

A descriptive analysis of the EU Labour Market Policy (LMP)

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Session 1-Introduction

Labour market policies are important to support people move from inactivity and unemployment into employment and find more rewarding and productive jobs.

They aim to bring unemployed and the inactive into employment and help people in low-quality or threatened jobs find better employment opportunities.

Labour market policy and institutions play a central role in stimulating job creation and enhancing job quality, by facilitating the reallocation of resources to their most efficient and regarding uses promoting learning and innovation in the workplace, removing barriers to good quality jobs, and fostering greater inclusiveness.

This session classes will include discussions, questions and answers about how to measure unemployment rate, the labour Force, Participation rate, and the Employment population ratio

Session 2-Labour market policy Statistic defined

Policy lessons from the Great Recession

This Session is import to asses policies and adjust them accordingly The exposition attempts to show the rich pool of information available in the LMP database and which can be used in more complex policy analysis

The experience of the global crisis has yielded a number of lessons regarding the role of macroeconomic and labour market policies for labour market resilience

Questions for discussions

Which structural policies are most effective in strengthening labour market resilience?

Should labour market policies be made contingent on the state of the business cycle?

Session 3- Overview of expenditure data

The role of policies and institutions for good labour market performance

EU data for expenditure and beneficiaries of labor market interventions are collected for the EU Member States and Norway on an annual basis. This lesson presents a broad descriptive analysis of the expenditure data collected

Questions for discussion

How can policies and institutions be designed in a way that raises job quantity, job quality and inclusiveness?

What types of policies and institutions ensure the labour markets are resilient and adaptable in a fast changing world?

Session 4- LMP expenditure in relation to unemployment

Identification of challenges

Labor market policies are varied and include job searching mechanisms, training, start-up incentives and income support (unemployment benefits). A set of these policies are grouped together as “active measures” or activation policies and include training, employment incentives, supported employment, rehabilitation, and direct job creation

Long-term unemployment (LTU) is one of the main indicators from which the adequacy and/or success of ALMPs (and public employment services) can be judged. Since the start of the crisis in 2008, long-term unemployment rates have been increasing in all Member States, except Germany .

Session 5- Key findings and Summary

Looking per country over time, LMP spending (constant prices) and the number of beneficiaries are linked with unemployment evolution, thus suggesting a counter-cyclical behavior of spending notably up to 2010.

In structural terms, income support interventions or “supports” (e.g. unemployment benefits) represent the largest share of expenditure of 25 Member States

REFERENCES

1The OECD defines ALMPs as follows: "Active labour market programmes includes all social expenditure (other than education) which is aimed at the improvement of the beneficiaries' prospect of finding gainful employment or to otherwise increase their earnings capacity. This category includes spending on public employment services and administration, labour market training, special programmes for youth when in transition from school to work, labour market programmes to provide or promote employment for unemployed and other persons (excluding young and disabled persons) and special programmes for the disabled."

2 See for example John P. Martin, "Activation and Active Labour Market Policies in OECD Countries: Stylized Facts and Evidence on Their Effectiveness", IZA Policy Paper No. 84, June 2014.

3 A quite comprehensive evaluation of the effectiveness of ALMPs can be found in European Commission, Employment in Europe Report, 2006. Kluve et al. (2010; "The Effectiveness of European Active Labour Market Programmes", Labour Economics 17, pp. 904-18) and Kluve et al. (2010; "Active Labour Market Policy Evaluations: A Meta Analysis", The Economic Journal 120, pp. 452-77) offer broad (meta-) analyses based on a large number of studies.

4 "Effective Active Labour Market Policies", J. Boone & J. C. van Ours, IZA DP No. 1335, 2004.

5 "Active Labour Market Programs: Employment Gain or Fiscal Drain", A. J.G. Brown & J. Koettl, IZA DP No.6880, 2012.