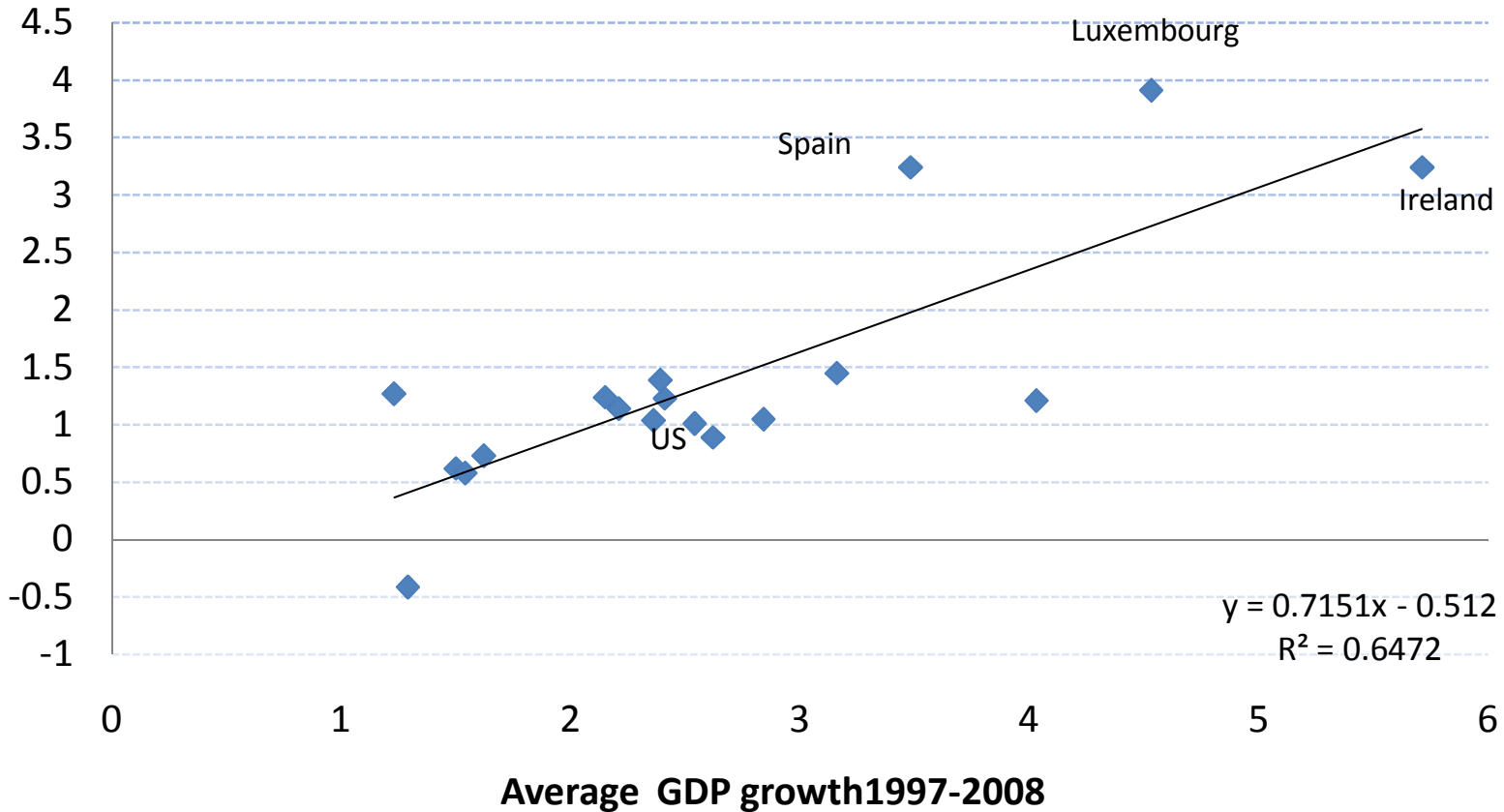
- Persistent unemployment
- High long-term unemployment incidence
- Inflexible labour markets (rigid wages, unions, hiring and firing costs etc...)

Today....

From jobless growth to growthless job creation?

GDP growth and Employment growth: EU 15 1997-2008

Average employment growth
1997-2008

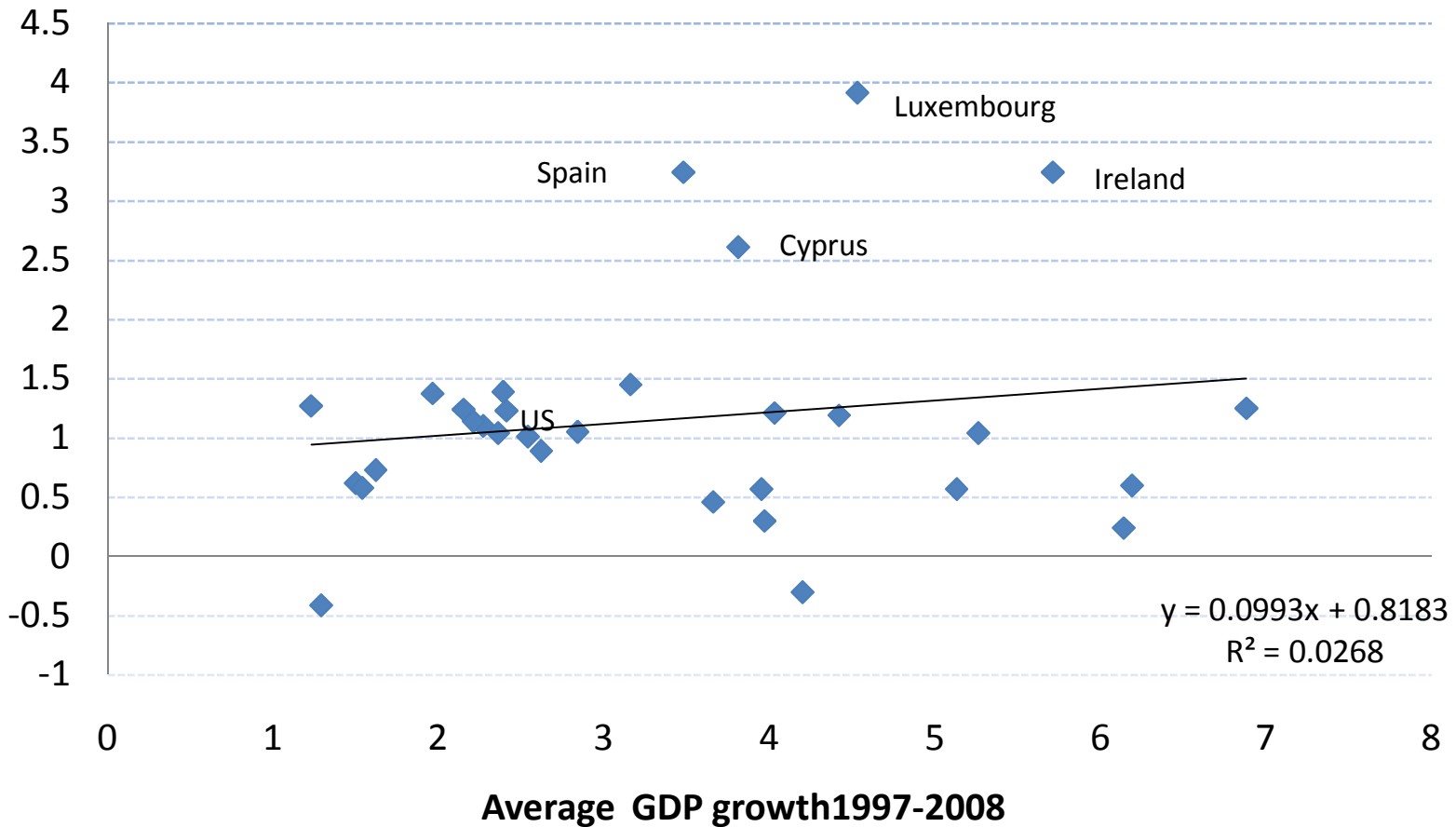


Today...

From jobless growth to growthless job creation?

GDP growth and Employment growth: EU27+, 1997-2008

Average employment growth
1997-2008



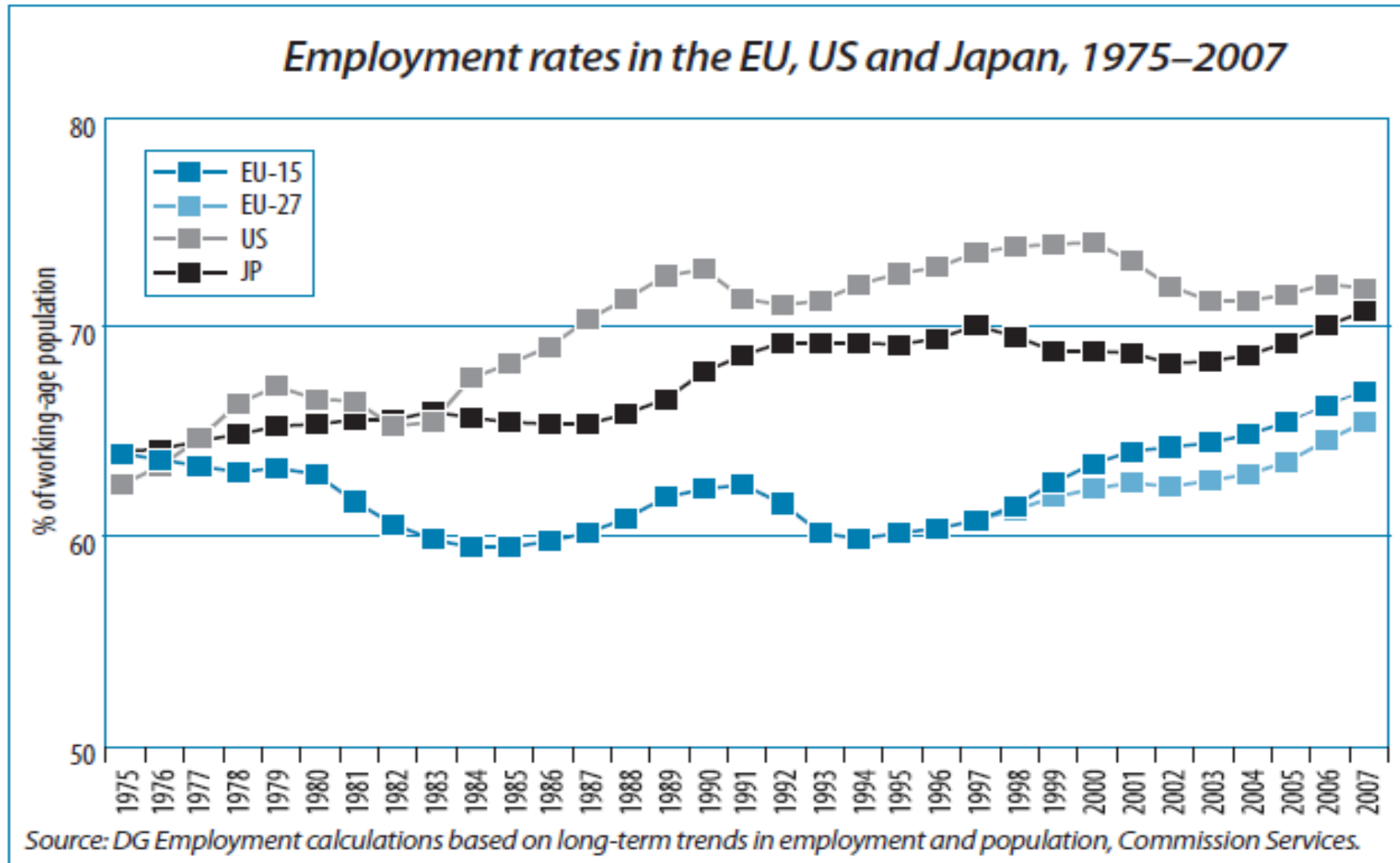
The “2000 Lisbon targets” for 2010:

