

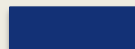
Regional Analysis of National Employment and Labour Market Measures

Will Bartlett, LSE

Employment and Social Affairs Platform

13-14 December 2016

Podgorica, Montenegro



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PA 1 – Employment protection legislation

	ERP	ESRP
AL	2016: intention to amend Labour Laws announced in compliance with international conventions	n/a
BA	2016: harmonise labour legislation	n/a
XK	None	n/a
MK	None	None
ME	2016: new Labour Law foreseen 2017 aimed at increasing LM flexibility	2015: improve seasonal work opportunities by improving legislation
RS	2015 & 2016: amendment to Labour Law to increase LM flexibility announced and implemented	2016: strengthen employment policy making

PA2: ALMPs – (i) Job creation

	ERP	ESRP
AL	None	n/a
BA	2016: RS employment incentives law	n/a
XK	None	n/a
MK	2016: employability programme to create 2,000 new jobs	None
ME	None	2015 ALMPs in general
RS	None	None

PA2: ALMPs – (ii) Employment services

	ERP	ESRP
AL	2016: modernise PES , review ALMPs, cooperation with private agencies	n/a
BA	2016 RS: strengthen PES	n/a
XK	2015: restructure PES & establish Agency for Employment; introduce personalised services . 2016: training & apprenticeship programmes	n/a
MK	2015: strengthening ESA ; 2016 twinning project	2016: specific measures to improve ESA capacities; increase use of individual employment plans
ME	2015: reorganise PES; 2016 develop individual employment plans	None
RS	None	None

PA2: ALMPs – (iii) Targeted measures

	ERP	ESRP
AL	None	n/a
BA	2016 FBiH: employment subsidy for new workers aged 15-30	n/a
XK	2016: wage subsidies for youth, women and long-term unemployed	n/a
MK	2015: measures to create new jobs for youth ; 2016: measures for persons with disabilities & others	2016: targets youth, long-term unemployed, pw disabilities & Roma
ME	None	2015: long-term unemployed, women, youth, Roma, pw disabilities, seasonal workers
RS	2015: pw disabilities ; 2016: youth, redundant workers, long-term unemployed	2016: redundant workers, long-term unemployed, elderly, unskilled women, pw disabilities, Roma, youth

PA3 – Social security systems

	ERP	ESRP
AL	2016: work availability requirements to be strengthened; benefit recipients expected to engage in active job search	n/a
BA	2016: FBIH proposes a thorough reform of the social security system	n/a
XK	None	n/a
MK	None	None
ME	None	None
RS	2016: improving the adequacy, quality and targeting of social protection by increasing cash benefits and improving information systems	2016: increase the coverage and improve the adequacy of cash benefits

PA4 – Work-life balance & gender equality

	ERP	ESRP
AL	Some among other categories	n/a
BA	None	n/a
XK	None	n/a
MK	None	None
ME	None	None
RS	Some, among other categories	Some, among other categories

PA5 – Education & training systems

	ERP	ESRP
AL	2016: Improve quality of VET and ensure linkages with the LM	n/a
BA	2016: align curricula and teaching more with needs of LM	n/a
XK	2015: address skill gap; 2016: better links to LM needs	n/a
MK	2016: Skills Observatory & modernise VET system with better equipment and cooperation with private sector	2016: modernise VET and increase its attractiveness; harmonise with LM needs
ME	None	2015: new study programmes in line with LM needs to reduce regional disparities especially in north region
RS	2015: improve quality of human capital	2016: develop education and training consistent with LM needs

PA6 – Labour taxation (including undeclared work)

	ERP	ESRP
AL	None	n/a
BA	2015: FBiH analysis of regulations; RS reduce contribution rates . 2016: FBiH reduce contribution rates ; RS: cut corporation tax to lowest in region	n/a
XK	2015: improve inspection to reduce informal employment	n/a
MK	2015: prepare new law prohibiting unregistered activity	2016: various measures including strengthening inspection
ME	2016: reduce informality through combined incentives and sanctions	2015: strengthen inspectorate
RS	None	2016: reduce labour market dualism by combatting the informal economy