- Total employment rate: 70%
- Female employment rate: 60%
- Older workers employment rate: 50%

(“2001 Stockholm” target)

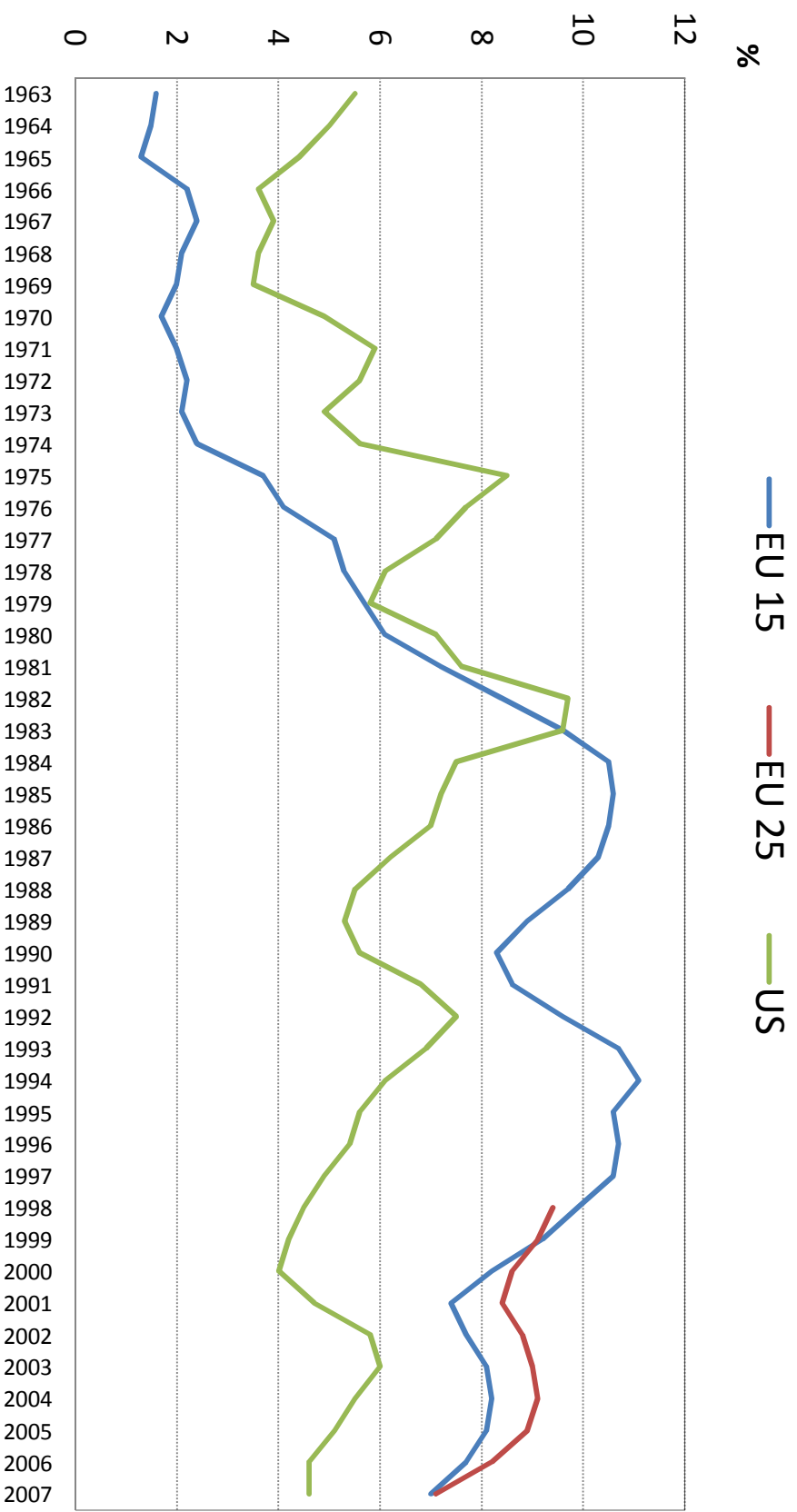
(as % of the population in working age)

Trends: employment



Trends: unemployment

Unemployment rate 1963-2007



Employment and unemployment:

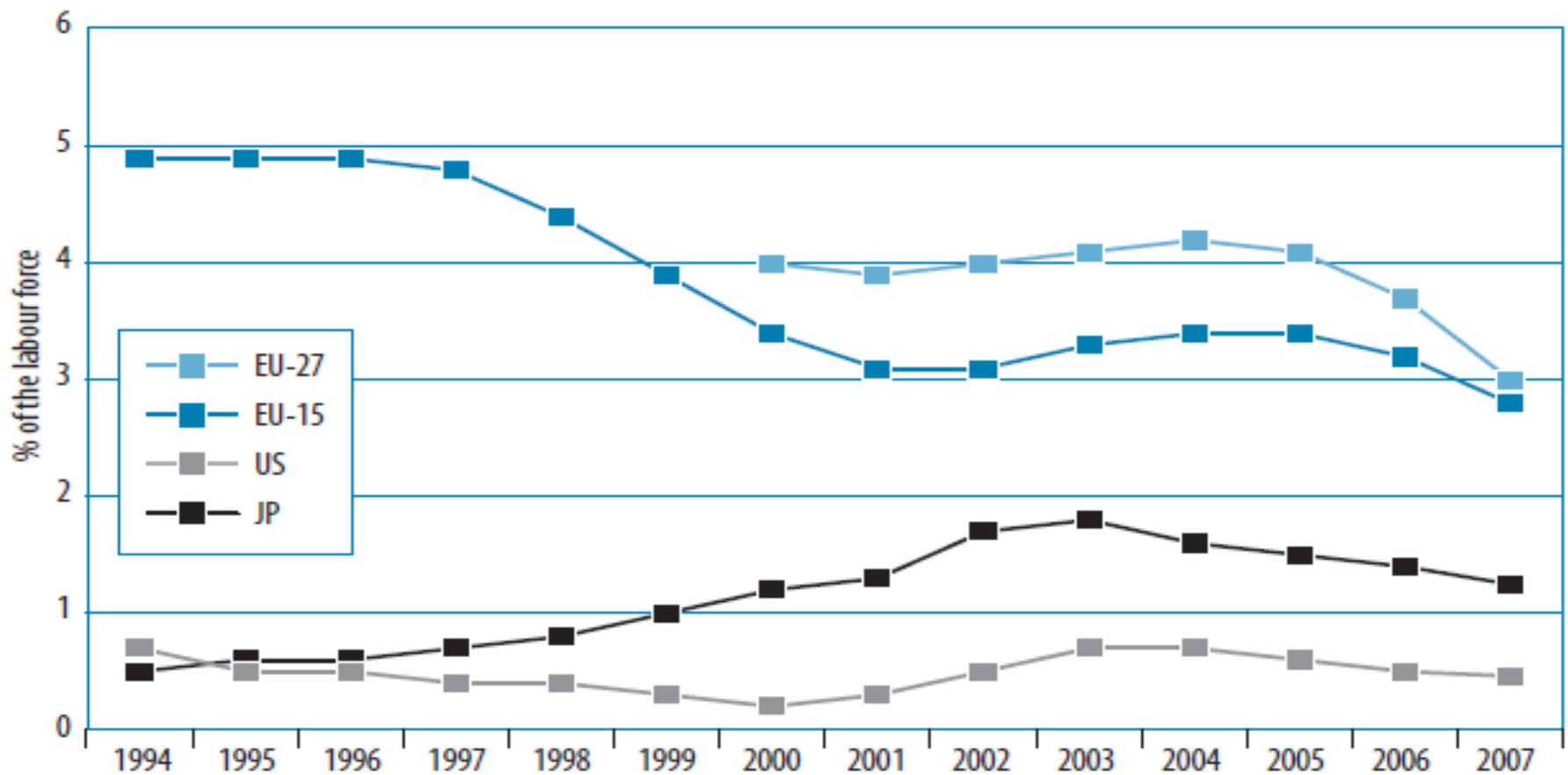
Δ Employment & Δ Unemployment: 1997-2008

Δ Unemployment rate
1997-2008



Trends: long-term unemployment

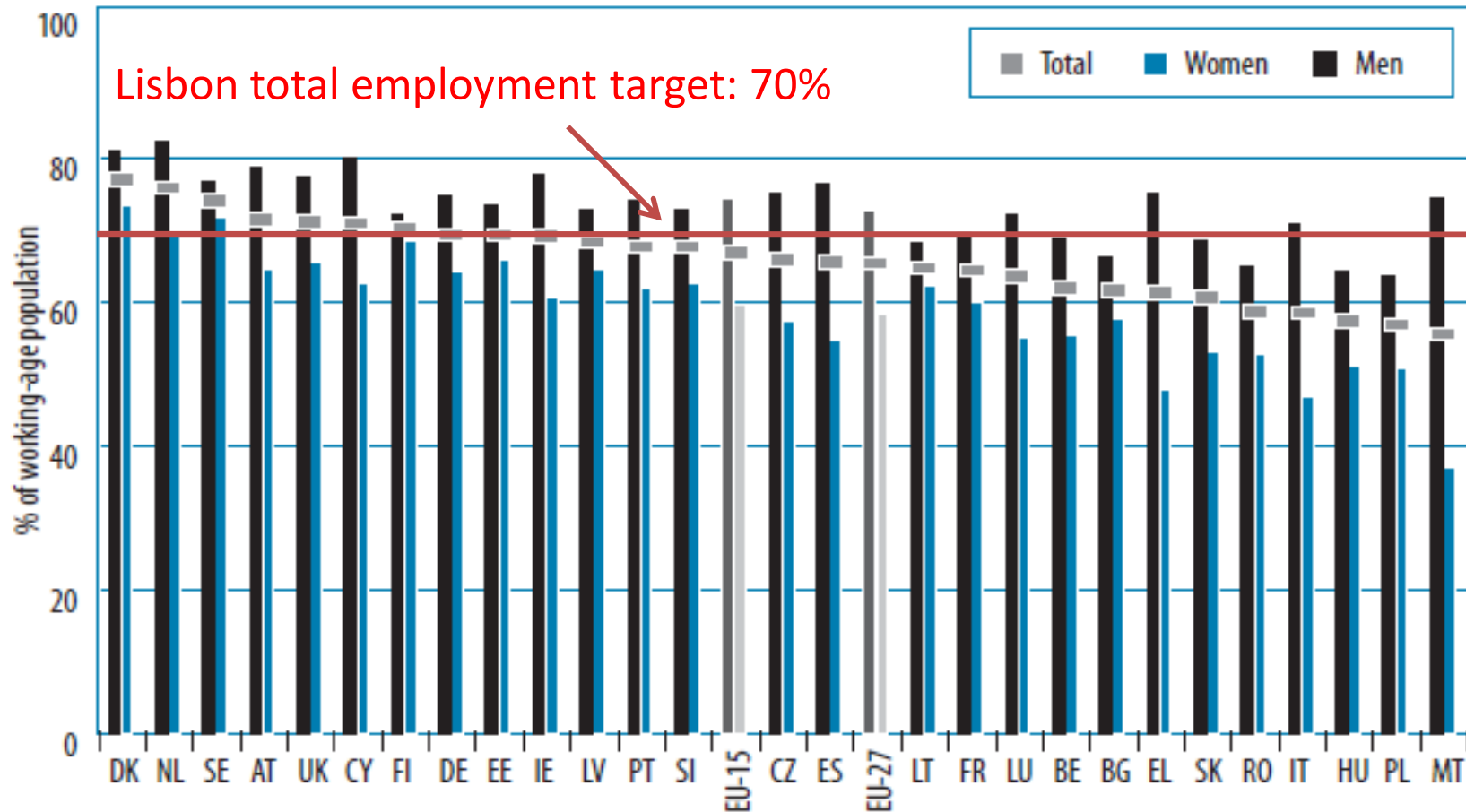
*Long-term unemployment rate in the EU,
US and Japan, 1994–2007*



Source: Eurostat, harmonised series on unemployment; and OECD for US and Japan.

How far from Lisbon?

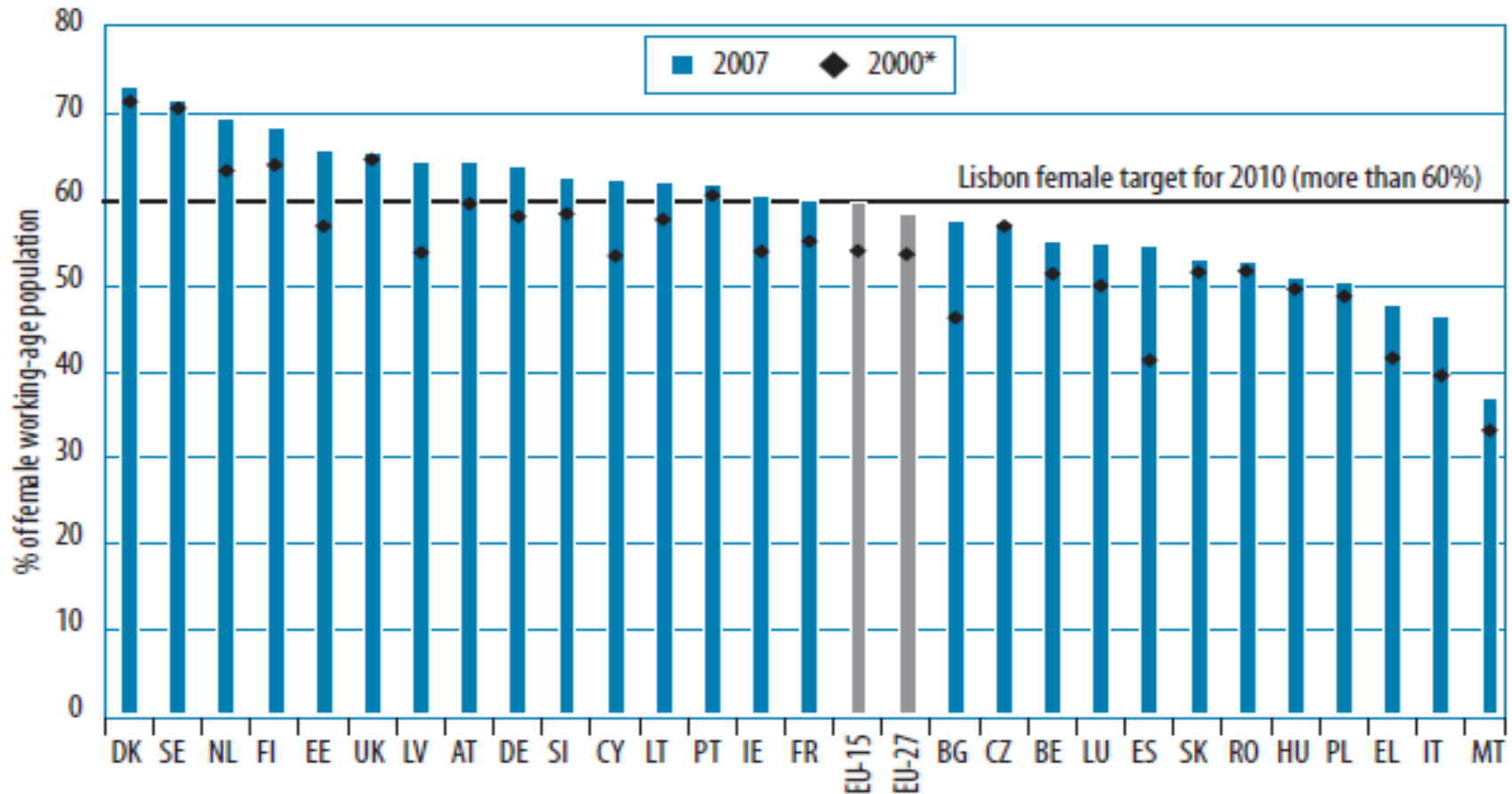
Employment rates for Member States by gender, 2007



Source: Eurostat, EU Labour Force Survey, annual averages.

How far from Lisbon?

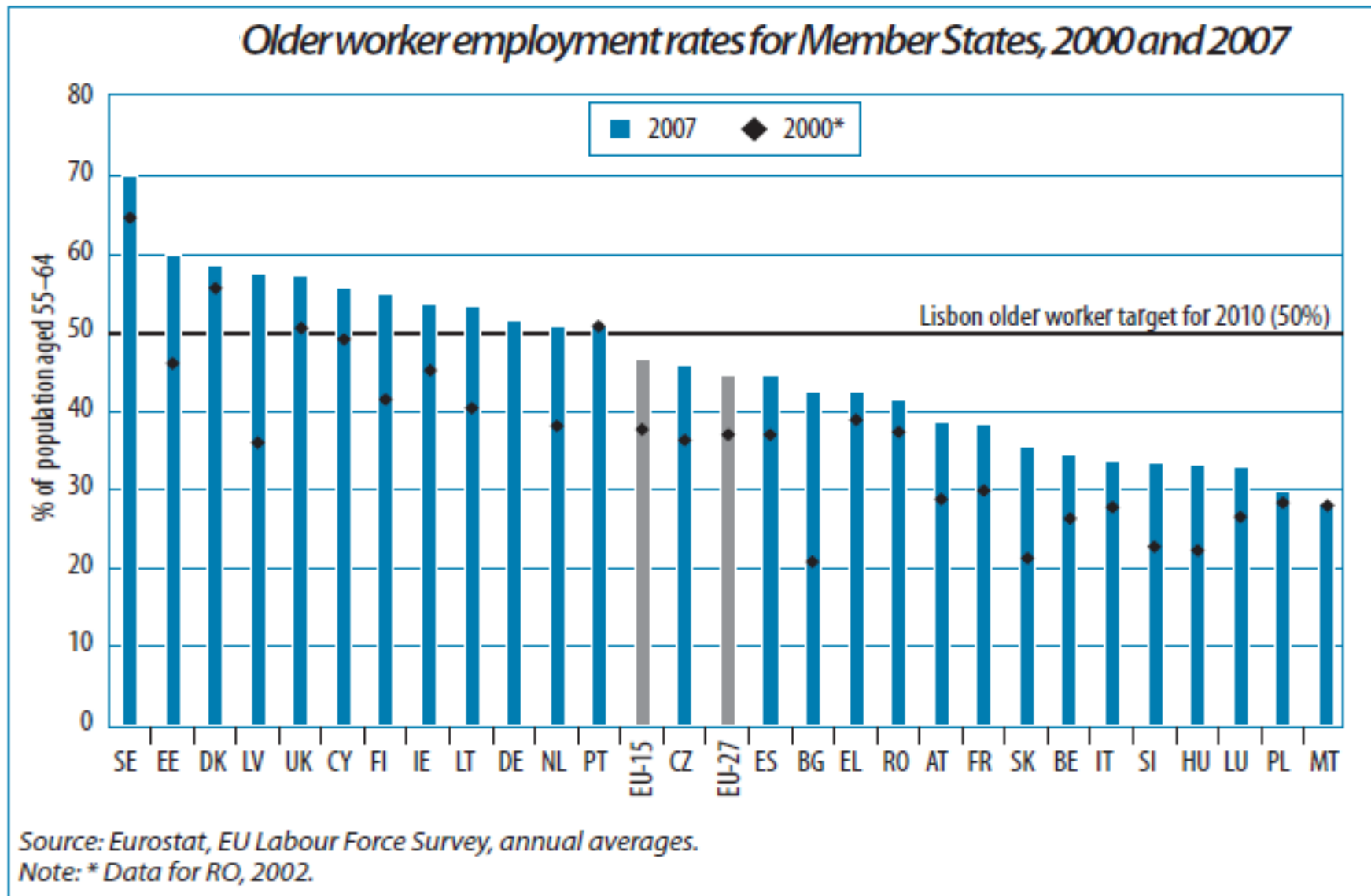
Female employment rates for Member States, 2000 and 2007



Source: Eurostat, EU Labour Force Survey, annual averages.

Note: * Data for RO, 2002.

How far from Lisbon?

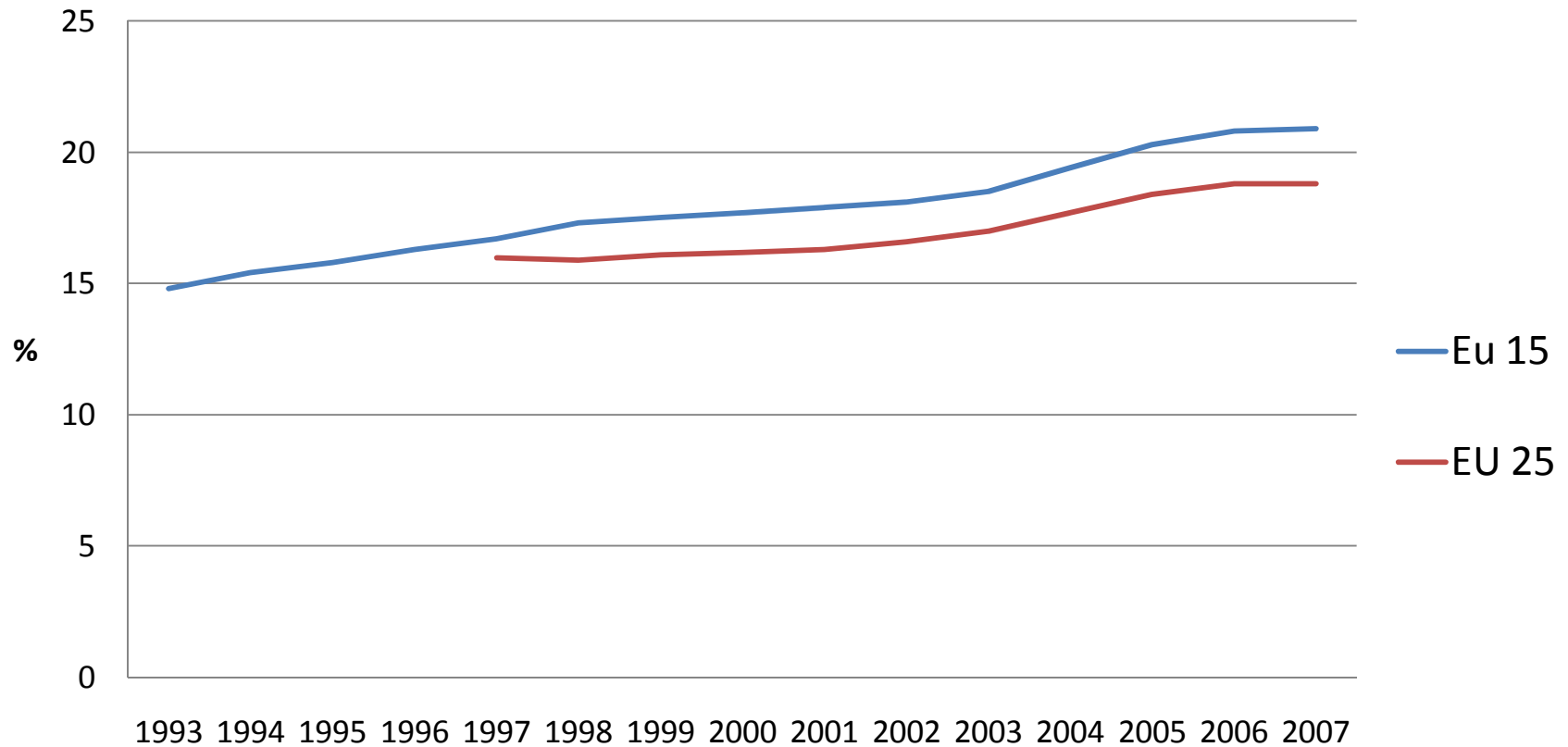


What happened?