PA7 – Wage setting institutions

	ERP	ESRP
AL	None	n/a
BA	None	n/a
XK	None	n/a
MK	2015: training of specialised arbitrators	2016: strengthen capacities of social partners and national and local ESCs
ME	None	2015: improve social dialogue, develop local partnerships for employment
RS	None	None

Comparison of ERP & ESRP

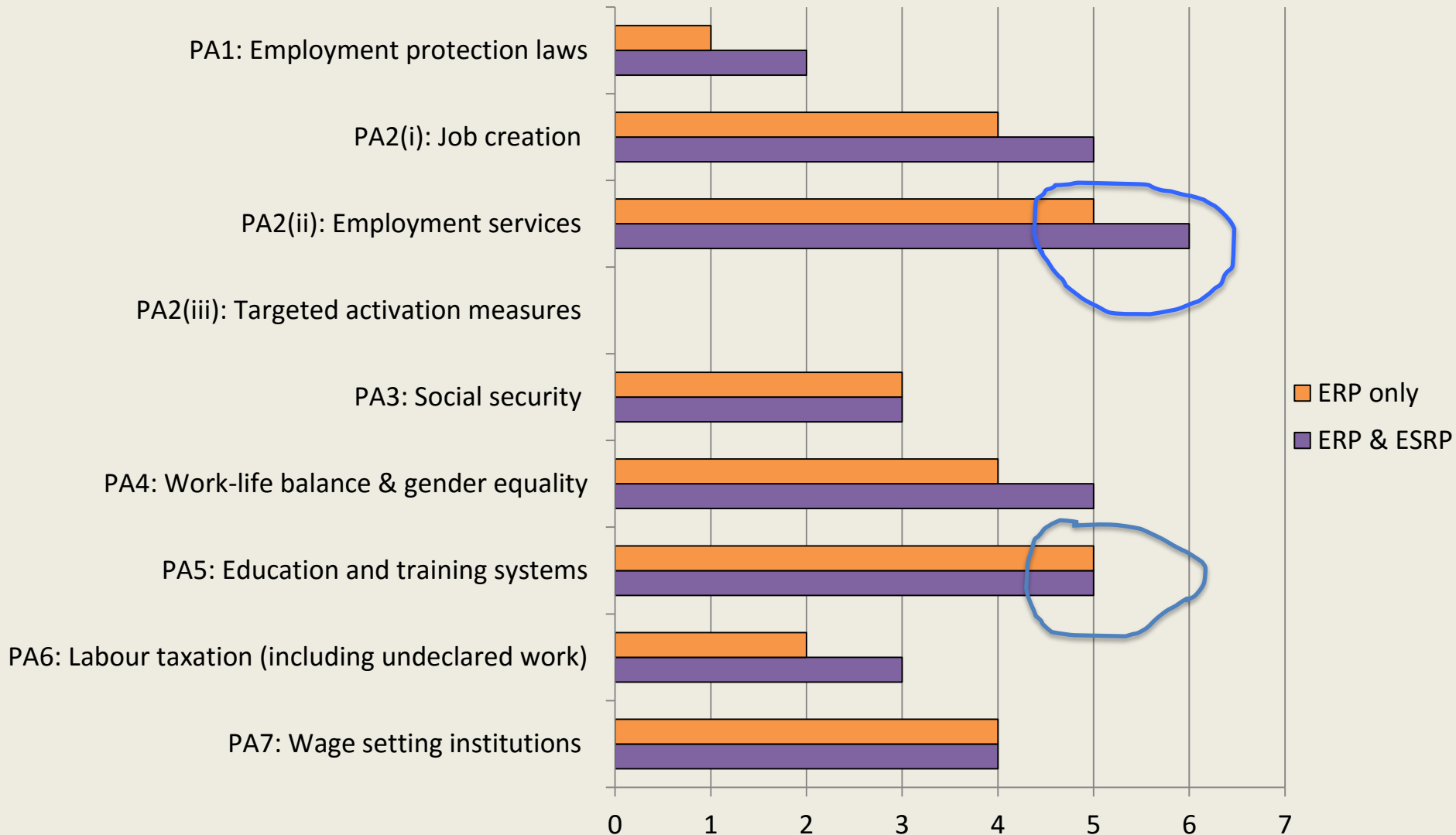
A=ERP 2015; B=ERP 2016, C=ESRP 2015; D=ESRP 2016