- 3 main factors.....

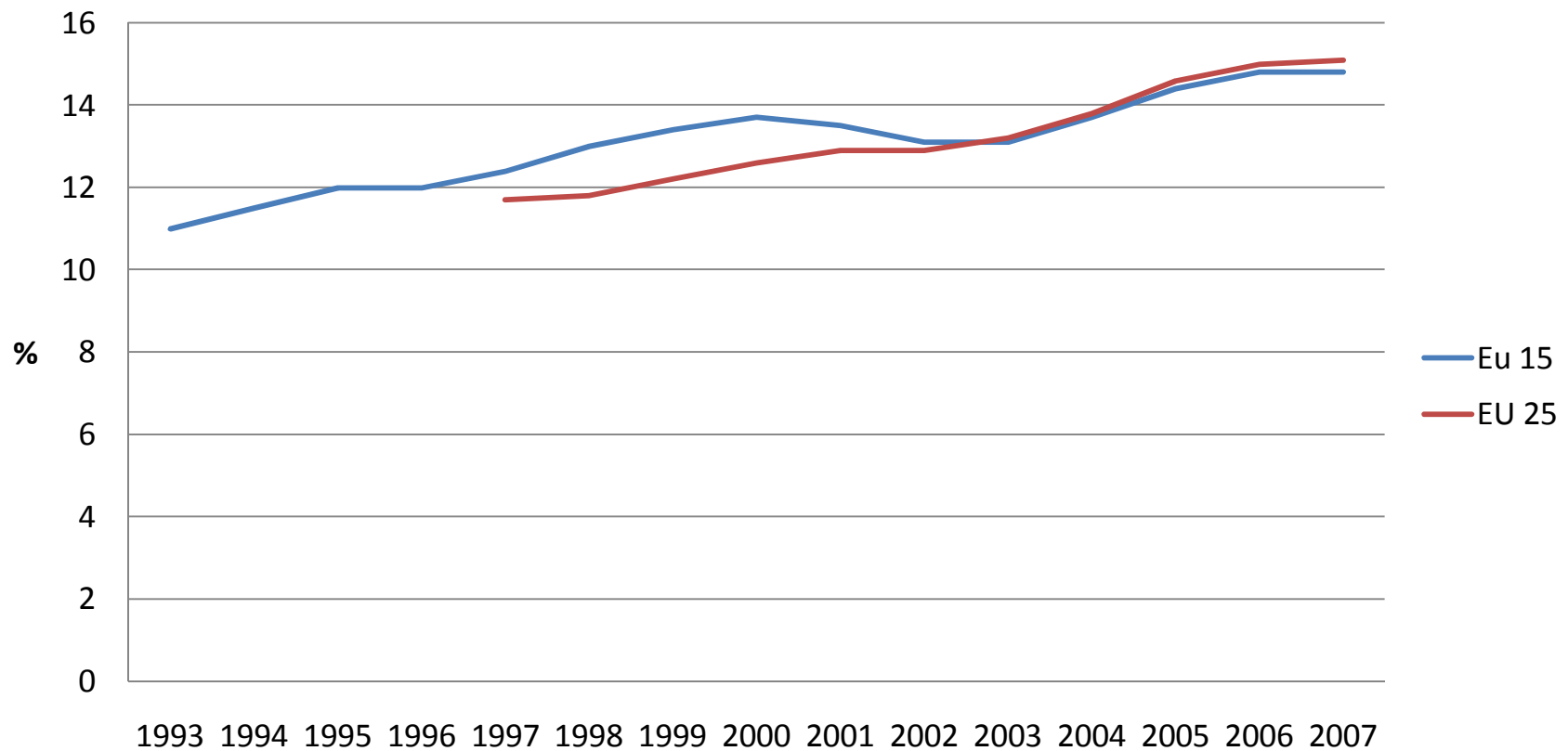
1: new forms of employment

Incidence of part-time employment



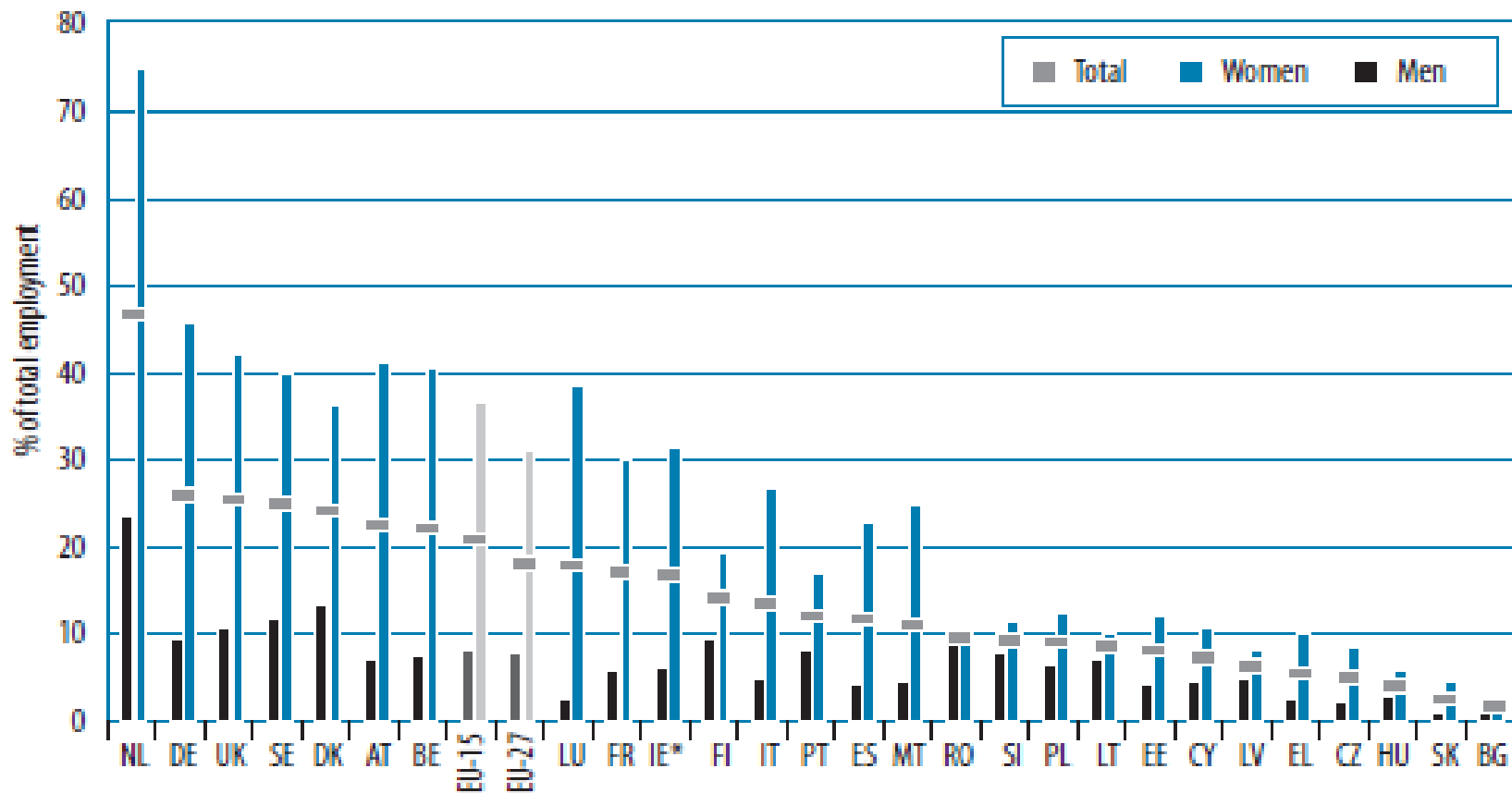
1: new forms of employment

Incidence of fixed-term employment



Part-time employment

Part-time employment for Member States by gender, 2007

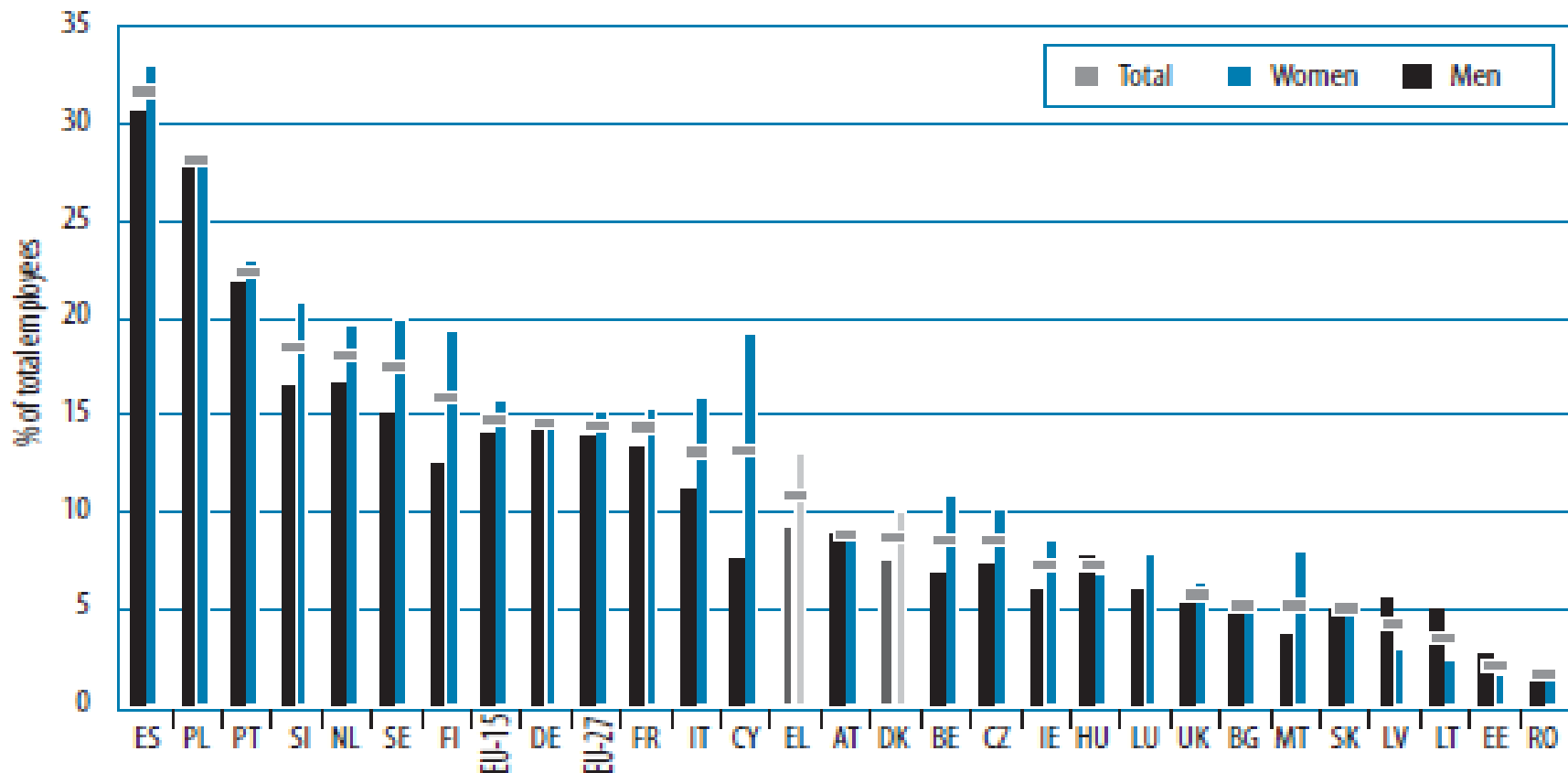


Source: Eurostat, EU Labour Force Survey, annual averages.

Note: Data for IE, 2004.

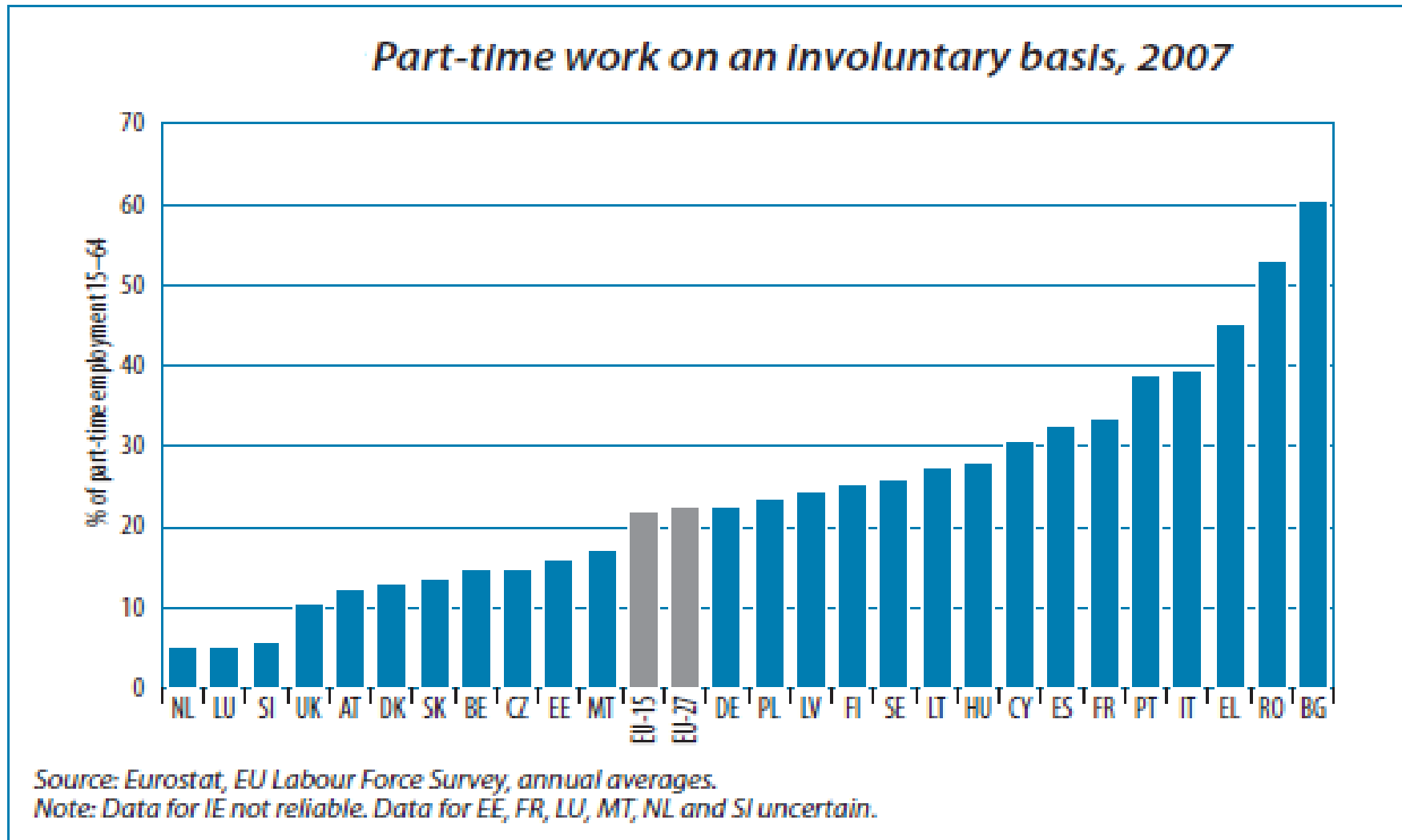
Fixed-term employment

Fixed-term employment for Member States by gender, 2007

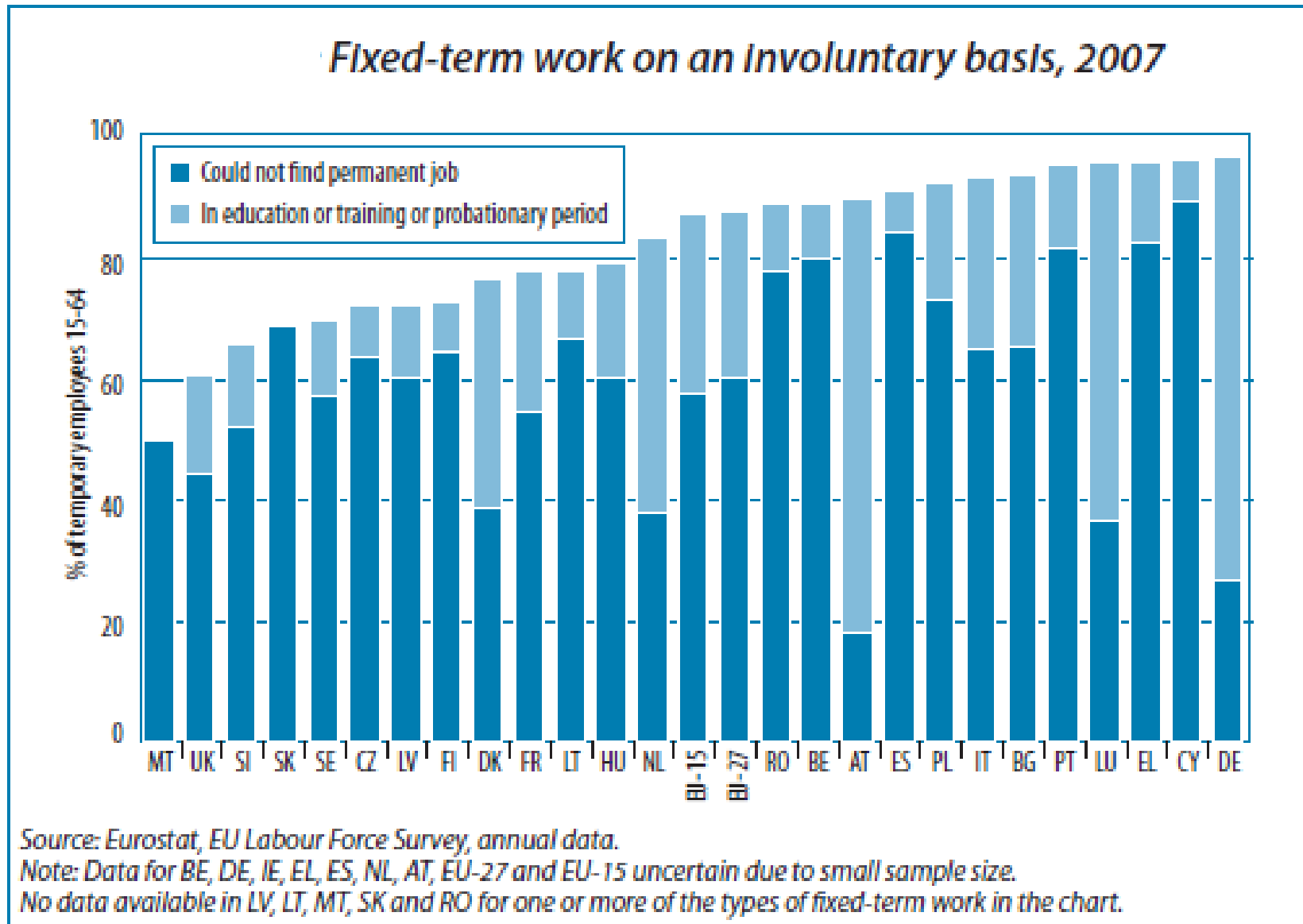


Source: Eurostat, EU Labour Force Survey, annual averages.

Part-time largely voluntary (especially for women)



Fixed-term mostly involuntary



Part-time and employment creation:

Δ Part time & Δ Total employment: 1997-2008

Δ employment rate 1997-2008



Fixed-term and employment creation:

Δ Fixed-term & Δ Total employment: 1997-2008

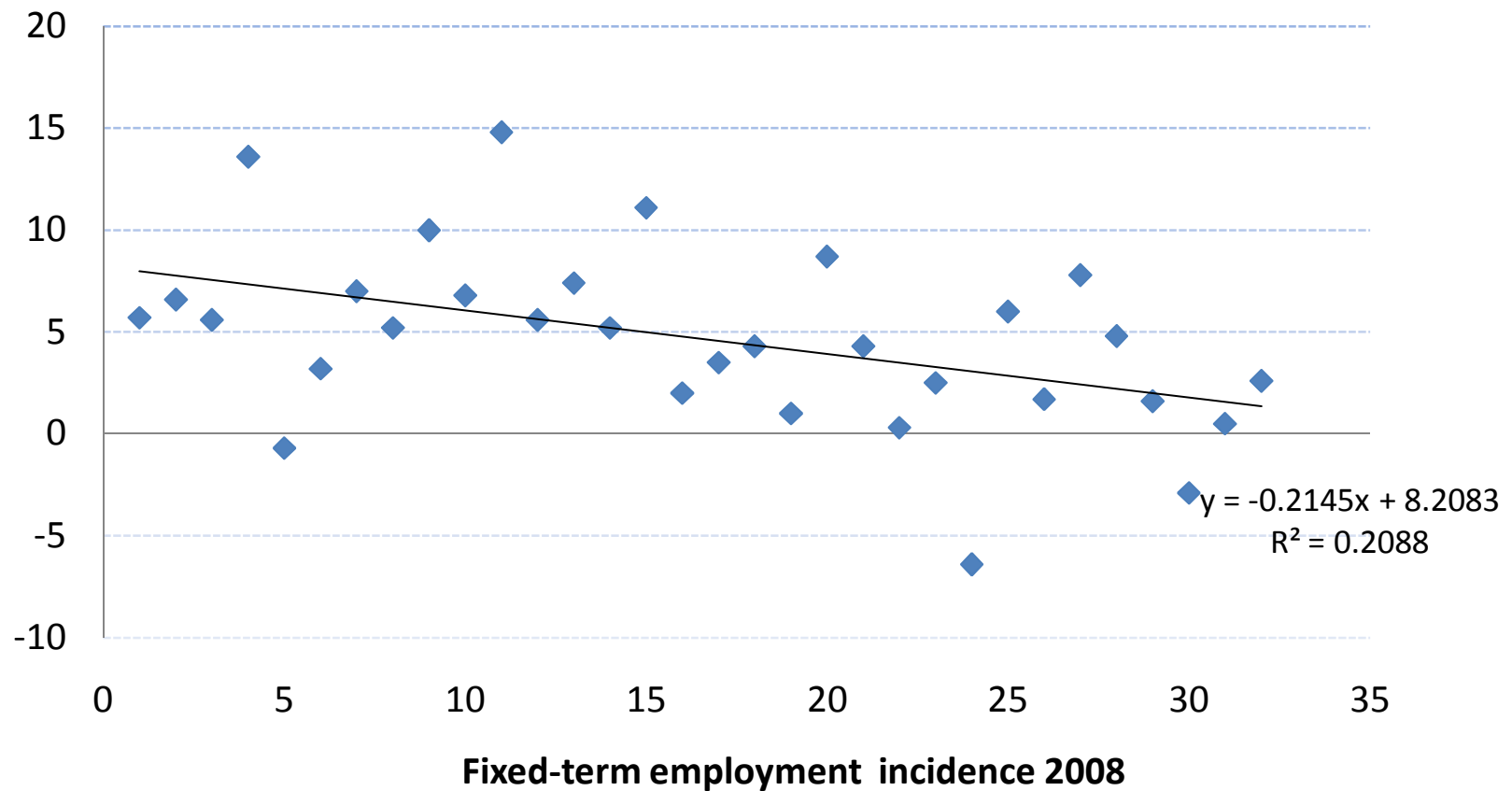
Δ Employment rate 1997-2008



Are fixed-term contracts the solution to all problems?