	AL	BA	XK	MK	ME	RE	ALL PA
PA1	B	B			B, C	A, B, D	4
PA2(i)		B		B	C		3
PA2(ii)	B	B	A, B	A, B	A, B, D		5
PA2(iii)		B	B	A, B, D	C	A, B, D	5
PA3	B	B				B	3
PA4							0
PA5	B	B	A, B	B, D	C	A, D	6
PA6		A, B	A	A, D	B, C	D	5
PA7				A, D	C		2
All PA	4	7	4	6	7	5	

Comparison of ERPs alone

	AL	BA	XK	MK	ME	RS	ALL PA
PA1	B	B			B,	A, B	4
PA2(i)		B		B			2
PA2(ii)	B	B	A, B	A, B	A, B		5
PA2(iii)		B	B	A, B		A, B	4
PA3	B	B				B	3
PA4							0
PA5	B	B	A, B	B		A	5
PA6		A, B	A	A	B		4
PA7				A			1
All PA	4	7	4	6	3	4	

Policy focus – ERPs & ESRPs



Conclusions by policy area PA1-2

- PA1: a **common aim** is to make labour markets more flexible
- PA2 (i): general job creation measures are **scarce**
- PA2 (ii): there is a trend towards **individual employment plans**
- PA2(iii): targeted measures focus on **long-term unemployed and youth**; Roma only in ESRPs

Conclusion PA3-5

- PA3 & PA4: **huge gaps** in relation to social security reforms, work-life balance and gender equality
- PA5: education and training is a major area of focus with an emphasis on **improving quality of VET** education and closer alignment with the “needs of the labour market”

Conclusions: PA6-7

- PA6: **main focus is on prohibition** of undeclared work and increasing inspection rather than incentivising formalisation through reduced social contributions, with some exceptions
- PA7: few measures but some good examples aiming to **train arbitrators, strengthen social partners, and create local employment partnerships**

Policy focus – strengths and weaknesses

- There is a strong focus on **supply side measures** that aim to **reduce the cost of labour, reduce transaction costs, and raise efficiency of labour**
 - Reform of labour laws for greater flexibility in hiring and firing
 - Reducing social contributions
 - Modernising PES
 - Matching training to labour market needs
- Targeted employment measures that aim to **improve the inclusiveness** of the labour market
- Yet, in context of mass unemployment, a **lack of direct job creation measures** to increase labour demand

Conclusions – Policy focus

- Taking ERPs and ESRPs together, there is a **focus** (by 5 or more countries) on
 - PA2(ii): Employment services modernisation
 - PA2(iii): Targeted employment measures
 - PA5: Education and training systems
 - PA6: Labour taxation and undeclared work
- Taking **ERPs alone**, there is a focus on:
 - PA2 (ii): Employment services modernisation
 - PA5: Education and training systems

Conclusions – general comments

- **Within ERPs**, the labour and social policy areas are generally ‘poor relations’ to other sectors
- **The ERSPs** have many more measures than the ERPs
 - But, ESRPs are developed as long “**wish lists**”, with little effort at analysis or prioritisation, with some exceptions
 - There is little attempt to develop **evidence-based policies**, with some exceptions
- Little evidence of domestic “**ownership**”, as policy menu reflects the EC/IMF/World Bank consensus on fiscal consolidation and supply side measures,
 - avoiding measures that would raise **demand for labour** directly, such as by increasing the ratio of domestic investment to GDP through strategic industrial policies

Thank you for your attention!!!