Fixed-term incidence & Δ Total employment: 1997-2008

Δ Employment rate
1997-2008

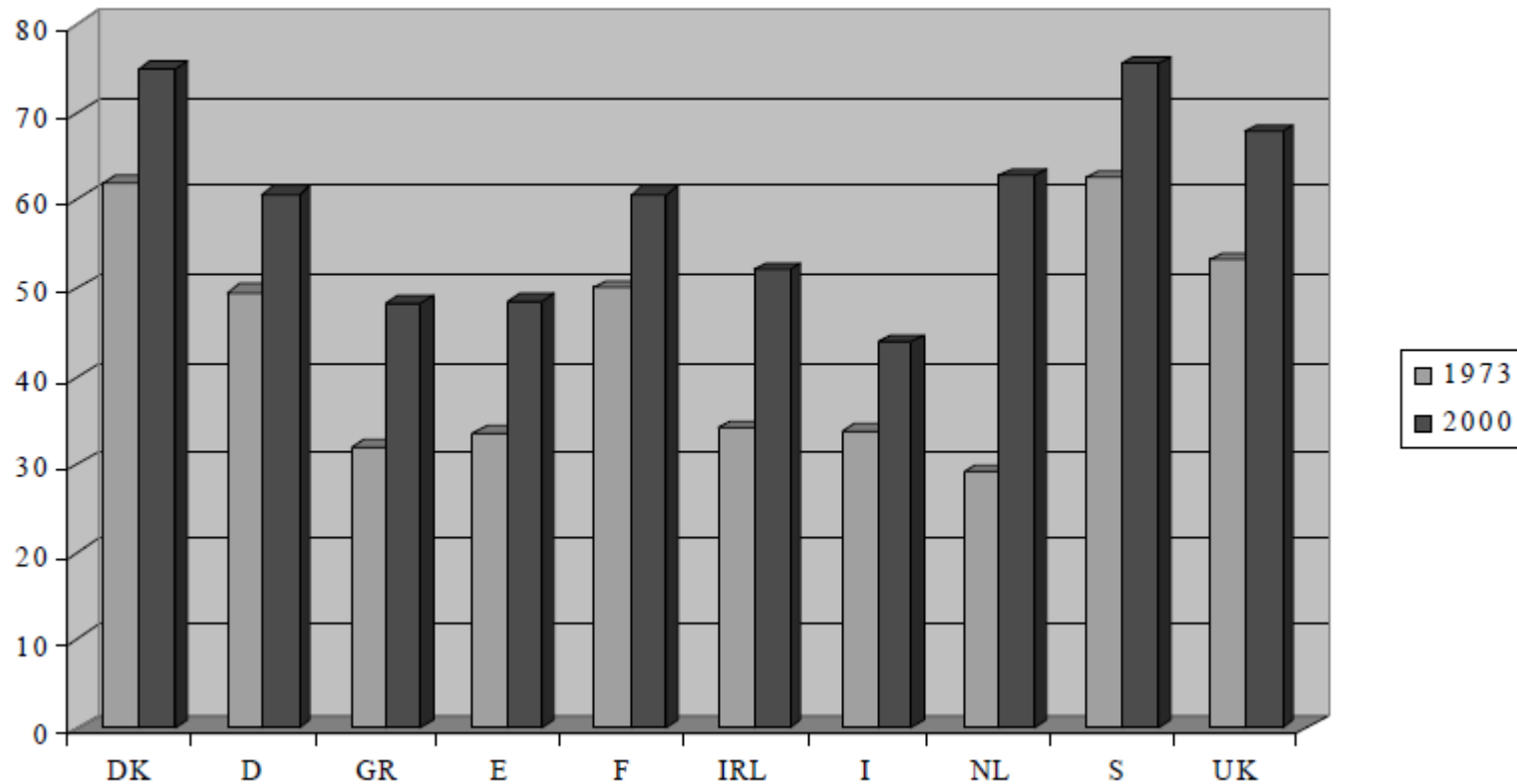


Other forms of flexibility:

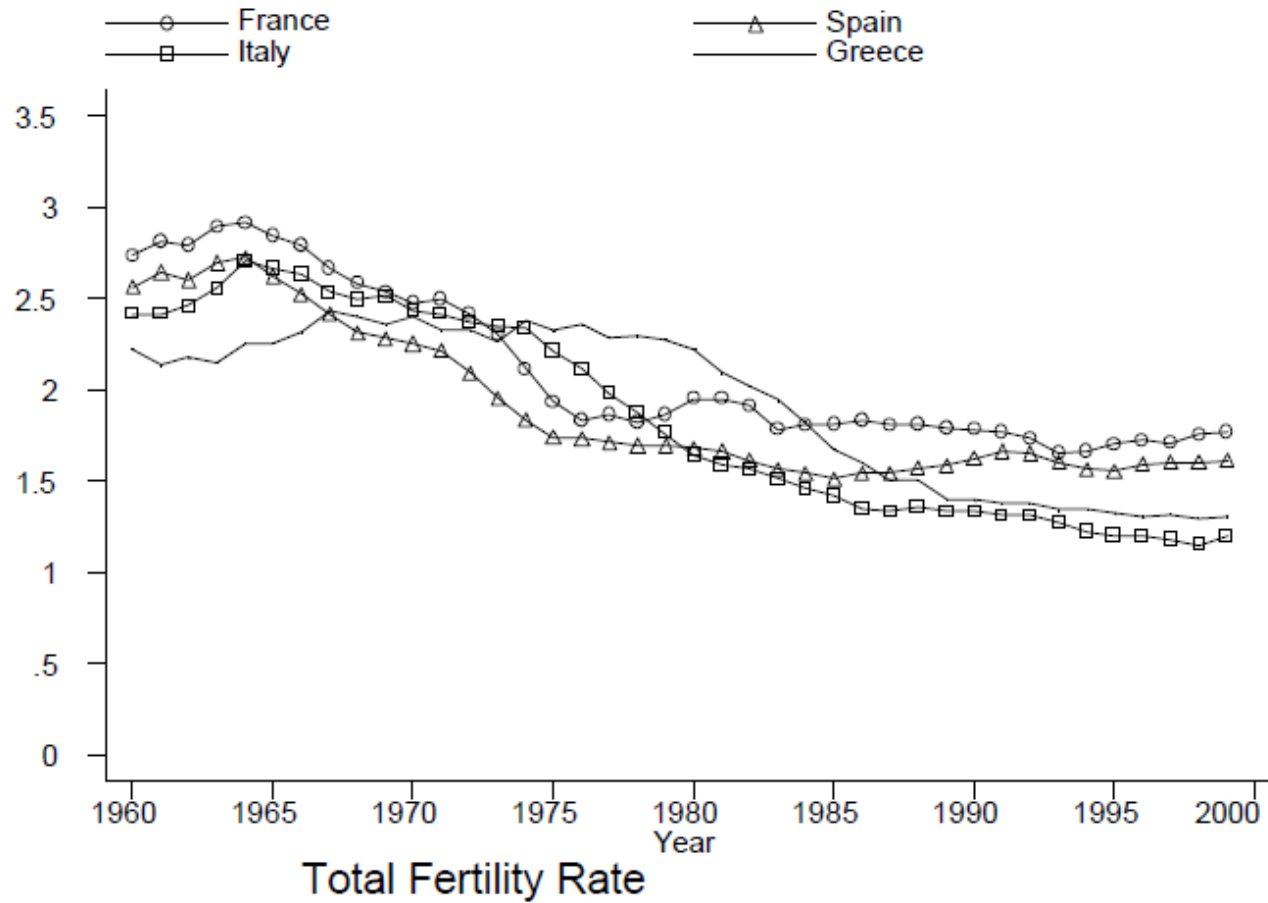
- Working time
- Work sharing

Flexicurity: a European employment
miracle?

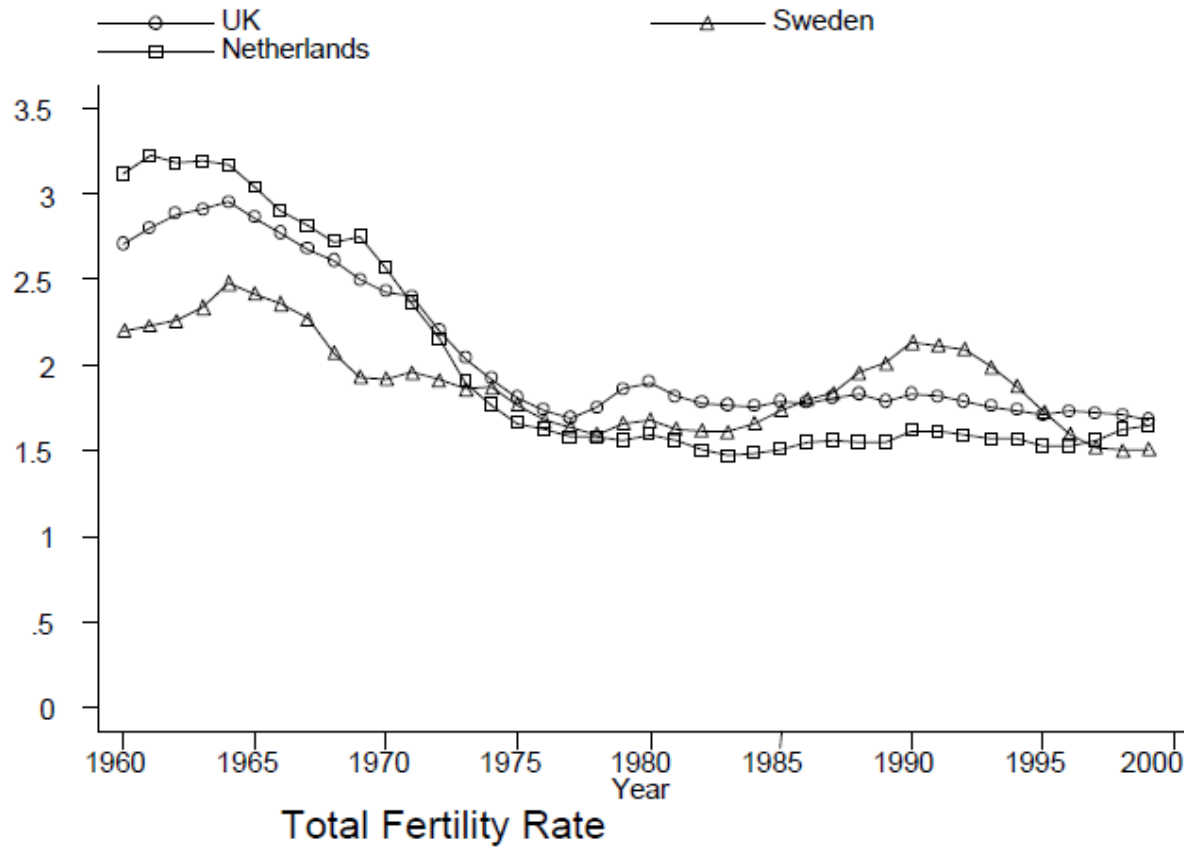
2: increased female labour supply



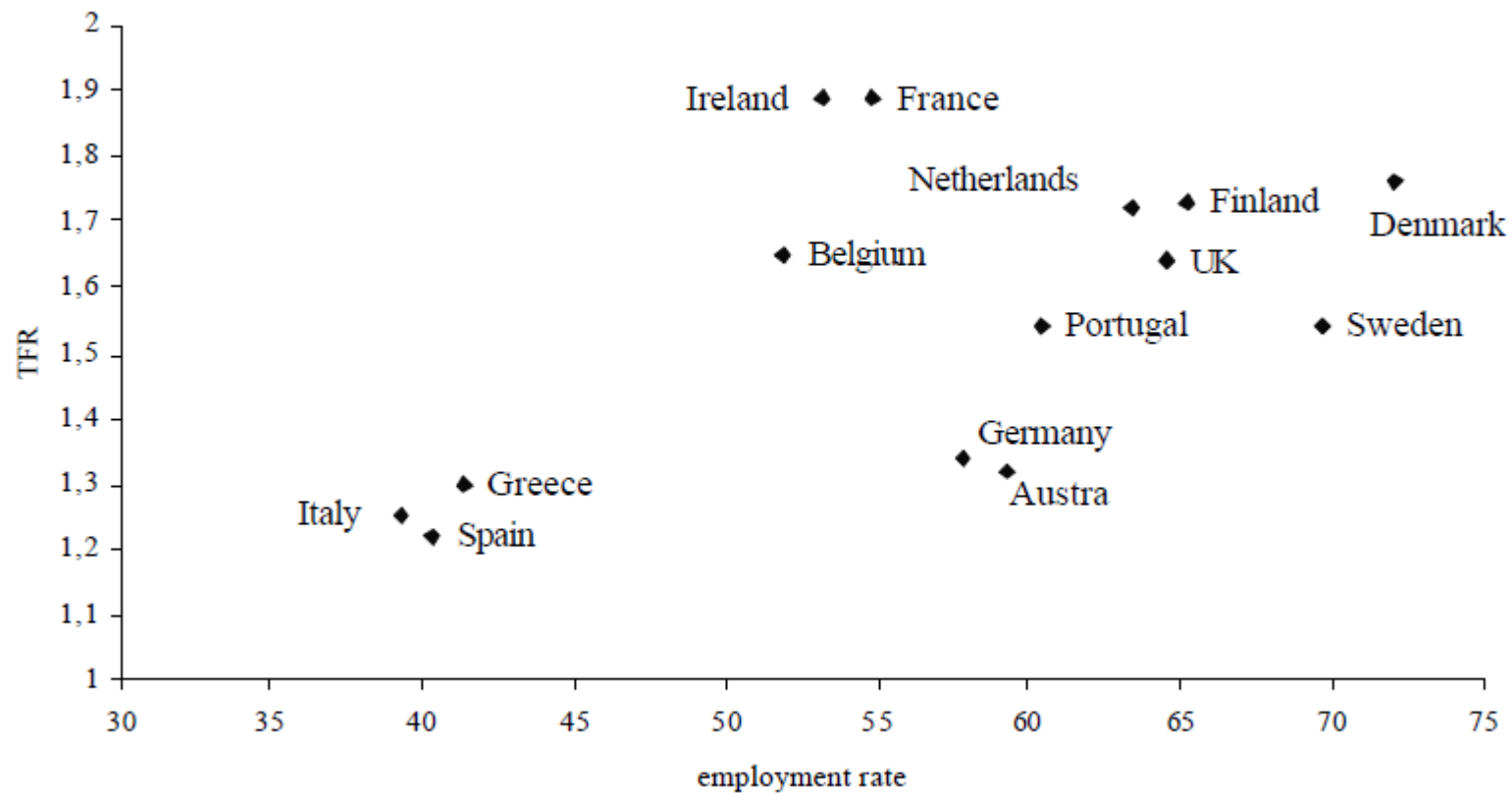
Fertility trends:



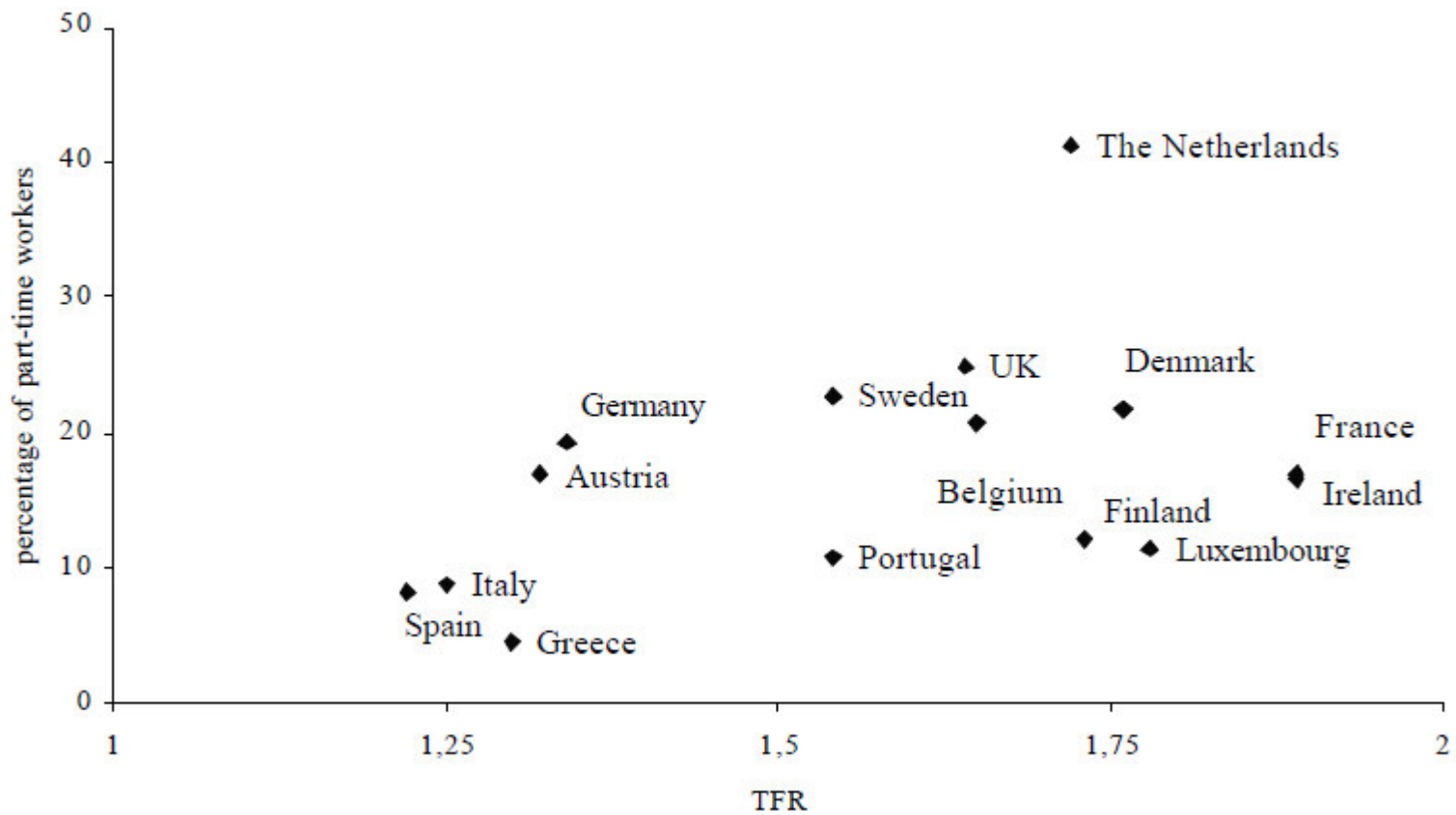
Fertility trends:



Fertility and employment



Fertility and part-time employment



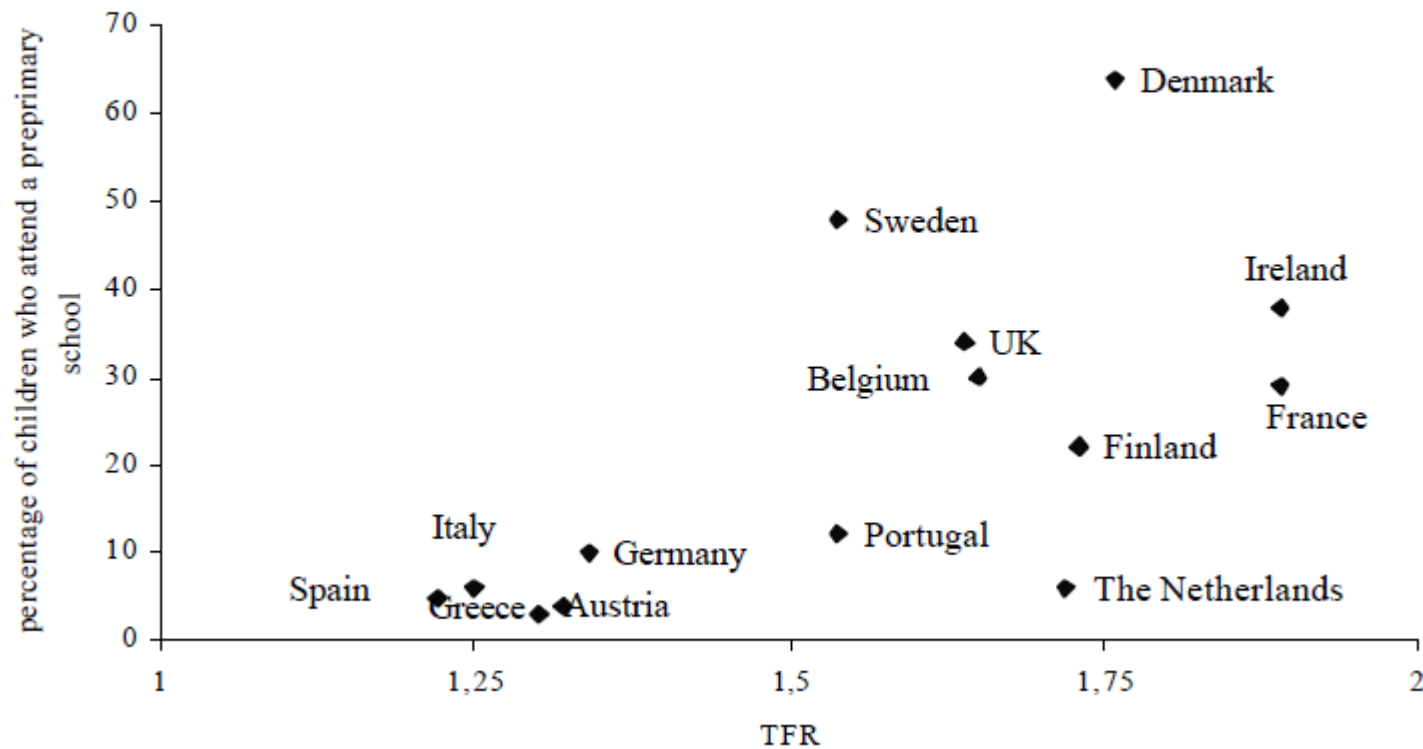
Institutions:

- Social policies for low-income families (in-work policies for poor mothers: UK work income tax credit)
- Child care availability
- Child-related benefits

Institutions:

	<i>Duration of base maternity leave (weeks) (1)</i>	<i>Maternity benefits during base leave (% of average wages)</i>	<i>Duration of optional parental leave (weeks) (2)</i>	<i>Parental benefits during optional leave (% of average wages)</i>	<i>Total duration of leave (1)+(2)</i>	<i>Paternity leave (*):</i>
Sweden	14	66	64	66	78	10 days
Denmark	28	100	22	83	50	10 days
UK	18	90	24	15.3	42	None
Netherlands	16	100	24	14.2	40	None
Belgium	15	77	12	50.3	27	3 days
Germany	14	100	136	25.1	150	None
France	16	100	132	42.4	148	3 days
Portugal	16	100	96	12.7	112	None
Italy	22	80	26	30	48	None
Spain	16	100	128	7.28	144	2 days
Greece	16	50	28	0	44	1 day (**)

Child care availability and employment:



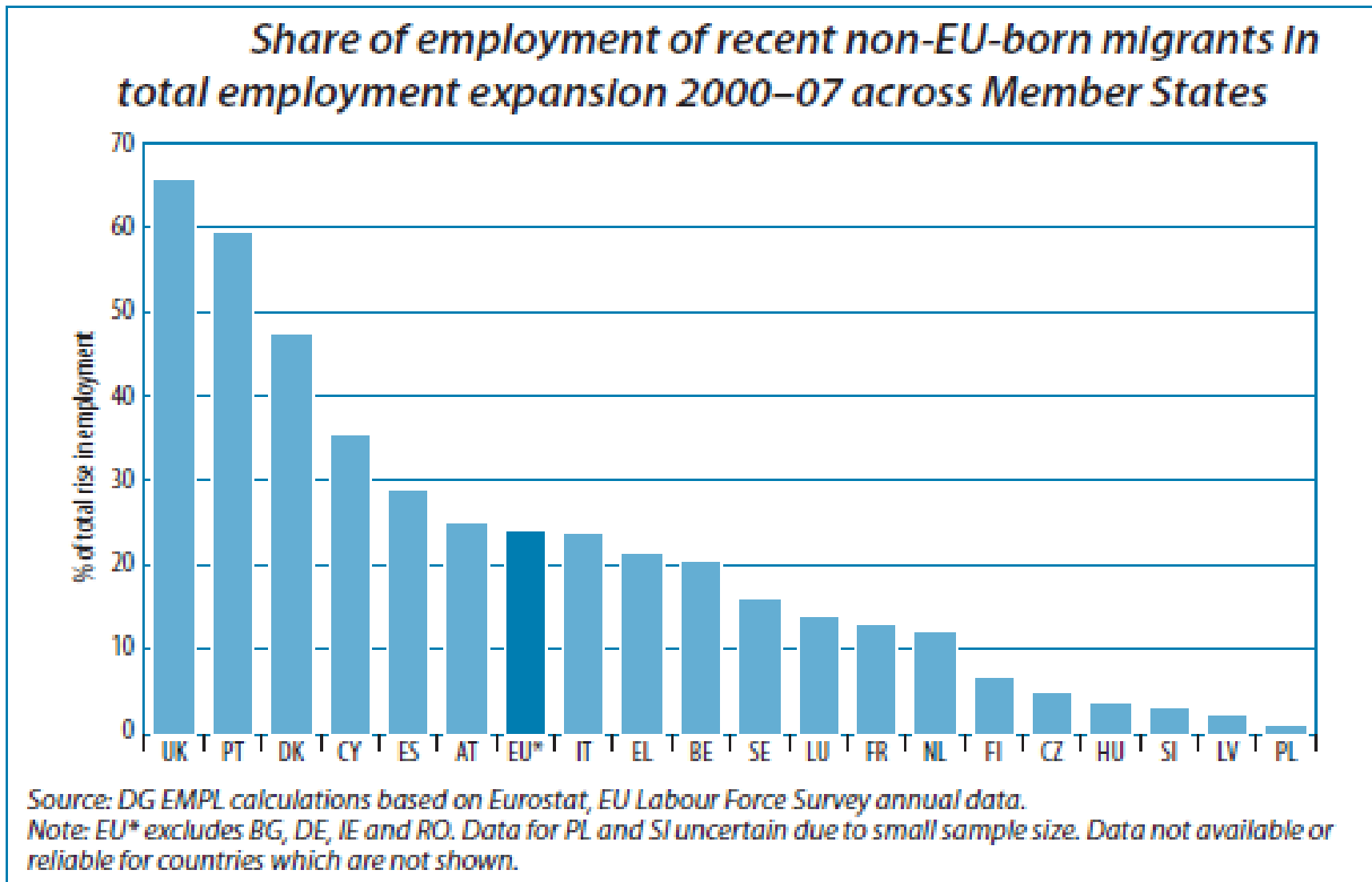
Reforms in the tax-benefit system affecting labour supply:

- Empirical evidence shows that the labour supply elasticity of mothers is higher at lower quintiles of the income distribution

3: Migration

- Migration from third countries has seen a substantial increase in recent years, rising threefold between the mid-1990s and early 2000s.
- At the same time, inflows have become more diversified, with a greater influx of people from Central and South America and much greater migration to countries in Southern Europe than previously.

3: Impact of non-Eu migration on employment



3: Impact of non-Eu migration on employment and wages

- Recently arrived immigrants have made a significant contribution to overall economic growth and employment expansion (around a quarter) in the EU since 2000
- The impacts on domestic wages and employment have been limited
- Evidence suggests they have generally been complementary to EU-born workers rather than substitutes and have contributed to greater labour market flexibility.
- However, the EU still tends to attract mainly less-skilled immigrants: 48% of recent working-age migrants are low-skilled and only one in five is high-skilled.

3: Different integration patterns

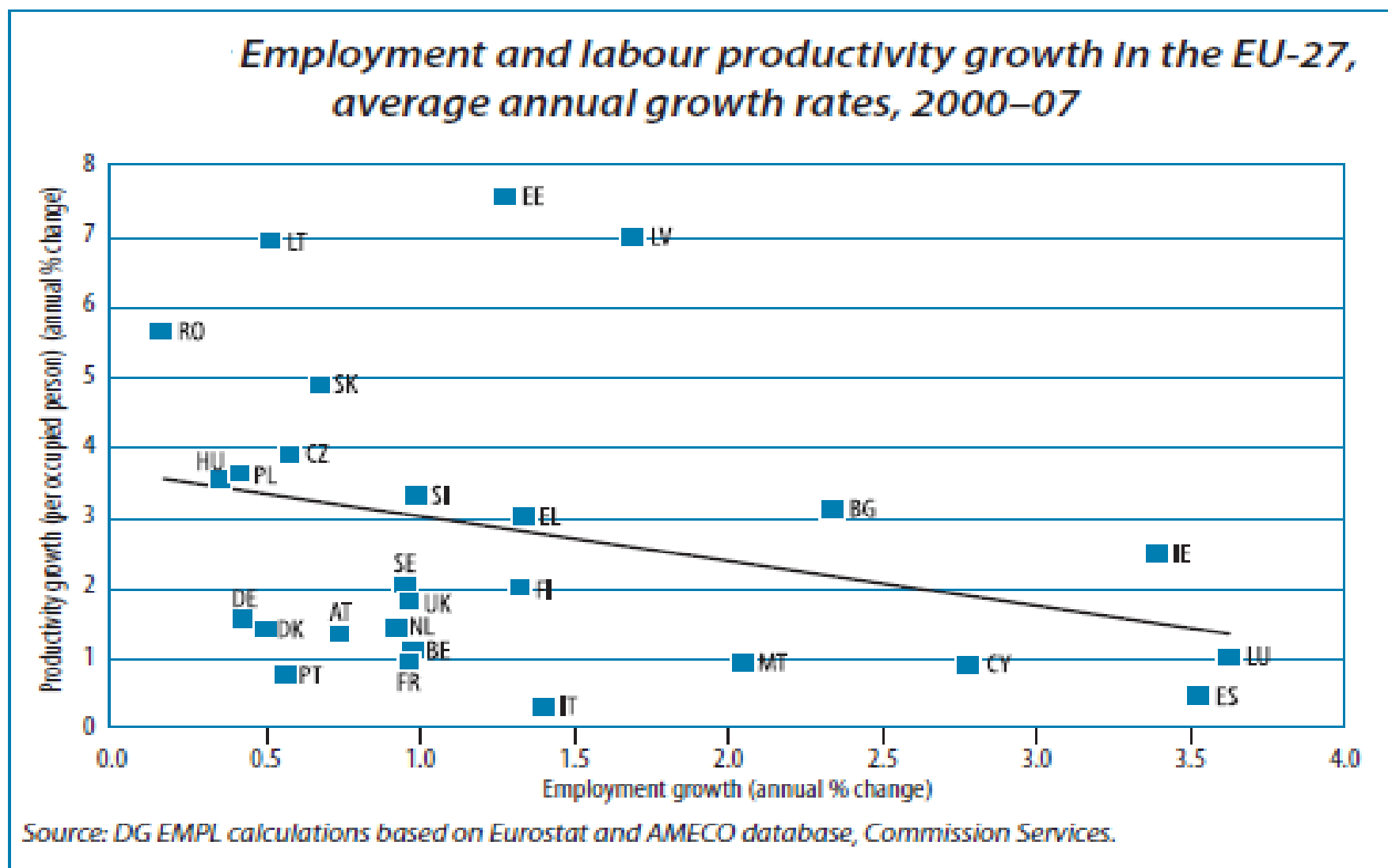
- In general, countries of Southern Europe seem to be more successful at getting migrants into employment, but with a greater risk of their being over-qualified and exposed to lower quality and precarious employment.
- In contrast, northern Member States show a lower rate of migrant over-qualification but have greater gaps in participation and employment rates, and higher unemployment rates, for migrants compared with those born in the EU.

To sum up: a taxonomy....

- i) *Nordic, including the Netherlands and the UK – high wages, good working conditions, high educational attainment and participation in training, high job satisfaction but also high work intensity;*
- ii) *Continental, including Ireland, Cyprus and Slovenia – close to the average EU situation for most of the indicators;*
- iii) *Southern – relatively low wages, low participation in education and training, unfavourable working conditions and relatively large gender employment gaps;*
- iv) *New Member States – low wages, unfavourable working conditions, but also relatively high educational attainment and low gender employment gaps.*

but...

The trade off between employment growth and productivity growth



Possible explanations...

- Growth concentrated in low skilled – low productive jobs
- Dual labour markets: high protection for insiders, low for outsiders

Challenges:

- Increase employment **and** productivity
- Increase product market competition
- Training